

APPRAISAL OF



LOCATED AT:

8 Pearl Crescent
Calahoo, AB T0G 0J0

FOR:

Tatiana & Arkadi Poliakkevitch
6-33 Cosgrove Crescent
Red Deer, AB T4P 2Z6

BORROWER:

Tatiana & Arkadi Poliakkevitch

AS OF:

October 10, 2007

BY:

Kari Leibel

Knight & Co. Appraisals Ltd.
#202, 10441-178th Street
Edmonton, AB T5S 1R5
Phone: (780) 486-9545 Fax: (780) 444-6186

October 22, 2007

Tatiana & Arkadi Poliakkevitch

6-33 Cosgrove Crescent
Red Deer, AB T4P 2Z6

Address of Property: 8 Pearl Crescent
Calahoo, AB T0G 0J0

Market Value: \$ \$548,000

In accordance with your request and authorization, an investigation, analysis and appraisal report on the above captioned property has been completed for the purpose of estimating the Market Value as of the date herein specified. After careful consideration of all the factors that influence market value, it has been estimated as referenced above and is subject to the Assumptions and Limiting Conditions which are attached to this report and to which your attention is specifically directed. As there may be additional critical assumptions within the text of the report, we strongly recommend that you read and consider this report in its entirety.

This is a Complete Summary appraisal report prepared in accordance with the requirements set forth by the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada. The Summary format is distinguished from the more comprehensive Self Contained appraisal report only in the level of detail contained in the report. The information contained in this report should be sufficient for your purposes but if you require further information or clarification or find any errors or omissions, please call me at 780-486-9545. You should be fully aware that this appraisal report is for your specific use only and no other person or company can use or rely on the information provided.

Scope of Report:

The research and analysis required to complete this report included the following steps:

1. The property was physically inspected inside and out by the appraiser on the date stated.
2. When deemed necessary, information to confirm ownership, restrictions on title, compliance with land use regulations and tax information was obtained through public sources and stated within the report.
3. In our valuation of the property, we assumed no hidden or unapparent conditions on or near the subject property that might adversely influence its value.



Kari Leibel
Candidate

RESIDENTIAL APPRAISAL REPORT

"FULL" FORM

Client Ref. #: **POLIAKEVITCH** File #: **36592KL**
 Client: **Tatiana & Arkadi Poliakevitch** Address of Property: Appraiser: **Kari Leibel**
 Attention: **Tatiana & Arkadi** Address: **8 Pearl Crescent** Company: **Knight & Co. Appraisals Ltd.**
 Address: **6-33 Cosgrove Crescent** **Red Deer, AB T4P 2Z6** Address: **#202, 10441 - 178 St.**
Edmonton, AB T5R 1R5
 E-mail: **tpoliakvitch@gmail.com** Calahoo E-mail: **kleibel@knightappraisals.com**
 Phone: **(403) 318-9312** Province: **AB** Phone: **780-486-9545**
 Fax: Postal Code: **T0G 0J0** Fax: **780-444-6186**
 Other intended users (by name or type): **There are no other intended users**
 Applicant Name: **Tatiana & Arkadi Poliakevitch**

PROPERTY & NEIGHBOURHOOD DATA

LEGAL DESCRIPTION: Lot 2, Block 1, Plan 8020012, NW 34-54-27-4

MUNICIPALITY AND DISTRICT: Sturgeon County, "Shil Shol Estates"

ASSESSMENT: LAND \$ IMP \$ TOTAL \$ **Unavail.** yr **2006** TAXES \$ **Unavail.** yr **2006**

PURPOSE OF APPRAISAL: To estimate market value or Other (describe)

INTENDED USE OF APPRAISAL: Financing or Other (describe) **Matrimonial**

PROPERTY RIGHTS APPRAISED: Fee Simple Leasehold Condominium Cooperative Other (describe)

Is the subject a fractional interest, physical segment or partial holding? No Yes (if yes, see comments elsewhere in this report)

OCCUPIED BY: Owner Tenant Vacant

HIGHEST AND BEST USE: As improved or Other (describe)

Note: If Highest and Best Use is not the current use, or not the use reflected in the report, see comments attached.

