

APPRAISAL OF



LOCATED AT:

201, 12110 - 119 Avenue
Edmonton, Ab.

FOR:

Ed DePrato c/of REMAX Real Estate
220, 6203 - 28 Avenue
Edmonton, Alberta T6L6K3

BORROWER:

Deprato

AS OF:

March 2, 2007

BY:

Gordon J. Dundas, CRA, CRP

CLIENT: **Ed DePrato c/of REMAX Real Estate**
 ADDRESS: **220, 6203 - 28 Avenue**
Edmonton, Alberta T6L6K3
 TEL: (**780**) **499-2851**

ADDRESS OF PROPERTY
201, 12110 - 119 Avenue
 CITY **Edmonton**
 PROVINCE **Ab.** POSTAL CODE

APPRAISER **Gordon J. Dundas, CRA, CRP**
Dundas Appraisals Ltd.
 ADDRESS: **153, 17008 - 90 Avenue**
Edmonton, Alberta T5T 1L6
 TEL: (**780**) **945-6565; Fax 866-873-6401**

APPLICANT NAME **Deprato**
 LEGAL DESCRIPTION **Not Yet Established**
 MUNICIPALITY or DISTRICT **Prince Charles**
 ASSESSMENT: LAND IMP TOTAL TAXES \$ YEAR
 PURPOSE OF APPRAISAL: To estimate the market value **X** or
 INTENDED USE OF APPRAISAL: Financing **X** or
 PROPERTY RIGHTS APPRAISED: Fee simple Leasehold Condominium **X** Co-operative Other (Specify)
 OCCUPIED BY: Owner Tenant **X** Vacant
 HIGHEST & BEST USE: **X** As Improved NOTE: IF HIGHEST & BEST USE IS NOT THE CURRENT USE - SEE COMMENTS.

NEIGHBOURHOOD DESCRIPTION

NATURE OF DISTRICT	TREND OF DISTRICT	CONFORMITY OF SUBJ.	AVG. AGE OF PROPERTIES	SUPPLY	DEMAND
X RESIDENTIAL	IMPROVING	INFERIOR	IN NEIGHBOURHOOD:	X GOOD	X GOOD
RURAL	X STABLE	X SIMILAR	57 YEARS	FAIR	FAIR
MIXED	DETERIORATING	SUPERIOR	AREA BUILT UP 100 %	POOR	POOR
	TRANSITION				
DISTANCE	ELEMENTARY SCHOOL	Convenient	PUBLIC TRANSPORTATION	1 Block	PRICE RANGE IN NEIGHBOURHOOD
TO	SECONDARY SCHOOL	Convenient	SHOPPING FACILITIES	Convenient	\$ 225,000 - 300,000
			DOWNTOWN	3 Kms	

SUMMARY: including VALUE TRENDS AND ADVERSE INFLUENCES IN AREA, if any (e.g. railroad tracks, commercial/industrial properties, unkempt properties, major traffic arteries, etc.)
There are no adverse influences in the area that will negatively affect the marketability of the subject property. It is located in the west sector of Edmonton in the mature residential neighbourhood of Prince Charles. The area is mostly developed with older single family homes. The neighbourhood has an average market appeal in comparison to other neighbourhoods in the metro Edmonton area.

SITE DESCRIPTION

SITE DIMENSIONS: **45.7m x 36.6m** **X** PAVED ROAD **X** TELEPHONE **X** SANITARY SEWER
 SITE AREA: **1,673 Sq.M.** SOURCE: **Survey** GRAVEL ROAD **X** GAS
 TOPOGRAPHY: **Level** **X** SIDEWALK **X** MUNICIPAL WATER **X** STORM SEWER
 CONFIGURATION: **N/A** **X** CURBS WELL-PRIVATE OPEN DITCH
 ZONING: **DC2** **X** STREET LIGHTS WELL-COMMUNAL
X CABLEVISION
 DOES PRESENT USE CONFORM: **X** YES NO IF NO, SEE COMMENTS.
LANDSCAPING **EASEMENTS** **DRIVEWAY** **ELECTRICAL**
 EXCELLENT FAIR UTILITY PRIVATE SINGLE CONCRETE UNDERGROUND
 GOOD POOR ACCESS **X** MUTUAL DOUBLE **X** ASPHALT **X** OVERHEAD
X AVERAGE NONE **X** None NONE

