

JOHANNSEN APPRAISAL SERVICES



APPRAISAL OF REAL PROPERTY

LOCATED AT:

464 Frood Road
Concession 4, Lot 6, McKim Twp., Lot 6, M100, Parcel 5175 S.E.S.

FOR:

Claire and Jean-Pierre Louiseize
464 Frood RoadSudbury, ON

AS OF:

January 27, 2012

BY:

Fred Johannsen AACI, P.App.
Johannsen Appraisal Services
239 Pine Street, Sudbury, ON P3C 1X4
Tel:(705) 675-7180 Fax: (705) 675-7826
johannsen@bellnet.ca

REFERENCE:

RESIDENTIAL APPRAISAL REPORT

FILE NO.: 12-0072FW

CLIENT	CLIENT:	Claire and Jean-Pierre Louiseize			APPRAISER	APPRaiser:	Fred Johannsen AACI, P.App.					
	ATTENTION:					COMPANY:	Johannsen Appraisal Services					
	ADDRESS:	464 Frood Road Sudbury, ON				ADDRESS:	239 Pine Street Sudbury, ON P3C 1X4					
	E-MAIL:					E-MAIL:	johannsen@bellnet.ca					
	PHONE:	(705) 698-3249		FAX:		PHONE:	(705) 675-7180		FAX:	(705) 675-7826		
SUBJECT	NAME:	Claire and Jean-Pierre Louiseize										
	PROPERTY ADDRESS:	464 Frood Road				CITY:	Sudbury		PROVINCE:	ON	POSTAL CODE:	
	LEGAL DESCRIPTION:	Concession 4, Lot 6, McKim Twp., Lot 6, M100, Parcel 5175 S.E.S.										
	PURPOSE OF APPRAISAL:	To estimate market value or <input type="checkbox"/> Other										
	INTENDED USE OF APPRAISAL:	Financing										
	INTENDED USERS (by name or type):	Claire and Jean-Pierre Louiseize										
	REQUESTED BY:	<input type="checkbox"/> Client above <input checked="" type="checkbox"/> Other Roger Hawkins										
	THIS APPRAISAL REPORT REPRESENTS THE FOLLOWING VALUE (if not current, see comments):	<input checked="" type="checkbox"/> Current <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective										
	<input type="checkbox"/> Update of original report completed on	with an effective date of File No.										
	PROPERTY RIGHTS APPRAISED:	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Cooperative <input type="checkbox"/> Condominium <input type="checkbox"/> Strata Maintenance Fee \$: <input type="checkbox"/> See comments										
IS THE SUBJECT A FRACTIONAL INTEREST, PHYSICAL SEGMENT OR PARTIAL HOLDING?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (if yes, see comments)											
MUNICIPALITY AND DISTRICT:	City of Sudbury, District of Sudbury											
ASSESSMENT:	Land \$	From	Imps \$	MPAC	Total \$	155,000	Assessment Date	2008	Taxes \$	2,450	Year	2011
EXISTING USE:	Five Plex											
OCCUPIED BY:	3 Tenants - 2 Vacant											
HIGHEST AND BEST USE OF SUBJECT PROPERTY:	<input checked="" type="checkbox"/> As Improved, or <input type="checkbox"/> Other Note: If highest and best use is not the existing use, or not the use reflected in the report, see additional comments.											
NEIGHBOURHOOD	NATURE OF DISTRICT:	<input checked="" type="checkbox"/> Residential	<input type="checkbox"/> Rural	<input type="checkbox"/> Commercial	<input type="checkbox"/> Industrial	<input type="checkbox"/>	AGE RANGE OF PROPERTIES:	25+	to	100	years	
	TREND OF DISTRICT:	<input checked="" type="checkbox"/> Improving	<input type="checkbox"/> Stable	<input type="checkbox"/> Transition	<input type="checkbox"/> Deteriorating	<input type="checkbox"/>	MARKET OVERVIEW: Supply:	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Average	<input type="checkbox"/> Poor		
	BUILT-UP:	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25 - 75%	<input type="checkbox"/> Under 25%	<input type="checkbox"/>	<input type="checkbox"/>	Demand:	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Average	<input type="checkbox"/> Poor		
	CONFORMITY: Age:	<input type="checkbox"/> Newer	<input checked="" type="checkbox"/> Similar	<input type="checkbox"/> Older	<input type="checkbox"/>	<input type="checkbox"/>	PRICE TRENDS:	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining		
	Condition:	<input type="checkbox"/> Superior	<input checked="" type="checkbox"/> Similar	<input type="checkbox"/> Inferior	<input type="checkbox"/>	<input type="checkbox"/>	PRICE RANGE OF PROPERTIES: \$	100,000.	to \$	350,000.+-		
	Size:	<input type="checkbox"/> Larger	<input checked="" type="checkbox"/> Similar	<input type="checkbox"/> Smaller	<input type="checkbox"/>	<input type="checkbox"/>						
	SUMMARY: INCLUDES VALUE TRENDS, MARKET APPEAL, APPARENT ADVERSE INFLUENCES IN THE AREA, IF ANY (e.g. railroad tracks, unkempt properties, major traffic arteries, Hydro facilities, anticipated public or private improvements, commercial/industrial sites, landfill sites, etc.):											
	Subject property is located in the Donovan sector of the City of Greater Sudbury.											
	Comparable properties in the general area. A good rental area due to easy access to bus, shopping, schools and shopping. No adverse influences noted time of inspection.											
SITE	SITE DIMENSIONS:	33' x 120										
	SITE AREA:	3960.0		Source:	MPAC							
	TOPOGRAPHY:	Level to street grade										
	CONFIGURATION:	Regular										
	ZONING:	R2.3 - Low Density Residential Two										
	DOES EXISTING USE CONFORM TO ZONING?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (see comments)										
	EASEMENTS:	<input type="checkbox"/> Utility	<input type="checkbox"/> Access	<input checked="" type="checkbox"/> Other	Unknown							
