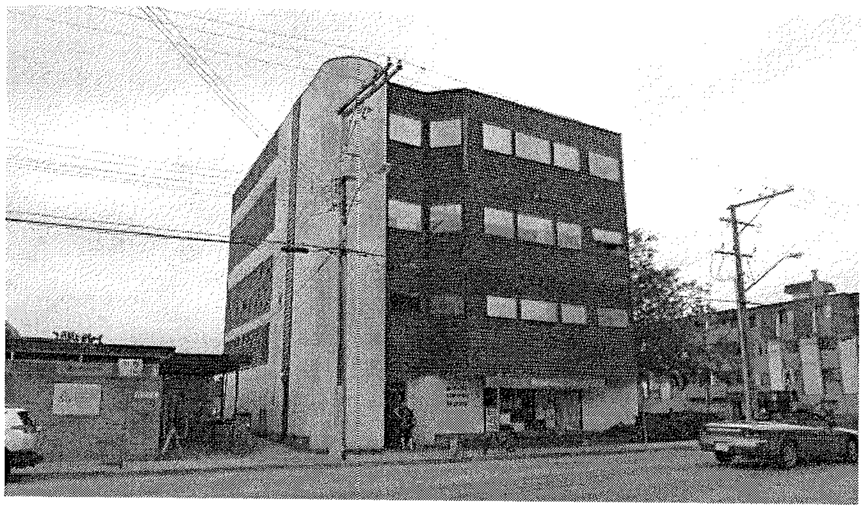
CAMPBELL & POUND
COMMERCIAL LTD.
REAL ESTATE ADVISORS

Narrative Appraisal of

Strata Titled Office Unit

Located at

403 – 9200 Mary Street, Chilliwack, BC



Prepared For

Hamilton & Co. Ltd.
c/o Ms. Jennifer Joyce

As at

May 28, 2019

Appraised by
Richard Miskiewicz AACI, P. App., BBA (Hon.), BA

Campbell & Pound Commercial Ltd.

Our Reference Number
502316-19

CAMPBELL & POUND LTD.
Est. 1939
REAL ESTATE CONSULTANTS
AND ACCREDITED APPRAISERS

CAMPBELL & POUND
COMMERCIAL LTD.
REAL ESTATE ADVISORS

May 31, 2019
Reference # 502316-19

Hamilton & Co. Ltd.
c/o Ms. Jennifer Joyce
E: jjoyce@hamiltonco.ca
T: 604-630-7485

Dear Ms. Joyce,

Re: Valuation of 403 – 9200 Mary Street, Chilliwack, BC

In response to your recent instruction and authorization, Campbell & Pound Commercial Ltd. have appraised the referenced properties with the objective of estimating the current market value of the fee simple interest. The data, information, and calculations leading to the value conclusion are incorporated in the Narrative report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of and inseparable from this letter. As a result of our investigation and analyses, our final opinion of values as at May 28, 2019, subject to all assumptions and limiting conditions contained herein, is as follows:

$40,000 (Market Value)
Forty Thousand Dollars

$34,000 (Forced Sale Value)
Thirty Four Thousand Dollars

The analyses, opinions and conclusions prepared in this report were developed in conformance with our interpretation of the guidelines and recommendations set forth in the *"Canadian Uniform Standards of Professional Appraisal Practice" (CUSPAP* 2018 edition) and the requirements of the *"Code of Professional Ethics and Standards of Professional Appraisal Practice"* of the Appraisal Institute of Canada. This appraisal report has been prepared exclusively for Hamilton & Co. Ltd. to determine value for a purpose of forced sale. If any questions arise by reason of this report, please contact the undersigned at your convenience.

Respectfully submitted,
CAMPBELL & POUND COMMERCIAL, LTD.
per:

Richard Miskiewicz AACI, P. App.

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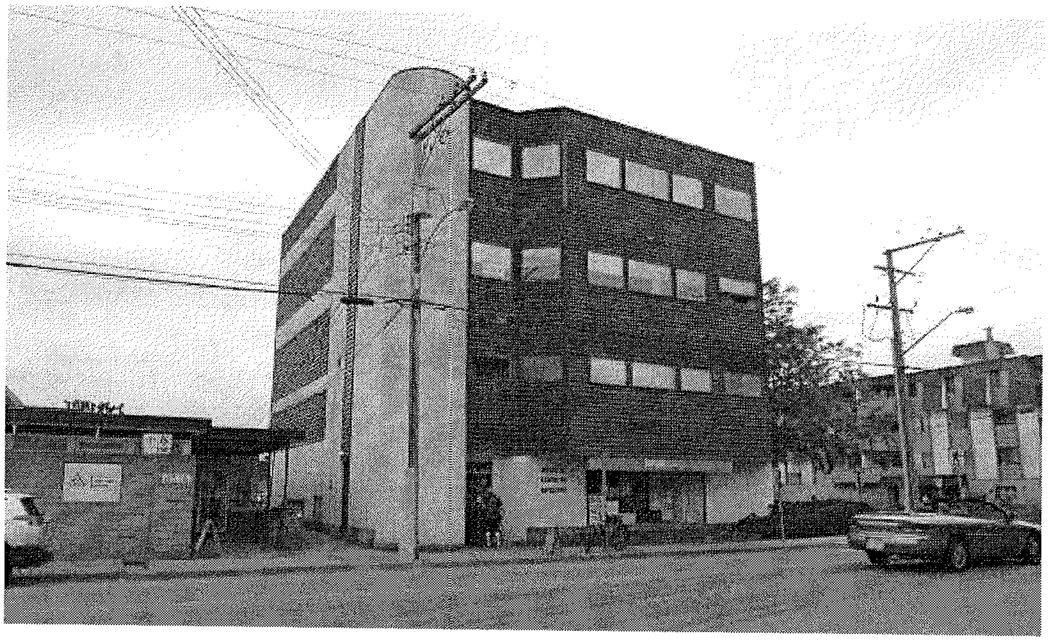
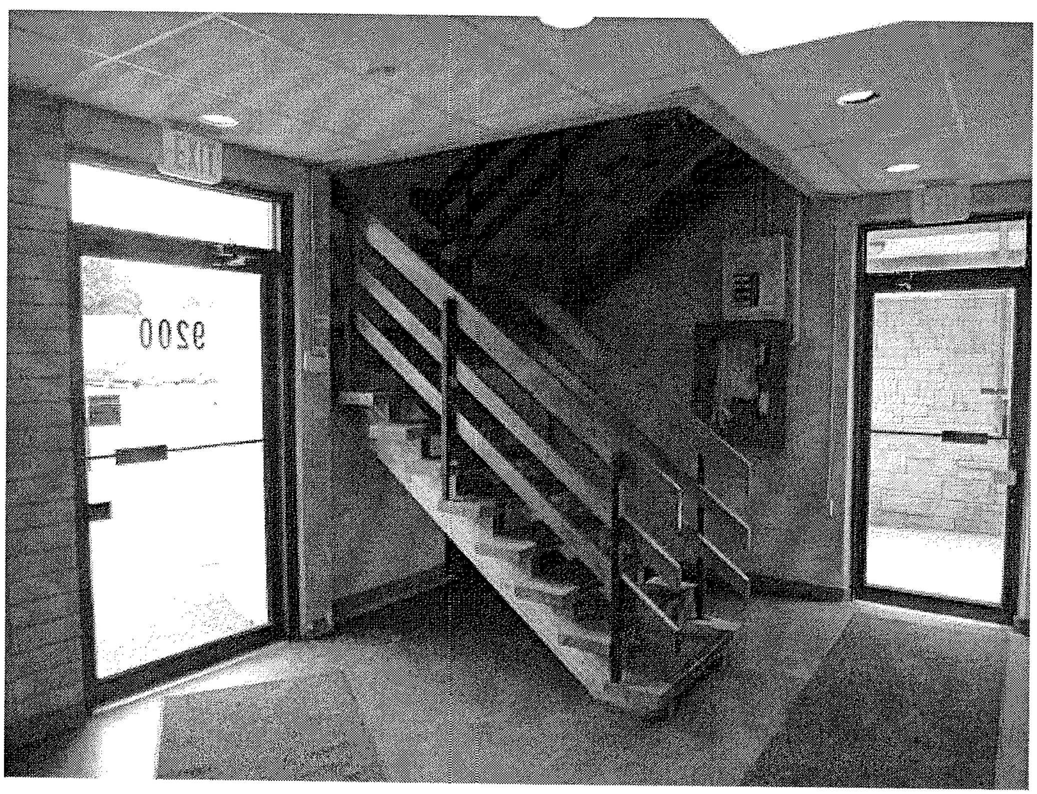
Letter of Transmittal

INTRODUCTION

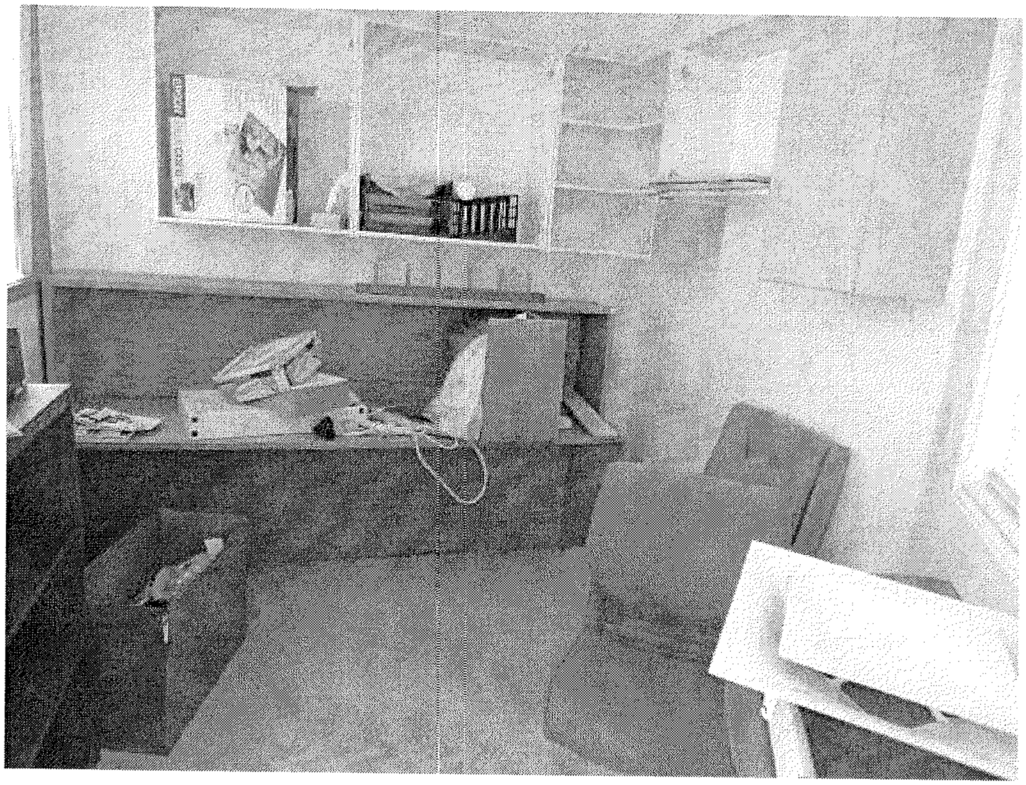
PHOTOGRAPHS OF THE SUBJECT PROPERTY



Street View of Subject Building along Mary Street



Main Floor Lobby



Interior View of Subject Office Space

Aerial View – Subject Site

EXECUTIVE SUMMARY

Property	The Subject property is a strata office unit situated in a 4-storey medical office building originally developed circa 1977. The building is located in downtown area of Chilliwack.
Property Address	403 - 9200 Mary Street, Chilliwack, BC
Legal Description	Strata Lot 7, Division "A", NWD Plan NWS1063
PIDs	001-639-200
Zoning	C-2, Local Commercial
Site Area	Strata
Effective Improved Area	624 Sq. Ft.
Remaining Economic Life	+/- 25 years (assuming ongoing maintenance)
Neighbourhood Description	The Subject is located in the Downtown area of Chilliwack.
Highest And Best Use	Highest and Best Use for the Subject property is its current use.
Stabilized Net Income:	$1,590 per annum
Capitalization Rate	5.0%
Final Estimates of Value	**$40,000 (Market Value)** **Forty Thousand Dollars** **$34,000 (Forced Sale Value)** **Thirty Four Thousand Dollars**
Effective Appraisal Date	May 28, 2019

TERMS OF REFERENCE

PURPOSE AND INTENDED USE OF THE REPORT

The purpose of this report is to estimate the Market Value of the Fee Simple interest in the property legally described herein as of May 28th, 2019. The intended use of this report is to determine value for a purpose of forced sale.