NATURE OF DISTRICT	TREND OF DISTRICT	CONFORMITY OF SUBJECT	ESTIMATED AGE	AVERAGE PROPERTY
<input type="checkbox"/> Residential	<input type="checkbox"/> Improving	AGE	OF SUBJECT	AGE
<input checked="" type="checkbox"/> Rural	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Newer <input type="checkbox"/> Older <input checked="" type="checkbox"/> Similar	3 Years	DISTRICT
<input type="checkbox"/> Commercial/Industrial	<input type="checkbox"/> Transition	CONDITION		10 to 60 Years
<input type="checkbox"/> Mixed	<input type="checkbox"/> Deteriorating	<input type="checkbox"/> Superior <input type="checkbox"/> Inferior <input checked="" type="checkbox"/> Similar	SUPPLY	IMMEDIATE AREA:
Comments:	<input type="checkbox"/> Other	SIZE	<input checked="" type="checkbox"/> Good <input type="checkbox"/> Fair <input type="checkbox"/> Poor	New to 30 Years
		<input type="checkbox"/> Larger <input type="checkbox"/> Smaller <input checked="" type="checkbox"/> Similar	DEMAND	
	% AREA BUILT UP	Comments:	<input type="checkbox"/> Good <input checked="" type="checkbox"/> Fair <input type="checkbox"/> Poor	
	100 %			

DISTANCE TO

Elementary School Bussed	Junior Secondary Bussed	PRICE RANGE OF PROPERTIES
High School Bussed	Downtown Edmonton 45 Kms.	IN GENERAL DISTRICT
Public Transportation N/A	Shopping Facilities 12 Kms.	\$ N/A to \$ Rural Prices Vary Widely
Other		IN IMMEDIATE AREA
		\$ N/A to \$ Rural Prices Vary Widely

SUMMARY: Include market appeal, value trends and apparent adverse influences in area, if any (e.g. railroad tracks, unkempt properties, major traffic arteries, hydro facilities, anticipated public or private improvements, commercial/industrial sites, landfill sites etc.) **See Attached Addendum**

SITE DESCRIPTION

SITE DIMENSIONS: Irregular **SITE AREA:** 1.05 Acres **CONFIGURATION:** Rectangular

TOPOGRAPHY: Relatively Level

FEATURES:	UTILITIES:	DRIVEWAY:
<input checked="" type="checkbox"/> Paved Road	<input checked="" type="checkbox"/> Telephone	<input checked="" type="checkbox"/> Private
<input type="checkbox"/> Sidewalk	<input type="checkbox"/> Communal Well	<input type="checkbox"/> Concrete
<input checked="" type="checkbox"/> Street Lights	<input type="checkbox"/> Natural Gas	<input type="checkbox"/> Mutual
Comments:	<input checked="" type="checkbox"/> Sanitary Sewer	<input type="checkbox"/> Stone
	<input checked="" type="checkbox"/> Propane	<input checked="" type="checkbox"/> Single
	<input type="checkbox"/> Municipal Water	<input type="checkbox"/> Asphalt
	<input type="checkbox"/> Storm Sewer	<input checked="" type="checkbox"/> Double
	<input checked="" type="checkbox"/> Private Well	<input type="checkbox"/> Gravel
	<input checked="" type="checkbox"/> Open Ditch	<input type="checkbox"/> None
	<input type="checkbox"/> Other	
PARKING:	Comments:	LANDSCAPING:
<input checked="" type="checkbox"/> Garage		<input type="checkbox"/> Excellent
<input checked="" type="checkbox"/> Driveway	ELECTRICAL:	<input type="checkbox"/> Good
<input type="checkbox"/> Carport	<input type="checkbox"/> Underground	<input checked="" type="checkbox"/> Average
<input type="checkbox"/> None	<input checked="" type="checkbox"/> Overhead	<input type="checkbox"/> Fair
<input type="checkbox"/> Other Double Attached	<input type="checkbox"/> Other	<input type="checkbox"/> Poor
CURB APPEAL:	EASEMENTS:	
<input type="checkbox"/> Excellent	<input type="checkbox"/> Utility	
<input checked="" type="checkbox"/> Good	<input type="checkbox"/> Access	
<input type="checkbox"/> Average	<input checked="" type="checkbox"/> Other None Known	
<input type="checkbox"/> Fair		
<input type="checkbox"/> Poor		

ZONING: Country Residential

PRESENT USE: Single Family Residential **DOES IT CONFORM TO CURRENT ZONING?** Yes No (See comments)