	UTILITIES:	<input checked="" type="checkbox"/> Telephone	<input checked="" type="checkbox"/> Sanitary Sewer	<input type="checkbox"/> Septic System	<input checked="" type="checkbox"/> Municipal Water	<input type="checkbox"/> Well						
	FEATURES:	<input checked="" type="checkbox"/> Natural Gas	<input checked="" type="checkbox"/> Storm Sewer	<input type="checkbox"/> Open Ditch	<input type="checkbox"/>							
	ELECTRICAL:	<input checked="" type="checkbox"/> Paved Road	<input checked="" type="checkbox"/> Sidewalk	<input checked="" type="checkbox"/> Street Lights	<input type="checkbox"/> Gravel Road	<input checked="" type="checkbox"/> Curbs						
DRIVEWAY:	<input checked="" type="checkbox"/> Cablevision	<input checked="" type="checkbox"/> Lane	<input type="checkbox"/>									
DRIVEWAY:	<input checked="" type="checkbox"/> Overhead	<input type="checkbox"/> Underground	<input type="checkbox"/>									
DRIVEWAY:	<input checked="" type="checkbox"/> Private	<input type="checkbox"/> Mutual	<input type="checkbox"/> None	<input type="checkbox"/> Single	<input checked="" type="checkbox"/> Double							
DRIVEWAY:	Surface:	Gravel lot - snow covered										
PARKING:	<input type="checkbox"/> Garage	<input type="checkbox"/> Carport	<input checked="" type="checkbox"/> Driveway	<input type="checkbox"/> Street								
LANDSCAPING:	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Average	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor								
CURB APPEAL:	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Average	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor								
COMMENTS: (includes any positive and negative features such as conformity with zoning, effects of known easements, known restrictions on title, such as judgments or liens, effects of assemblage, any known documentation of environmental contamination, etc.)												
Easements are not known as a search has not been conducted nor a plan of survey been made available to the appraiser. A serviced municipal lot comparable to most lots in the area. Access to property from rear laneway. Adequate parking for tenants. Site was snow covered and topography could not be verified at time of inspection.												
IMPROVEMENTS	CONSTRUCTION COMPLETE:	Yes		PERCENTAGE COMPLETE:	100%							
	YEAR BUILT (estimated)	1935		EFFECTIVE AGE:	15		years	REMAINING ECONOMIC LIFE (estimated):	45		years	
	FLOOR AREA:	<input type="checkbox"/> Sq. M.	<input checked="" type="checkbox"/> Sq. Ft.	BUILDING TYPE:	Detached							
	MAIN	1,415		DESIGN/STYLE:	2-1/2 Storey - 5 Plex							
	SECOND	809		CONSTRUCTION:	wood frame - assumed							
	THIRD	362		BASEMENT:	Full							
	FOURTH			BASEMENT AREA:	1,404+-	<input type="checkbox"/> Sq. M.	<input checked="" type="checkbox"/> Sq. Ft.	80	% Finished			
	TOTAL	2,586		WINDOWS:	vinyl double							
	Source:	Measured		FOUNDATION WALLS:	poured concrete - assumed							
	ROOFING:	Metal		Condition:	<input checked="" type="checkbox"/> Good	<input type="checkbox"/> Average	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor				
EXTERIOR FINISH:	Brick and siding		Condition:	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Average	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor					
EXTERIOR FINISH:	Newer metal roof											
UFFI APPARENT:	<input type="checkbox"/> Yes		<input checked="" type="checkbox"/> No	<input type="checkbox"/> Removed								
BEDROOMS (#)	BATHROOMS (#)		INTERIOR FINISH:	Walls	Ceilings	CLOSETS:	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Average	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor		
Large	1	2-Piece	Good	Drywall	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	INSULATION:	<input checked="" type="checkbox"/> Ceiling	<input checked="" type="checkbox"/> Walls	<input checked="" type="checkbox"/> Basement	<input type="checkbox"/> Crawlspace	
9	Average	3	3-Piece	x	Average	Plaster	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
1	Small	2	4-Piece	Fair	Paneling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
			5-Piece	Poor	Wood	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
FLOORING:	ceramic, laminate, hardwood, vinyl											
ELECTRICAL:	<input type="checkbox"/> Fuses	<input checked="" type="checkbox"/> Breakers	6 meters									
Estimated capacity of main panel:	200 amps											
HEATING SYSTEM:	HAF Baseboard		Fuel Type	Gas/hydro								
WATER HEATER:	Type	rental assumed - Gas										
BASEMENT FINISHES/UTILITY:	Full-regular clearance. Finished apartment #4- 3 bedrooms Recently remodeled. Vacant at time of inspection.											
GARAGES/CARPORTS:	None - parking lot at rear - access from lane											
DECKS, PATIOS, OTHER IMPROVEMENTS:	None											
COMMENTS: (Building, appearance, quality, condition, services, extras, anticipated public or private improvements, etc.)	APT. #1: Bachelor APT. #2: 1 Bedroom-Vacant											
APT. #3: 3 Bedrooms APT. #5: 2 Bedrooms All units have received upgrading. Functional utility is considered satisfactory. Building appears to have a Retrofit system - this should be verified.												