COMMENT ON ANY POSITIVE/NEGATIVE FEATURES: (e.g. regarding conforming of zoning, effects of easements, etc.) **Subject is an apartment style condominium in a complex comprising of 20 units. The site size measures 45.7m x 36.6m. The complex has been operated as a rental project. Site has 30 surface parking stalls. Units range in size from 65.6 Sq.M. to 81.2 Sq.M. Main floor unit (4) have patio areas whereas second and third floor units (16) have exclusive use of a balcony.**

DESCRIPTION OF IMPROVEMENTS - EXTERIOR

ESTIMATED YEAR BUILT: **2002** EFFECTIVE AGE: **5 Years** ESTIMATED REMAINING LIFE (Yrs.) **55 Years**
 CONSTRUCTION COMPLETE: **Yes** PERCENTAGE COMPLETE: **100%** HOLDBACK RECOMMENDED: **N/A**
FLOOR AREA **BASEMENT** **TYPE OF BUILDING** **DESIGN** **CONSTRUCTION**
 SOURCE **Plans** **X** FULL DETACHED ONE-STOREY **X** WOOD FRAME
 MAIN **76.8** PARTIAL SEMI-DETACHED SPLIT-LEVEL BRICK
 2nd CRAWL SPACE ROW/TOWNHOUSE 1 1/2 STOREY STONE
 3rd TOTAL AREA **X** APARTMENT 2-STOREY CONCRETE
 TOTAL **76.8** SQ.FT. SQ.M. **X** **Low Rise**
 SQ.FT. **X** SQ.M. **EXTERIOR FINISH** **ROOFING MATERIAL** **OVERALL EXT. CONDITION**
WINDOW SASH/GLAZING BRICK VENEER **X** ASPHALT SHINGLE **X** GOOD
Double Glazed SOLID BRICK ALUMINUM WOOD SHINGLE **X** AVERAGE
P.V.C STONE VENEER **X** VINYL TAR & GRAVEL FAIR
 U.F.F.I. APPARENT YES SOLID STONE INSULBRICK POOR
X NO STUCCO **5 Years** APPROX. AGE

DESCRIPTION OF IMPROVEMENTS - INTERIOR

INSULATION	FLOORING	WALLS	CEILINGS	FINISH
X CEILING	X W-W CARPET	SHEET VINYL		PLYWOOD
X WALLS	SOFTWOOD	VINYL TILE		PLASTER
BASEMENT	HARDWOOD	CERAMIC	X	X GYPSUM BOARD
CRAWL	X LINOLEUM			
FLOOR PLAN	CLOSETS	BEDROOMS(#)	BATHROOMS(#)	OVERALL INT. CONDITION
GOOD	GOOD	2 LARGE	2-Pc. X	X GOOD
X AVERAGE	X AVERAGE	2 AVERAGE	3-Pc. X	X AVERAGE
FAIR	FAIR	SMALL	4-Pc. 2	POOR
POOR	POOR		5-Pc.	POOR
			CUSTOM	

**HOME OWNERSHIP UNITS
RESIDENTIAL APPRAISAL REPORT**

File No: **07134A04**

Client Reference No:

FOUNDATION WALLS	PLUMBING LINES	ELECTRICAL	WATER HEATER	HEATING SYSTEM
POURED CONCRETE <input checked="" type="checkbox"/>	COPPER <input checked="" type="checkbox"/>	FUSES <input type="checkbox"/>	GAS <input checked="" type="checkbox"/>	FORCED AIR <input type="checkbox"/>
CONCRETE BLOCK <input checked="" type="checkbox"/>	PVC OR PLASTIC <input checked="" type="checkbox"/>	BREAKERS <input checked="" type="checkbox"/>	ELECTRIC <input type="checkbox"/>	BASEBOARD <input type="checkbox"/>
CONCRETE SLAB <input checked="" type="checkbox"/>	GALVANIZED <input type="checkbox"/>	RATED CAPACITY OF MAIN BREAKERS 100 AMPS	Comm. CAPACITY <input type="checkbox"/>	HOT WATER <input checked="" type="checkbox"/>
BRICK OR STONE <input type="checkbox"/>				Nat Gas FUEL TYPE

