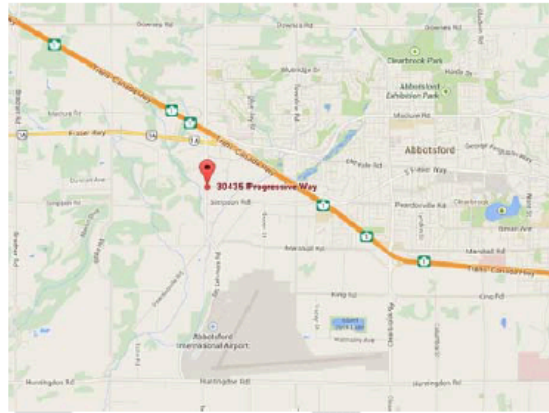


Executive Summary



Mount Lehman Business Park
#1 - 30435 Progressive Way
Abbotsford, British Columbia

Final Value Estimate
\$1,200,000

Property Information

Property Type Industrial / Office
Warehouse
Year Built 2004
Quality / Condition Good / Good
Land Use/Zoning Level

Size

Occupied (100.0%) 6,872
Vacant (0.0%) 0
Total - 6,872

Office Area - (60.3%) 4,146

Clear Height - 9-22 Feet

Loading

Dock - No

Grade - Yes / One 10 x 14

Rail - No

Value Conclusion

Final Value Estimate \$1,200,000
Effective Date August 26, 2014
Value per SF \$175
Going-In Capitalization Rate 5.35%

Valuation Summary

Direct Comparison Approach \$1,200,000
Income Approach
Direct Income Capitalization \$1,170,000

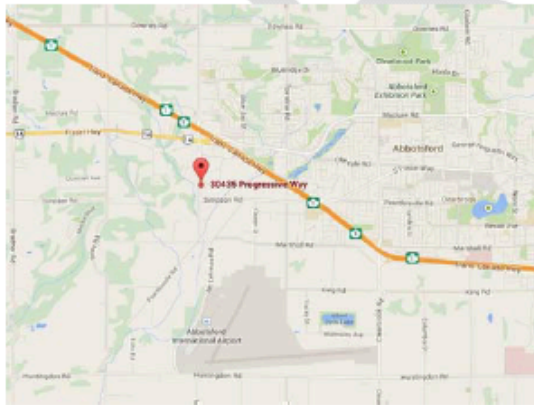
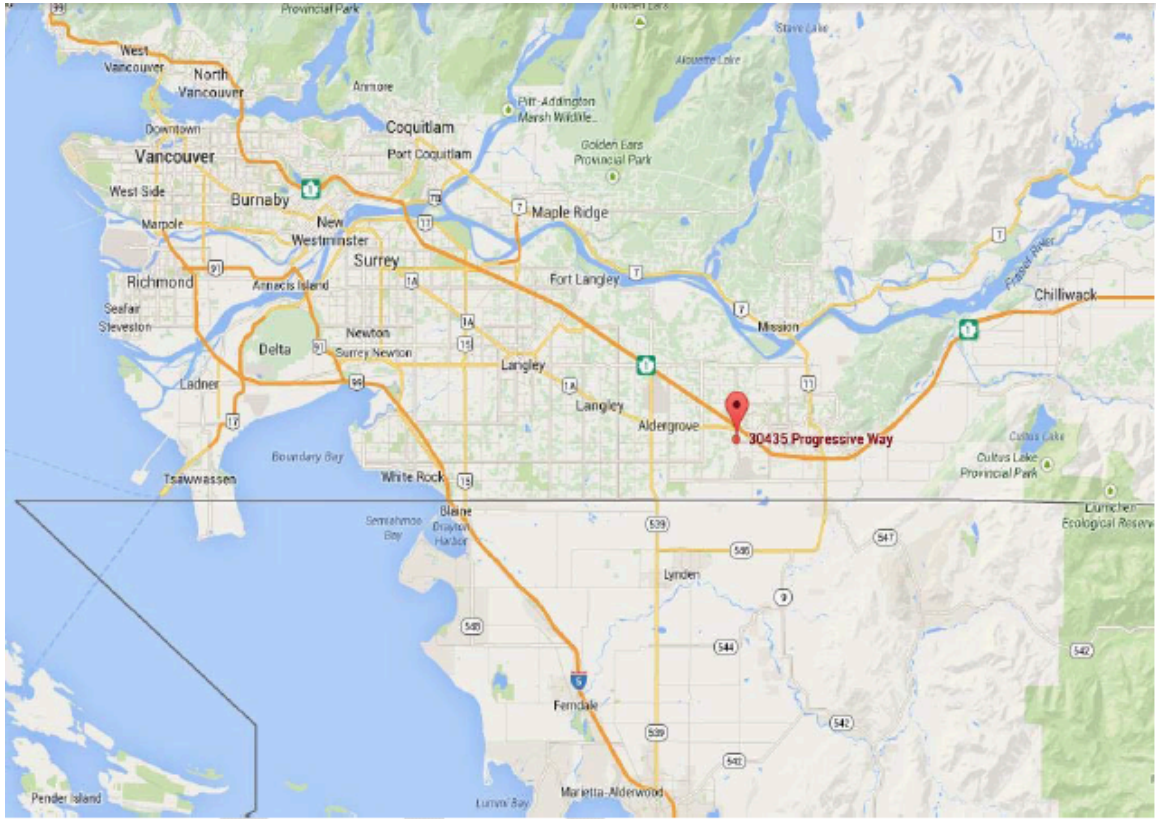
Direct Income Capitalization