RESIDENTIAL APPRAISAL REPORT

ROOM ALLOCATION	LEVEL:	MAIN	SECOND	THIRD		BASEMENT						
	ENTRANCE	X	X			X						
	LIVING	3	1			1						
	DINING											
	KITCHEN	3	1			1						
	FULL BATH	3 x 3pc.	4 pc.			4 pc.						
	PART BATH		1									
	BEDROOM	4	1	2		3						
	FAMILY											
	LAUNDRY					X						
	OTHER		X	X								
	TOTAL ROOMS	10	2	2		5						
COST APPROACH	SOURCE OF COST DATA: <input type="checkbox"/> MANUAL <input checked="" type="checkbox"/> CONTRACTOR <input checked="" type="checkbox"/> OTHER											
	LAND VALUE By comparison \$ 65,000.											
	BUILDING COST NEW DEPRECIATED COST											
	COST 2,586 @ \$ 125. \$ 323,250 \$											
	GARAGE \$ \$											
	BASEMENT FINISH											
	As described \$ 15,000											
	OTHER EXTRAS \$ \$											
	\$ \$											
	\$ \$											
	\$ \$											
	\$ \$											
	TOTAL REPLACEMENT COST \$ 323,250											
	LESS: ACCRUED DEPRECIATION 12 % \$ 38,790 \$ 284,460											
	INDICATED VALUE SEE DISCLAIMER \$ 364,460											
VALUE BY THE COST APPROACH (rounded): \$ 364,000												
NOTE: The construction cost estimates contained herein were not prepared for insurance purposes and are invalid for that use. The Cost Approach is not applicable when appraising individual strata/condominium type dwelling units.												
COMPARABLE SALES DATA	SUBJECT			COMPARABLE NO. 1			COMPARABLE NO. 2			COMPARABLE NO. 3		
	Description			\$ Adjustment			Description			\$ Adjustment		
	464 Frood Road City of Greater Sudbury			5 Clemow Avenue City of Greater Sudbury			83 Patterson City of Greater Sudbury			10 Venice Street City of Greater Sudbury		
	EXTERIOR brick and siding			Siding +2,000			Brick -5,000			Brick -5,000		
	DATE OF SALE - - - -			Dec. 07, 2011			Sept. 08, 2011			Jan. 20, 2012		
	SALE PRICE \$ - - - -			\$348,000.			\$325,000.			\$325,253.		
	SERVICES Municipal			Similar			Similar			Similar		
	LOCATION Donovan			Gatchell			West End			Copper Cliff +5,000		
	SITE SIZE 33' x 120			33' x 122'			50' x 120'			47' x Irregular		
	BUILDING TYPE Detached			Similar			Similar			Similar		
	DESIGN/STYLE 2-1/2 Storey			2 Storey			2 Storey			2 Storey		
	AGE/CONDITION Eff 15 Average			Similar Superior -15,000			Similar Similar			Similar Similar		
	LIVABLE FLOOR AREA 5 Plex			5 Plex			5 Plex			5 Plex		
	Total Bdrms Baths			Total Bdrms Baths			Total Bdrms Baths			Total Bdrms Baths		
	ROOM COUNT 19 10 5.1			17 8 5 +6,000			16 6 5 +9,000			16 6 5 +9,000		
	BASEMENT 1,404+- Sq.Ft.			Full			Full			Full		
	PARKING Yes			Yes			Yes			Yes		
	HEAT Gas - hydro			Hydro			Gas			Gas		
	EXTRAS Verandah			- - - -			- - - -			- - - -		
	Appliances			Yes			Yes			Yes		
	DAYS ON MARKET - - - -			47			36			185		
	M.L.S. NUMBER - - - -			1010777			109532					
ADJUSTMENTS (Gross/Net)			6.6 % 2.0 % \$ -7,000			4.3 % 1.2 % \$ +4,000			5.8 % 2.8 % \$ +9,000			
ADJUSTED VALUES			\$ 341,000			\$ 329,000			\$ 334,253			
CONCLUSIONS: All comparables are located in the City of Greater Sudbury and are considered the best sales for the purpose of analysis. Due to the lack of truly comparable sales and more current dates, the above sales were the best that were available in order to formulate a final estimate of value. The direct sales comparison approach reflects the actions of market participants and is considered to be most persuasive. After an extensive review of individual sales above, adjustments for gross livable floor area, effective age, and subject finishes. Based upon MLS statistical data, no time adjustment was deemed necessary. After adjustments were made, the comparable sales data indicates the subject falls in the \$329,000. to \$341,000 value range.												
COST APPROACH: \$364,000.												
INCOME APPROACH: \$327,000.												
COMPARABLE APPROACH: \$335,000.												
SALES HISTORY - ANALYSIS OF KNOWN CURRENT AGREEMENTS FOR SALE, PRIOR SALES, LISTINGS, OPTIONS OR MARKETING OF THE SUBJECT: (minimum of three years) None known over the past three years according to M.L.S. records. An electronic search was undertaken through the facilities of Geo Warehouse and a current parcel register was obtained through their services.												
VALUE BY DIRECT COMPARISON APPROACH (rounded) \$ 335,000.												
EXPOSURE TIME	COMMENT ON REASONABLE EXPOSURE TIME: A reasonable exposure time is 60 - 90 days on the open market.											
	*** RESTRICTION: This report cannot be used for any other purpose, or party, without the express written consent of the appraiser.***											
RECONCILIATION	RECONCILIATION AND FINAL ESTIMATE OF VALUE: Reasonable adjustments were made to simulate the subject features and lead to an adjusted range of market value.											
	AS A RESULT OF MY APPRAISAL AND ANALYSIS OF ALL APPLICABLE DATA AND RELEVANT FACTORS, IT IS MY CONCLUSION THAT THE MARKET VALUE OF THE INTEREST IN THE SUBJECT PROPERTY AS AT January 27, 2012 (Effective Date of the Appraisal) IS \$ 335,000											
THIS REPORT WAS COMPLETED ON: January 30, 2012												