CLIENT AND INTENDED USER

This appraisal report has been prepared exclusively for Hamilton & Co. Ltd., c/o Ms. Jennifer Joyce, liability to others or for any other uses is expressly denied. This report is intended for the use of those specifically identified and any other use is strictly unauthorized. The appraiser is not liable for any unauthorized use of this report.

PROPERTY RIGHTS APPRAISED

The property rights appraised is the Fee Simple ownership in the property, except for normal limitations.

SCOPE OF APPRAISAL

1) This report constitutes a self-contained, fully documented narrative appraisal, which has been prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Institute of Canada to date. In the preparation of this appraisal we have conducted a complete market analysis including the following steps which were taken in the preparation of this appraisal:
2) Inspected the property on May 28, 2019
3) Surveyed the surrounding neighbourhood and documented existing land uses, access and traffic patterns, development trends and competitive facilities.
4) Reviewed the electronically obtained title search & tax assessment data for verification of ownership, property taxes and assessments.
5) Reviewed municipal zoning and land use data.
6) Reviewed the general market with emphasis on similar land uses in the area, including existing inventory, potential new construction, and market rental rates.
7) From an analysis of the site, existing improvements, land use trends and financial data, determined the probable highest and best use of the property.
8) Analyzed sales of comparable properties in the competitive market area, and where deemed appropriate, we interviewed market participants for analytical purposes.
9) Concluded value estimates using the Direct Comparison Approach and Income Approach.
10) Reconciled the value estimates for a final conclusion of Market Value as of May 28, 2019.

DOCUMENTATION

For the purposes of this report, the following documents were relied upon:

- BC Online Title Search (included in Appendix)
- BC Assessment Tax Report
- Municipal Zoning Bylaw (included in Appendix)
- Municipal Land Use Plan
- Plan NWS1063

The following documents were provided by the listing realtor and were relied upon. All information contained within these documents was assumed to be correct:

- Current CLS listing sheet # C8024751, indicating strata fee of $579.71 per month

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 assumed to be correct.

ASSUMPTIONS AND LIMITING CONDITIONS

The estimate of value in this report is based on a detailed analysis of information obtained from various sources. Some of this data has required subjective interpretation and our terms of reference have, in some instances, required us to make certain assumptions in arriving at our value conclusion. As a result, the opinions and conclusions contained in this report are subject to the following Assumptions and Limiting Conditions:

Terms

1. The estimated Market Value of the property appraised is based on the assumption that it would be sold on payment terms consistent with common practices in the real estate market and subject to the contractual encumbrances outlined in this report, unless otherwise stated.

Sources

2. The legal description of the property appraised and the dimensions and area of the site were obtained from several sources, including the Land Titles Office, the local municipal jurisdiction, and BC Assessments (BCA).

Legal

3. No responsibility is assumed for legal factors pertaining to the state of title or for technical matters relating to hidden or unapparent conditions of the property, such as subsoil or structural problems which were not brought to our attention and which may have an impact on value. Title to the property is assumed to be good and marketable unless otherwise stated.

Visual Reference

4. Maps or plans appearing in this report are included for the sole purpose of visual reference and should not be construed as legal surveys, since the appraiser has not completed a survey of the property, and assumes no responsibility in connection with such matters.

Mineral Rights

5. The property rights appraised herein exclude mineral rights, if any.

Original Signature

6. This report is only valid if it bears the original signature of its author.

Compliance & Conformity

7. Unless otherwise stated, it is assumed that there are no outstanding governmental order or directives requiring upgrading of the property or limiting its occupancy. It is assumed that the property is in full compliance with all applicable federal, provincial and local environmental regulations and laws, unless non-compliance is stated, described, and considered in the appraisal report.

8. It is assumed that all applicable zoning, land use regulations and restrictions have been complied with, unless non-conformity has been identified, described, and considered in the appraisal report.

9. It is assumed that all required licences, occupancy certificates, consents, or other legislative or administrative authority from any federal, provincial or local governments have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

Hazardous Material

11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials in or on the property, and is not qualified to detect such substances.

12. The presence of substances such as asbestos, urea formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate reported herein is predicated on the assumption that there is no such material in or on the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required for their discovery.

Improvements

13. We have assumed that all heating, ventilation and electrical systems, plumbing and other mechanical systems are in good working order. No responsibility is assumed for any expertise or engineering knowledge required for making such determination.

Furniture Fixtures & Equipment

14. This appraisal report considers the market value of the real estate only and does not include any business that may be carried on in this subject. Any contribution value of Furniture, Fixtures, and Equipment(FF&E) would be included only to the extent that such items contribute to the normal operation of the property, and are not separable as such. No list of FF&E or other chattel property was supplied to the appraisers.

Use

15. This report is intended for the use of the Addressee, and shall not be distributed, copied or reproduced in whole or in part without prior written consent of Campbell & Pound Commercial Ltd. Further, neither all, nor any part of this appraisal report shall be used in any marketing of financing package or in any advertising, public relations, news, sales or other media for public or third party communication without prior written consent from an authorized representative of Campbell & Pound Commercial Ltd.

16. The appraiser, by reason of this appraisal, is not required to give testimony, appear in court, or attend any hearing, arbitration proceeding or other meeting, unless prior arrangements have been made.

Statement of Competency

17. The professional staff at Campbell & Pound Commercial, Ltd. and Richard Miskiewicz AACI, P. App. have experience in the valuation of similar properties. In this regard, we have the knowledge and experience to complete this assignment and have appraised and analyzed this type of property before

EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS

None

FACTUAL DATA

IDENTIFICATION OF SUBJECT PROPERTY

CIVIC ADDRESS

403-9200 Mary Street, Chilliwack, BC

LEGAL DESCRIPTION & PARCEL IDENTIFICATION NUMBER

Strata Lot 7, Division "A", NWD Strata Plan NWS1063. Together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form V.

PID: 001-639-200

CERTIFICATE OF TITLE NUMBER

BA355916

REGISTERED OWNER

Dr. A-H Hefnawi Podiatric Corporation Inc.

LEGAL NOTATIONS

None

REGISTERED CHARGES

There are four registered charges on the above title, which can be viewed by the reader, as copy of the recent title search has been included in the Addenda to this report.

We did not obtain a legal opinion of the state of title and did not specifically investigate any of the encumbrances registered. Our appraisal therefore assumes that title is good and marketable and that encumbrances do not affect the value of the appraised interest, unless otherwise stated herein.

ASSESSMENT INFORMATION

2019 Property Assessment:

Land:	$46,500
Improvements:	$26,900
Total:	**$73,400**

2018 Property Tax: $834.28

Actual value reflects the opinion of British Columbia Assessment of the market value of the property as at July 1 of the previous year based on the physical condition of the property as of October 31 of the previous year. Assessors disregard encumbrances such as leases and financing, and can base their assessments on mass appraisal techniques such as multiple regression analysis and on dated inspection information. Consequently, actual values can be a less precise estimate of market value than provided by a full appraisal.

SALES HISTORY

A search of public records indicates the following sales history:

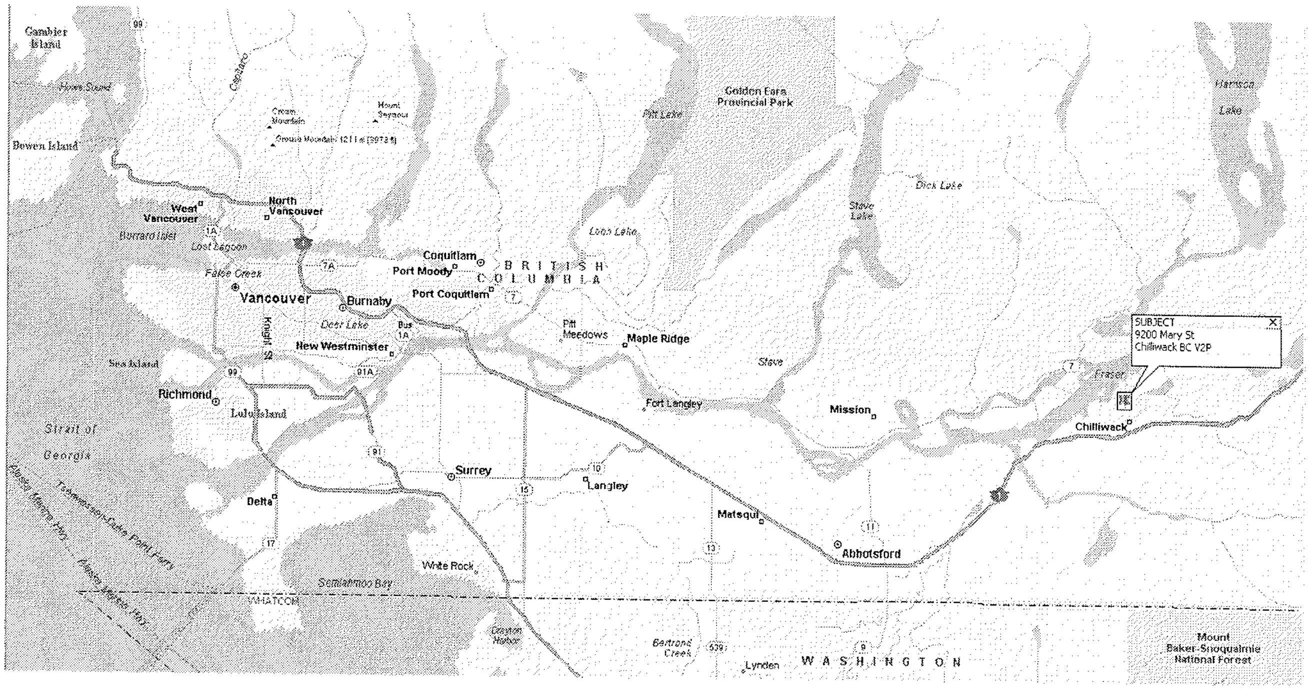
Sales History Information

Sale Date	Sale Price	Document Num	SaleTransaction Type
2/28/2006	$47,500.00	BA355916	REJECT NOT SUITED SALE ANALYSIS

Review of the MLS database has revealed that the Subject property is currently listed for sale at the asking price of $64,800. The property was listed on April 2, 2019; the indicated listing expiry date is December 31, 2019 (C8024751).

The Subject was previously listed between August 26, 2016 and November 30, 2017 (C8008125) at the asking price of $59,900. The listing expired without sale taking place.

