

**APPRAISAL OF**



**LOCATED AT:**

1207 County Road 23  
Haldimand Twp, On K0K 2G0

**FOR:**

Laurentian Bank  
130 Adelaide Street West  
Toronto, ON K9A 2M3

**BORROWER:**

Dyson

**AS OF:**

February 18, 2004

**BY:**

Arend G. Baayen

**APPRAISAL REPORT  
HOME OWNERSHIP UNITS**

CLIENT: <u>Laurentian Bank</u>	ADDRESS OF PROPERTY: <u>1207 County Road 23</u>	APPRaiser: <u>Arend G. Baayen</u>
ADDRESS: <u>130 Adelaide Street West</u> <u>Toronto, ON K9A 2M3</u>	CITY: <u>Haldimand Twp</u>	297 Ivey Crescent <u>Cobourg, Ontario</u>
TEL: ( <u>877</u> ) <u>812-8522</u>	PROVINCE: <u>On</u> POSTAL CODE: <u>K0K 2G0</u>	TEL: ( <u>905</u> ) <u>373-6990</u>

APPLICANT NAME: Dyson  
LEGAL DESCRIPTION: CON 3 PT LOT 18 RP39R5179 1

MUNICIPALITY or DISTRICT: Township of Haldimand, County of Northumberland  
ASSESSMENT: LAND \_\_\_\_\_ IMP \_\_\_\_\_ TOTAL: 312,000.00 TAXES \$ 4,321.20 YEAR: 2003  
PURPOSE OF APPRAISAL: To estimate the market value  or \_\_\_\_\_  
PROPERTY RIGHTS APPRAISED: Fee simple  Leasehold \_\_\_\_\_ Condominium \_\_\_\_\_ Co-operative \_\_\_\_\_ Other (Specify) \_\_\_\_\_  
OCCUPIED BY: Owner  Tenant \_\_\_\_\_ Vacant \_\_\_\_\_  
HIGHEST & BEST USE:  As Improved NOTE: IF HIGHEST & BEST USE IS NOT THE CURRENT USE - SEE COMMENTS

**NEIGHBOURHOOD DESCRIPTION**

NATURE OF DISTRICT	TREND OF DISTRICT	CONFORMITY OF SUBJ.	AVG. AGE OF PROPERTIES IN NEIGHBOURHOOD:	SUPPLY	DEMAND
<input checked="" type="checkbox"/> RESIDENTIAL	IMPROVING	INFERIOR	<u>mixed</u> YEARS	GOOD	<input checked="" type="checkbox"/> GOOD
<input checked="" type="checkbox"/> RURAL	<input checked="" type="checkbox"/> STABLE	<input checked="" type="checkbox"/> SIMILAR	AREA BUILT UP <u>n/a</u> %	FAIR	FAIR
MIXED	DETERIORATING	<input checked="" type="checkbox"/> SUPERIOR		POOR	POOR

DISTANCE TO ELEMENTARY SCHOOL: +8 km Grafton PUBLIC TRANSPORTATION: \_\_\_\_\_  
TO SECONDARY SCHOOL: +15 km Cobourg SHOPPING FACILITIES: +8 km Grafton PRICE RANGE IN NEIGHBOURHOOD: \$ 90,000-500,000+  
DOWNTOWN \_\_\_\_\_ SINGLE FAMILY \_\_\_\_\_

**SUMMARY:** Including ADVERSE INFLUENCES IN AREA, if any (e.g. railroad tracks, commercial/industrial properties, unkempt properties, major traffic arteries, etc.)  
The subject is located in a rural area approximately 5 kilometres north of the Village of Grafton, Ontario, on the east side of County Road #23. Neighbouring properties consist of single family dwellings, farms, and vacant land.