COMMENTS: (Includes any positive and negative features such as conformity with zoning, effects of known easements, known restrictions on title, such as judgements or liens, effects of assemblage, any known documentation of environmental contamination, etc.) **The subject site is 1.05 acres. The site is relatively level and has basic landscaping in the front and rear of property. There is pavement to the site and a gravel driveway. Subject is located in the Shil Shol Estates subdivision, with power, drilled well (depth unknown), and septic field system. It is assumed they are in good working condition. There are no known adverse influences that would affect the overall marketability of the subject property. A title search was not conducted in order to determine if there are any easements or rights of way.**

DESCRIPTION OF IMPROVEMENTS - EXTERIOR

Year Built (est'd): **2004** Effective Age: **2** Remaining Economic Life (est'd): **58 Yrs.**

Construction Complete: **Yes** Percentage Complete: **100%**

Holdback Recommended: Yes No Comments:

FLOOR AREA:	BASEMENT:	DESIGN:	EXTERIOR FINISH:
Source Measured	<input type="checkbox"/> Full	<input type="checkbox"/> One Storey <input type="checkbox"/> 1-1/2 Storey	<input type="checkbox"/> Brick Veneer
Main 105	<input type="checkbox"/> Partial	<input type="checkbox"/> Split Level <input checked="" type="checkbox"/> 2 Storey	<input type="checkbox"/> Solid Brick
Second 110	<input checked="" type="checkbox"/> Crawl Space	Other	<input type="checkbox"/> Stone Veneer
Third	Total Area		<input type="checkbox"/> Solid Stone
Total 215	Sq. M. Sq. Ft.	ROOFING:	<input type="checkbox"/> Stucco
Sq. M. <input checked="" type="checkbox"/> Sq. Ft.	TYPE OF BUILDING:	<input checked="" type="checkbox"/> Asphalt Shingle	<input type="checkbox"/> Wood Siding
CONSTRUCTION:	<input checked="" type="checkbox"/> Detached	<input type="checkbox"/> Wood Shingle	<input type="checkbox"/> Aluminum Siding
<input checked="" type="checkbox"/> Wood Frame	<input type="checkbox"/> Semi-Detached	<input type="checkbox"/> Tar & Gravel	<input checked="" type="checkbox"/> Vinyl Siding
<input type="checkbox"/> Brick	<input type="checkbox"/> Row/Townhouse	<input type="checkbox"/> Metal	<input type="checkbox"/> Insulbrick
<input type="checkbox"/> Stone	<input type="checkbox"/> Apartment	Other	Other
<input type="checkbox"/> Concrete	Other	Approx. Age 3 Yrs.	
Other		Source: Estimate	

WINDOW SASH/GLAZING: Vinyl Double Glazed	UFFI APPARENT: .X. No Yes	OVERALL EXTERIOR CONDITION: Above Avg. .X. Average Below Avg. Poor
Comments:		

DESCRIPTION OF IMPROVEMENTS - INTERIOR

CEILING: 10 ft. Ceilings Throughout	WALLS: Painted	FINISH: .X. Drywall Plaster Paneling Other	OVERALL INTERIOR COND.: .X. Good Average Fair Poor
FOUNDATION WALLS: .X. Poured Concrete Concrete Block Concrete Slab Brick/Stone Crawl Space	BATHROOMS (#): 2-pc .X. Good 1 3-pc .X. Average 2 4-pc Poor 5-pc Custom	HEATING: Forced Air .X. Baseboard Hot Water Other	BUILT-INS & EXTRA FEATURES: .X. Garbage Disposal Oven .X. Dishwasher Stove Central Air Air Cleaner Vacuum Whirlpool Swimming Pool Sauna Solarium Skylights 1 Fireplace(s) Garage Opener Security System Other Water Softener, Water Filtration System, Air Filtration System
INSULATION: .X. Ceiling .X. Basement .X. Walls Crawl Space Other	FLOORING: W-W Carpet Sheet Vinyl Softwood Vinyl Tile Hardwood Ceramic .X. Linoleum Other Laminate	WATER HEATER: Gas .X. Electric Other	
PLUMBING LINES: .X. Copper .X. PVC/Plastic Galvanized ABS		Capacity BEDROOMS (#): Large 1 Small 4 Average	
ELECTRICAL: Fuses .X. Breakers Comments:	FLOOR PLAN: .X. Good Fair Average Poor	CLOSETS: .X. Good Fair Average Poor	
Rated capacity of main panel: 200 amps			
BASEMENT FINISHES, UTILITY: No Basement, Crawl space.			
GARAGES/CARPORTS: Double attached oversized garage, (23ft x 23ft), Power, Cement floor.			
DECKS, PATIOS, OTHER IMPROVEMENTS: Cement front steps, Rough cement parking pad in front of entrance.			
COMMENTS (Building, appearance, quality, condition, services, extras, anticipated public or private improvements, etc.): See Attached Addendum			