Market Rent \$9.00 to \$10.00 per SF
Stabilized Net Operating Income \$64,185
Vacancy Allowance 4.00%
Contingency Allowance 1.00%
Overall Capitalization Rate 5.50%
Stabilized Value \$1,170,000
Adjustments \$0
Adjusted Value As Is \$1,170,000
Value per SF \$170

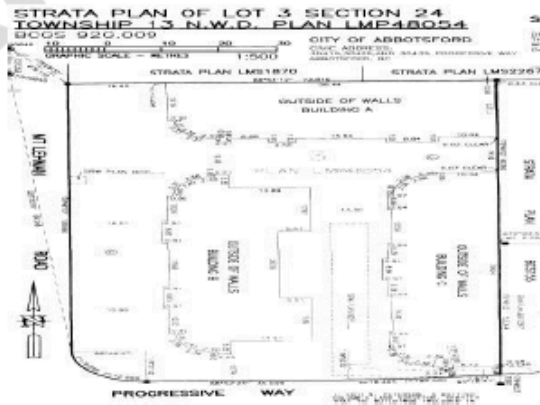
Direct Comparison Approach

Concluded Unit Value Range \$170 to \$180
Size (SF) 6,872
Initial Value \$1,200,000
Adjustments \$0
Adjusted Value As Is \$1,200,000
Value per SF \$175

Maps



Location Map



Site Plan

Property Photos



Subject



Rear Elevation



Side Elevation and 14x10 Grade Loading



Warehouse





Main Floor Entrance



Boardroom



Kitchenette/Washrooms



Private Office (Main Floor)

Property Data

Municipal Address #1 -30435 Progressive Way, Abbotsford, British Columbia

Legal Description Lot 11, Plan BCS835, Land District 36, Section 24, Township 13PID: 025-979-990

Property Rights This valuation pertains to the fee simple interest in the property described herein.

Encumbrances The property has several charges registered against title. For the purposes of this analysis, the instruments registered against the title(s) to the property are assumed not to have a significant effect on the property's marketability or its market value. For greater certainty a legal opinion should be solicited for a full explanation of the effects of these encumbrances. The property has been valued as if free and clear of any financing. A copy of the property title has been included in the addenda for further reference.

