DEPRECIATION REPORT AND
INSURANCE APPRAISAL OF

SPECIFIED PROPERTY:

Strata Plan VIS954
1600, 1602 & 1604 Morey Road
Nanaimo, BC V9S 1J7

Prepared by:

Pacific Rim Appraisals Ltd.

#2-57 Skinner Street, Nanaimo, BC V9R 5G9
550-2950 Douglas Street, Victoria, BC V8T 2Y4
305-5811 Cooney Road, Richmond, BC V6X 3M1

PREMISE OF VALUE AND EFFECTIVE DATE

Depreciation Report with 3 Models – October 1, 2024 (Next Fiscal Year)
Replacement Cost New for Insurance Purposes – December 23, 2023

Pacific Rim Appraisals Ltd.
For all your real estate appraisal needs

Strata Council for VIS954
Unit 4-1604 Morey Road
Nanaimo, BC V9S 1J7
info@strata954.ca

January 8, 2024

Attention: Abe Buwalda - Strata Council Administrator

RE: 12-Unit Strata Complex located at 1600, 1602 & 1604 Morey Road, Nanaimo, BC, Strata Plan VIS954 – known as Morey Estates

As requested, we have completed a depreciation report and/or group report including insurance appraisal estimate for the improvements utilizing the most recent data available. The effective date of the depreciation report is based on an inspection date of December 6, 2023. The date of next fiscal year of October 1, 2024, is the effective start date for the study. The table below contains Pacific Rim Appraisals Ltd. recommended **schedule of payments for the next four years**. Failure to follow the proposed schedule of payments may result in inadequate reserve funds or require the use of special levy in the distant future e.g. after 5 years which is against the intent of the legislation.

Model 1	Funding based on contribution of $14,000 with $2,500 increases thereafter until 2049/2050, then reduced				
	Model Recommended by Pacific Rim Appraisals Ltd.				
	Yr 2024/25	Yr 2025/26	Yr 2026/27	Yr 2027/28	Year 2028 to 2054/2055
	$14,000	$16,500	$19,000	$21,500	See Page 22 of Model 1
	$97.22	$114.58	$131.94	$149.31	Average Monthly Reserve

Model 2	Funding based on contribution of $25,000 with $1,500 increases thereafter until 2049/2050, then reduced				
	Model Recommended by Pacific Rim Appraisals Ltd.				
	Yr 2024/25	Yr 2025/26	Yr 2026/27	Yr 2027/28	Year 2028 to 2054/2055
	$25,000	$26,500	$28,000	$29,500	See Page 22 of Model 2
	$173.61	$184.03	$194.44	$204.86	Average Monthly Reserve

Model 3	Funding based on contribution of $32,000 with $1,000 increases thereafter until 2048/2049, then reduced				
	Model Recommended by Pacific Rim Appraisals Ltd.				
	Yr 2024/25	Yr 2025/26	Yr 2026/27	Yr 2027/28	Year 2028 to 2054/2055
	$32,000	$33,000	$34,000	$35,000	See Page 22 of Model 3
	$222.22	$229.17	$236.11	$243.06	Average Monthly Reserve

BUILDING CONSTRUCTION AND SERVICES COST ANALYSIS

STRATA PLAN VIS954

DESCRIPTION	CRN
Building Construction and Services	$ 3,064,000
Yard Improvements (Including Underground Services)	$ 96,000
Building Codes & Bylaws	$ 105,000
Demolition & Debris Removal	$ 191,000
Appliances (Built-in Only)	$ 24,000
TOTAL (Rounded)	**$ 3,480,000**

The replacement cost new for insurance purposes is as follows subject to the limiting conditions within the report based on a Core Logic Computerized costing:

Replacement Cost New for Insurance Purposes - $3,480,000
As of December 23, 2023

Three Million Four Hundred & Eighty Thousand Dollars

A detailed description and analysis leading to the conclusion is included herein. Should you require further information with regard to this report or wish to discuss same, please do not hesitate to contact us.

Jeff Sweett CRA, P.APP, CRP
Appraiser and Certified Reserve Planner
Pacific Rim Appraisals Ltd