ROOM ALLOCATION

COST APPROACH

Total Rooms	MAIN	SECOND	THIRD	BASEMENT	Source of Cost Data: Manual Contractor Other
	Entrance	X			
Living	X				Building Cost New Depreciated Cost
Dining	X				Cost 215 @ \$ 1,850 \$ 397,750
Kitchen	X				Garage \$ 15,000
Full Bath	1	2			Basement Finish
Part Bath					Other Extras \$ 12,000
Bedroom	1	4			Site Improvements and Rural Services \$ 40,000
Family		X			Total Replacement Cost \$ 397,750
Laundry		X			Less: Accrued Depreciation 3% % \$ 11,933 \$ 385,818
Others	Bonus/Utility	Den			Indicated Value \$ 547,818
					VALUE BY COST APPROACH (rounded) \$ 547,800

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

DIRECT COMPARISON APPROACH

ITEM	SUBJECT PROPERTY		No. 1		No. 2		No. 3	
	Desc.	Adjmt	Desc.	Adjmt	Desc.	Adjmt	Desc.	Adjmt
Address	8 Pearl Crescent		50 Erin Drive		53510-37 Hwy 43		102, 52120 Rge Rd 274	
	Calahoo		Calahoo		Onoway		Spruce Grove	
Subdivision	Shil Shol Estates		Shil Shol Estates		Lakewood Estates	15,000	Poplar Grove	-10,000
MLS Listing No.(if appl.)			E3082857		E3106948		E3091788	
Days on Market			45		19		35	
Date of Sale			April 18/07	-18,000	August 26/07	-30,000	June 19/07	-40,000
Sale Price			519,000		565,000		646,000	
Site Size	1.05 Acres		1.14 Acres		4.7 Acres	-25,000	3 Acres	-20,000
Size L.F.A.	215 Sq. M.		181 Sq.M.	45,000	175 Sq.M.	48,000	199 Sq.M.	33,000
Age / Condition	3 Yrs. / Good		20 Yrs. / Avg	45,000	10 Yrs. / Avg-Gd	16,000	12 Yrs. / Avg-Gd	18,000
Building Type & Style	Two Storey		Bungalow	-10,000	Two Storey		Two Storey	
Rooms / Bedrooms / Baths	11 / 5 /3		6 / 3 /2		7 / 3 /1.5		8 / 3 /2.5	
Basement	Crawl Space		Full: Part. Dev.	-40,000	Full: Dev/Pres Wd	-34,000	Full: Dev.	-45,000
Garage / Parking	Dbl. Att. OS		Trpl. Att. OS	-8,000	Trpl. Att/Ht	-12,000	Trpl. Att/Heat	-12,000
Other Extras	As Described		Inferior	10,000	Superior	-8,000	Superior	-19,000
Site Services	Drilled Well/Field		Drilled Well/Field		Cistern/Field	10,000	Drilled Well/Field	
Adjusted Values			33.9% 4.6%	543,000	35.0% -3.5%	545,000	30.5% -14.7%	551,000

Reconciliation/Conclusions: Market value for the subject is in the range of \$543,000 - \$551,000

VALUE BY THE DIRECT COMPARISON APPROACH (rounded): \$548,000

FINAL ESTIMATE OF VALUE / COMMENT ON REASONABLE EXPOSURE TIME See Attached Addendum

History and analysis of known current Agreements for Sale, prior sales, options, listings or marketing of the Subject in the past year (including sources of the data and information):

See Attached Addendum

This appraisal report represents the following value (if not current, see comments): .X. Current Retrospective Prospective

Update of report completed

SCOPE OF THE REPORT, DISCLOSURES & DEFINITIONS

SCOPE OF THE REPORT

The scope of the appraisal encompasses the due diligence undertaken by the appraiser (consistent with the terms of reference from the client, the purpose and intended use of the report) and the necessary research and analysis to prepare a report in accordance with the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada. The following comments describe the extent of the process of collecting, confirming and reporting data and its analysis, describe relevant procedures and reasoning details supporting the analysis, and provide the reason for the exclusion of any usual valuation procedures.