**SITE DESCRIPTION**

SITE DIMENSIONS: 436.68 x 502.07 PAVED ROAD  TELEPHONE \_\_\_\_\_ SANITARY SEWER \_\_\_\_\_  
SITE AREA: 5 acres SOURCE: assessment GRAVEL ROAD \_\_\_\_\_ GAS  SEPTIC \_\_\_\_\_  
TOPOGRAPHY: rolling SIDEWALK \_\_\_\_\_ MUNICIPAL WATER \_\_\_\_\_ STORM SEWER \_\_\_\_\_  
CONFIGURATION: irregular CURBS  WELL-PRIVATE  OPEN DITCH \_\_\_\_\_  
ZONING: Rural STREET LIGHTS \_\_\_\_\_ WELL-COMMUNAL \_\_\_\_\_ CABLEVISION \_\_\_\_\_

DOES PRESENT USE CONFORM:  YES \_\_\_\_\_ NO (IF NO, SEE COMMENT)

LANDSCAPING	EASEMENTS	DRIVEWAY	ELECTRICAL
EXCELLENT _____ FAIR _____ UTILITY _____ PRIVATE <input checked="" type="checkbox"/> SINGLE _____ CONCRETE _____ UNDERGROUND _____	GOOD <input checked="" type="checkbox"/> POOR _____ ACCESS _____ MUTUAL _____ DOUBLE _____ ASPHALT _____ OVERHEAD _____	AVERAGE _____ NONE _____ NONE _____ NONE _____	AVERAGE _____ NONE _____ grvl _____

**COMMENT ON ANY POSITIVE/NEGATIVE FEATURES:** (e.g. regarding conformity of zoning, effects of easements, value trends, etc.) Subject has a single gravel paved private driveway. Lot has a moderate rise from road to rear of the lot with some shrubbery. good landscaping care. Owner stated property is serviced by drilled well and septic system. It is assumed the water and septic systems are in place, in good working order and suitable to property use

**DESCRIPTION OF IMPROVEMENTS - EXTERIOR**

ESTIMATED YEAR BUILT: 1988+1998 EFFECTIVE AGE: 10 years ESTIMATED REMAINING LIFE (Yrs.): 70 years  
CONSTRUCTION COMPLETE: yes PERCENTAGE COMPLETE: 100 HOLDBACK RECOMMENDED: no

FLOOR AREA	BASEMENT	TYPE OF BUILDING	DESIGN	CONSTRUCTION
MAIN <u>2,948</u>	<input checked="" type="checkbox"/> FULL	<input checked="" type="checkbox"/> DETACHED	<input checked="" type="checkbox"/> ONE-STORY	<input checked="" type="checkbox"/> WOOD FRAME
2nd _____	PARTIAL	SEMI-DETACHED	SPLIT-LEVEL	BRICK
3rd <u>0</u>	CRAWL SPACE	ROW/TOWNHOUSE	1 1/2 STOREY	STONE
TOTAL <u>2,948</u>	TOTAL AREA <u>0</u>	APARTMENT	2-STOREY	CONCRETE
<input checked="" type="checkbox"/> SQ.FT. _____ SQ.M.	<input checked="" type="checkbox"/> SQ.FT. _____ SQ.M.			

WINDOW SASH/GLAZING	EXTERIOR FINISH	ROOFING MATERIAL	OVERALL EXT. CONDITION
<u>thermopane</u>	BRICK VENEER _____ WOOD SIDING _____	<input checked="" type="checkbox"/> ASPHALT SHINGLE _____	<input checked="" type="checkbox"/> GOOD
	SOLID BRICK _____ ALUMINUM _____	WOOD SHINGLE _____	AVERAGE
	STONE VENEER <input checked="" type="checkbox"/> VINYL _____	TAR & GRAVEL _____	FAIR
U.F.F.I. APPARENT	SOLID STONE _____ INSULBRICK _____	6 APPROX. AGE	POOR
YES _____	STUCCO _____		
<input checked="" type="checkbox"/> NO			

