

September 17, 2009

Owners Condominium Plan No. 022-2718
Phillips Lofts
c/o Fochaus Management Inc.
1321, 5328 Calgary Trail NW
Edmonton, AB T6H 4J8

Attention: Corina MacKinnon

In accordance with the terms of our original appraisal service, we are pleased to provide you with an update of the insurable values of the referenced property. Please find attached our annual Update Summary Report for Owners Condominium Plan No. 022-2718 - Phillips Lofts, located at 10169 104 Street, Edmonton, Alberta. This update is issued in addition to, and not in replacement of, our original appraisal report dated October 16, 2008, and is subject to all of the General Service and Contingent and Limiting Conditions previously detailed within that document.

This current update was performed in order to assist Owners Condominium Plan No. 022-2718 - Phillips Lofts, your property manager, if applicable, and your insurance broker, with the placement of property and casualty insurance. The effective date of our reporting is September 16, 2009.



As at the effective date of appraisal the subject property was being utilized as a residential building with commercial space and a parkade.

We have not re-inspected the subject property; thus any changes which may have occurred since the effective date of our last reporting, unless reported to us in writing, are not accounted for within our updated reported value.

The revised insurable values presented in this letter report represent the specified properties:

Cost of Reproduction New* (CRN) which is defined as *"the monetary amount required to reproduce property of like kind and quality at one time in accordance with current market prices for materials, labour, manufactured equipment, contractor's overhead, profit and fees, but without provisions for overtime, bonuses for labour, or premiums for materials."*

***Cost of Reproduction New (CRN)** is synonymous with the insurance industry's **"Replacement Cost New."**

Cost of Reproduction New (CRN) takes into account current market prices for labour, duties and freight, building materials and equipment, contractors' overhead, profit and fees, engineering and installation costs, as well as applicable taxes. It is exclusive of the cost of demolition, grading or filling in connection with removal of destroyed property or reconstruction. In performing this service we developed a cost estimate for demolition and debris removal, in the event of a loss. This cost estimate is set out separately in our appraisal report.

We hereby 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 are impartial and unbiased.

We have no present or prospective interest, nor any bias or personal interest with respect to the subject property, and no personal interest with respect to the parties involved with this assignment. Our findings are not contingent upon developing or reporting predetermined results, and our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction of value that favours the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.

Our analysis, opinions and conclusions are in conformity with the Uniform Standards of Professional Appraisal Practice and the Canadian Uniform Standards including the Competency Provision. No one provided significant real property assistance to the persons signing this certificate.

The American Society of Appraisers has mandatory reaccreditation requirements and the Appraisal Institute of Canada has a continuing Professional Development Program. We verify that we are in compliance with these requirements.

All files, working papers or documents developed during the course of the assignment shall be our property and we will retain this data for at least seven (7) years.

If you require anything further please do not hesitate to contact our office.

On behalf of,
SUNCORP VALUATIONS LTD.



Ken Hollett, B.Comm. (RI)BC, AACI, P.App
Manager, Private Sector Costing Group

UPDATE SUMMARY OF INSURABLE COSTS (CRN)

PROPERTY NAME: Owners Condominium Plan No. 022-2718

EFFECTIVE DATE: September 16, 2009

PROPERTY ADDRESS: 10169 104 Street, Edmonton, Alberta

UPDATE YEAR: Second Year Update

PROPERTY MANAGEMENT COMPANY: c/o Fochaus Management Inc.

REAPPRAISAL: September 2011

BLDG #	BUILDING NAME	CLS	BUILDING CONSTRUCTION & SERVICES	YARD IMPROVEMENTS	BUILDING CODES AND BYLAWS	DEMOLITION AND DEBRIS REMOVAL	APPLIANCES	TOTAL
B1	OWNERS CONDOMINIUM PLAN NO. 022-2718	C	14,391,900	101,700	MEETS CODE	323,100	42,300	14,859,000
GRAND TOTAL			\$14,391,900	\$101,700		\$323,100	\$42,300	\$14,859,000

Previous Year's Total \$16,504,000

All values in CAD\$ Currency

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