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DEFINITION OF MARKET VALUE

The most probable price which a given property should bring, assuming a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus.

Note: If other than market value is being appraised, see comments attached.

DEFINITION OF HIGHEST AND BEST USE

The reasonably probable and legal use of the property, that is physically possible, appropriately supported, and financially feasible, and that results in the highest value.

ASSUMPTIONS & LIMITING CONDITIONS

The Certification that appears in this appraisal report is subject to the following conditions:

ORDINARY ASSUMPTIONS & LIMITING CONDITIONS:

1. This report is prepared at the request of the client and for the specific use referred to herein. It is not reasonable for any other party to rely on this appraisal without first obtaining written authorization from the client, the author and any supervisory appraiser, subject to the qualification in paragraph 10 below. Liability to any person other than the client, designated intended users and those who obtain written consent is expressly denied and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.
2. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this appraisal cannot be relied upon as of any other date except with further advice from the appraiser confirmed in writing.
3. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No registry office search has been performed and the appraiser assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in this report. The property is appraised on the basis of it being under responsible ownership.
4. The subject property is presumed to comply with government regulations including zoning, building codes and health regulations and, if it doesn't comply, its non-compliance may affect market value.
5. No survey of the property has been made. Any sketch in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property.
6. This report is completed on the basis that testimony or appearance in court concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical and other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or a detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist.
8. The appraiser obtained information, estimates and opinions that were used in the preparation of this report from sources considered to be reliable and accurate and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of items that were furnished by other parties.
9. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work.
10. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the Canadian Uniform Standards of Professional Appraisal Practice ("the Standards") and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body.
11. The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format is appropriate for the intended use.
12. Written consent from the author and supervisory appraiser, if applicable, must be obtained before any part of the appraisal report can be used for any purpose by anyone except the client and other intended users identified in the report and, where the client is the mortgagee, its insurer and the borrower, if he or she paid the appraisal fee. Written consent and approval must also be obtained before the appraisal (or any part of it) can be altered or conveyed to other parties, including mortgagees other than the client and the public through prospectus, offering memoranda, advertising, public relations, news, sales or other media.
13. Other

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EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS:

An extraordinary assumption is a hypothesis, either supposed or unconfirmed, which, if not true, could alter the appraiser's opinions and conclusions (e.g. an absence of contamination where such contamination is possible, the presence of a municipal sanitary sewer where unknown or uncertain). An extraordinary limiting condition is a necessary modification or exclusion of a Standard Rule which must be explained and justified by the appraiser (e.g. exclusion of a relevant valuation approach). The appraiser must conclude before accepting the assignment which involves invoking an Extraordinary Limiting Condition that the scope of the work applied will result in opinions and conclusions which are credible. Both must accompany statements of each opinion/conclusion so affected. **None**

HYPOTHETICAL CONDITIONS:

Hypothetical conditions may be used when they are required for legal purposes, for purposes of reasonable analysis or for purposes of comparison. Common hypothetical conditions include proposed improvements and prospective appraisals. For every Hypothetical Condition, an Extraordinary Assumption is required (see above). An analysis based on a hypothetical condition must not result in an appraisal report that is misleading, or that relies on actions or events that would be illegal or improbable within the context of the assignment. Following is a description of each hypothetical condition applied to this report, the rationale for its use and its effect on the result of the assignment.

None

JURISDICTIONAL EXCEPTION:

The Jurisdictional Exception permits the appraiser to disregard a part or parts of the Standards determined to be contrary to law or public policy in a given jurisdiction and only that part shall be void and of no force or effect in that jurisdiction. The following comments identify the part or parts disregarded, if any, and the legal authority justifying this action.