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APPENDICES

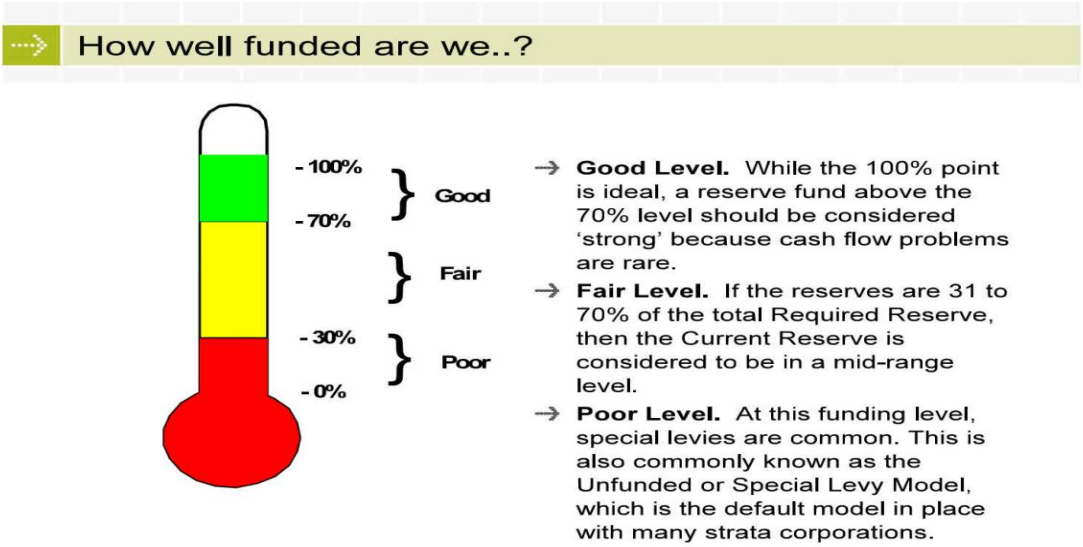
EXECUTIVE SUMMARY

SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

Date of Inspection:	December 6, 2023
Date of Insurance Appraisal:	December 23, 2023
Date of Latest Financial Statements:	April 13, 2023
Date of Depreciation Report Start Date (Next Fiscal Year):	October 1, 2024
Replacement Cost New: Entire Complex for Insurance Purposes	$3,480,000
Current Replacement Cost New of Reserve Items	$ 493,031
Future Replacement Cost New of Reserve Items	$1,276,949
Building Price Index for Multi-Family	3.5%
Overall Effective Interest Rate on CRF Fund	0.50%
Initial Contingency Reserve Fund (Projected to the next Fiscal Year)	$20,726
Model No. 1 - 24 Years % Funded less than 30%.	$14,000 + $2,500 per year
Model No. 2 - 13 Years % Funded less than 30%.	$25,000 + $1,500 per year
Model No. 3 - 12 Years % Funded less than 30%.	$32,000 + $1,000 per year

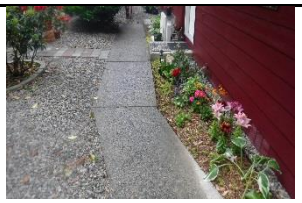
Percent Funded:

Percent funded is the ratio of how much money is in the contingency account vs. how much money the contingency account should have to cover the total accumulated depreciation of the components on an annual basis. It is a health test of the contingency fund. The depreciation report is a blueprint of the financial health of the strata corporation. It discloses the risks involved if you are an owner, buyer, mortgage provider or insurer. It allows the strata to control when and how the work is done to avoid the higher costs of emergencies.



Component Photos

			
Deck Vinyl Membrane Replacement in 11 Years (Units 7, 8, 11 & 12. New in 2014-2016)	Wood Deck (1st & 2nd Floors), Staining, ASAP Upgrades / Replacement in 7 Years	Wood Post Periodic Partial Replacement in 7 Years	Exterior Stairs Upgrades Allowance in 22 Years
			
Doors – Deck Doors Replacement in 22 Years	Doors – Unit Entry Doors Replacement in 22 Years	Doors – Utility Doors Replacement in 22 Years	Exterior Wall Unexpected Repairs / Upgrades Partial Allowance in 20 Years
			
Exterior Wall Painting Bldg. 1600 in 8 Years (Last painted 2017) Bldg. 1602 in 9 Years (Last painted in 2018) Bldg. 1604 in 10 Years (Last painted in 2019)	Sealant of Windows and Doors, Weather Stripping in 7 Years	Window Glass Partial Replacement: 5% each cycle in 7 and 12 Years 10% each cycle in 17 & 22 Years 15% in 27 Years Note: Some windows were replaced in the past	Attic Vent Pipe Insulation Allowance, ASAP

			
Downspout & Gutter Replacement in 7 Years	Roof Fibreglass Shingle Replacement: Bldg. 1600 in 23 Years (Replaced in 2022. Cost was $11,222 + GST) Bldg. 1602 in 24 Years (Replaced in 2023. Cost was $11,995) Bldg. 1604, ASAP	Interior Piping Partial Replacement in 12 Years Note: Bldg. 1600 re-piping done in 2021. Actual cost was $13,500	Electrical System General Upgrades Allowance in 12 Years
			