BUILT-IN APPLIANCES/EXTRA FEATURES:

STOVE <input type="checkbox"/>	VACUUM <input type="checkbox"/>	CENTRAL AIR <input type="checkbox"/>	SAUNA <input type="checkbox"/>	SOLARIUM <input type="checkbox"/>
OVEN <input type="checkbox"/>	GARBAGE DISPOSAL <input type="checkbox"/>	AIR CLEANER <input type="checkbox"/>	WHIRLPOOL <input type="checkbox"/>	SKYLIGHTS <input type="checkbox"/>
DISHWASHER <input type="checkbox"/>	FIREPLACE(S) <input type="checkbox"/>	SECURITY SYSTEM <input type="checkbox"/>	SWIMMING POOL <input type="checkbox"/>	GARAGE OPENER <input type="checkbox"/>

BASEMENT FINISHES, UTILITY: None

GARAGES/CARPORTS: Exterior stall

DECKS, PATIOS, OTHER IMPROVEMENT: There is a small balcony off the living room.

COMMENTS: Building, appearance, quality, condition, services including extras: Subject is a 5 year old apartment style unit. Quality of finish throughout is considered average.

ROOM ALLOCATION						COST APPROACH			
LEVEL:	MAIN	SECOND	THIRD		BSMT.	SOURCE OF COST DATA:	MANUAL	LOCAL CONTRACTOR	OTHER
ROOMS:						LAND VALUE:			
ENTRANCE	1					BUILDING		COST NEW	DEPRECIATED COST
LIVING	1					COST	76.8 @ \$	\$ 0	
DINING	1					GARAGE:		\$	\$
KITCHEN	1					BASEMENT FINISH:		\$	\$
FULL BATH	2					OTHER EXTRAS	The Cost	\$	\$
PART BATH						Approach Will Not Be Conducted Because The Land Is Common Property			
BEDROOM	2					TOTAL REPLACEMENT COST:	\$ 0		\$ 0
FAMILY						LESS: ACCRUED DEPRECIATION	% 0		\$ 0
LAUNDRY	Yes					INDICATED VALUE:			\$ 0
OTHER(S)						VALUE BY THE COST APPROACH (rounded) \$ 0			

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
		DESCRIPTION	\$ ADJUST.	DESCRIPTION	\$ ADJUST.	DESCRIPTION	\$ ADJUST.
ADDRESS	201, 12110 - 119 Ave Prince Charles	353, 10520 - 120 Street Queen Mary Park		215, 10636 - 120 Street Queen Mary Park		215, 10535 - 122 Street Westmount	
DATE OF SALE		February 14, 2007	+4,000	February 2, 2007	+5,000	January 26, 2007	+6,000
SALE PRICE		250,000		240,000		249,000	
SITE SIZE	N/A	N/A		N/A		N/A	
SIZE L.F.A.	76.8 Sq.M.	81.3 Sq.M.	-5,000	80.3 Sq.M.	-5,000	72.7 Sq.M.	
AGE/CONDITION	5 Yrs. / Good	14 Yrs. / Inferior	+5,000	14 Yrs. / Inferior	+5,000	5 Yrs. / Good	
STYLE	Apt./ Low Rise	Apt./ Low Rise		Apt./ Low Rise		Apt./ Low Rise	
RMS/BEDS/BATHS	5 / 2 / 2F	5 / 2 / 2F		5 / 2 / 2F		5 / 2 / 2F	
BASEMENT	None	None		None		None	
GARAGE/PARKING	Stall	Stall		Stall		Stall	
Extras							
ADJUSTED VALUES/NET ADJUSTED TOTALS		5.6% 1.6%	254,000	6.3% 2.1%	245,000	2.4% 2.4%	255,000

CONCLUSIONS: The above sales are obtained from the EREB. An extensive search was compiled to locate similar apartment condominiums in the Edmonton area. These are the best and most recent sales available. They suggest a market value for the subject property of \$254,000.

