

APPRAISAL REPORT



Multi-residential attached property

1530-1538 Bourbonnière
Montreal (borough of Hochelaga)



VALIQUETTE | MARTIN | MONTMARQUET | POISSANT & ASSOCIÉS
Évaluateur agréés - Chartered appraisers

PREMISES OF THE APPRAISAL**1**

Client : 93727-1906 Québec
 Function :
 Organization : BlueRise
 Purpose and Intended Use : Market value for internal management
 Date of Appraisal : November 18, 2024
 Date of Inspection : November 18, 2024
 General Assumptions and Limiting Conditions : See addendum

Extraordinary Assumptions and Limiting Condition : The purpose of this appraisal is to estimate the potential market value of the aforementioned property for internal management purposes.

Our File Number : 24-190-586
 Your File Number : N/A

PROPERTY IDENTIFICATION

Building Name : N/A
 Type of Property : The complex under study consists of an semi-attached building of 3 floors above ground incorporating 9 apartments.
 Address : 1530-1538 Bourbonnière, 3844-3852 Adam
 Borough : Hochelaga-Maisonneuve
 City (province) : Montreal (Quebec)
 Legal Description : Lot # 1 879 779
 : Cadaster of Quebec
 Property Rights Appraised : Fee Simple Interest
 Construction : Existing ☒ Under renovation ☐ To be renovated ☐

MUNICIPAL DATA

Matriculation : 0145-71-4676-7-000-0000
 Owner : 93727-1906 QUEBEC INC.
 Address : 25 de Tanglewood, Kirkland, Québec, H9J2M7

Account Number : 30-F32082400
 Taxation Base : \$1,445,167
 Assessment Year : July 2021

Municipal Assessment

Land : \$305,200
 Building : \$1,336,400
 Total : \$1,641,600

Municipal Taxes

Municipal Taxes (2024) : \$12,397.08
 School Tax (2024-2025) : \$1,299.74
 Borough Tax : \$0.00
 Other : \$0.00
 Total : \$13,696.82

Municipal Roll : 2023-2024-2025

Comments :

HISTORICAL DATA

Registration Number : 27169613
 Nature of the Deed : Deed of sale
 Date of Sale : 2022-04-20
 Vendor : Simon Labbé/Émilie Manseau
 Purchaser : 9327-1906 Québec Inc.
 Sale Price : \$2,075,000

Comments : We consider the present titles to be good and valid. The legal interest appraised is the freehold or fee simple estate.

NEIGHBOURHOOD OVERVIEW

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NEIGHBOURHOOD DESCRIPTION

The property under review is located on Bourbonnière Avenue at the corner of Adam Street in the Hochelaga-Maisonneuve borough. The property also includes addresses on Adam Street. The immediate area consists of multi-family properties similar to the subject. The property benefits from proximity to key urban amenities, including the shops on Promenade Ontario, Joliette metro station, Saint-Aloysius Park, and several nearby elementary schools. The subject is easily accessible via the local road network, including Notre-Dame Street, Pie-IX Boulevard, and Sherbrooke Street (Route 138). During our visit, we observed no negative factors likely to significantly impact the subject's value.

SITE DESCRIPTION

Location	:	Bourbonnière Avenue at the corner of Adam Street
Shape	:	Trapezoid
Topography	:	Level to the street
Dimensions	:	Frontage : 24 ft. Depth : 102 ft.
Area	:	2,737 ft ²
Public Utilities	:	All municipal services are currently available including water, storm, sanitary sewers hydro and gas.
Servitudes	:	The property is affected by a servitude of view, as established under number 4 534 664
Soil Contamination	:	We were unable to trace any surface contamination of the site. No soil analysis was undertaken. We assume the soil to be suitable in terms of its current use. Also, we noted no conspicuous environmental risk hazards in the immediate vicinity of the subject.
Highest and Best Use	:	It is pertinent to determine whether such use remains the most appropriate and economically feasible one for the site. Based on the quality and features of the improvements in place, the building layout and the zoning regulations in force on the subject site, it is our opinion that the present use of the property (multi-residential) represents the highest and best use of the subject site.
Comments	:	Access to the building via Bourbonnière or Adam Street. There are no on-site parking spaces, however street parking are available.
Zoning	:	Zone 0618
Permitted Uses	:	H.2-4 2 to 8 units
Height	:	2-3 stories
Margins	:	1,5 meters minimum (lateral) and 3 meters minimum (back)
Density	:	
Site Coverage	:	30-70%
Conformity to Current Regulations	:	Conforming <input type="checkbox"/> Non conforming <input checked="" type="checkbox"/> Acquired rights (presumed) <input checked="" type="checkbox"/>
Comments	:	The property does not comply with the current zoning regulations regarding setbacks and the floor area ratio as specified in the regulations for Zone 0618. Additionnally, it contains 9 units. However, the property benefits from a grandfathered right.

BUILDING DESCRIPTION**3**

Type of Building : Semi-attached multi-residential property with 9 apartments.

Category : Wood frame

Year of Construction : 1920

Apparent Age : 2000

Number of floors : 3 levels above ground

Floor areas :

Basement : N/A ft²
 1st floor : 2,788 ft²
 2nd floor : 2,308 ft²
 3rd floor : 2,308 ft²
 Gross Building Area : 7,404 ft²

Floor height clearance : +/- 8 feet level floor

Building layout

	Locker	Garage spot	Entrance	Meeting room	Apartment
Basement					
1st floor			3		3
2nd floor			3		3
3rd floor			3		3
Total	0	0	9	0	9

Building Characteristics : The subject consists in a multi-family property erected on three floors. The configuration of the building includes a first section with 5 units, a section with a single unit (with balconies above), and another building (on Adam Street) with three units. According to the rent list provided by the owner, the apartments are all occupied and governed by contractual leases. There's a washer and dryer in each apartment.

Condition : During the course of our visit, we did not observe any apparent anomaly with respect to the structure. No shifhing, caving of the structure, nor premature deterioration caused by abusive usage was noted. We did not conduct a building inspection with any architects or mechanical, structural and electrical engineers; as a result, our comments are limited to our visual inspection. The property appears to be in good overall condition, and several units have been renovated in recent years.

Comments : Most kitchens, bathrooms, and flooring in the units have been updated in recent years. Most units have access to a patio space located between the two buildings (above unit 3850 Adam). These patios also house sheds used as storage for all units on the 2nd and 3rd floors. The units on Bourbonnière Street also have wooden patios at the front. It is worth noting that unit #1530 on the ground floor benefits from the use of the basement, which is partially finished as a family room and has a ceiling height of approximately 7 feet.

BUILDING COMPONENTS**4****Basement**

Type : Partially finished and crawl space
 Foundation : Stone fondation
 Slab : Concrete
 Others : -

Electricity

Main entrance : 2x200 amp. (main)
 Service / Distribution : 9 x100 amps (each apt.)
 Lighting System : Incandescent
 Emergency Generator : None
 Miscellaneous : -

Structure

Frame : Wood frame
 Floor : Wood frame
 Roof : Wood deck

Heating / HVAC

Heating System : Base board electrical
 Hot water (gas) first floor
 Ventilation : Kitchen and bathrooms
 Others : -

Exterior

Exterior Walls : Bricks
 Windows Material : PVC
 Windows Type : Sliding
 Others : -
 Doors : PVC

Plumbing

Supply Piping : PEX, ABS
 Waste Piping : Galvanized
 Bathrooms / WC : 1 bathroom per apartment
 Hot Water Supply : 9 x 40 gallons
 Drainage : Roof drain

Roof

Type : Flat
 Covering : Elastomer membrane
 Others : -

Fire protection

Sprinklers : No
 Fire Hose : No
 Alarm System : No
 Alarm Panel : No
 Smoke Detectors : Yes
 Extinguishers : No
 Emergency exit lights : No
 Fire alarm : No
 Miscellaneous : ---

Interior construction

Ceiling : Gypsum
 Interior walls / Partition : Gypsum
 Moulding : Wood
 Flooring : Hardwood, ceramic tiles, laminate flooring, concrete
 Doors : Wood
 Miscellaneous : Nil