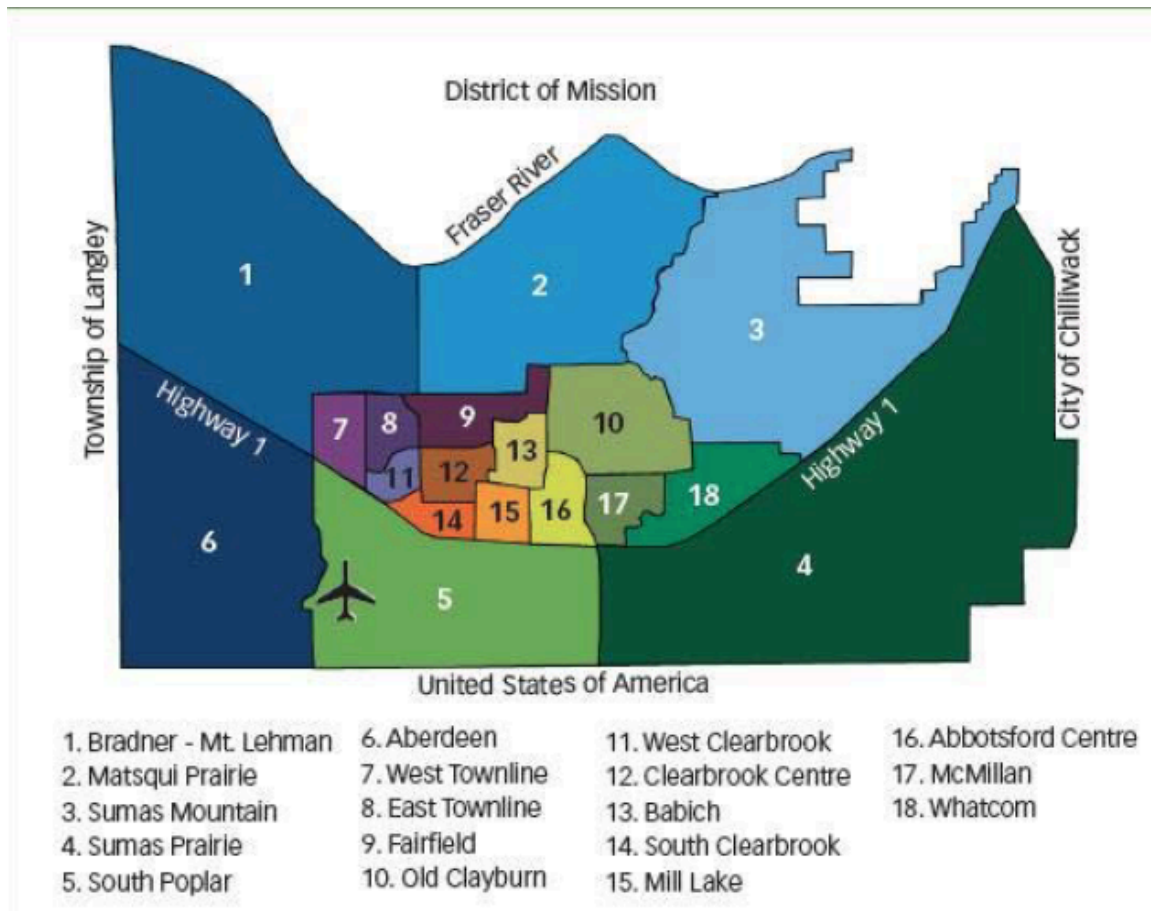
Ownership / Sale History Ownership of the property last transferred on October 19, 2010. According to the information available, the current owner, Pacific Renovation Improvements & Maintenance, acquired the property from Guy George Miller for the reported consideration of \$563,220. This transaction was believed to have occurred at arms' length; no atypical conditions were known to have influenced the transaction. There have been no transfers of the property in the last three years. Likewise there have been no listings for sale of the property in the last three years.

According to the information provided or available, the property is not currently offered for sale nor is it subject to any current agreement or option.

Realty Taxes/Assessment	Roll No.	1052047210
	Total Assessment	\$747,000
	per SF	\$109.00
	Total Levy	\$14,731
	per SF	\$2.14

Relative to the value estimate herein, the above assessment appears to be reasonable. Notwithstanding this, we recommend a full review be conducted on the assessment to ensure both equity and accuracy.

Neighbourhood Overview



The property is situated in the good quality industrial district known as Poplar. Poplar is located approximately 4 kilometres north of Abbotsford's central business district.

District Boundaries

- North · Highway 1
- South · Canada/USA Boarder
- East · Sumas Way
- West · Mt Lehman Road

Adjacent Districts

- North · South Clearbrook Mixed Residential/Commercial
- South · U.S. Boarder
- East · Sumas Prairie Agricultural
- West · Aberdeen Agricultural

Major Arterials & Access

- Access · General access to the neighbourhood is considered to be good.
- Arterials · Highway 1
- Clearbrook Road

Commercial Real Estate Summary

The region of Poplar is largely a mix of industrial and agriculture zones. The two main industrial regions within Poplar are concentrated close to the main transportation routes of Sumas Way and Clearbrook Road. Further away from these main routes the region transitions into agricultural zones, as the adjacent districts east and west (Sumas Prairie & Aberdeen) located south of Highway 1 are also mainly agricultural in nature.