**DESCRIPTION OF IMPROVEMENTS - INTERIOR**

INSULATION	FLOORING	WALLS	CEILINGS	FINISH
<input checked="" type="checkbox"/> CEILING	<input checked="" type="checkbox"/> W-W CARPET	<input checked="" type="checkbox"/> SHEET VINYL		PLYWOOD
<input checked="" type="checkbox"/> WALLS	SOFTWOOD _____	VINYL TILE _____		PLASTER
<input checked="" type="checkbox"/> BASEMENT	HARDWOOD _____	CERAMIC _____	<input checked="" type="checkbox"/>	GYPSUM BOARD
CRAWL _____	LINOLEUM _____	parquet _____		

FLOOR PLAN	CLOSETS	BEDROOMS (#)	BATHROOMS (#)	OVERALL INT. CONDITION
<input checked="" type="checkbox"/> GOOD	<input checked="" type="checkbox"/> GOOD	<u>2</u>	<u>1</u> 2-Pc. <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> GOOD
AVERAGE _____	AVERAGE _____	<u>1</u> LARGE _____	<u>1</u> 3-Pc. <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> AVERAGE
FAIR _____	FAIR _____	<u>3</u> AVERAGE _____	<u>2</u> 4-Pc. _____	FAIR _____
POOR _____	POOR _____	SMALL _____	<u>5</u> 5-Pc. _____	POOR _____

<b>FOUNDATION WALLS</b>	<b>PLUMBING LINES</b>	<b>ELECTRICAL</b>	<b>WATER HEATER</b>	<b>HEATING SYSTEM</b>
X POURED CONCRETE	X COPPER	FUSES	GAS	X FORCED AIR
CONCRETE BLOCK	X PVC	X BREAKERS	X ELECTRIC	GRAVITY
CONCRETE SLAB	GALVANIZED		X 40 gallon	HOT WATER
BRICK STONE		RATED CAPACITY OF MAIN BREAKERS 200 AMPS	CAPACITY	X oil
			FUEL TYPE	FUEL TYPE

**BUILT-IN APPLIANCES/EXTRA FEATURES:**  
 STOVE \_\_\_\_\_ VACUUM \_\_\_\_\_ CENTRAL AIR \_\_\_\_\_ SAUNA \_\_\_\_\_ SOLARIUM \_\_\_\_\_  
 OVEN \_\_\_\_\_ GARBAGE DISPOSAL \_\_\_\_\_ AIR CLEANER X WHIRLPOOL \_\_\_\_\_ SKYLIGHTS \_\_\_\_\_  
 X DISHWASHER \_\_\_\_\_ FIREPLACE(S) \_\_\_\_\_ SECURITY SYSTEM indoor SWIMMING POOL \_\_\_\_\_ GARAGE OPENER \_\_\_\_\_

**BASEMENT FINISHES, UTILITY:** The basement is full and completely finished with a recreation room, a workshop, a 3 piece washroom, a bedroom, a laundry room, and in indoor swimming pool.

**GARAGES/CARPORITS:** attached 2-car garage

**DECKS, PATIOS, OTHER IMPROVEMENT:** deck, sunroom

**COMMENTS:** Building, appearance, quality, condition, services including extras: The subject appears in good condition and well maintained. The dwelling appears to have been constructed with good quality materials and workmanship and is similar to neighbouring properties. No differed maintenance was observed.

ROOM ALLOCATION					COST APPROACH	
ROOMS:	LEVEL:	MAIN	SECOND	THIRD	BSMT.	
ENTRANCE		1				SOURCE OF COST DATA: X MANUAL LOCAL CONTRACTOR OTHER
LIVING		1				LAND VALUE: including services \$ 65,000
DINING		1				BUILDING COST NEW DEPRECIATED COST
KITCHEN		1				COST 2,948.00 @ \$ 95.00 \$ 280,060
FULL BATH		1				GARAGE: \$ 0 \$ 10,000
PART BATH					1	BASEMENT FINISH: \$ 0 \$ 35,000
BEDROOM		2			1	OTHER EXTRAS \$ \$
FAMILY		1			1	indoor pool \$ \$ 15,000
LAUNDRY		1			1	\$ \$
OTHER(S)		1			1	TOTAL REPLACEMENT COST: \$ 280,060
						LESS: ACCRUED DEPRECIATION 15% \$ 42,009 \$ 238,051
						INDICATED VALUE: \$ 363,051
						VALUE BY THE COST APPROACH (rounded) \$ 363,100