Exterior Lights Upgrades in 8 Years	Yard Lights Upgrade, ASAP	Depreciation & Insurance Reports Updates in 3 Years	Asphalt Paving: Crack Filling, ASAP Oil Seal, ASAP, Partial Patching Allowance in 3 Years 2” Scrape & Peel in 12 Years
			
Chain Link Replacement in 17 Years Left Side, 50% Shared Right Side, 100% Responsible	Concrete Curb Replacement in 12 Years	Concrete Sidewalk Partial Replacement Allowance in 22 Years	Landscaping General Upgrades Allowance in 5 Years

		
Parking Lines Painting, ASAP Note: Last painted in 2019	Storage Shed Replacement in 7 Years	Underground Service: Camera Inspection in 7 Years Water, Storm, Sanitary, Perimeter Drain Partial Replacement Allowance in 12 Years

BUILDING DESCRIPTIONS

Class of Construction

"D Class"– Buildings generally wood or steel studs in bearing wall. They have a concrete floor on grade, wood or steel floor joists and other substitute materials, but are considered as combustible construction for the grade floor substructure.

Year Built	Circa 1981	Effective Date	December 23, 2023
Size Basis	Strata Plan	No. of Buildings	3
Area of Buildings	12,099 ft² Gross Livable Area	No. of Units	12
		Class	D
No. of Storeys	2 Storeys	Appraisal No.	67956 DL / JS

SITE PREP, EXCAVATION	Excavations for crawl space, foundations, and footings
FOUNDATIONS	Concrete foundations and footings
FRAMING	
Below Grade	Perimeter reinforced concrete crawl space wall
Above Grade	Interior & exterior wood / steel framed wall
FLOOR STRUCTURE	
Below Grade	Concrete skim coat crawl space
Main & Upper Levels	Wood joist and sheathing floor structure
INTERIOR CONSTRUCTION	
Interior walls	Drywall on frame
Interior Doors	Wood doors
Fire Protection	Smoke detectors
INTERIOR FINISHES	
Floor	Carpet, engineered hardwood, wood laminate, vinyl plank, vinyl sheet, ceramic tile
Walls & Ceiling	Painted smooth and textured drywall
VERTICAL MOVEMENT	Wood stairs
PLUMBING SYSTEM	Standard residential-type plumbing system.
HVAC	Electric baseboard heat, gas fireplace
ELECTRICAL SYSTEM	Standard residential type electrical system
EXTERIOR WALLS	
Below Grade	Perimeter reinforced concrete crawl space wall
Main & Upper Levels	Wood siding, wood shake, hardie plank
ROOF	Wood roof structure with fibreglass shingle roof cover
YARD IMPROVEMENTS	Soft landscaping, asphalt paving, chain link fence
APPLIANCES	Built-in hood fan and dishwasher (as per original construction)
OTHERS	Concrete patios, wood decks
BYLAWS	Bylaw requires full automatic building fire sprinkler system, including patios and decks on rebuilt

PURPOSE AND DATE OF REPORT

We have performed this service of a depreciation report for components within 30-year study based on 3 models for funding.

DATE OF INSPECTION, FINANCIAL STATEMENT DATE AND STUDY START DATE

December 6, 2023, April 13, 2023 & October 1, 2024

INTENDED USERS OF REPORT

The report is only valid for the purpose defined herein. Accordingly, the intended authorized users will be limited to the client of records, its insurance broker or agent, and the insurer of the property. Any liability to unintended users is expressly denied. For further clarification of our appraisal service please refer to the General Service Conditions and Contingent and Limiting Conditions, which form an integral part of this report. The appraiser does give permission to release the report as attached to a form B as per Strata Act 1998 and applicable regulation. **The report should not be distributed in any form after the three years as an update is required by legislation and the errors and omission insurance is null and void. Costs, condition of components, inflation factors, unforeseen withdraws from the CRF and interest rates will all change. These changes will greatly affect the depreciation report thus an updated depreciation report is required after the 3-year period to ensure that the Strata Corporation is up to date.**

PREMISE OF VALUE FOR INSURANCE

The cost estimate for the specified property was developed on the following premise of value:

> **Cost of Reproduction New* (CRN)** which is defined as: *The monetary amount required to reproduce property of like kind and quality at one time in accordance with current market prices for materials, labour, manufactured equipment, contractor's overhead, profit and fees, but without provision for overtime, bonuses for labour, or premiums for materials."*
>
> ***Cost of Reproduction New (CRN)** is synonymous with the insurance industry's **"Replacement Cost New."***
>
> The CRN takes into account current market prices for labour, duties and freight, building materials and equipment, contractors' overhead, profit and fees, engineering and installations costs, as well as applicable taxes. It is exclusive of the cost of demolition, grading or filling in connection with removal of destroyed property of reconstruction.
>
> In the event of a partial loss, the amount of the loss may be based on the repair cost which is usually proportionately higher than the CRN for the entire property, as defined in this report.