Summary

Poplar is located south of Highway 1 in the City of Abbotsford in the central Fraser Valley. The area is connected to Langley and Chilliwack via Highway 1, and connected north to Mission via Highway 11. Abbotsford is known as the “City in the Country” surrounded by agricultural lands that anchor the economy.

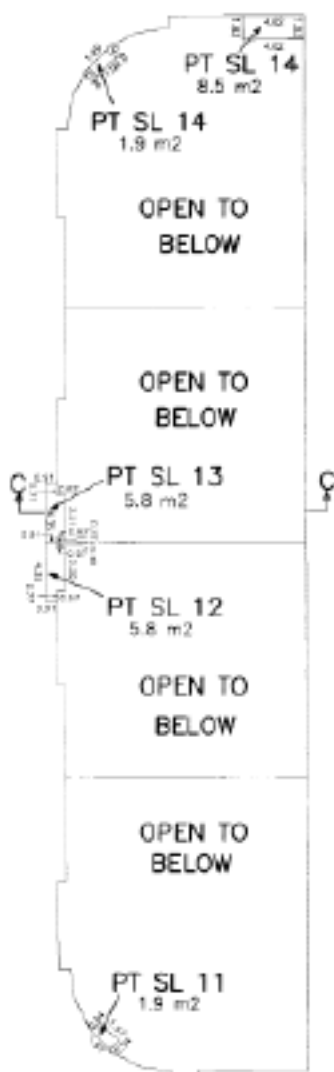
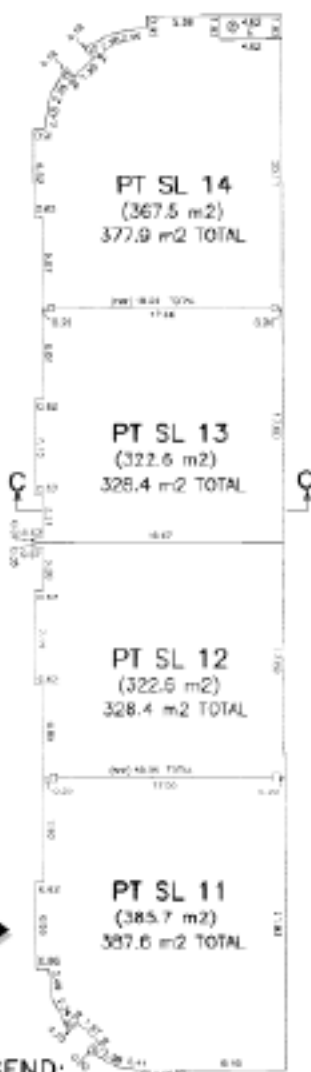
BUILDING C

SHEET 4 OF 5 200212

STRATA PLAN BCS

FIRST FLOOR

SECOND FLOOR



LEGEND:
SEE SHEET 1
GRAPHIC SCALE - METRES 1:250

Signature
BCLS
2012/12/01 (10)
2012/12/01 (10)
5202-179

Land Use / Zoning



City of Abbotsford I2: General Industrial Zone

Permitted Uses

The following uses and no others shall be permitted in the I2 zone:

- Animal Pound
- Auction Use
- Auto Body Repair Use
- Civic Use
- Commercial Use, limited to:
 - (a) Auto towing service compound
 - (b) Boat sales limited to being in conjunction with retail sale of marine parts and accessories, or a marine servicing use, and limited to one third of a business floor area to a maximum of 230 m² with no outdoor display permitted
 - (c) Courier, delivery and express facilities
 - (d) Crematorium
 - (e) Landscaping services
 - (f) Mobile food vending cart
 - (g) Moving establishments
 - (h) Nurseries and greenhouses
 - (i) Pest control services