DIRECT COMPARISON APPROACH							
ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
		DESCRIPTION	\$ ADJUST.	DESCRIPTION	\$ ADJUST.	DESCRIPTION	\$ ADJUST.
ADDRESS	1207 County Road 23 Haldimand Twp	988 County Road 23 Alnwick/Haldimand		3417 Leach Road Hamilton Twp	-35,000	3246 Charbrook Crescent Hamilton Twp	-37,000
quality	good						
DATE OF SALE	listed	10/25/2003		06/19/2003		10/21/2003	
SALE PRICE	389,900	360,000		345,000		372,500	
SITE SIZE	5 acres	19 acres	-15,000	21.25 acres	-20,000	2.05 acres	5,000
SIZE L.F.A.	2948 Sq.Ft.	2200 Sq Ft	28,000	1,200	61,000	2,500	16,000
AGE/CONDITION	16 Yrs. /good	13 Yrs. /vgood	-22,000	11yr / good		4 / good	-14,000
STYLE	bungalow-frame	1.5 Storey- frame		brick bungalow	-10,000	brick bungalow	-10,000
RMS/BEDS/BATHS	5 / 2 / 3	6 / 3 / 2F		7 / 3 / 2		10 / 4 / 3	
BASEMENT	full fin w o	full fin w o		full fin	5,000	full	35,000
GARAGE/PARKING	2-car	2-car		2-car garage		2-car	
	sunroom, deck	large balcony		patio		deck patio	
	indoor pool	fireplace	-4,000			fireplace	-4,000
	F.A.O	EBB	5,000	EBB	15,000	ingrd pool	
					5,000	F.A.G+ air	-2,000
ADJUSTED VALUES / NET ADJUSTED TOTALS		24.2% 1.4%	365,000	43.8% 6.1%	366,000	33.0% -3.0%	361,500

**CONCLUSIONS:** Sales used are all executive class rural properties located in the general subject area. Sale #1 is located close to the subject and provides good market support.

**VALUE BY THE DIRECT COMPARISON APPROACH (ROUNDED) \$** 360,000

**FINAL ESTIMATE OF VALUE/COMMENT ON REASONABLE EXPOSURE TIME:** The market value of the subject property is based on a 60- to 90-day sale period, under present market conditions.

**COMMENT ON AND ANALYZE ANY KNOWN SALES, LISTING OR OFFER TO PURCHASE ON THE SUBJECT PROPERTY OVER THE PAST YEAR:**  
 (Include source of information.) The subject is currently listed with an asking price of \$ 389,900

**AS A RESULT OF MY APPRAISAL AND ANALYSIS IT IS MY OPINION THAT THE MARKET VALUE OF THE SUBJECT PROPERTY AS AT**  
 February 18, 2004 is \$ 365,000 THE REPORT WAS COMPLETED ON 02/18/2004

ADDITIONAL SALES: \_\_\_\_\_ ATTACHED SKETCH ADDENDUM: \_\_\_\_\_ ATTACHED OTHER (SPECIFY) \_\_\_\_\_  
 NARRATIVE ADDENDUM: \_\_\_\_\_ ATTACHED PHOTO ADDENDUM: \_\_\_\_\_ ATTACHED \_\_\_\_\_ ATTACHED  
 MAP ADDENDUM: \_\_\_\_\_ ATTACHED LIMITING COND./CERT.: \_\_\_\_\_ ATTACHED \_\_\_\_\_ ATTACHED