CERTIFICATION

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

- 1. The statements of fact contained in this report are true and correct.
- 2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- 3. I have no past, present or prospective interest or bias with respect to the property that is the subject of this report and no personal interest or bias with respect to the parties involved with this assignment, except as specified herein.
- 4. My engagement in this assignment is not contingent upon developing or reporting a predetermined result, upon the amount of value estimate, upon a direction in value that favours the cause of the client, upon the attainment of a stipulated result or upon the occurrence of a subsequent event.
- 5. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice.
- 6. I have the knowledge and experience to complete this assignment competently. Except as herein disclosed, no other person has provided me with significant professional assistance in the completion of this appraisal assignment.
- 7. The Appraisal Institute of Canada has a mandatory Recertification Program for designated members. As at the date of this report, the requirements of this program have been fulfilled.

SUPERVISORY APPRAISER'S CERTIFICATION:

If a supervisory appraiser has signed this appraisal report, he or she certifies and agrees that "I directly supervised the appraiser who prepared this appraisal report, and having reviewed the report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certification and am taking full responsibility for the appraisal and the appraisal report."

PROPERTY IDENTIFICATION

Address **8 Pearl Crescent** City **Calahoo** Province **AB** Postal Code **T0G 0J0**
Legal Description **Lot 2, Block 1, Plan 8020012, NW 34-54-27-4**

AS A RESULT OF MY APPRAISAL AND ANALYSIS OF APPLICABLE DATA AND RELEVANT FACTORS, IT IS MY CONCLUSION THAT THE MARKET VALUE OF THE INTEREST IN THE SUBJECT PROPERTY DESCRIBED IS

\$ **548,000**
AT **October 10, 2007** (Effective Date of the Appraisal)

APPRAISER:

Signature: *Kari Leibel*
Name: **Kari Leibel**
Designation: _____
Date Signed: **October 22, 2007**
If Inspected, Date of Inspection: _____
License Info (where applicable): **Licensed only**

SUPERVISORY APPRAISER (If applicable)

Signature: *Derek Van Lersberghe*
Name: **Derek Van Lersberghe**
Designation: **AACI**
Date Signed: **October 22, 2007**
If Inspected, Date of Inspection: _____
License Info (where applicable): **Licensed**

NOTE: For this appraisal to be valid, an original or EDI signature is required.

ATTACHMENTS:	Additional Sales	Sketch Addendum	Narrative Addendum	X
	Photo Addendum X	Map Addendum X	Assumptions / Limiting Conditions	
	Other	Other	Other	

ADDENDUM

Borrower: Tatiana & Arkadi Poliakevitch

File No.: 36592KL

Property Address: 8 Pearl Crescent

Case No.: POLIAKEVITCH

City: Calahoo

Province: AB

Postal Code: T0G 0J0

Lender: Tatiana & Arkadi Poliakevitch

Neighbourhood Comments

The subject is located approximately 2 kms northeast of the Hamlet of Calahoo, and approximately 30 kms from the city of Edmonton in the subdivision of Shil Shol Estates. The subject has busing to schools in the area, and has generally easy access to shopping and recreational facilities.

The immediate area is mixed residential, farming and small land holdings. The subject is located in close proximity to St. Albert, Spruce Grove, Onoway and Stony Plain. There are no known adverse influences that may affect the overall marketability of the subject property.

Condition of the Improvements

The subject is an eleven room, five bedroom two storey style home located on 1.05 acres in the Shil Shol Estates subdivision.

All rooms are wired for internet service.

The entry has laminate flooring and open staircase to upper level. The kitchen has linoleum and white cabinets. The attached dinette is an octagon shape and has laminate flooring and large windows. The living room has laminate flooring, corner wood burning stove and is wired for surround sound. There is a bonus area located underneath the stairs that is open and has laminate flooring. There is one small bedroom with laminate flooring and double closet. There is a three piece bathroom with walk in shower. There is a utility room with linoleum flooring as well.

The upper level features three average sized bedrooms with laminate flooring and double closets with built in shelving. There is a den area with open railing overlooking the main level dinette. There is also a bonus/recreation area with laminate flooring. The master bedroom has laminate flooring and two sets of double closets with built in shelving. The ensuite is large with linoleum flooring, white cabinets and laundry closet. The main bathroom is a four piece.

The subject is in good overall condition and appears to be well maintained.

Final Reconciliation

The exposure time of the subject is estimated at 60-90 days, given current market conditions. The final estimate of value is \$548,000 as concluded by the Direct Comparison Approach.