DEPRECIATION REPORT DEFINITION

A depreciation report includes a Physical Analysis, which not only lists each individual component forming the basis of the study, but also includes the quantity, estimated replacement cost and estimated remaining useful life for each component. This then provides you with a basis for determining how much money your Strata should be setting aside to repair or replace these items in future years.

One of the keys to the depreciation report is the financial analysis, which includes a review of a 30-year projection giving the Strata a true picture of their financial well-being. By looking at both the immediate and long term, it is possible to establish a Contingency Funding policy which most accurately fits your specific needs. This projection gives the Strata the necessary information to develop its yearly contributions based on an average over a number of years, and assists its investment strategy for the funds, because it identifies when they will actually be needed.

DEPRECIATION REPORT ASSUMPTIONS

The below listed assumptions are implicit in this depreciation report.

- Cost Estimates and Financial Information are accurate and current as provided.
- No unforeseen circumstances will cause a significant reduction in reserves.
- Sufficient comprehensive property insurance exists to protect from insurable risks.
- The strata to continue to maintain the existing common areas and amenities.
- Reserve payments occur at the end of every calendar month.
- Expenses occur at the end of the expense year.

IMPACT OF COMPONENT LIFE

The projected life expectancy of the major components and the depreciation report funding needs of the strata are closely tied. Performing the appropriate routine maintenance for each major component generally increases the component useful life, effectively moving the component expense into the future which reduces the reserve funding payments of the strata. Failure to perform such maintenance can shorten the remaining useful life of the major components, bringing the replacement expense closer to the present which increases the reserve funding payments of the strata.

PRESENT FUNDING LEVEL

Most strata's have already set up their Contingency Fund. This analysis shows the strata what amount that should be in place based on 3 models. The model that the strata adopts is the responsibility of the strata to determine.

DEPRECIATION REPORT EXCLUSIONS

Any component that has an estimated replacement less than $1,000 has been excluded. Subject property's current bylaws indicate that all common property and limited common property are the responsibility of the strata corporation.

Property insurance required for Strata Corporation

149 (1) the strata corporation must obtain and maintain property insurance on

(a) common property,

(b) common assets,

(c) buildings shown on the strata plan, and

(d) fixtures built or installed on a strata lot, if the fixtures are built or installed by the owner developer as part of the original construction on the strata lot.

(2) For the purposes of subsection (1) (d) and section 152 (b), "fixtures" has the meaning set out in the regulations.

(3) Subsection (1) (d) does not apply to a bare land strata plan.

(4) The property insurance must

(a) be on the basis of full replacement value, and

(b) insure against major perils, as set out in the regulations, and any other perils specified in the bylaws.

Depreciation Reports

6.2 (1) For the purposes of section 94 of the Act, a depreciation report must include all of the following:

(a) a physical component inventory and evaluation that complies with subsection (2);

(b) a summary of repairs and maintenance work for common expenses respecting the items listed in subsection (2) (b) that usually occur less often than once a year or that do not usually occur;

(c) a financial forecasting section that complies with subsection (3);

(d) the name of the person from whom the depreciation report was obtained and a description of

(i) that person’s qualifications,

(ii) the error and omission insurance, if any, carried by that person, and

(iii) the relationship between that person and the strata corporation;

(e) the date of the report;

(f) any other information or analysis that the strata corporation or the person providing the depreciation report considers appropriate.

(2) For the purposes of subsection (1) (a) and (b) of this section, the physical component inventory and evaluation must

(a) be based on an on-site visual inspection of the site and, where practicable, of the items listed in paragraph (b) conducted by the person preparing the depreciation report,

(b) include a description and estimated service life over 30 years of those items that comprise the common property, the common assets and those parts of a strata lot or limited common property, or both, that the strata corporation is responsible to maintain or repair under the Act, the strata corporation's bylaws or an agreement with an owner, including, but not limited to, the following items:

(i) the building's structure;

(ii) the building's exterior, including roofs, roof decks, doors, windows and skylights;

(iii) the building's systems, including the electrical, heating, plumbing, fire protection and security systems;

(iv) common amenities and facilities;

(v) parking facilities and roadways;

(vi) utilities, including water and sewage;

(vii) landscaping, including paths, sidewalks, fencing and irrigation;

(viii) interior finishes, including floor covering and furnishings;

(ix) green building components;

(x) balconies and patios, and

(c) identify common property and limited common property that the strata lot owner, and not the strata corporation, is responsible to maintain and repair.