VALUE BY THE DIRECT COMPARISON APPROACH (ROUNDED) \$ 254,000

FINAL ESTIMATE OF VALUE/COMMENT ON REASONABLE EXPOSURE TIME: Market values of similar properties in the subject's area have increased in the past 12 months. This suggests that a typical exposure time would be 20 to 60 days to sell the subject at \$254,000 as of the effective date.

COMMENT ON AND ANALYZE ANY KNOWN SALES, LISTING OR OFFER TO PURCHASE ON THE SUBJECT PROPERTY OVER THE PAST YEAR:
(Include source of information.) According to the EREB, the subject property has not sold or been listed on the MLS in the past 3 years.

AS A RESULT OF MY APPRAISAL AND ANALYSIS IT IS MY OPINION THAT THE MARKET VALUE OF THE SUBJECT PROPERTY AS AT March 2, 2007 is \$ 254,000

THIS REPORT WAS COMPLETED ON 03/11/2007

<input checked="" type="checkbox"/> TITLE PAGE	<input type="checkbox"/> AREA CALCULATIONS	<input type="checkbox"/> MAP ADDENDUM	<input type="checkbox"/> ENVIRONMENTAL ADDENDUM	<input checked="" type="checkbox"/> CERTIFICATION	<input type="checkbox"/>
<input type="checkbox"/> REPORT PROFILE	<input type="checkbox"/> SKETCH ADDENDUM	<input type="checkbox"/> PHOTO ADDENDA	<input type="checkbox"/> SCOPE OF APPRAISAL	<input type="checkbox"/> SCHEDULE A/NARRATIVE	<input type="checkbox"/>
<input type="checkbox"/> TRANSMITTAL LETTER	<input type="checkbox"/> COMPS 4-6	<input type="checkbox"/> NARRATIVE ADDENDUM		<input type="checkbox"/> INVOICE FOR SERVICES	<input type="checkbox"/>

APPRAISER	SIGNATURE	DESIGNATION	SUPERVISOR	SIGNATURE	DESIGNATION
		CRA, CRP			
	NAME	INSPECTED PROP. (DATE)		NAME	INSPECTED PROP. (DATE)
	Gordon J. Dundas, CRA, CRP	March 2, 2007			

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, with each acting in what they consider their best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and (5) 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.

CERTIFICATION AND STATEMENT OF LIMITING CONDITIONS

ASSUMPTIONS AND LIMITING CONDITIONS: The certification that appears in the appraisal report is subject to the following conditions:

1. This report is prepared at the request of the client referred to herein. It is not reasonable for any other person to rely on this appraisal without first obtaining written authorization from the client, from the author and any supervisory appraiser, subject to the qualification in paragraph 10 below. Liability to any person other than the client and those who obtain written consent is expressly denied 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.
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 confirmed in writing.
3. No responsibility is assumed for matters of a legal nature that affect either the property being appraised or the title to it. It has been assumed that the title is good and marketable and, therefore, no opinion is rendered about the title. The subject property must comply with government regulations, including zoning, building code and health regulations and, if it doesn't comply, its non-compliance may affect market value. To be certain of compliance, further investigation may be necessary. The property is appraised on the basis of it being under responsible ownership.
4. No survey of the property has been made. Any sketch that is provided in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property.
5. This report is completed on the basis that testimony or appearance in court is not required as a result of this appraisal 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.
6. Unless otherwise stated in the appraisal report, there are no known unapparent or hidden conditions of the property (including but not limited to its soils, physical structure, mechanical and other operating system, 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. The attached report should not be construed as an environmental audit or a detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. Responsibility is not accepted for any such unapparent or hidden conditions that do exist, or for any research, testing or engineering that might be required to discover whether such conditions exist.
7. Information, estimates, and opinions that have been expressed in the appraisal report are obtained from sources considered to be reliable and they are believed to be true and correct. No responsibility is assumed for the accuracy of such items that were furnished by other parties.
8. 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.
9. The contents of this report are considered confidential and will not be disclosed by the author to any party except as provided for in the Standards of Professional Practice of the Appraisal Institute of Canada and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body.
10. Written consent from the author and any supervisory appraiser must be obtained before all or any part of the content of the appraisal report can be used for any purposes by anyone except: the client specified in the report and, where the client is the mortgagee, its insurer and the borrower, if the borrower paid the appraisal fee. Such written consent must also be obtained before the appraisal (or any part of it) can be conveyed by anyone to any other parties, including mortgagees other than the client through prospectus, offering memoranda, advertising, public relations, news, sales or other media.

