

December 4, 2012

File #: 11312

**Private and Confidential**

Mr. Nathen Jansen, Property Manager  
Property: The Bellevue  
c/o AMG Inc.  
320 Victory Bld, 319 W Pender  
Vancouver, BC V6B 1T3

Dear Nathen:

**Subject: The Bellevue - Insurance Appraisal Update, Year 2 of 3**

Referring to your original appraisal dated January 4, 2012, we are pleased to present your updated Cost of Replacement New\* insurable value, year 2 of 3, effective **January 4, 2013**. The restrictions as set out in the original appraisal report apply to this update.

Your updated property replacement cost has been sent to CMW Insurance Services.

We appreciate the opportunity to be of service to you. Please do not hesitate to call if you have any questions.

Year 1	<b>Year 2</b>	Year 3
\$8,600,000	<b>\$8,891,000</b>	Next year at same time

*Note: Hard copies will not be sent. To have a hard copy sent to you, please contact us at info@normac.ca or 604-221-8258.*

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\* CRN definition on next page

December 4, 2012  
Insurance Valuation Update  
The Bellevue

#### COST OF REPLACEMENT NEW - Definition

***The total cost of construction required to replace the subject building with a substitute of like or equal utility using current standards of material and design. These costs include labour, materials, supervision, contractor's profit and overhead, architect's plans and specifications, sales tax and insurance.***

#### METHODOLOGY

In order to determine an estimate of the change to cost of replacement new, we have relied upon various information sources including: published valuation services, local developers, architects, and construction associations.

#### CERTIFICATION:

We certify that, to the best of our knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions.

We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.

Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

The content of this report is governed by the Bylaws of the Real Estate Institute of British Columbia.

A visual search of the property title has not been conducted.


We have made a personal inspection of the property that is the subject of this report.

The inspection of the property was conducted by Janet Au, CRA, MUrb, Appraisal Inspector

The appraiser is a fully qualified insurance appraiser who has been involved in the valuation and/or review of many similar properties. This education and experience satisfies the requirements for accredited designation by the Real Estate Institute of British Columbia.

This report was prepared by Cameron Carter, B.Comm., RI of this office.

Sincerely,



Normac Appraisals Ltd.

Dated December 4, 2012 in Vancouver, British Columbia.