(3) For the purposes of subsection (1) (c), the financial forecasting section must include

(a) the anticipated maintenance, repair and replacement costs for common expenses that usually occur less often than once a year or that do not usually occur, projected over 30 years, beginning with the current or previous fiscal year of the strata corporation, of the items listed in subsection (2) (b),

(b) a description of the factors and assumptions, including interest rates and rates of inflation, used to calculate the costs referred to in paragraph (a),

(c) a description of how the contingency reserve fund is currently being funded,

(d) the current balance of the contingency reserve fund minus any expenditures that have been approved but not yet taken from the fund, and

(e) at least 3 cash-flow funding models for the contingency reserve fund relating to the maintenance, repair and replacement over 30 years, beginning with the current or previous fiscal year of the strata corporation, of the items listed in subsection (2) (b).

(4) For the purposes of subsection (3) (e), the cash-flow funding models may include any one or more of the following:

(a) balances of, contributions to and withdrawals from the contingency reserve fund; (b) special levies; (c) borrowings.

(5) If a strata corporation contributes to the contingency reserve fund based on a depreciation report, the contributions in respect of an item become part of the contingency reserve fund and may be spent for any purpose permitted under section 96 of the Act.

(6) For the purposes of section 94 (1) of the Act, "qualified person" means any person who has the knowledge and expertise to understand the individual components, scope and complexity of the strata corporation’s common property, common assets and those parts of a strata lot or limited common property, or both, that the strata corporation is responsible to maintain or repair under the Act, the strata corporation's bylaws or an agreement with an owner and to prepare a depreciation report that complies with subsections (1) to (4).

(7) The following periods are prescribed:

(a) for the purposes of section 94 (2) (b) of the Act, 3 years; (b) for the purposes of section 94 (2) (c) of the Act, 18 months;(c) for the purposes of section 94 (3) (a) of the Act, the one-year period immediately preceding the date on or before which the depreciation report is required to be obtained.

(8) A strata corporation is prescribed for the purposes of section 94 (3) (b) of the Act if and for so long as there are fewer than 5 strata lots in the strata plan.

Common Sense:

Besides legislation, common sense is a large reason to have an insurance appraisal and a depreciation report. All parties involved; the owners, strata council members, property managers, insurance brokers and underwriters should rely on the expertise of a qualified appraiser to help determine a fair and justifiable replacement cost and a qualified reserve planner to plan for future capital expenses with a depreciation report. Pacific Rim Appraisal Ltd. personnel are qualified as reserve planners and appraisers.

DEPRECIATION REPORT PRINCIPLES

Baseline and Modified Baseline Funding:

The reserve fund baseline goal is to set a minimum account balance consistent with the cash demands of maintenance and replacement of reserve items. Baseline Funding can also be a modified baseline funding to minimize the early assessments in the study which can result in poor percent funded models (less than 30%) in some years which could result in unfunded or minor special levies.

Threshold Funding:

The reserve fund is set to be ramped up to a minimum balance within a certain time frame. Utilized mainly for underfunded reserve contingency that the strata wants to set a minimum balance per unit. E.g. $2,000 per unit x 12 units = $24,000 minimum balance is set for all future reserves.

Full Funding:

The reserve fund is set to be as close to Fully Funded as possible on an annual basis.

Common Property vs Limited Common Property:

The Strata Property Act creates three types of properties within a strata corporation – the common property, the strata lots and something in between the two – limited common property ("LCP"). The Strata Property Act defines "LCP" as "common property designated for the exclusive use of one or more strata lots". If the pipes, wires, cables, ducts and other facilities for the passage or provision of water, sewer, drainage, gas, oil, electricity, telephone, radio, television, heating and cooling systems etc. are for the exclusive use of the strata owner and are accessible by the owner it is deemed to be the owner's responsibility for maintenance and repair. If the items are within the ground, walls, floor and ceiling and not accessible by the owner we have deemed that, it is the strata's responsibility for maintenance and repair.

Current Cost New of Components:

Current cost new is the cost of replacing an existing component with one which is similar to it and is of equal utility. The replacement cost new of the components listed in the depreciation report consists of the cost based on the date of inspection. The cost is based on renovation cost data where the cost of the component is not the only item that has to be considered. The cost of removing and disposal of the existing component has to be considered. Protection of existing work, dust protection, material handling and storage limitations, cut & patch to match existing construction also have to be considered plus applicable taxes.

Estimated Remaining Life:

Number of years until a component item is to be replaced

Expected Life When New:

Number of years a new component item is expected to remain serviceable. Expected life will vary with maintenance, climate and other factors. A well-maintained component item may have an expected life of ten years but with proper maintenance and care may last twenty years or more.

First Replacement Cost:

Cost of the component item at the end of the remaining life.

Raw Annual Payment:

Total of the monthly payments required to recover the expense of a reserve item. With the exception of the first year, the total of the monthly payments will be twelve times the monthly payments. In the first year of the depreciation report, there may not be twelve months. In that case, the annual payment will be the monthly payment times the number of months in the first year of the depreciation report.

Repeating Item:

If the component is considered a one-time expense it is considered not to be a repeating item.

Annual Interest:

Is a blended interest earned from all the reserve accounts when account balances are brought to a common date.

Percent Funded:

Percent funded is the ratio of how much money is in the reserve account vs. how much money the reserve account should have. It is a health test of the reserve fund.

1. Good level: While the 100% point is ideal, a reserve fund above the 70% level should be considered strong because cash flow problems are rare.

2. Fair level: If the reserves are 31% to 70% of the total required reserve, then the current reserve is considered to be in the mid-range level.

3. Poor level. If the reserves are 30% or less of the total required reserve. At this funding level special levies are common. This is also commonly known as the unfunded or special levy model which is the default model in place with many strata corporations which is against the intent of the legislation for depreciation reports.

INSURANCE REPORT SUMMARY OF COSTS (CRN)
STRATA PLAN VIS954 DATED DECEMBER 6, 2023

BLDG	SL	CLS	BUILDING CONSTRUCTION & SERVICES	YARD IMPROVEMENTS (Underground Services Included)	BUILDING CODES & BYLAWS	DEMOLITION & DEBRIS REMOVAL	BUILT-IN APPLIANCES	TOTAL
A	1-4	D	$998,000	$32,000	$34,000	$62,000	$8,000	$1,134,000
B	5-8	D	$1,026,000	$32,000	$35,000	$64,000	$8,000	$1,165,000
C	9-12	D	$1,040,000	$32,000	$36,000	$65,000	$8,000	$1,181,000
Totals			**$3,064,000**	**$96,000**	**$105,000**	**$191,000**	**$24,000**	**$3,480,000**

The replacement cost new for insurance purposes is as follows subject to the limiting conditions within the report based on Core Logic Computerized costing:

Replacement Cost New for Insurance Purposes - $3,480,000
As of December 23, 2023

Three Million Four Hundred & Eighty Thousand Dollars

A detailed description and analysis leading to the conclusion is included herein. Should you require further information with regard to this report or wish to discuss same, please do not hesitate to contact us.

All costs throughout the report are expressed in Canadian Dollars and are inclusive of applicable taxes.

On behalf of,

PACIFIC RIM APPRAISALS LTD.

Jeff Sweett CRA, P.APP, CRP
Appraiser and Certified Reserve Planner

REPORT CONTENTS

Our report was prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) and the Canadian Uniform Standards (CUS). The CRN is stated in our report in Canadian Dollars and includes Taxes, where applicable.

Our report included:

- Letter of Transmittal
- Table of Contents
- Executive Summary
- Component Photos
- Purpose and Date of Report
- Premise of Value for insurance
- Depreciation Report Definition and Assumptions
- Legally Speaking According to the Strata Property Act
- Depreciation Report Principles
- Building Descriptions
- Depreciation Report Summary
- Insurance Report Summary
- Qualifications of the Appraiser
- General Service Conditions
- Contingent and Limiting Conditions
- Certification Statement

Appendices

- Depreciation Report – Model No. 1
- Depreciation Report – Model No. 2
- Depreciation Report – Model No. 3
- Strata Plan
- Maintenance Manual

All field notes developed for this appraisal project will be safely stored and retained for a period of seven years. This will facilitate future report updates and will assist in establishing a claim, should this become necessary

CONCLUSIONS OF DEPRECIATION REPORT MODELS

The table below contains Pacific Rim Appraisals Ltd. recommended **schedule of payments for the next four years**. Failure to follow the proposed schedule of payments may result in inadequate reserve funds or require the use of special levy in the distant future e.g. after 5 years which is against the intent of the legislation.

Model 1	Funding based on contribution of $14,000 with $2,500 increases thereafter until 2049/2050, then reduced				
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	$222.22	$229.17	$236.11	$243.06	Average Monthly Reserve

QUALIFICATIONS OF APPRAISER

JEFF SWEETT CRA, P.APP., CRP

CRA – Certified Residential Appraiser via Appraisal Institute of Canada

P.APP. – Professional Appraiser via Appraisal Institute of Canada

CRP – Certified Reserve Planner via Real Estate Institute of Canada

Professional Affiliations

Member of the Real Estate Institute of Canada, holding the designation of Certified Reserve Planner: CRP

Member of the Appraisal Institute of Canada, holding the designation of Canadian Residential Appraiser

Member of CHOA (The Condominium Home Owners Association of B.C.)