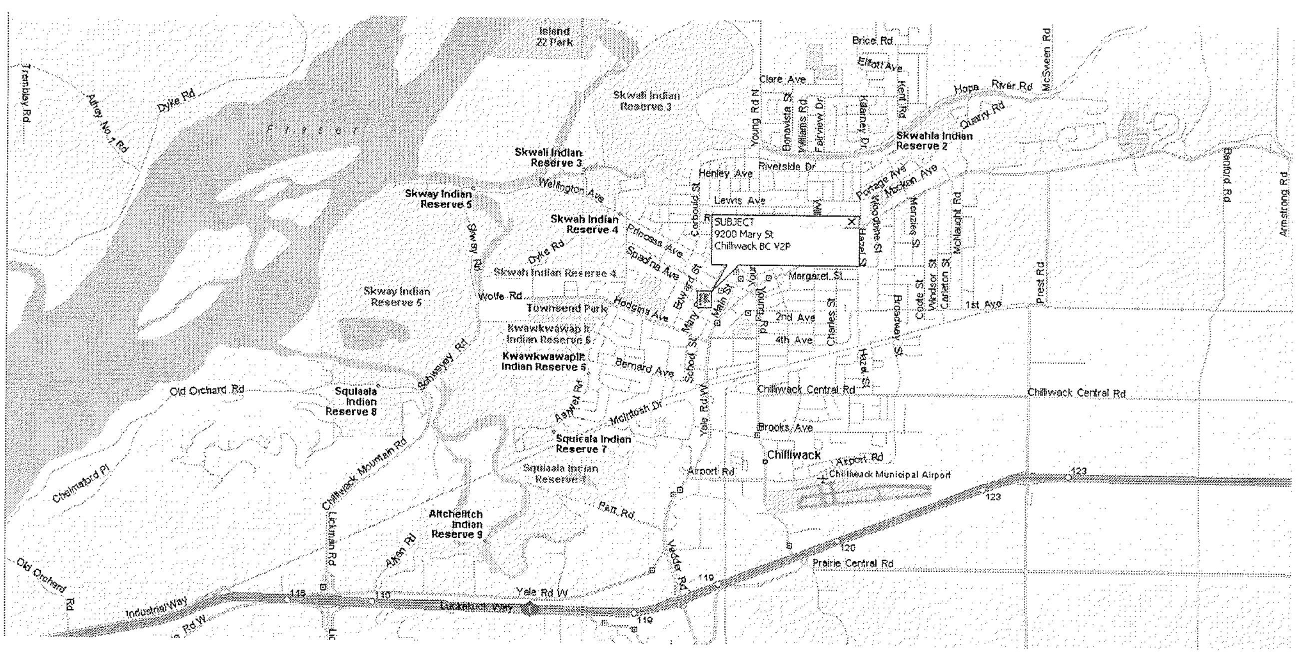
REGIONAL DATA



Regional Map - Chilliwack

The Subject is located in the City of Chilliwack, which is part of the Fraser Valley Regional District, in the Province of British Columbia (BC).

CITY DATA



City Map - Chilliwack

City of Chilliwack

Chilliwack is typically slower to react to upswings in market activity as it is the furthest City, east of the City of Vancouver. The Sardis/Vedder Crossing area is within, but south of the City of Chilliwack "downtown". Formerly an area perceived as the "end of the road", that was heavily influenced by First Nations Lands and a decommissioned army base, CFB Chilliwack. This area is re-developing with many new single and multi-family low rise developments, as well as mixed use commercial and residential uses. Sto:Lo First Nations are developing comprehensive commercial and mixed use developments to accommodate the influx of residential properties.

The Industrial developments in Chilliwack are located along the highway frontage roads, Industrial Way west of the City, and Yale Road to the east of Lickman Road, and largely consist of service industrial areas. These generally attempt to maximize their exposure to Highway 1.

Other developments, similar to those located on Airport Road, Enterprise Drive, and Logan Drive are typically more of an industrial nature, and thus do not require such high profile locations. The Highway interchange to the east along Yale Road at Vedder Road (Exit 119), is one of the main thoroughfares in the City, and include a concentration of National Tenant anchored plaza shopping centres. The area south of Highway 1, along Vedder Road and Luckakuck Way has now been virtually completely developed with commercial and retail uses, leaving very little vacant land for additional construction. Centered around the Cottonwood Shopping Mall are a number of fast food restaurants, service stations and other service and shopping facilities.

The City's Central Business District (CBD) is located a short distance to the north of the freeway, and is often referred to as the five corners. The surrounding areas form the core of the CBD.

South of Highway 1, along Vedder Road is a large concentration of medium density residential and commercial development, and is one of the most active in terms of real estate development in the City. "Eastern Hillsides" and "Promontory Ridge" are developing single family residential areas on the mountainsides, south and east of the City.

Recreational facilities in the area include Cultus Lake; which is some distance to the southwest, fishing in the Vedder and Fraser Rivers, and several golf courses. Agriculture represents 29% of Chilliwack's economic activity and 67% of the City's land base.

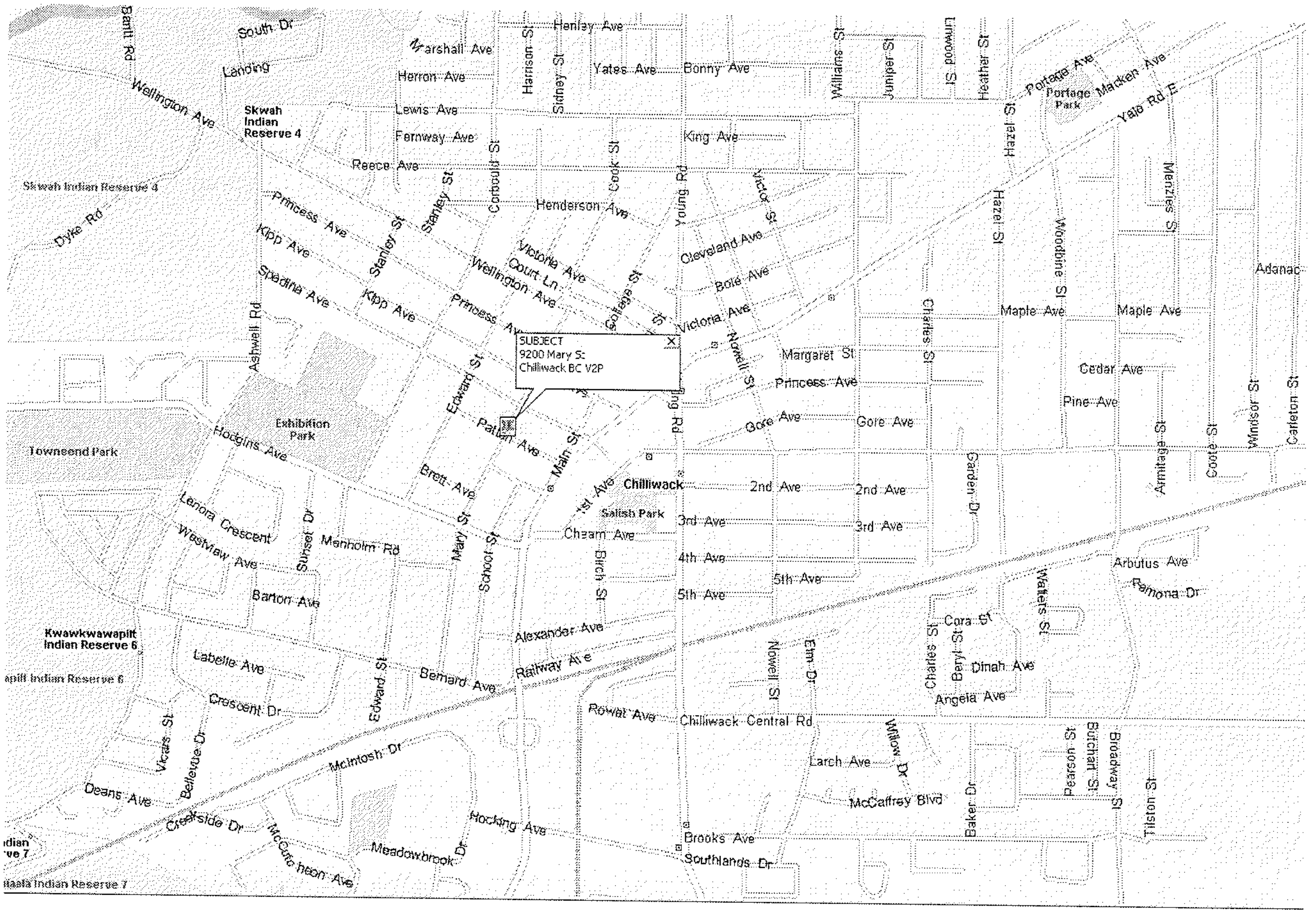
Transportation

The City is bisected by the Tran Canada Highway (Hwy 1). The local arterials are Yale Road (west to east) and Vedder Road, which runs north to south connecting the Downtown CBD to the Sardis area south of Highway 1. Other local north south arterials, with Highway 1 interchanges include, west to east: Lickman Road, Prest Road, and Annis Road.

The twin tracked, CN Rail mainline runs east to west through the City, north of Highway 1.

The City has a municipal airport which can accommodate 75 aircrafts, and has 60,000 annual air traffic movements. These are mainly recreational and training flights, originating locally, provincially, and from the United States.

NEIGHBOURHOOD SUMMARY



The Subject is located in the Chilliwack Downtown area. Downtown, as described in the Chilliwack Official Community Plan, is 586 acres in size – net of roadways and other public domains. The area embraces a substantial residential community, ranging from single detached units to "high density" multifamily residential and high profile public uses and businesses within the core and The Landing. Residential uses account for 45% (372 acres) of the total land area, with 10 % occupied by commercial uses.

Key amenities and destinations in the Chilliwack Downtown area are the following:

- Historic Five Corners and Downtown Core
- The Landing
- Chilliwack General Hospital

Other key amenities in the downtown are the Chilliwack Museum located at Main Street and Spadina, Salish Park and the Fraser Valley Regional Public Library, Central Community Park located at the head of Mill Street just north of Five Corners, a range of commercial uses located south of the Five Corners Area along Main Street, Yale Road and Young Road. Well known commercial land marks include Salish Plaza, the Chilliwack Coast Hotel, Southgate Plaza and City-Gate Shopping Centre. The three schools - Chilliwack Senior Secondary, Chilliwack Middle, and Central Elementary (Community) School - also serve as public amenities by allowing public use of the sports fields, gym and classrooms.

Streets and Traffic Patterns
Primary links between key destinations in the downtown are generally along multi-modal arterial and collector streets which are shared by vehicles, pedestrians, cyclists, and transit. The extension of Evans Road to Ashwell Road forms a major addition to Chilliwack's road system. The Evans Road Connector and Interchange links Evans Road to the south with Ashwell Road to the north, creating alternative route options and connections for traffic traveling to and from the downtown via Highway 1/ Sardis. The Evans Road Connector is expected to transfer some traffic to Hodgins Avenue from Yale Road West south of Hodgins Avenue.

Primary Corridors with corresponding traffic volumes are listed below:

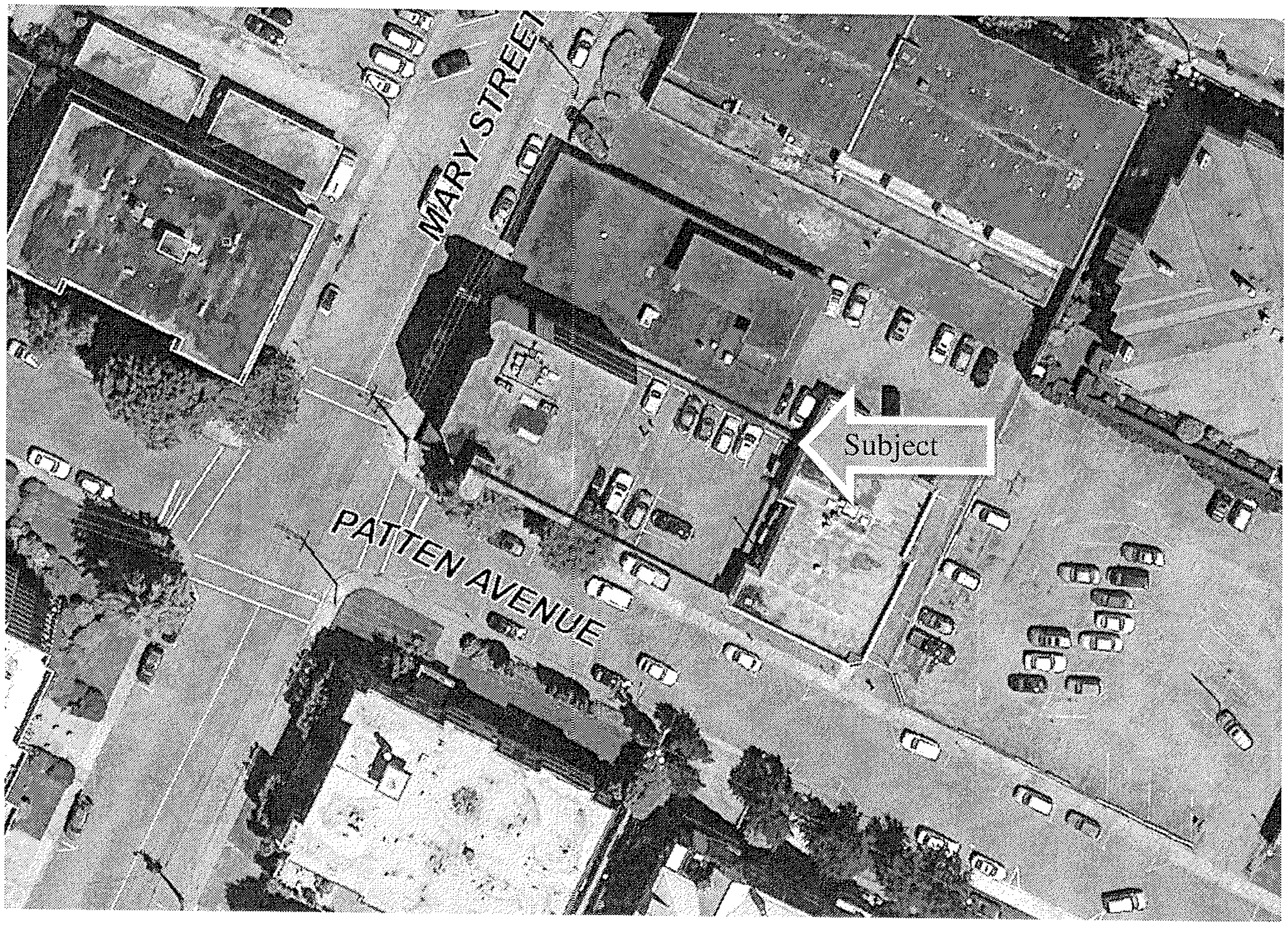
Primary Corridors	Traffic Volume *
Young Road. North	8,412
Yale Road. East	10,300
1St Avenue	5,121
Broadway	8,429
Young Road. South	19,502
Yale Road. West	32,177
Wolfe Road.	9,959

* 2 way, 24 hr. traffic volumes; City of Chilliwack, 2008.

Population and Housing
The population of the downtown in 2006 was estimated at 10,400 living in approximately 5,400 dwellings. Single family housing is the dominant residential land use in the downtown, representing a significant opportunity for residential infill and intensification. The housing map also shows a notable absence of housing in the commercial core area due to very limited mixed use commercial/residential development. Single detached homes make up 26% of homes in the downtown while occupying 76% of residential area. Apartments make up 62% of all homes, while townhouses 12%.

Economy
The downtown currently has a total of 287 businesses: 253 of these are commercial uses, and 34 industrial uses. This comprises 19% of the city's total licensed businesses. Over the last eight years, the downtown has lost 175 businesses.

SITE DESCRIPTION



Aerial View – Subject Site

PROPERTY APPRAISED

The Subject site is located on the southeast corner of Mary Street and Patten Avenue intersection, in downtown Chilliwack. The property is improved with one 4-storey, stratified, medical office building containing a total of 11 strata units, constructed circa 1977. The building has been constructed using concrete and concrete block. The building is serviced by one elevator. There is a paved surface parking area at the building rear for 14 vehicles, with one point of ingress and egress. This appraisal involves an office strata unit #403, containing a total net rentable area of 624 square feet, located on the fourth floor.

LOT SHAPE AND SIZE

Shape of Site: Rectangular
Total Area: Strata

TOPOGRAPHY

As at the date of the walkthrough, the Subject site was basically level. We have assumed that soil conditions are stable and that the underlying geology is adequate to support the existing improvements on the Subject site. No representations, however, are made as to soil conditions.

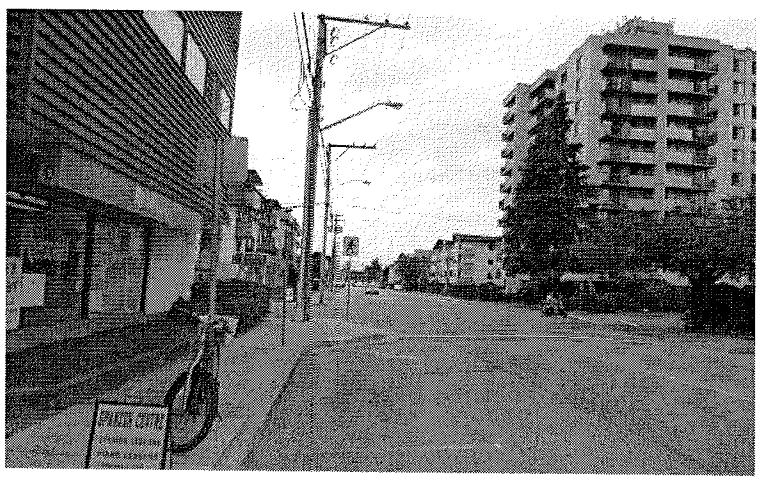
SERVICES AND ACCESS

Access:	The Subject building's main lobby is accessible to the pedestrian traffic directly from Mary Street.
Parking:	The property contains a paved surface parking area for 14 vehicles; however, no parking stall is assigned to the Subject unit. Additional on street pay parking is available.
Traffic Patterns/Volume:	Mary Street experiences low traffic volumes.

VISUAL EXPOSURE

The Subject building enjoys good visual exposure along Mary Street.

STREET IMPROVEMENTS & UTILITIES



Street Scene – Mary Street

Sidewalks:	Yes
Curbs and Gutters:	Yes
Lighting:	Yes
Sanitary Sewer:	Yes
Water:	Municipal
Electrical:	Yes

The Subject area is improved to full urban standards.

LAND USE INFORMATION

ZONING
The Subject property is zoned **C2, Local Commercial.**

PERMITTED USES

- Multi-family Residential
- General Commercial
- Vehicle Oriented Commercial
- Accessory Dwelling Unit
- Public or Private Assembly
- Off-Street Parking
- Off-Street Loading
- Accessory Home Occupation

DENSITY

- Multi-Family Residential: max. 70 dwelling units per hectare
- All other uses: 1.2 FSR

LOT COVERAGE
60%

BUILDING HEIGHT
15 meters

Copy of the C-2 zoning is provided in the Addenda.

OFFICIAL COMMUNITY PLAN

The City's Official Community Plan (OCP) regulates and plans land use patterns within the city. This plan gives a long term land use designation to each property and forecasts land use patterns including traffic, services and density. According to the Chilliwack Downtown Plan the Subject is designated **Residential 4 - Mid - High Rise Apartment.**

Intent of this designation is to create a mix of high density housing options immediately adjacent to the downtown core suitable for a range of income levels and lifestyles including singles, couples, seniors, and families with children.

Appropriate Building Types:

- Point tower and podium (slender apartment tower coming out of structured parking base wrapped with town houses along public streets)
- Mid rise terrace buildings (buildings that step back from the street front)

Density: up to 450 Units per Hectare

Height: up to 18 storeys

Parking Ratio 1:1.25

OFFICE MARKET OVERVIEW – METRO VANCOUVER

Excerpts of CB Richard Ellis Vancouver Office Market Report for First Quarter of 2019.

MARKET HIGHLIGHTS

- Robust tenant demand and a shortage of available inventory continued to impact the Metro Vancouver office leasing market.
- Downtown office vacancy dropped to a decade low 2.7% in Q1 2019, down from 3.8% in Q4 2018. Pre-leasing commitments should ensure market stability well into the next development cycle.
- Suburban vacancy decreased by 70 basis points (bps) quarter-over-quarter to 6.7% in Q1 2019.
- Metro Vancouver office vacancy dropped to 4.7%, a record low.

ECONOMICS

- Canada's real GDP increased 1.6% year-over-year as of January 2019.
- Statistics Canada reported a 1.5% year-over-year increase in Canada's Consumer Price Index in February 2019.
- In April 2019, the Bank of Canada left its benchmark interest rate unchanged at 1.75%.
- In March 2019, BC's unemployment rate increased 20 bps month-over-month to 4.7%.
- In the recently released Budget 2019, the BC government increased operation and capital spending highlighted by $20.1 billion on infrastructure, $1.3 billion for childcare and a $7 billion commitment over 10 years to housing affordability.

PROVINCIAL & METRO VANCOUVER OVERVIEW

With the national economy entering a more moderate phase of the economic cycle, BC continued to lead all provinces in economic growth. Strong year-over-year growth contributed to consecutive government surpluses in 2017 and 2018, allowing the province to increase operating and capital spending in Budget 2019.

Robust economic fundamentals, solid demand from a number of sectors and limited new supply being introduced to the market in the near term have seen the Metro Vancouver office market migrate in favor of a landlord's market. Overall office availability reduced to its lowest vacancy level in Q1 2019 to 4.7%, a 90 bps quarter-over-quarter drop, largely influenced by significant absorption in downtown Vancouver. Robust leasing activity saw 1.1 million sq. ft. leased in the quarter, a 10.6% year-over-year increase. Overall asking rates continued to trend upwards in response to tightening market conditions. While the downtown market continued to receive consistent demand from existing tenants and new entrants to the market, suburban demand continues to be driven by existing occupants. Should such demand in the downtown Vancouver market continue, it is entirely possible that more firms will consider relocating to the suburbs. Going forward, total transaction volume for office properties across the Metro Vancouver totaled approximately $661.0 million, a 27.1% increase from the same period in 2018. The three largest transactions: 1075 West Georgia Street, Airport Executive Park and Metrotown Place I & III represented 87.4% of total tracked transaction volume. In 2019, steady demand, limited supply and sustained confidence in the investment value of Metro Vancouver's office properties will remain the key factors in market expectations for both occupiers and investors.

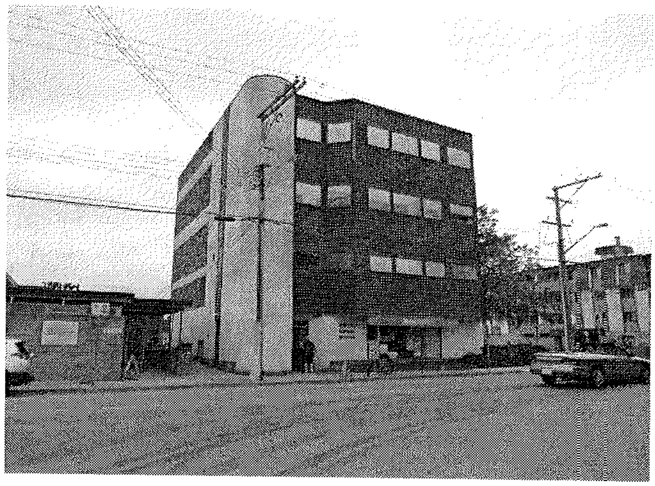
Despite a slight upward fluctuation, BC's unemployment rate remained the lowest in Canada. Notwithstanding continued strong demand in the commercial real estate sector, the Metro Vancouver residential market witnessed its lowest number of sales for the month of March since 1986.

There is no information specific to the Chilliwack market; however, the table below depicts statistics relevant to Suburban areas of the Greater Vancouver.

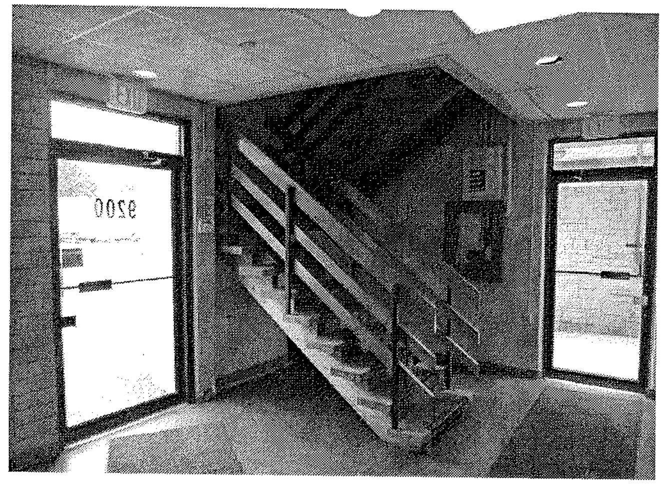
Submarket	Class	Total Buildings	Inventory (sq. ft.)	Vacancy Rate (%)	Q1 2019 Net Absorption (sq. ft.)	YTD 2019 Net Absorption (sq. ft.)	Q1 2019 Gross Leasing (sq. ft.)	Q1 2019 New Supply (sq. ft.)	Net Asking Rent ($ per sq. ft.)	Additional Rate ($ per sq. ft.)
Suburban	AAA	40	4,774,944	7.4	89,741	89,741	130,061	-	$24.04	$14.44
	A	108	8,917,231	8.4	48,396	48,396	264,131	-	$23.99	$14.76
	B	143	7,515,052	5.6	28,328	28,328	165,820	-	$20.94	$14.83
	C	101	2,691,912	2.8	-107	-107	59,081	-	$16.48	$13.66
	TOTAL	392	23,899,139	6.7	166,358	166,358	619,093	-	$22.85	$14.63

According to NAI Commercial Report for the first Quarter of 2019 vacancy in the Periphery of Grater Vancouver, which include Abbotsford and Chilliwack, has increased slightly to 2.8% from 2.4% in the previous quarter. Interestingly, there was a significant increase in spaces added – 65 spaces totalling 278,832 SF. 25 spaces totalling 119,502 SF leased, and six removed totalling 40,013 SF.

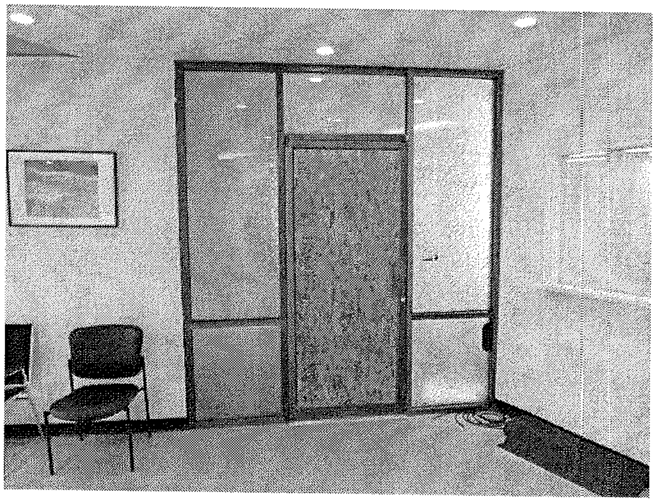
DESCRIPTION OF IMPROVEMENTS



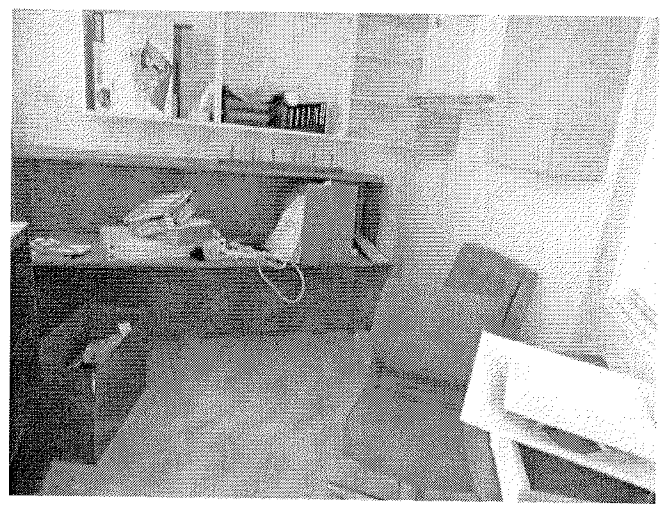
Street View of Subject Building



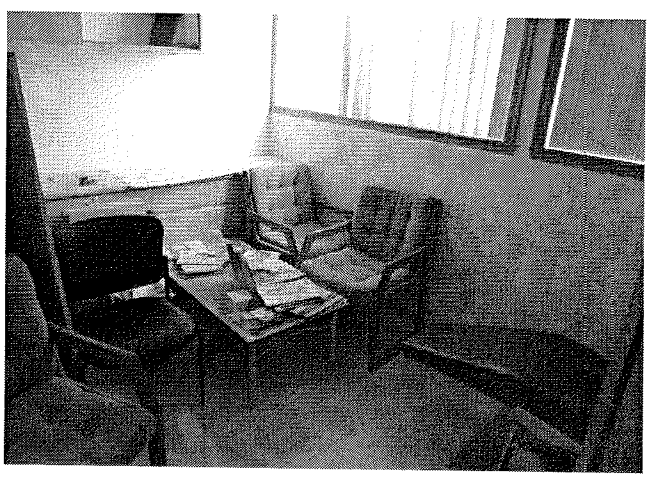
View of Main Floor Lobby



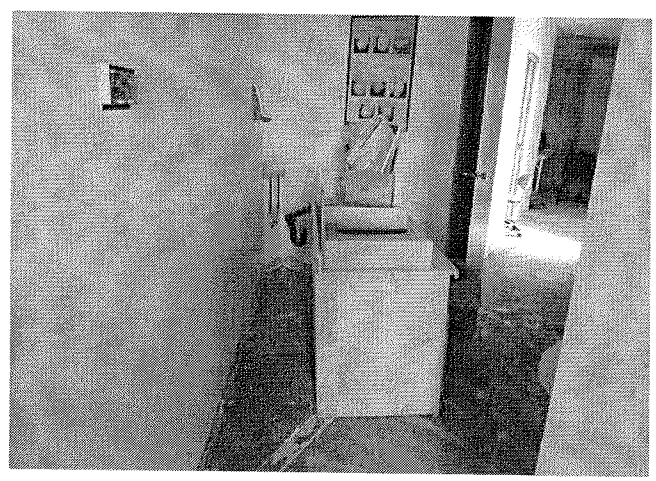
Entrance Door to Subject Unit



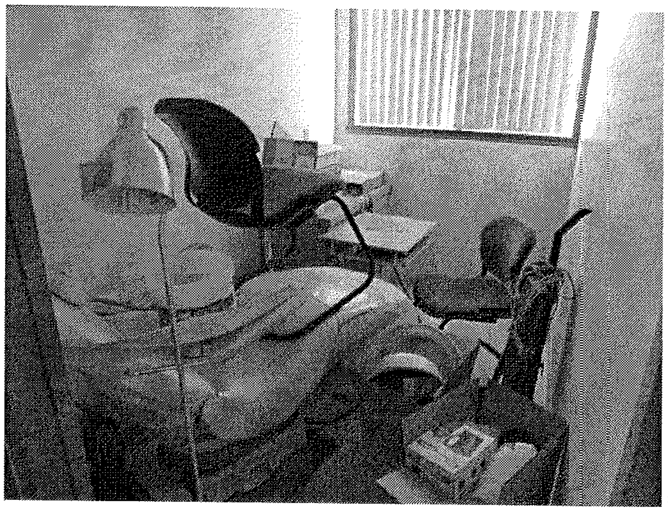
Interior View of Subject Unit



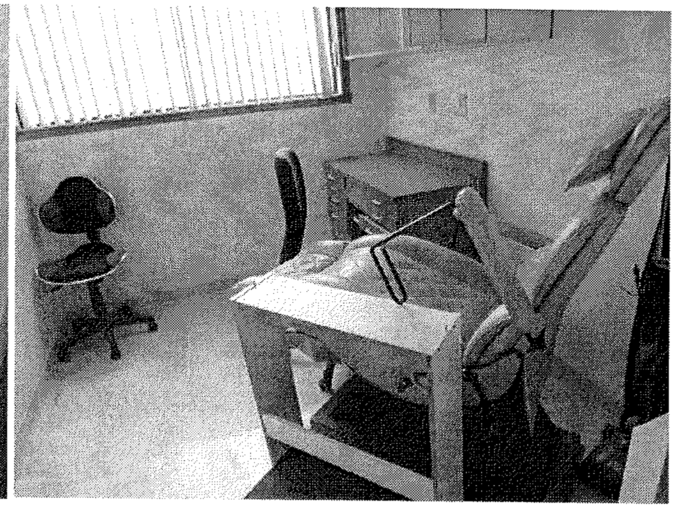
Interior View of Subject Unit



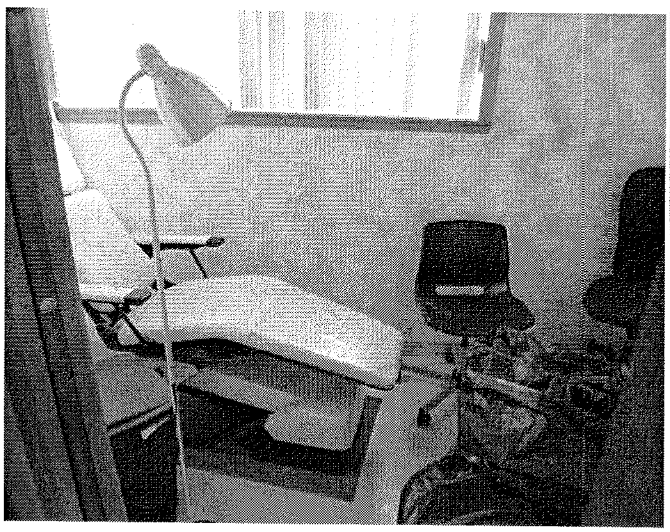
Interior View of Subject Unit



Interior View of Subject Unit



Interior View of Subject Unit



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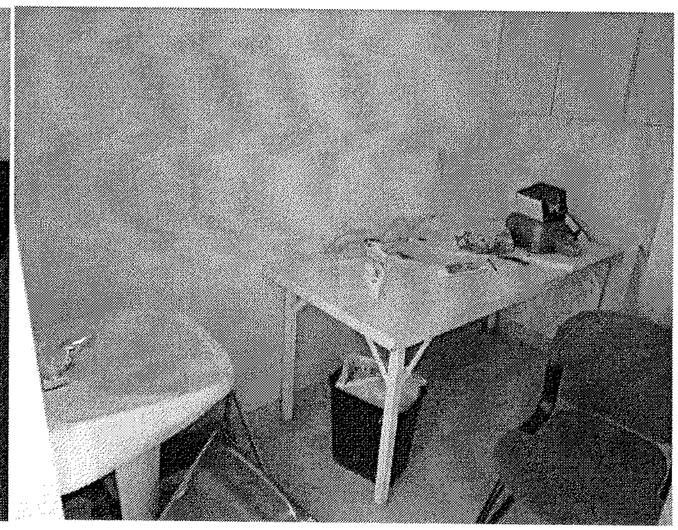
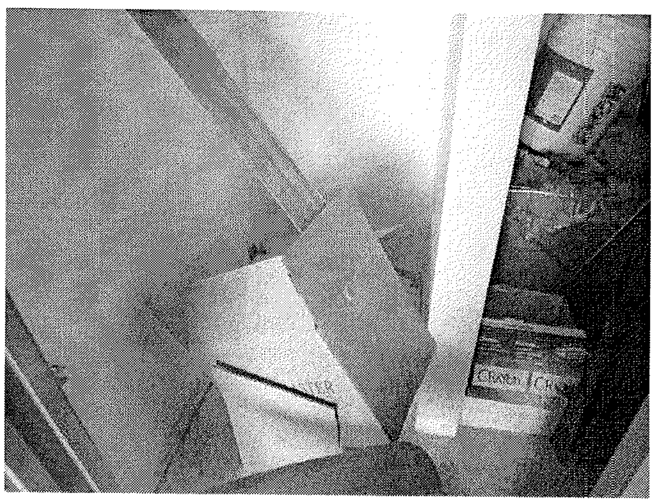
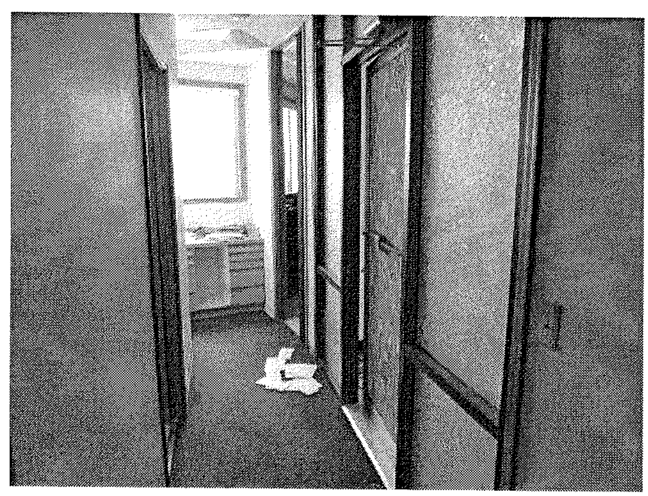


Interior View of Subject Unit



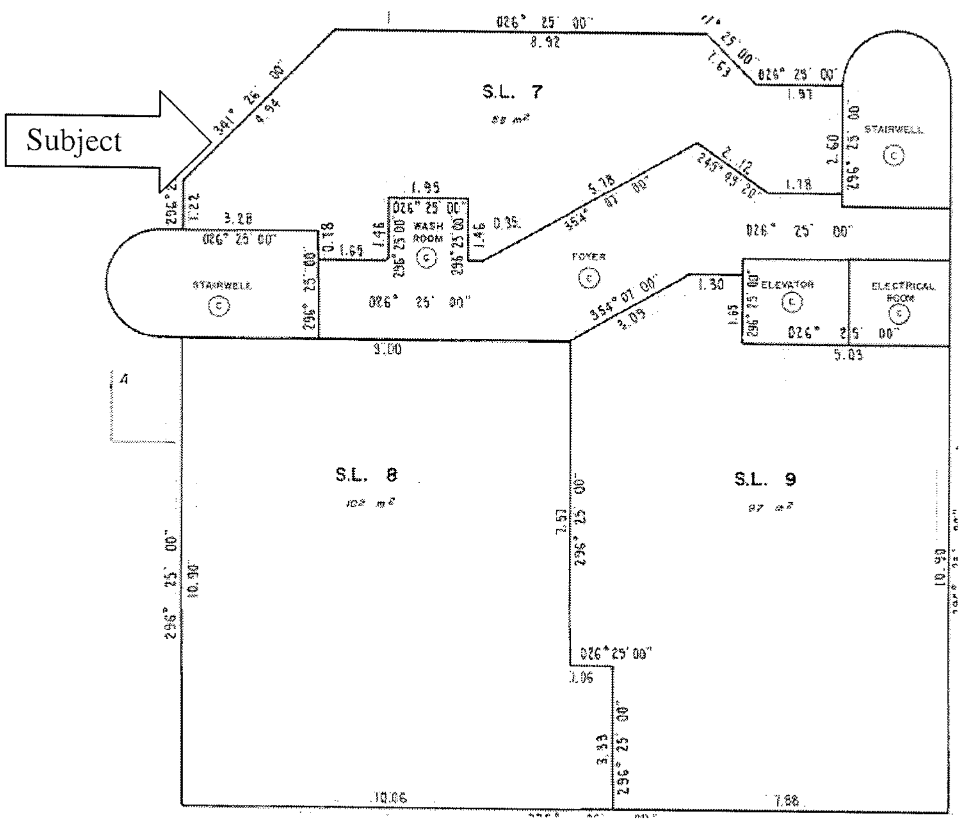
Interior View of Subject Unit



Interior View of Subject Unit

The Subject site is improved with a 1977-developed, 4-storey, stratified medical office building, known as Mary Street Medical, containing a total of 11 strata units. The building has been constructed using concrete and concrete block. The building is serviced by one elevator. There is a paved surface parking area with one point of ingress and egress at the building rear for 14 vehicles.

This appraisal involves an office strata unit containing a total net rentable area of 624 square feet, located on the fourth floor. The fourth floor layout is depicted below, with the placement of Subject unit identified by the arrow.



Part Strata Plan NWS1063 – Fourth Floor – Subject is Strata Lot 7

Interior Description

The Subject unit has irregular shape. The floor is demised into five small private offices, a corridor and a 3-pc bathroom. The unit is finished with painted drywall walls, a t-bar ceiling plus floor covering consisting of sheet vinyl and carpet. The Subject unit was vacant and unoccupied as of the effective date of this report. The condition of the interior was poor, with several areas being in disrepair, including damaged front door, damaged floor coverings and missing toilet in the bathroom.

Floor Area: 624 ft^2

*Floor area is taken from Strata Plan NWS1063.

Electrical, Plumbing, Heating

The Subject unit features electrical wiring adequate for the intended use. The unit includes a 3-pc bathroom; however, the toilet was missing at the time of our walkthrough. There was an additional sink noted outside the bathroom. The building is serviced by central HVAC system.

**The preceding descriptive information is for the purposes of this report only. It is not to be regarded as being an architect's survey. All dimensions/floor area estimates are subject to survey. Electrical, mechanical, plumbing, and fire and security protection equipment were not tested by us for operation. These are presumed to be in operating order.

EFFECTIVE AGE & OVERALL CONDITION

The Subject building was constructed circa 1977 and is currently exhibiting chronological age of approximately 42 years. The original total economic life of buildings similar to the Subject property is generally in the vicinity of 65 years, according to our information. This is the time period over which the improvements generally contribute to the value of the overall property.

The building appeared to be adequately maintained and was considered to be in average overall condition, considering the year of development. Please note: no roof, structural, mechanical or other professional inspections were made (See Assumptions and Limiting Conditions). The Subject unit; however, requires some renovations (See Interior Description).

Given the building's chronological age and condition of the improvements, we estimate an effective age for the Subject to be approximately 40 years. Therefore, Subject is considered to have an estimated remaining **economic life expectancy of +/- 25 years.** The estimate of remaining economic life is considering the improvements to the Subject and is assuming an acceptable maintenance standard is continued.

ANALYSIS AND CONCLUSIONS

HIGHEST AND BEST USE

The concept of Highest and Best Use represents the underlying premise on which real estate value is based (refer to appendix for definition).

The determination represents an opinion, rather than a fact, based on analysis and judgement, giving consideration to the following types of factors affecting real property:

- Marketability;
- Profitability;
- Financial Constraints;
- Statutory Limitations;
- Regulatory Controls;
- Title Restrictions;
- Physical and Functional Limitations.

It is to be recognised that in cases where a site has existing improvement on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property is its existing use. Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition to wealth maximisation of individual property owners.

It is customary that the highest and best use of the land to be determined separately from the highest and best use of the improvements. The highest and best use of the land is considered with respect to four factors, legal permissibility, physical possibility, financial feasibility and maximum profitability.

1) Legal Permissibility
"A test of legal permissibility helps the appraiser determine which uses are permitted by current zoning, which uses could be permitted if a zoning change were granted, and which uses are restricted by private restrictions on the site."

2) Physical Possibility
"A test of physical possibility addresses the physical characteristics of the site that may affect the highest and best use. The size, shape, terrain, and accessibility of land and risk of natural disasters affect the uses to which land can be put."

3) Financial Feasibility
"Income producing properties are said to be financially feasible if the net revenue capable of being generated from a use is sufficient to satisfy the required market rate of return on the investment. Other types of properties rely on

an analysis of uses that will create a value or result in a profit equal to or greater than the amount needed to develop and market the property."

4) Maximum Profitability
"This test addresses not only the value created under the maximally productive use but also the costs to achieve the value, if any."

DISCUSSION - AS VACANT LAND
(1) ***Legal Permissibility***: the Subject property is zoned C-2, Local Commercial. There is a wide range of possible uses under this zoning, including general commercial, assembly and multi-family residential. According to the Chilliwack Downtown Plan the Subject is designated Residential 4 - Mid - High Rise Apartment, intended to accommodate point tower and podium structures as well as mid rise terrace buildings.

(2) ***Physical Possibility***: given the regular shape and size of the site, as well as the location, potential improvements are varied. The site has access, topography and area to accommodate a wide variety of commercial, residential and mixed uses. Exposure and location is good for general commercial uses, as well as for multi-family residential use.

(3) ***Financial Feasibility***: based on our analysis of the Subject property and the surrounding uses, it is our opinion that it is financially feasible for numerous configurations of commercial and residential developments, including stratified multi-tenant uses, constructed to the maximum allowable FSR.

(4) ***Maximum Profitability*** *(as vacant)*: amongst the legally permissible and financially feasible uses the maximum profitability is as a multi tenant retail/office/residential development to the maximum allowable FSR.

CONCLUSION – AS VACANT LAND
Considering the four factors as discussed above, the Highest and Best Use of the land is considered to be as a development site for a mix use, multi-unit development to the maximum size, height and density permitted under the current zoning bylaw.

DISCUSSION – AS IMPROVED
The Subject site is improved with a 4-storey, medical office building, originally developed in 1977. The Subject property involves a single office strata unit containing a total net rentable area of 624 square feet, located on the fourth floor. The unit is currently vacant; however, was utilised as medical office space previously. The building is considered to be functional and has substantial economic life remaining. The Subject unit is judged to be capable of generating regular income or utility to the owner into the foreseeable future.

CONCLUSION – HIGHEST & BEST USE

The value of the entire site as currently improved exceeds the value of the vacant land. Based on the above analysis and the surrounding use, the Highest and Best Use of the Subject property is its current use - strata office unit.

METHODS OF VALUATION

The appraisal process involves a systematic analysis of the factors that bear upon the value of real estate. The three common approaches, namely the Cost Approach, the Direct Comparison Approach, and the Income Approach, are available for analysis.

INCOME APPROACH

Under the Income Approach potential gross income is estimated for the Subject, based on the existing income generated by the Subject, and/or rental rates for similar use properties in the area. An income/expense statement is developed, based on area vacancy rates and the operating expenses of the Subject and those of similar properties. The net operating income derived from this process is then capitalised at a market overall rate to arrive at the indication of value by the Income Approach.

DIRECT COMPARISON APPROACH

Under the Direct Comparison Approach, also known as the Market Approach, a market value per unit for the Subject is derived from comparison to similar properties, utilizing the selling price and an appropriate unit of comparison. Such units of comparison may include either price per: apartment; square foot; acre of land area; price per build-able square foot of potential building area for vacant sites; and, price per square foot of building area for developed sites. For most categories of property, the Direct Comparison Approach is considered to be a reliable and appropriate method of Appraisal.

COST APPROACH

In the Cost Approach, the land value is typically estimated from comparable land sales found throughout the general area. The reproduction cost new of the improvements is estimated from cost data contained in office files and from the national cost service of Marshall-Swift Valuation Services. The reproduction cost new (less accrued depreciation) of improvements is added to the value of the land, contribution value of site improvements and entrepreneurial profit to reach a value via the Cost Approach. The Cost Approach is most appropriate in the valuation of the full bundle of rights in real property, i.e. fee simple.

Although recognized as one of the three main methods of valuation, the Cost Approach is considered inappropriate for use with properties exceeding fifteen years of age unless they are of a class of property not normally bought and sold on the market. The Cost Approach can be employed so as to show a breakdown between land and building value if requested by the client. This method of valuation will not be applied for a purpose of this report.

SELECTION OF APPRAISAL METHODS

The following approaches will be used in this report: Direct Comparison Approach and Income Approach.

INCOME APPROACH

The first step in the completion of the income approach is to ascertain the income earning capabilities of the Subject property. Under this approach, potential gross income is estimated for the Subject based on the existing leases and/or rental rates for similar use properties. A potential income stream is developed based on area vacancy rates, the operating expenses of the Subject, plus similar properties. The net operating income derived from this process is then capitalized at a market rate to arrive at the indication of stabilized value by the Income Approach.

In addition to information on any leases in-place at the Subject property, a survey of competing properties was conducted. These comparable rental properties help establish the market rental income applicable to the Subject.

SUMMARY OF PRESENT LEASES

The Subject unit was vacant and unoccupied at the effective date of this report. As a result, no lease agreement has been available; we must therefore determine the appropriate current lease rate for the Subject property based on comparable properties.

ANALYSIS OF LEASE INFORMATION

In analyzing market rental rates for the Subject unit, we have utilized the comparison approach by researching recent rents for similar office spaces. To this end we have surveyed surrounding areas in Chilliwack downtown for recent leases of similar type and have selected six indicators from a wider range as being most representative of the Subject property's earning capability.

The primary factors affecting rental rates are:

1) The level of competition offered by similar properties;
2) Location factors;
3) Project amenities and appearance; and
4) Landlord's leasing policies and procedures.

Typical rents for upper level office units located nearby the Subject can be found in the following Summary of Lease Comparables, which is relevant to the determination of the Subject unit rental potential.

No.	Address	Area (sf)	Date	Rate psf	Comments
L1	208-45863 Yale Road, Chilliwack	1,994	Feb-18	**$6.00**	Office space on 2nd floor of Victorian Court, a 1982-developed retail/office building situated in Chilliwack downtown. Additional Rent: $8.50.
L2	200-45905 Yale Road, Chilliwack	5,714	Aug-18	**$8.00**	2nd floor office space in a 1963-developed Southgate Shopping Centre situated in Chilliwack downtown. Additional Rent: $4.50.
L3	303-46167 Yale Road, Chilliwack	2,100	Apr-19	**$9.50**	Office space on 3rd floor of the Chilliwack Business Centre, a 1976-developed office building situated in Chilliwack downtown. Additional Rent: $5.00.
L4	305B-46167 Yale Road, Chilliwack	241	Active Listing	**$9.50**	Office space on 3rd floor of the Chilliwack Business Centre, a 1976-developed office building situated in Chilliwack downtown. Additional Rent: $5.00.
L5	204-46167 Yale Road, Chilliwack	428	Active Listing	**$9.50**	Office space on 2nd floor of the Chilliwack Business Centre, a 1976-developed office building situated in Chilliwack downtown. Additional Rent: $5.00.
L6	201-46093 Yale Road, Chilliwack	4,248	Active Listing	**$12.00**	Office space on 2nd floor of a 2002-developed office building situated in Chilliwack downtown. Additional Rent: $8.65.

Summary of Lease Comparables

The comparables selected are office spaces ranging in size from 241 square feet to 5,714 square feet and show net lease rates between $6.00 per square foot and $12.00 per square foot, net. The variation in rates is mainly motivated by the building appeal and condition, unit size, as well as the extent and condition of tenant improvements in place.

Spaces in newer or recently renovated buildings, exhibiting good market appeal, tend to rent at the upper portion of the range. These would be best represented by the Indicator L-6, providing lease rates at the upper end of the range at $12.00 per square foot, net. Appropriate downward adjustment to such a rate would be required.

Spaces in older buildings, as well as dated transactions, indicate rates in the lower end of the market range, which is best represented by the Indicator L-1, providing a lease rate of $6.00 per square foot. This lease rate was negotiated in February 2018 and likely the rate would be higher if re-negotiated at the present time. Appropriate upward adjustment to such a rate would; therefore, be required.

The middle of the range is represented by the Indicators L-2 through L-5, providing lease rates between $8.00 per square foot and $9.50 per square foot. I'm of an opinion that the lease rate appropriate for the Subject would be bracketed by this narrow range.

The Subject office unit is situated in the 1977-developed, medical office building situated in the Vancouver downtown core. The building's appeal, location and overall built quality is rated average, considering the era of development. The Subject unit; however, is currently in a below average condition and requires renovations before it is considered to be in a marketable and ready to move in condition. The downward adjustment for the condition is counterbalanced by upward adjustment for small size of the Subject. At the end; therefore, the middle of the market range, or $9.00 per square foot, net, would be considered appropriate for the Subject space.

At this point it should be noted that the strata fee associated with the Subject is unusually high, effecting substantially higher than the market operating costs, estimated at $12.49 per square foot. The operating costs are typically being passed on a tenant in form of additional rent, when triple net rental rate is being negotiated. Since office spaces comparable to the Subject typically quote additional rent in the range of $5.00 - $8.65 per square foot, with the mid-range of approximately $7.00 per square foot, an appropriate downward adjustment to the basic triple net rate is required.

After, concluding that a typical additional rent for space such as the Subject is approximately $5.50 per square foot lower than it is in the Subject building, the market derived basic, triple net rental rate of $9.00 per square foot should be adjusted downward by the same amount in order to induce prospective tenant to enter a tenancy agreement.

Based on the preceding analysis and after taking into account unusually high strata fee, I have concluded that an appropriate basic market rate for the Subject unit is **$3.50** per square foot, net. I will therefore apply this rate in the Income Approach in conjunction with the market derived capitalization rate.

VACANCY and BAD DEBT

Potential income reflects the property full income generating potential. However, income properties are rarely, if ever, fully occupied over their economic lives and for this reason vacancy and collection losses must be considered. This factor, the "vacancy rate" is normally expressed as a percentage. While this factor takes into account the current level of vacancies it is in effect a long-term average and may well be at variance with either the typical vacancy in the area of the Subject or, indeed, the actual level of vacancies within the Subject.

There is no vacancy information specific to the Chilliwack office market. However, according to NAI Commercial Report for the first Quarter of 2019 vacancy in the Periphery of Grater Vancouver, which include Abbotsford and Chilliwack, has increased slightly to 2.8% from 2.4% in the previous quarter. Interestingly, there was a significant increase in spaces added – 65 spaces totalling 278,832 SF. 25 spaces totalling 119,502 SF leased, and six removed totalling 40,013 SF. According to the most recent market reports released by Richard CB Ellis for the Lower Mainland Office Market, Q1, 2019, vacancy in C Class Buildings in suburban areas is estimated at 2.8%.

The Subject building shows some vacancy at the present time. With all things considered, we submit that an appropriate estimate of the long-term stabilized vacancy rate applicable to the Subject unit would be at approximately **5.0%** and we will use this rate for the purposes of this analysis. This rate is inclusive of an allowance for bad debt.

Bad debt allowance is related to vacancy rate and is a risk factor that arises from leasing and the receiving of rents. The average for bad debt allowance is 0.5 to 1.0%.

OPERATING EXPENSE ANALYSIS

For the income analysis, an expense statement must be reconstructed, as follows in the NOI chart. Where available, we have utilized the expense statement provided by the owner. The factor to allow for the expenses is based mainly upon investigations of other properties, and discussions with persons familiar with the type of investment.

Commercial properties are typically rented out on a net basis, where most of the landlord's costs are recovered from the tenant. Expenses not covered by the triple net tenancy include management fees and structural reserve/non recoverable expenses. Small office strata units, rented to one tenant, typically do not require significant management and often do not require management expense adjustments. None has been applied to the Subject.

We have estimated the recoverable expenses based on information provided. These expenses include:

- 2018 property tax: $ 834.28 per annum
- Strata fees: $579.71 per month or $6,956.52 per annum

The above expenses are recovered in the triple net tenancy in form of Additional Rent. The Additional Rent; therefore, is estimated at $7,790.80 per annum or approximately $12.49 per square foot.

Other typical expenses include and 1.0% – 2.0% for structural reserve allocation, which are not covered by the triple net tenancy. We have applied a rate of 1.0% for the Subject unit.

CAPITALIZATION RATE ANALYSIS

The Capitalization Rate is a mathematical relationship, which exists between the net income derived from the property and the value or price that a probable purchaser would pay for the privilege of receiving that income stream. Influences most affecting the price an investor would pay are the quality, quantity, and probable duration of the net income expectancy. More specifically, capitalization rates depend upon the variations in economic conditions, prevailing mortgage interest rates, property type, lease rates in place, location, plus property age and condition.

This analysis will focus on "Market Derived Capitalization Rates", where appropriate for the subject property capitalization rate is obtained as a result of a survey and analysis of cap rates prevailing among similar to the Subject property. Transactions analyzed for this purpose tend to represent investor expectations for cash flow returns in the Chilliwack investment market, where all of the capitalization rates are based on reasonable market negotiations.

It should be emphasized that after an exhaustive search only retail stratified units have been available for our analysis, as transactions of office strata units from the Chilliwack locale had no information on rental income at the time of sale. Based on my experience, there is a strong correlation between capitalization rates for retail strata units and stratified office units; as a result, the gathered information will be relevant for this analysis.

In the table below I reference and describe the capitalization rate indicators forming the basis of our selection of an appropriate cap rate for the Subject property.

CAPITALIZATION RATE COMPARABLES								
No.	Address	City	Type	Sale Date	Floor Area	Price	NOI	Overall Cap Rate
C1	101 & 102 - 45610 Yale Road	Chilliwack	Commercial Strata	Oct-17	5,886	$1,329,000	$ 59,805	**4.50%**
C2	23-5725 Vedder Rd	Chilliwack	Commercial Strata	Apr-17	1,198	$ 578,000	$ 28,968	**5.01%**
C3	1-5725 Vedder Rd	Chilliwack	Commercial Strata	Sep-17	3,675	$1,100,000	$ 63,000	**5.73%**
C4	20-5725 Vedder Rd	Chilliwack	Commercial Strata	Aug-17	1,207	$ 415,000	$ 24,000	**5.78%**

Summary of Capitalization Rate Comparables

All comparables in the dataset are stratified commercial units located in the Chilliwack locale. The transactions took place between April and October 2017; with no more recent transactions being available for commercial stratified property type in the general area.

My conversations with the commercial real estate brokers familiar with the Lower Mainland market and the surrounding areas revealed that cap rates have been compressing in the recent years, given the substantial demand from owner occupiers who typically pay a premium over investors in the market with a limited supply. This trend should be kept in mind; suggesting appropriate downward adjustments to the cap rates provided by dated transactions.

The comparables selected present cap rates between 4.50% and 5.78%, with an average of 5.26% and a median of 5.37%.

Higher cap rates are usually required for properties that carry overall more risk to their operation. Lower cap rates are sometimes driven by strong demand for a particular product or area. Properties with below market lease rates are considered a lower risk to attract and maintain tenants, as well as represent an upside potential in the near future, and therefore result in lower cap rates.

I am of the opinion that the lower portion of the mid-portion of the range provides best support to the capitalization rate associated with the Subject. Upper floor strata office units tend to pose slightly higher investment risk than main floor commercial units, which benefit from superior exposure and accessibility. However, the resulting upward adjustment is counterbalanced by downward adjustments required to reflect compressing cap rates phenomenon observed within the past years.

With consideration of the above analysis, along with the Subject's physical and functional attributes, I conclude that **5.00%** is the appropriate overall capitalization rate for the Subject unit and it will be used for a purpose of this analysis.

ESTIMATED INCOME STATEMENT

Based on the potential income, the estimated vacancy/bad debt allowances and the estimated operating expenses previously outlined in this section of the report, the Subject property would realize a net income as outlined in the following table.

Income and Expense Statement			
Description	**Area (SF)**	**Rate**	**Estimated Annual Amount**
Estimated Potential Income			
Office Strata Unit	624	$ 3.50	$ 2,184
Additional Rent (Triple Net Recovery)	624	$ 12.49	$ 7,791
Potential Income			$ 9,975
Less Vacancy & Bad Debt Expense		5.0%	-$ 499
Effective Gross Income (EGI)			$ 9,476
Operating Expenses			
Recovered Expenses			
Taxes & Strata Fee	*actual*	82.2%	$ 7,791
Non Recoverable Expenses			
Management	*projected*	0.0%	$ -
Structural Reserve, Misc.	*projected*	1.0%	$ 95
Less Total Operating Expenses			$ 7,886
Annual Net Operating Income (NOI)			$ 1,590
Cap Rate		5.00%	
Value by Income Approach			**$ 31,810**

Summary of Income Approach

VALUATION

We have subtracted the annual expenses from the potential income accruing under a triple net tenancy, which gives us the Net Operating Income (NOI). This NOI divided by the capitalization rate deemed appropriate in the previous analysis, the result of which is our value estimate by the Income Approach for the Subject property.