APPRAISERS CERTIFICATION: The Appraiser certifies and agrees that:

1. The subject market area has been researched and a minimum of three recent sales of properties have been selected that are the most similar and proximate to the subject property for consideration in sales comparison analysis and a dollar adjustment have been made where appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favourable than, the subject property, a negative adjustment is made to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favourable than the subject property, a positive adjustment is made to increase the adjusted sales price of the comparable.
2. All factors known to the appraiser (and to the extent that the data permits) that have an impact on value have been taken into consideration to the extent felt necessary in rendering a considered opinion of value. No significant information has been knowingly withheld from the appraisal report and it is believed, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. Only my personal, unbiased, and professional analysis, opinions, and conclusions are stated in the appraisal report. Included on this form are all contingent and limiting conditions affecting the analysis, opinions, and conclusions, whether they were imposed by the terms of the assignment or by the appraiser.
4. I have no past, present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest in the property or bias with respect to the parties involved.
5. The opinion of value stated within this report does not result from a requirement to report a predetermined value or direction in value that favours the cause of the client or any related party, the attainment of a specific result, or the occurrence of a subsequent event in order to receive the compensation and/or employment for performing the appraisal. The reported value is not based on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
6. The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute of Canada. It is acknowledged that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate developed is consistent with the exposure time noted in the appropriate section of this report unless otherwise stated in the reconciliation section.
7. The interior and exterior of the subject property were personally inspected on the date shown in the attached report. It is hereby certified that any apparent or known adverse conditions have been noted herein, in the subject improvements, on the subject site, or on any site, within the immediate vicinity of the subject property which were apparent as of the date of inspection and that adjustments have been made for these adverse conditions in the analysis of the property value to the extent that market evidence was available to support them.
8. All conclusions and opinions about the real estate were personally prepared as same are set forth in the appraisal report. If there was reliance on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, such individual(s) have been named herein including the disclosure of specific tasks performed by them. No authorization has been given to anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, no responsibility for such changes is assumed.
9. The Appraisal Institute of Canada has a Mandatory Recertification Program for designated members. As of the date of this report, all AIC designated signatories to this report have fulfilled the requirements of the program.
10. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

The signature in the original report is blue in colour.
I am a licensed appraiser with the Real Estate Council of Alberta (RECA).

The standards used in preparing this report conform with the Canadian Uniform Standards of Professional Appraisal Practice (The Standards).


SUPERVISORY APPRAISER'S CERTIFICATION:

If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: "I directly supervised the appraiser who prepared the appraisal report, have 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 201, 12110 - 119 Avenue City Edmonton Province Ab.
 Legal Description Not Yet Established
 Final Estimated Market Value as of March 2, 2007 is \$ 254,000
 (effective date of appraisal)

APPRAISER:

Signature: 
 Name: Gordon J. Dundas, CRA, CRP
 Date Property Inspected: March 2, 2007
 Date Signed: 03/11/2007
 Designation: CRA, CRP
 Recertified: July 2002 Yes: No:

SUPERVISORY APPRAISER (if applicable):

Signature: _____
 Name: _____
 Date Property Inspected: _____
 Date Signed: _____
 Designation: _____
 Recertified: _____ Yes: No: