



WAGNER, ANDREWS & KOVACS LTD.
Real Estate Valuation and Consulting

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January 14, 2009
File No. 08-532

Association of Professional Engineers of Ontario
1000 – 25 Sheppard Avenue West
Toronto, Ontario
M2N 6S9

ATTENTION: Mr. Chetan Mehta, BS, MBA
Manager – Financial Services and Business Planning

Dear Sir:

RE: VALUATION OF 40 SHEPPARD AVENUE WEST, TORONTO, ONTARIO

As requested, we have carried out a valuation analysis with regard to the multiple tenant office complex located at 40 Sheppard Avenue West, in the City of Toronto. The results of our analysis are presented in the attached Full Narrative Appraisal report.

The purpose of this appraisal is to estimate the prospective market value of the subject property, as of November 10, 2008. The market value is considered to be prospective as it includes the completion of certain hypothetical actions which are detailed in this report. It is our understanding that the intended use of the appraisal is to assist in arranging first mortgage financing on the property.

After careful consideration of all the available information, it is our opinion that the prospective market value of the subject property, as of November 10, 2008 is:

TWENTY TWO MILLION, THREE HUNDRED THOUSAND DOLLARS
\$22,300,000

The market value of the subject as reported herein is considered to be prospective since it is dependent upon certain events which we have been instructed to assume have been completed: Specifically, we have been instructed to assume that Intercon Security vacates the 3rd floor on December 31, 2009 and vacates the remainder of its space on December 31, 2010. In addition, Intercon will pay the Association of Professional Engineers of Ontario an early termination fee of \$600,000 on December 31, 2010. As well, we have been instructed to assume that the Engineers will lease all the Intercon space as soon as it is vacated, in addition to some of the space that is currently vacant. All of the Engineer space will be leased for a term to extend to December 31, 2020. The report includes details of these assumptions. Should any or all of these conditions be significantly amended, the market value reported should be reviewed.

The enclosed appraisal report has been prepared in accordance with The Canadian Uniform Standards of Professional Appraisal Practice. The valuation is subject to the Terms of Reference and the Assumptions and Limiting Conditions as outlined within. If you require any further information on this matter, please do not hesitate to contact the undersigned.

Yours truly,

Eric P. Mares, AACI, P.App