As a result, we estimate the final value estimates of the Subject property to be as follows:

NOI	divided by	Cap Rate	=	Value
$1,590	/	5.00%	=	$31,810
		rounded to		**$32,000**

ESTIMATE OF VALUE BY THE INCOME APPROACH:

$32,000

Thirty Two Thousand Dollars

DIRECT COMPARISON APPROACH

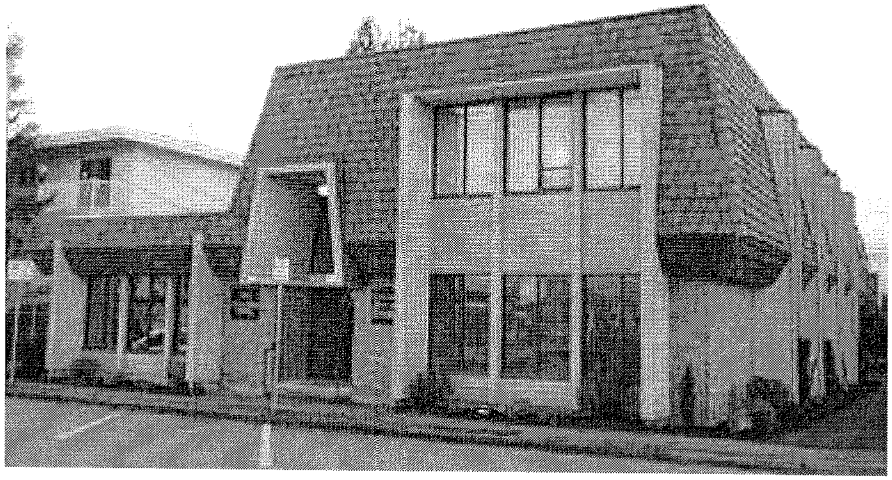
The Direct Comparison Approach (DCA) is based upon the principle of substitution which states that a prudent investor would pay no more for a property than the cost of acquiring an alternative property with the same utility.

The Comparison Approach involves the investigation and analysis of recent, similar sales and listings of properties coupled with a process of comparison with the Subject. Adjustments are made to account for relevant differences between each comparable sale and the Subject. Such an adjustment process derives from each comparable an expected price that it would have sold for had it possessed the relevant characteristics that the Subject possesses. From these adjusted sales prices an estimate of value for the Subject is made. In applying this approach various units of comparison can be selected depending upon the nature of the property. For multiple residential or commercial/residential investment properties a price per revenue producing unit can be applied.

Where the Subject is a Strata Office unit, the commonly used measure is square feet of leasable area or rentable area.

Information on current market rates for comparable properties was obtained by reviewing data on similar properties by analysis of the comparisons and discussions with professionals with knowledge about the type of property as is the Subject.

The information was examined and qualified for use in the formation of the final value conclusion. All relevant aspects of the data relied upon, as known to the appraisers, are reported within the text of this report. Following are details of the available sales data with comments, photographs of the respective properties, plus map(s) showing their approximate location.

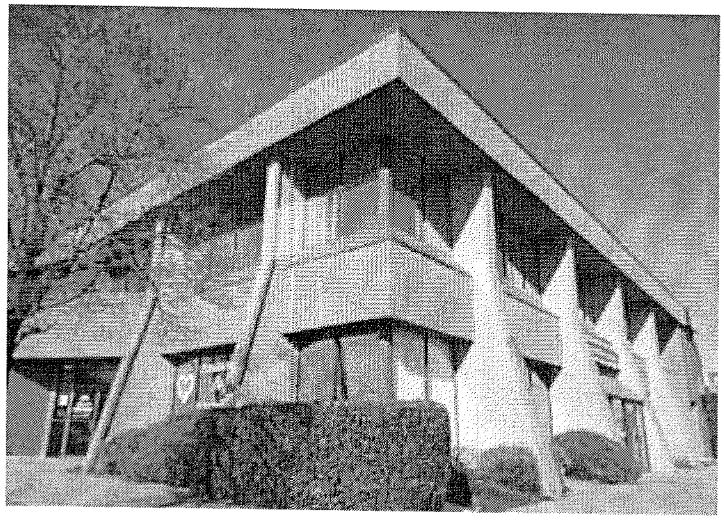


Sale #	S-1
Property:	Strata Office Unit
Address:	3-9331 Mary Street, Chilliwack
Short Legal:	Strata Lot 3, Division "A", NWD Strata Plan NWS1034
PID(s):	001-626-060
Property Info	
Lot Area (sf):	STRATA
Unit Size (sf)	1,582
Est. Year Built:	1978
Condition:	Average
Zoning:	C-2, Local Commercial
Sales Info	
Sale Date:	2019-03-4
Sale Price:	$390,000
Vendor:	Private Society
Purchaser:	AP Irwin Holdings Ltd.
Price Per Square Foot:	$247
Comments	
Located in Chilliwack downwtown, on the southwest corner of Mary Street and Princess Avenue. The property is improved with one two-storey, stratified, medical office building containing three strata units, constructed circa 1978. The building has no elevator service and has been constructed using a structural wood and concrete block frame behind a wood and clay brick facade. The transaction involved the sale of one commercial strata unit containing a total net rentable area of 1,582 square feet located on 2nd floor.	

Sale #	S-2
Property:	Strata Office Unit
Address:	Unit 304, 9200 Mary Street, Chilliwack
Short Legal:	Strata Lot 3 Plan NWS1063 Land District 36 DIVISION A, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM V
PID(s):	001-639-161
Property Info	
Lot Area (sf):	STRATA
Unit Size (sf)	560
Est. Year Built:	1977
Condition:	Average
Zoning:	C2, Local Commercial
Sales Info	
Sale Date:	2019/02/20
Sale Price:	$37,000
Vendor:	BC Academy of Medical Spa & Skin Care
Purchaser:	Jorge Enrique Gomez
Price Per Square Foot:	$66
Comments	

Located on the northeast corner of Mary Street and Pattern Avenue. The property is improved with one four-storey, stratified, office building, constructed circa 1977.

The transaction involved the sale of one strata unit containing a total net rentable area of 560 square feet.



Sale #	S-3
Property:	Strata Office Unit
Address:	Unit 510, 45715 Hocking Avenue, Chilliwack
Short Legal:	Strata Lot 4, District Lots 27 & 114, Group 2, NWD Strata Plan NW879
PID(s):	008-034-397
Property Info	
Lot Area (sf):	STRATA
Unit Size (sf)	2,233
Est. Year Built:	1977
Condition:	Average
Zoning:	CS-1, Service Commercial
Sales Info	
Sale Date:	2018-12-14
Sale Price:	$400,000
Vendor:	Henry Jansen, Inc.
Purchaser:	Stonewater Ventures (No. 213) Ltd. & Stonewater Ventures (No. 192) Ltd.
Price Per Square Foot:	$179
Comments	

Located in Chilliwack Proper Village West, on the north side of Hocking Avenue, west of Yale Road. The property is improved with one two-storey, stratified, office building containing a total of two strata units, constructed circa 1977.

The transaction involved the sale of one strata unit containing a total net rentable area of 2,233 square feet, located on the ground floor.

Sale #	S-4
Property:	Strata Office Unit
Address:	Unit 407, 8705 Young Road, Chilliwack
Short Legal:	Strata Lot 11 Plan BCS2987 District Lot 27 Land District 2 Land District 36 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM V
PID(s):	027-573-613
Property Info	
Lot Area (sf):	STRATA
Unit Size (sf)	1,355
Est. Year Built:	2007
Condition:	Average
Zoning:	CSM, Service Commercial-Industrial
Sales Info	
Sale Date:	2018/10/18
Sale Price:	$230,000
Vendor:	Anthony Stephan Zandl
Purchaser:	Harminder Herbie Pahal
Price Per Square Foot:	$170

Comments

Located on the west of Young Road, south of Rowat Avenue. The property is improved with one three-storey, stratified, commercial building, constructed circa 2007.

The transaction involved the sale of one strata unit containing a total net rentable area of 1,355 square feet.

Sale #	S-5
Property:	Strata Office Unit
Address:	Unit 201, 9200 Mary Street, Chilliwack
Short Legal:	Strata Lot 2 Plan NWS1063 Land District 36 DIV A, TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM V
PID(s):	001-639-145
Property Info	
Lot Area (sf):	STRATA
Unit Size (sf)	3,067
Est. Year Built:	1977
Condition:	Average
Zoning:	C2, Local Commercial
Sales Info	
Sale Date:	2018/03/29
Sale Price:	$100,000
Vendor:	Lifelabs BC Inc.
Purchaser:	Private Individual
Price Per Square Foot:	$33

Comments

Located on the northeast corner of Mary Street and Pattern Avenue. The property is improved with one four-storey, stratified, office building, constructed circa 1977.

The transaction involved the sale of one strata unit containing a total net rentable area of 3,067 square feet.

Sale #	S-6
Property:	Strata Office Unit
Address:	Unit 301, 9200 Mary Street, Chilliwack
Short Legal:	Strata Lot 6 Plan NWS1063 Land District 36 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM V; DIVISION A
PID(s):	001-639-188
Property Info	
Lot Area (sf):	STRATA
Unit Size (sf)	721
Est. Year Built:	1977
Condition:	Average
Zoning:	C2, Local Commercial
Sales Info	
Sale Date:	2018/03/2
Sale Price:	$45,000
Vendor:	Private Individual
Purchaser:	Private Individual
Price Per Square Foot:	$62
Comments	

Located on the northeast corner of Mary Street and Pattern Avenue. The property is improved with one four-storey, stratified, office building, constructed circa 1977.

The transaction involved the sale of one strata unit containing a total net rentable area of 721 square feet.

ANALYSIS OF COMPARABLE SALES

In order to apply the Comparison Approach it is necessary to make adjustments to the above detailed Comparables to reflect the varying differences with the Subject. As such the sales search utilized in this report was directed towards similar or similar use properties in the area.

For properties the nature of the Subject adjustments traditionally involve the following:

1. Location Factors
2. Physical Characteristics
3. Zoning and Land Use Factors
4. Time/Market Conditions
5. Financing Terms
6. Motivating Forces and/or Conditions of Sale

LOCATIONAL FACTORS

Location has a significant effect on value.

Area: Geographic location within the community, proximity to other commercially and residentially zoned properties, accessibility for transportation of goods, surrounding area uses such as residential, industrial or commercial, proximity to amenities or market. No adjustments were required.

Exposure/Locale: Traffic levels on the street, sites which are located on street corners, or have more than one frontage, have a higher value than those that do not. Adjustments have been made where appropriate. Commercial property values are dramatically affected by their exposure to high traffic locations. Accessibility is the main concern for industrial properties, while residential properties values are affected by amenities, neighbourhood appeal and low traffic streets. No adjustments were necessary.

PHYSICAL CHARACTERISTICS

Size: Historic research has indicated that larger properties sell for a slightly lower price per unit, due to economies of scale in development or use. Larger properties as a result tend to sell for a lower square foot value than a smaller property. Adjustments were implemented where necessary.

Floor: Among features that impact the value of commercial strata units is floor placement. The units situated on the main floor tend to benefit from superior accessibility and exposure in comparison to the units situated on the upper floors. As a result, the ground floor units typically tend to sell for more. Adjustments were implemented as required.

Improvements and Condition: We have considered the age, quality of construction and condition of maintenance of the comparables relative to the Subject. We have considered the interior improvements, as well as the overall building appeal. Adjustments have been made where necessary.