Comparable #1 is a bungalow and is older in age than the subject property, but is located in the same subdivision. Adjustments have been made for size, age, condition and extras. Comparable #2 is located within further commuting distance from Edmonton, but is similar to the subject in design. It is superior in acreage, extras and has a basement. Comparable #3 is located closer to Spruce Grove. Adjustments have been made for size, acreage, age, basement and extras.

There were no similar comparable sales available at this time. Accordingly, adjustments for size, age, basement, etc. have been made.

Time adjustments have been made to reflect current market conditions. At the present time, the real estate market has an oversupply of listings and limited demand, resulting in a downward shift of housing prices.

Analysis of Current Agreement

Currently, the subject is listed for sale on Comfree for \$750,000. According to the Edmonton Real Estate Board's MLX system, there was no real estate activity on the subject property in the last 3 years.

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Tatiana & Arkadi Poliakevitch	File No.: 36592KL
Property Address: 8 Pearl Crescent	Case No.: POLIAKEVITCH
City: Calahoo	Prov.: AB P.C.: T0G 0J0
Lender: Tatiana & Arkadi Poliakevitch	



**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: October 10, 2007
Appraised Value: \$ 548,000



**REAR VIEW OF
SUBJECT PROPERTY**



STREET SCENE

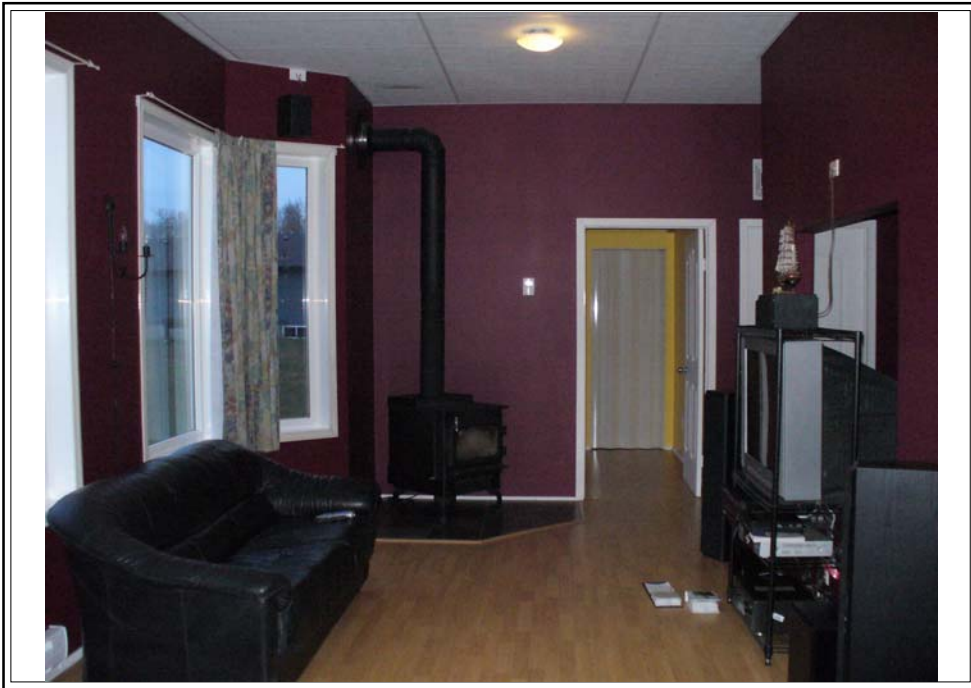
Borrower: Tatiana & Arkadi Poliakevitch
Property Address: 8 Pearl Crescent
City: Calahoo
Lender: Tatiana & Arkadi Poliakevitch

File No.: 36592KL
Case No.: POLIAKEVITCH
P.C.: T0G 0J0

Prov.: AB



Kitchen



Living Room



Master Bedroom

Borrower: Tatiana & Arkadi Poliakvitch
Property Address: 8 Pearl Crescent
City: Calahoo
Lender: Tatiana & Arkadi Poliakvitch

File No.: 36592KL
Case No.: POLIAKEVITCH
P.C.: T0G 0J0

Prov.: AB



Dinette



Utility Room

LOCATION MAP

Borrower: Tatiana & Arkadi Poliakvitch

File No.: 36592KL

Property Address: 8 Pearl Crescent

Case No.: POLIAKEVITCH

City: Calahoo

Prov.: AB

P.C.: T0G 0J0

Lender: Tatiana & Arkadi Poliakvitch