Miscellaneous

Kithcen cabinets : Melamine
 Countertops : Laminated
 Parking (outside) : None
 Garage : None

APPRAISAL METHODOLOGY**5****VALUATION METHODS**

Three approaches to value form the foundation for current appraisal theory. These approaches are the Cost Approach, the Income Approach and the Direct Comparison Approach. All three are based primarily on the Principle of Substitution which states that no prudent and informed investor will pay more for a property than:

- The price paid (or asked) for similar properties (Direct Comparison Approach).
- The cost of re-building a similar property (Cost Approach).
- The present value of the future benefits expressed in terms of income (Income Approach).

Cost Approach

The Cost Approach is based upon the assumption that an informed purchaser would pay no more than the cost to produce a substitute property with the same utility. It is particularly applicable when the property being appraised involves relatively new improvements, which represent the highest and best use of the land, or when the improvements are relatively unique and there are no comparable properties on the market.

In the Cost Approach, the land value is estimated through consideration of transactions involving comparable sales. The replacement cost of the improvements is supported via typical sources, primarily the Means Square Foot Costs manual or Marshall and Swift Valuation manual. When applicable, the actual construction costs for the subject are utilised and information for costs of constructing similar buildings is considered. From this estimate, total accrued depreciation from all sources is subtracted. The value of the land is then added to the depreciated replacement cost of the improvements to indicate the current and prospective values of the subject property via the Cost Approach.

Income Approach

The Income Approach is based on the assumption that the value of a property is dependant upon the Property's ability to produce income.

In the Income Approach, a direct capitalization analysis and/or a discounted cash flow (DCF) analysis may be used to determine the value of the Leased Fee Interest in the Property. The indicated value by the Income Approach represents the amount an investor may pay for the expectation of receiving the net cash flow from the property. The Direct Capitalization analysis is based upon the net operating income of the property capitalized at an appropriate rate based on the characteristics, competitive position and market conditions at the date of the appraisal.

Direct Comparison Approach

The Direct Comparison Approach uses actual sales or offers to purchase of comparable properties to estimate the value of the Subject Property. The most appropriate unit of comparison, as dictated by the market is the price paid per square foot of land.

SELECTION OF VALUATION METHODS

- ☒ Cost Approach
- ☒ Income Approach
- ☒ Direct Comparison Approach

Comments:

The subject is primarily an income property, which would likely be purchased for investment purposes. Hence the market value will principally be based on the income approach. This technique is the most pertinent when appraising a property like the subject. The direct sales approach will also be utilized in order to obtain indications stemmed directly from the marketplace. This technique is a direct valuation method, which with good sales data accurately reflects the real market activity. This approach is rather applied in order to support the result obtained by the application of the previous approach. Less pertinent in the appraisal of buildings such as the subject, the cost-based approach will nevertheless be submitted.

COST APPROACH					6
LAND					
<u>Area (ft²)</u>		<u>Unit Price (ft²)</u>		<u>Value</u>	
2,737	x	190.00 \$:	520,030 \$	
SITE IMPROVEMENTS					
Replacement Cost New			:	60,000 \$	
Depreciation			:	50%	
Depreciated Cost			:	30,000 \$	550,030 \$
MAIN BUILDING					
Replacement Cost New			:	1,985,382 \$	
Physical Depreciation	(25%)		:	-496,346 \$	
Functional Depreciation	(2%)		:	-39,708 \$	
Economic Depreciation	(0%)		:	0 \$	
			-	536,053 \$	
Depreciated Replacement Cost			:		1,449,329 \$
TOTAL			:		1,999,359 \$
				Rounded to	2,000,000 \$
Comments : Costs provided by Marshall & Swift manual. The value of the land is base on recent analysis of transaction in the sector. Also take note that the economical remaining life for the building is about 45 years with regular maintenance.					

LIST OF TENANTS

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Rent roll
1530-1538 Bourbonnière

Services included

Electricity	No	Exterior parking	No	Stoves	No	Swimming pool	No
Hot Water	No	Laundromat	No	Refrigerators	No	Sauna	No
Heating	No			Dishwashers	No		
Indoor parking	No			Furniture	No		

#	Adress	Number of rooms	Heating Hot water	Stoves Refrigerator	Monthly Rent		Remarks
					Potential rent	Effective Rent	
1	1530 Bourbonnière	6 1/2	No / No	No / No		1,760 \$	With the use of a partially finished basement
2	1532 Bourbonnière	3 1/2	No / No	No / No		1,035 \$	
3	1534 Bourbonnière	4 1/2	No / No	No / No		1,090 \$	
4	1536 Bourbonnière	3 1/2	No / No	Yes / Yes		1,495 \$	App. partially furnished
5	1538 Bourbonnière	4 1/2	No / No	No / No		1,086 \$	
6	3844 Adam	4 1/2	No / No	No / No		1,076 \$	
7	3846 Adam	4 1/2	No / No	No / No		1,076 \$	
8	3848 Adam	4 1/2	No / No	No / No		1,139 \$	
9	3850 Adam	3 1/2	No / No	No / No		1,375 \$	With the use of a unfinished basement of 6 feet
Total :		9	39.50		\$0.00	\$11,132.00	
		(units)	(rooms)		(potential)	(effective)	
Density :		4.39	rooms/units	TOTAL INCOME :		\$11,132.00	
0	1 1/2			Additionnal rent:		Total revenue / year	
0	2 1/2			Laundry room:		\$0.00	
3	3 1/2						
5	4 1/2						
1	6 1/2			TOTAL INCOME :		\$133,584.00	
9	apartements						

INCOME APPROACH

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Lease Schedule	:	<input type="checkbox"/> Attached	<input type="checkbox"/> Not Available	<input checked="" type="checkbox"/> None
Occupation Rate	:	100%		
Quality of Covenant	:	Good		
Growth Potential of Rents	:	Average		
Rent Used	:	<input checked="" type="checkbox"/> Contractual	<input type="checkbox"/> Market Rent	<input type="checkbox"/> Potential Rent
Remarks	:	Municipal and school tax amounts comes for the owner. All the other expenses were estimated according to the market standards applicable to our subject property.		

STATEMENT OF INCOME AND EXPENSES (NORMALIZED)

POTENTIAL GROSS INCOME

POTENTIAL GROSS INCOME		Base rent (monthly)	Income (yearly)	
Base Rent (Residential units)	First floor	\$4,211	\$50,532	
	2nd floor	\$3,201	\$38,412	
	3rd floor	\$3,720	\$44,640	
	Total		\$133,584	
Additional Rent				
	Parking		\$0.00	
	Laundry		\$0.00	
	TOTAL			\$133,584

LESS: VACANCY AND BAD DEBT ALLOWANCE

Residential	\$133,584	3.0%	\$4,008
Parking	\$0	10.0%	\$0
Laundry	\$0	0.0%	\$0
	TOTAL		
			\$4,008

EFFECTIVE GROSS INCOME (EGI)

\$129,576

STABILIZED OPERATING EXPENSES

Description	Annual	per unit	% of EGI
Municipal taxes (reel / 2024)	\$12,397	\$1,377.45	9.57%
School taxe (reel / 2023-2024)	\$1,300	\$144.42	1.00%
Insurance (normalized)	\$6,000	\$666.67	4.63%
Hydro-Quebec (tenant)	\$0	\$0.00	0.00%
Energy (gas) (tenant)	\$0	\$0.00	0.00%
Miscellaneous (normalized)	\$500	\$55.56	0.39%
Janitor (normalized)	\$0	\$0.00	0.00%
Maintenance & Repairs (normalized)	\$3,950	\$438.89	3.05%
Administration (normalized)	\$5,961	\$662.28	4.60%
Reserve for appliances	\$200	\$22.22	0.15%
Reserve for structure & Misc. (normalized)	\$1,750	\$194.44	1.35%
TOTAL - OPERATING EXPENSES (OPEX)	\$32,057	\$3,561.93	24.74%

NET OPERATING INCOME (NOI)



\$97,519

OVERALL CAPITALISATION RATE (O.C.R.) : 4.50%

CONCLUSION - INCOME APPROAC	N.O.I :	\$97,519	\$2,167,092
	O.C.R.	4.50%	
		Rounded to	\$2,167,000

DIRECT COMPARISON APPROACH

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Sales	N° 1	N° 2	N° 3	N° 4		Subject
Address	6232-6242	1826-1842	3435	5962-5976		1530-1538
Street	Casgrain	Desjardins	La Fontaine	Christophe-Colomb		Bourbonnière
City	Montreal	Montreal	Montreal	Montreal		Montreal
Area	Rosemont	Hochelaga	Hochelaga	Rosemont		Hochelaga
Year of construction	1910	1910	1960	1920		1920
Date of Sale	May 31, 2024	March 31, 2024	June 4, 2024	March 15, 2024		-
Number of floors	3 floor	3 floor	3 + basement	3 + basement		3 floor
Sale Price	\$1,525,000	\$2,430,000	\$1,649,000	\$1,775,000		-
Municipal Assessment	\$1,185,700	\$1,391,000	\$1,333,800	\$1,653,000		\$1,641,600
Ratio Sale Price/ Assessment	1.29	1.75	1.24	1.07		-
Land area (sq.ft.)	2,128 ft²	6,700 ft²	5,500 ft²	6,309 ft²		2,737 ft²
Gross Leasable Area (G.L.A.)	3,420 ft²	8,093 ft²	7,329 ft²	9,102 ft²		7,404 ft²
Number of rooms	21	46.5	35.0	43.5		39.5
Number of units	6	9	6	9		9
Density	3.50	5.17	5.83	4.83		4.39
Price / unit	\$254,167	\$270,000	\$274,833	\$197,222		-
Gross Income	105,360\$	160,320\$	100,500\$	110,112\$		133,584\$
Gross Income multiple	14.47	15.16	16.41	16.12		
Net operating income	80,035\$	122,525\$	70,923\$	77,683\$		97,519\$
Net Income / unit	13,339\$	13,614\$	11,821\$	8,631\$		10,835\$
Net operating income per sq.ft.	23.40 \$/ft²	15.14 \$/ft²	9.68 \$/ft²	8.53 \$/ft²		13.17 \$/ft²
Remarks	6-unit building with 3.5-room apartments. Units are less renovated compared to the subject property. Limited potential for rent increases. Area superior to the subject property.	9-unit building. Four units renovated. Potential for income increase with five units left to renovate. No parking. Building and area similar to the subject property.	Six-unit above-ground building. Some units have been renovated. Good potential for income increase, especially with the ground-floor units that have access to a finished basement. Eight parking spaces.	Nine-unit above-ground building. Units are less renovated compared to the subject property. Unfinished basement with a height of approximately 6 feet. Five outdoor parking spaces at the rear. Area superior to the subject property.		
Indicators (residual)						<u>Average</u>
Sale price	\$1,525,000	\$2,430,000	\$1,649,000	\$1,775,000		\$1,844,750
Ajustement de temps	\$0	\$0	\$0	\$0		
Adjustements	\$0	\$0	\$0	\$0		
Adjusted sale price	\$1,525,000	\$2,430,000	\$1,649,000	\$1,775,000		
Net operating income	\$80,035	\$122,525	\$70,923	\$77,683		
Overall capitalization rate	5.25%	5.04%	4.30%	4.38%		4.74%
Net income	\$80,035	\$122,525	\$70,923	\$77,683		<u>Average</u>
Net income mult. (N.I.M.)	19.05	19.83	23.25	22.85		21.25
Price / Room	\$72,619	\$52,258	\$47,114	\$40,805		<u>Subject</u>
Net income / Room	\$3,811	\$2,635	\$2,026	\$1,786		\$2,469
Adjusted room / Unit	\$47,042	\$48,964	\$57,402	\$56,411		\$52,455
Price / Unit	\$254,167	\$270,000	\$274,833	\$197,222		<u>Subject</u>
Net income / Unit	\$13,339	\$13,614	\$11,821	\$8,631		\$10,835
Adjusted price / Unit	\$206,461	\$214,896	\$251,931	\$247,582		\$230,217

CONCLUSION - DIRECT COMPARISON APPROACH

	<u>Multiplier</u>		<u>Net Income</u>			
Sale price according to the N.I.M.	22.20	X	\$97,519	=	=	\$2,164,925
	<u>Price per room</u>		<u>Number of rooms</u>			
Adjusted sale price per room	\$54,500	X	39.5	=	=	\$2,152,750
	<u>Price per unit</u>		<u># of units</u>			
Adjusted sale price per unit	\$240,000	X	9	=	=	\$2,160,000
CONCLUSION - DIRECT COMPARISON APPROACH						\$2,160,000

REMARKS

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The aim of our mandate is to establish the market value of this building, considering the revenue and condition of the building.

Income Approach

The building's gross income is set at \$133 584. Based on our observation of the market in the Hochelaga sector and verification of the statistical data, we established an average vacancy rate at 3%. Applying this vacancy rate gave us an effective gross income of \$129 576 per year.

The operating expenses of the property were established in accordance with the information provided by the owner and by standardization or estimation based on the market standards, given the type of building under study (multi-family complex) and the physical characteristics of the subject property. The total operating expenses equal to \$32 057 annually, which represent approximately 24,75% of the effective gross income.

The economic value of our subject property based on a net operating income of \$97 519 and an overall capitalization rate of 4,50 % provides us with an economic value of \$2 167 000. The applied capitalization rate is provided by the comparable sales utilized in the direct sales approach. The O.C.R ranges from 4,30 % to 5,25 % for an average of 4,74 %. The retained O.C.R. take into consideration the fact that the units are in line with the rental market for the Hochelaga sector.

Direct Comparison Approach

Four comparable properties located in the same neighborhood or adjacent neighborhoods were selected for our study. The selected comparables are sales completed between March 2024 and June 2024 and consist of buildings with 6 to 9 units. Following our analysis, we obtained net income multiplier indicators (N.I.M.) ranging from 19,05 to 23,25 (the average being 21,25). The adjusted unit sale price of the comparable properties based on the net income in relation to our subject ranges from \$206 461 to \$251 931 (average of \$230 217). We obtained the price per room for every sale. The adjusted price per room based on the net income in relation to our subject ranges from \$47 042 to \$57 402 (average of \$52 455). Having considered all the positive and negative attributes of our subject property in relation to the comparable sales, we selected a net income multiplier of 22,20 for our subject to reflect the overall good condition of the subject building. We have retained a price per unit of \$240 000 and a price per room of \$54 500. All the indicators utilized in this approach leads us to a conclusion of a market value of \$ 2 160 000 for our subject.

Consequently, supported by the merits of each approach utilized for the purposes of our appraisal, we are of the opinion that the subject property's market value as of November 18, 2024 is \$ 2 165 000.

It should be noted that the subject property was initially listed for the asking price of \$1,950,000 (Centris reference #23417856) and was sold for \$2,075,000 following a bidding war, in the fall of 2021.

EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS**11****CORRELATION****Value estimates obtained by the different methods used**

Cost Approach	\$2,000,000
Income Approach	\$2,167,000
Comparison Approach	\$2,160,000

As a result of our analysis and bases specifically on income and comparaison approaches, we are of the opinion that the subject property's market value, as of November 18, 2024 is of **\$2,165,000**.

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 are our personal, unbiased professional analyses, opinions and conclusions.

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

Our compensation is not contingent of an action or event resulting from the analyses, opinions, or conclusions in, or the use of this report.

Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Ordre des évaluateurs agréés du Québec.

Our employment was not conditional on this appraisal assignment producing a specific value or a value within a given range or prospects of future employment or a loan application being approved.

François Poissant B.B.A., Ch.Ap., is currently certified under the continuing education program of the Ordre des évaluateurs agréés du Québec.

Vincent Aubé, technician has made a personal inspection of the subject property on November 18, 2024 and provided significant professional assistance in the preparation of this report.

This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.

The above final estimate of market value represents an "all-cash" transaction price, free and clear of outstanding debt obligations and/or other encumbrances currently on the subject property.

Inspected by	Vincent Aubé, technician	Date	2024-23-02
In consequence, I certify that the potential market value of the subject property is estimated at:			\$2,165,000
Remarks			
Signature - Appraiser		Vincent Aubé, technician	
Signature - Review Appraiser		François Poissant B.B.A., Ch.Ap.	

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

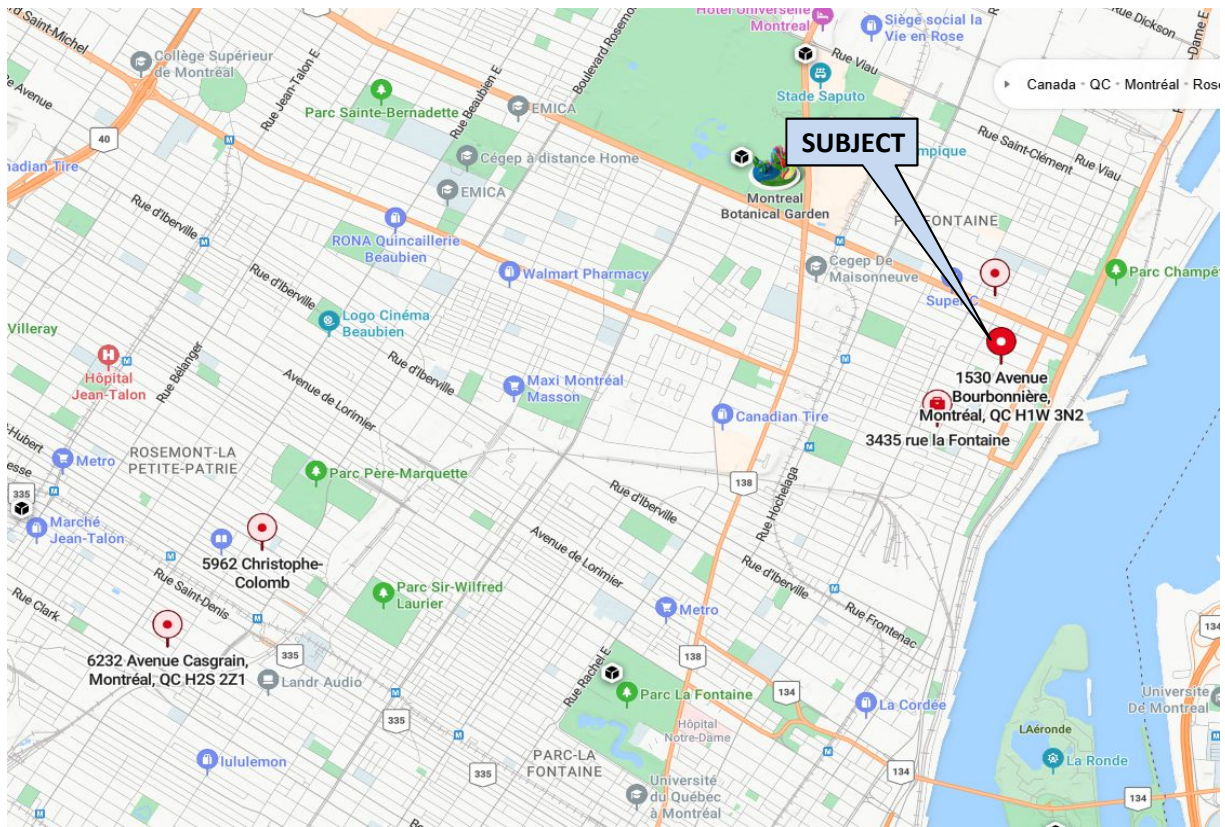
1. The legal description is assumed to be correct. The appraiser assumes no responsibility for matters legal in character nor does the appraiser render any opinion as to title, which is assumed to be good and marketable.
2. All mortgages, liens, encumbrances, leases and servitude(s) have been disregarded unless so specified within the report. The property is appraised as though under competent and responsible ownership and management, neither inefficient nor super-efficient.
3. Any exhibits or photos in this report are included to assist the reader in visualising the property, and are not necessarily to scale.
4. Information, estimates and opinions furnished to the appraiser, and contained in the report, were obtained from sources deemed reliable. Market data were supplied in part by various brokers and leasing representatives, as well as landlords / owners.
5. The adjustments to the comparable sales detailed on adjustments grid provided reflect our estimate of the general magnitude of adjustment appropriate to arrive at an indication of value for the subject property. They are not intended to imply that specific comparable sales are utilised to support these adjustments.
6. No engineering study, property survey, soil study, or environmental investigation has been made, and no liability is assumed in connection with such matters. The described physical condition of any improvements is based on visual inspection only, and it is assumed that there are no hidden or unapparent conditions affecting value. Dimensions and areas are supplied by others or based on records.
7. It is assumed that there are no hidden or unapparent conditions of the property subsoil or structures, which would render it more or less valuable.
8. It is assumed that there is full compliance with all applicable federal, provincial and local environmental regulations and laws, and that all zoning, building, and use regulations and restrictions of all types have been complying with unless non compliance is stated, defined and considered in the appraisal report. It is further assumed that all license, consents, permits, or legislative or administrative authority required by any local, provincial, federal and/or private entity or organisation have been or can be obtained or renewed for any use considered in the value estimate.
9. It is assumed that the utilisation of the land is within the boundaries of the property lines of the property described and that there is no encroachment or trespass unless noted in the report.
10. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organisations with which the appraiser may be affiliated.
11. Possession of this report or a copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use by anyone other than the client without the prior written consent of the appraiser or the client, and then only with the proper identification and qualification and only in its entirety. No change of any item in the report shall be made by anyone other than the appraiser and/or officer of the appraisal department. The appraiser and department shall have no responsibility if any such change is made.
12. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the express written consent and approval of the appraiser.
13. There is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraiser is not physically, financially, and/or legally responsible for any costs incurred to discover or correct any deficiencies of any kind.
14. Acceptance of, and/or use of, this appraisal report by client or any third party constitutes acceptance of the conditions. APPRAISER LIABILITY EXTENDS ONLY TO STATED CLIENT, NOT SUBSEQUENT PARTIES OR USERS.
15. This appraisal report has been prepared by the staff of VALIQUETTE, MARTIN, MONTMARQUET, POISSANT & ASSOCIÉS INC., for the sole use and benefit of Mme Anna Liachenko. The information and conclusions contained in this report should not be relied upon, without independent verification, by any person or entity other than Mme Anna Liachenko.
16. This appraisal is expressed in current Canadian dollars.
17. The property rights appraised excludes mining rights.

DEFINITION OF MARKET VALUE

The "Ordre Des Évaluateurs Agréés du Québec" defines market value as follows: "The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently and 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 and willing to transact;
2. Both parties are well informed or well advised, and acting in what they consider their 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 currency or in terms of financial equivalent 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.

LOCATION PLAN



NEIGHBORHOOD PHOTOGRAHS



Bourbonnière Avenue



Bourbonnière Avenue

PHOTOGRAPHS OF THE SUBJECT



Front



Back



Side



Bathroom



Kitchen



Basement



Bathroom



Living room



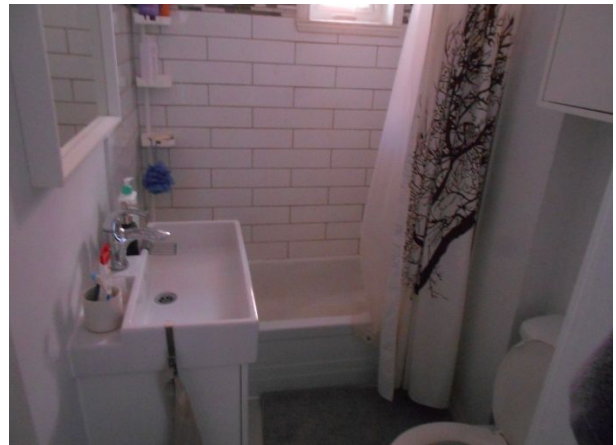
Kitchen



Patio



Kitchen



Bathroom