- (f) Printing, photocopying, duplicating, lithographing, blueprinting and similar reproduction services
- (g) Publishing, where printing or binding is part of the business and is conducted on the same lot
- (h) Radio, television and recording studios;
- (i) Rental of vehicles in conjunction with vehicle servicing or auto body repair use
- (j) Retail sale, rental and repair of:
 - (i) Advertising signs and display equipment
 - (ii) Antennae and satellite dishes
 - (iii) Building supplies including plumbing, heating, ventilation, air- conditioning, security and electrical equipment and floor coverings
 - (iv) Beverage supplies and equipment
 - (v) Feed products for farm use
 - (vi) Goods manufactured on the lot
 - (vii) Heavy trucks, truck canopies, truck bed liners and trailer hitches
 - (viii) Heavy farm and industrial equipment
 - (ix) Sheet metal products
 - (x) Tools
 - (xi) Used motorcycle, all-terrain vehicle, snowmobile and personal water craft sales and rental limited to being in conjunction with the assembly and servicing of such vehicles and limited to 20% of the gross floor area of the business including any floor area devoted to the retailing of goods manufactured on the lot
 - (xii) Vehicle and marine parts and accessories
 - (xiii) Recreational vehicles, limited to the lots described as:
 - Parcel "D" (Reference Plan 2842) South West Quarter Section 24 Township 13 Except:
 - Firstly: Parcel "One" (Reference Plan 15433)
 - Secondly: Parcel "2" (Explanatory Plan 24310)
 - Thirdly: Part Subdivided by Plan 25853
 - Fourthly: Part Subdivided by Plan BCP1600
 - Fifthly: Part in Plan BCP16456 New Westminster District
- and
- Lot 1, Except: Part on Plan BCP16455 South West Quarter Section 24 Township 13 New Westminster District Plan LMP51391, And know municipally as 2756 and 2796 Mt. Lehman Road;
- (k) Restaurant Use, excluding drive-in or drive-through and limited to a maximum floor area of 175 m²
- (l) Trade school

- (m) Truck refuelling, including keylock facilities
- (n) Vehicle and marine servicing excluding the sale of fuels.

- Industrial Use, excluding:

- (a) Animal stockyards;
 - (b) Asphalt and concrete batching plants;
 - (c) Bulk storage, collection or processing of highly flammable or explosive substances, or of “dangerous goods” as defined from time to time by applicable enactments
 - (d) Bulk storage, collection or processing of “special waste” as defined from time to time by applicable enactments
 - (e) Burning of wood waste products
 - (f) Collection, storage or composting of animal or vegetable wastes;
 - (g) Collection, storage, wrecking, repair or crushing of wrecked vehicles or vehicle parts
 - (h) Collection and storage of salvaged equipment, materials or goods unless accessory to an industrial process on the lot
 - (i) Incineration or distilling of animal or vegetable products
 - (j) Manufacture of fertilizer, rubber, matches or paper
 - (k) Slaughterhouses.
- Information Technology Use, limited to buildings for which a building permit has been issued prior to June 30, 2001.
 - Office Use, limited to:

- (a) Offices of building trade contractors
- (b) Taxi and paratransit dispatch office in conjunction with servicing of vehicles;
- (c) Offices which are accessory to and located on the same lot as the principal industrial use
- (d) Offices of utility services where accessory to equipment or other facilities or operations of the utility services on the lot.

- Pawn Shop Use, limited to being accessory to an auction use and not exceeding 5% of the floor area of the auction use
- Resource Primary Processing Use
- Resource Processing Use
- Accessory One Unit Residential Use, limited to a dwelling unit accessory to an industrial use
- Industry Support Office, limited to the following lots described as:
 - Lot 2 Section 11 Township 16 NWD Plan BCP22632 and known municipally as 34434 McConnell Road,
 - and
 - Lot 1 Section 15 Township 16 NWD Plan BCP34059 and known municipally as 34077 Gladys Avenue.
- Research and Development Use limited to the following lots described as:
 - Lot 2 Section 11 Township 16 NWD Plan BCP22632 and known municipally as 34434 McConnell Road,
 - and
 - Lot 1 Section 15 Township 16 NWD Plan BCP34059 and known municipally as 34077 Gladys Avenue.

Conditions of Use

· Areas for retail sale, rental or display of goods manufactured on the lot excluding the retail sale and rental of recreational vehicles shall be:

(a) Fully contained within the same building as the principal industrial use manufacturing the products on the lot

(b) Limited to an area not exceeding 20% of the gross floor area of the business manufacturing the products on the lot and the remaining floor area not being open to the public. The retail sale or rental of recreational vehicles shall only be permitted where the manufacturing or servicing of recreational vehicles or another Industrial Use occurs on the same lot.

· Unenclosed storage or unenclosed operations shall:

(a) Not be located within 3.0 m of an exterior lot line

(b) Be limited to that part of a lot surfaced with dust-free material;

(c) Be bounded on all sides not adjacent to a building or structure by a fence or wall of at least 1.5 m in height; and

(d) Not include storage of material or goods likely to produce or give off dust or other particulate matter that may become wind-borne.