- Business Member

Member of VISOA (Vancouver Island Strata Owners Association)

- Business Member

Employment History

2016 – Current	Vancouver Island Appraisals, Ltd, Nanaimo and Victoria, BC- Has completed numerous Depreciation Reports, Insurance Appraisals on strata properties as a Certified Reserve Planner all over British Columbia. Appraised single family and multi-family properties for the purposes of market valuations, legal litigations, mortgage financing, purchasing and selling.
2004 – Current	Pacific Rim Appraisals Ltd, Nanaimo, Richmond and Victoria, BC- Has completed numerous Depreciation Reports, Insurance Appraisals on strata properties as a Certified Reserve Planner all over British Columbia. Appraised single family and multi-family properties for the purposes of market valuations, legal litigations, mortgage financing, purchasing and selling.
2002 – 2004	Tess Contracting Ltd., Nanaimo, BC-General labour of framing homes.

Reports Completed by Pacific Rim Appraisals Ltd

Residential, institutional, motel, multi-family, industrial, replacement cost estimates, insurance appraisals, depreciation reports, commercial, farm, recreational properties, subdivision development land and large industrial complexes. Valuation work has been completed in Abbotsford, Burnaby, Campbell River, Comox, Duncan, Kamloops, Ladysmith, Mission, Nanaimo, Parksville, Port Alberni, Qualicum Beach, Terrace, Tofino, Ucluelet, Vancouver, Vernon, Victoria, Whistler and various other districts of British Columbia.

Completed Reports For:

Ardent Properties Inc.
Bank of Montreal
Bank of Nova Scotia
BC Transportation Financing Authority
Boorman Investment Company Ltd.
Brookfield Global Relocation Services
Business Development Bank of Canada
Canada Trust/TD Bank
Canadian Home Income Plan
Canadian Western Bank
Central Coast Mortgage
Colyvan Pacific Strata Management
Concise Property Management
Chemainus & District Credit Union
CIBC
Citibank Canada
Citifinancial Canada Inc.
Citizen Trust Canada
Coast Realty Group Ltd.
Coastal Community Credit Union
Comox Valley Credit Union
Dominion Lending Centres
Dwellworks, LLC
Emerald Capital Corporation
Emerson Financial
Evergreen Savings
FBC Real Estate
Firm Management Corporation
Firstline Mortgages
GE Capital Mortgage Insurance Corp.
GET Acceptance
Great Pacific Management
HFS Mobility Services
Home Loans Canada
Hunter Garret Lobay
Investors Group
Invis Financial
Khalsa Credit Union
Ladysmith Credit Union
Laurentian Bank of Canada
London Life Mortgage Division
Maple Trust
Mbanx
Mid-Island Mortgage Corporation
Ministry of Transportation & Highways
Mortgage Centre
Mortgage Group
Mortgage Solutions Inc.
Mortgages to Go
MRS Trust Company
PCHS
Peace Hills Insurance
Richmond Property Group Ltd.
Royal Bank of Canada
Royal LePage Relocation Services
Royal LePage Valuation Services
Royal Trust
Select Mortgages Corp.
Source 1 Mortgages
Spectrum Canada Mortgage Services
Steadfast Properties Ltd.
The Kerr Group Management Corp.
TD/Canada Trust
Union Bay Credit Union
Universal Mortgage Architects
Vancity Savings Credit Union
Vancouver Island Insurancentres
VI Strata Financial Management
Weichert Relocation Resources
Westminster Savings Credit Union
Westward Mortgage Realty Ltd.
Widsten Property Management
Wise Nanaimo Mortgages
Numerous Lawyers, Realtors, Strata Councils & Strata Property Managers

GENERAL SERVICE CONDITIONS

The service(s) provided by Pacific Rim Appraisals Ltd. were performed in accordance with professional appraisal standards. Our compensation is not contingent in any way upon the conclusion of value. We will assume, without independent verification, the accuracy of all data that was provided to us. We have acted as an independent contractor and have reserved the right to use subcontractors. All files, working papers, or documents that were developed by us during the course of the engagement will be our property. We will retain this data for at least seven years.

Our report will only be used for the specific purpose(s) stated herein and any other use is invalid. No reliance may be made by any third party without our prior written consent. You may show our report in it's entirely to those third parties that need to review the information contained therein. No one should rely on the report as a substitute for his or her own due diligence. No reference to our name or our report, in whole or in part, in any document you prepare and/or distribute to third parties may be made without our written consent.

You agree to indemnify and hold Pacific Rim Appraisals Ltd. harmless from any losses, claims, actions, damages, expenses or liabilities, including reasonable legal fees, to which we may become subject to in connection with this assignment, except for those attributed to our negligence. Your obligation for indemnification and reimbursement shall extend to any director, officer, employee, subcontractor, affiliate, and agent or like individual or group.