SIGNATURE \_\_\_\_\_ SIGNATURE \_\_\_\_\_  
 APPRAISER Alend G. Boyer SUP. APPR. \_\_\_\_\_  
 DESIGNATION CRA INSP. PROP.(DATE) 02/18/2004 DESIGNATION n/a INSP. PROP.(DATE) \_\_\_\_\_

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

## CERTIFICATION AND STATEMENT OF LIMITING CONDITIONS

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

1. 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.
2. No responsibility is assumed for matters of a legal nature that affect either the property being appraised or the title to it. It has been assumed that the title is good and marketable and, therefore, no opinion is rendered about the title. The subject property must comply with government regulations, including zoning, building code and health regulations and, if it doesn't comply, its non-compliance may affect market value. To be certain of compliance, further investigation may be necessary. The property is appraised on the basis of it being under responsible ownership.
3. No survey of the property has been made. Any sketch in the appraisal report is meant to show approximate dimensions and is included only to assist the reader of the report in visualizing the property.
4. This report is completed on the basis that testimony or appearance in court is not required as a result of this appraisal unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and the provision of appropriate compensation.
5. Unless otherwise stated in the appraisal report, there are no known unapparent or hidden conditions of the property (including but not limited to its soils, physical structure, mechanical and other operating system, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. The attached report should not be construed as an environmental audit or a detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. Responsibility is not accepted for any such unapparent or hidden conditions that do exist, or for any research, testing or engineering that might be required to discover whether such conditions exist.
6. Information, estimates, and opinions that have been expressed in the appraisal report are obtained from sources considered to be reliable and they are believed to be true and correct. No responsibility is assumed for the accuracy of such items that were furnished by other parties.
7. 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.
8. The contents of this report are considered confidential and will not be disclosed by the author to any party except as provided for in the Standards of Professional Practice of the Appraisal Institute of Canada and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body.
9. Written consent from the author and supervisory appraiser must be obtained before all (or any part) of the content of the appraisal report can be used for any purposes by anyone except: the client specified in the report and, where the client is the mortgagee, its insurer and the borrower, if he/she paid the appraisal fee. The author's written consent and approval must also be obtained before the appraisal (or any part of it) can be conveyed by anyone to any other parties, including mortgagees other than the client and the public through prospectus, offering memo, advertising, public relations, news, sales or other media.


## CERTIFICATION AND STATEMENT OF LIMITING CONDITIONS - PAGE 2

**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

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

**SUPERVISORY APPRAISER'S CERTIFICATION:** If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: direct supervision of the appraiser who prepared the appraisal report was performed and that the supervisor participated in the development of the estimate of market value in this appraisal report, reviewed the appraisal report, agree with the statements and conclusions of the appraiser, and take full responsibility for the appraisal report.

**APPRAISER:**

Signature:   
 Name: Arend G. Baayen  
 Inspected Property: 02/18/2004 Yes:  No:   
 Date Signed: 02/18/2004  
 Designation: \_\_\_\_\_  
 Recertified: \_\_\_\_\_ Yes:  No:

**SUPERVISORY APPRAISER (if applicable):**

Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Inspected Property: \_\_\_\_\_ Yes:  No:   
 Date Signed: \_\_\_\_\_  
 Designation: n/a  
 Recertified: \_\_\_\_\_ Yes:  No:

**SUBJECT PROPERTY PHOTO ADDENDUM**

Borrower: Dyson	File No.: 4398
Property Address: 1207 County Road 23	Case No.:
City: Haldimand Twp	Prov.: On P.C.: K0K 2G0
Lender: Laurentian Bank	



**FRONT VIEW OF  
SUBJECT PROPERTY**

Appraised Date: February 18, 2004  
Appraised Value: \$ 365,000



**REAR VIEW OF  
SUBJECT PROPERTY**



**STREET SCENE**

LOCATION MAP

Borrower: Dyson  
Property Address: 1207 County Road 23  
City: Haldimand Twp  
Lender: Laurentian Bank

File No.: 4398  
Case No.:  
Prov.: On P.C.: K0K 2G0