· An accessory one unit residential use shall not exceed a floor area of 95 m².

Height of a Building or Structure

The maximum height of any building or structure shall be 12.2 m.

Setbacks

Buildings and structures shall be sited in accordance with the following minimum setbacks:

Buildings and Structures for	Exterior Lot Line	Interior Lot Line
All Uses	3.0 m	0.0 m, except 3.0 m where abutting an R or RM zone

Minimum Subdivision Requirements

All newly created lots shall have a minimum lot area of 1,850 m².

The property appears to conform to the requirements of the land use bylaw, however, if specific reliance on this information is required, written confirmation from the municipality should be obtained.

Description of the Improvements

Property Type	Single Tenant Industrial C Class Office Warehouse
No. of Stories / Buildings	Two Stories / Three Buildings (In Strata) The subject unit is located on the south side of Building C receiving frontage along Progressive Way. The main floor consists of a mix of office and warehouse space on a base floor plate of 4,152 square feet. The upper floor consist of approximately 2,700 square feet of fully enclosed improved office space.
Size	Warehouse 2,726 SF 39.7 % Office 4,146 SF 60.3 % Gross Leaseable Area 6,872 SF 100.0 % Mezzanine(Fully Enclosed) Yes (2,700 SF*)
Clear Height	The clear height in the majority of warehouse area(s) is estimated at 22 feet clear to the underside of the structural joists.
Year Built	The improvements to the property were originally constructed in 2004. In 2011 the tenant completed leasehold improvements in the amount of approximately \$122,000 to incorporate additional office space on the ground floor (+/-1,446 square feet) and an additional stairwell to the 2nd floor.
Age/Life Analysis	Actual Age 10 years Effective Age 10 years Economic Life 60 years Remaining Economic Life 50 years
Quality & Condition	The property represents good quality construction in good overall condition.
Foundation	The foundation was not fully visible, however, it is assumed that it consists of poured in place concrete grade beams, foundation wall and/or piles with a slab on grade floor system atop compacted gravel substrate.
Superstructure	The superstructure is comprised of pre-cast concrete panels with structural steel columns.

Exterior Walls	The exterior walls consist of reinforced insulated concrete tilt-up panels.
Roof	The roof was not inspected but assumed to be flat, steel deck construction on open web steel joists with built up tar and gravel roof cover.
Windows / Doors	Exterior windows and doors consist of commercial grade glass units in extruded aluminum frames.
Interior Finishing	<p>The interior(s) have been demised to accommodate the specific needs of the tenant(s). Office interior finishing includes painted gypsum board on steel framing, an exposed painted steel ceiling, wood moldings, and a mix of carpet, ceramic and hardwood flooring.</p> <p>The main floor consist of approximately 2,700 square feet of warehouse space and the remainder has been improved as office space in 2011 that includes a spiral staircase, five private offices, and common work area.</p> <p>The second floor consists of seven offices, a kitchenette, two 2-piece washrooms, reception, a boardroom, and an open work space.</p> <p>The warehouse area is generally unfinished and comprise suspended light fixtures, open ceilings, and painted concrete walls.</p>
Heating/Cooling	The office is heated/cooled via forced air HVAC units, while suspended radiant heaters provide heating in the warehouse.
Life Safety / Security	A wet sprinkler system provides fire suppression throughout the unit.
Lighting (Warehouse)	Lighting to the warehouse area(s) is by way of ceiling mounted fluorescent tube fixtures.
Power	Assume Adequate; requires confirmation by a qualified professional. The electrical service is assumed to be adequate for the current and anticipated requirements of the user(s).
Cranes	None
Truck Marshalling	The truck marshalling areas, with respect to size and configuration, are considered to be adequate for the property's current use.

Loading Doors

Grade	Yes / One 10x14
Dock	No
Rail	No

Parking

Surface parking is situated around the building's perimeter and available for the tenants use.

8 stalls

Design and Functionality

The improvements provide good overall functional utility.

Comments

The property is in good overall condition and free from any visible deferred maintenance that would significantly impact the property's market value or its marketability. It is assumed herein that all mechanical equipment is in adequate working condition, has been maintained in a professional manner, and that no atypical capital expenses are required.