We will reserve the right to include your company name in our reference list, however, we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings.

CONTINGENT AND LIMITING CONDITIONS

The services provided by Pacific Rim Appraisals Ltd. are subject to the following contingent and limiting conditions which are applicable to any building appraisal:

- Photographs and other exhibits, if presented in the report, are included for the sole purpose of illustration to assist the reader in visualizing the property. We did not survey the subject site, and therefore, will not assume responsibility for such matters, nor other technological and engineering techniques that are required to discover any inherent or hidden conditions of the subject property. Architectural drawings provided by the client or their agent were deemed to be accurate as to the building dimensions and specifications, unless information is received to the contrary.

- Fees for the professional services rendered in conjunction with our report do not account for any professional time associated with or required to appear in court to give expert witness testimony relative to the subject property. Fees associated with expert witness testimony, if required, will be agreed to with the client at the time they are required.

- It was assumed, but not verified, that similar density of development, as it currently exists, could be achieved for the subject property under the current zoning regulation. It is suggested that you consult with your insurance broker or agent and/or insurance company to ensure proper coverage. Zoning bylaws are an insurance policy coverage issue, not a valuation issue.

- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property was assumed to be good and marketable, and free and clear of any liens and encumbrances, unless otherwise stated.

- No environmental audit or historic use study of the subject property was conducted as part of this appraisal. It was assumed that the use of the subject property complies fully with any and all environmental regulations and laws. It was further assumed that there are no hazardous materials on or in the vicinity of the subject property.

- The mechanical and heating systems. Piping, plumbing and other building services and equipment, if included in the report, were assumed to be in good working condition and adequate for the building(s). This equipment was not tested, nor did Pacific Rim Appraisals Ltd. assume any responsibility for testing of such.

- We will reserve the right to alter, revise and/or rescind the values reported should any subsequent or additional information be found, or in the event the engagement parameters are modified to any degree.

- The insurable values reported in this report are only valid as at the specified appraisal date. No consideration was given to future economic factors including inflation/deflation, currency exchange fluctuations, labour, etc.

- The Opinions of Probable Cost (budgets) provided in the depreciation report

summaries are intended to provide an expectation as to the magnitude of costs required to complete the described work. The budgets are not estimates or quotes, as these would require the preparation of plans, details, specifications and schedules to achieve a quantified summary of tabulated costs. Pacific Rim Appraisals Ltd.'s budgets are based on quantity information provided by the Strata, conceptual renewal and repair methods, recently obtained broad unit rates, and our experience with recent similar projects.

- The Strata recognizes that special risks occur whenever an inspection is made to identify hidden elements or portions of a building. Even a comprehensive sampling and testing program, implemented with the appropriate equipment and experienced personnel, under the direction of a trained professional who functions in accordance with a professional standard of practice, may fail to detect certain conditions. This is because these conditions are hidden and therefore cannot be considered in development of a renewal or replacement program. For similar reasons, actual conditions that the design professional properly inferred to exist between examined conditions may differ significantly from those that actually exist.

- The Strata realizes that nothing can be done to eliminate these risks altogether and as a result; Pacific Rim Appraisals Ltd. cannot guarantee the accuracy of the Opinions of Probable Cost. The Opinions of Probable Cost are based on information provided by the Strata and Pacific Rim Appraisals Ltd.'s observations of representative areas of the building and property and cannot be guaranteed by Pacific Rim Appraisals Ltd. and Pacific Rim Appraisals Ltd. assumes no liability where the probable costs are exceeded.

CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

1. The statement of fact contained in this report is true and correct.
2. The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analysis, opinion and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, that attainment of a stipulated result or the occurrence of a subsequent event.
5. My analysis, opinion and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
6. I have made a personal inspection of the subject site property that is the subject of this report and carry $2,000,000 E&O insurance for providing this service.
7. No one provided significant professional assistance to the person signing this report.
8. The appraiser and insurance broker (for insurance purposes only) must provide his/her written consent 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 he/she paid the appraisal fee. The author's written consent and approval must also be obtained before the appraisal (or any part of it) can be conveyed by anyone to any other parties, including mortgagors, other than the client and the public through prospectus, offering memo, advertising, public relations news, sales or other media. The appraiser does give permission to have the report attached to any form B as required by the Strata Property Act, 1998.
9. As of the date of this report, the appraiser and insurance broker (for insurance purposes only) have fulfilled the requirements of the recertification program, in accordance with the Bylaws and Regulations of the professional appraisal organization with which they are affiliated and are hereby noted as designated members of such organization.
10. It has been assumed that the insurance appraisal provided meets the standards of insurance appraisals and that the replacement costs are a fair representation of costs on the effective date of the appraisal.