RESIDENTIAL APPRAISAL REPORT

DEFINITIONS	<p>DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market as of the specified date under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.</p> <p>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: buyer and seller are typically motivated; both parties are are well informed or well advised, and acting in what they consider their own best interests; a reasonable time is allowed for exposure in the open market; payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and 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.</p> <p>(Source: Canadian Uniform Standards of Professional Appraisal Practice) <i>Note: If other than market value is being appraised, see additional comments.</i></p> <p>DEFINITION OF HIGHEST AND BEST USE: The reasonably probable and legal use of the property, that is physically possible, appropriately supported, and financially feasible, and results in the highest value.</p>																	
	<p>The scope of the appraisal encompasses the due diligence undertaken by the appraiser (consistent with the terms of reference from the client, the purpose and intended use of the report) and the necessary research and analysis to prepare a report in accordance with the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada. The following comments describe the extent of the process of collecting, confirming and reporting data and its analysis, describe relevant procedures and reasoning details supporting the analysis, and provide the reason for the exclusion of any usual valuation procedures. <u>Consideration for the appraisal services is based on deriving comparable sales information from the M.L.S. system. If an on site comparable inspection is sought, the fee will be adjusted upward accordingly, otherwise the client will not hold the appraiser liable for any inaccuracy in the M.L.S.information.</u> The analysis set out in this report relied on written and verbal information of market transactions, data and statistics obtained from a variety of sources we considered reliable. A concerted effort was made to verify the accuracy of the information herein contained. Since this appraisal is not intended to be used for court purposes or for arbitration, some of the information set out in this report may not have been fully documented or confirmed by reference to primary sources.</p>																	
SCOPE																		
ASSUMPTIONS AND LIMITING CONDITIONS AND EXTRAORDINARY ITEMS	<p>ORDINARY ASSUMPTIONS & LIMITING CONDITIONS The certification that appears in this appraisal report is subject to the following conditions:</p> <ol style="list-style-type: none">This report is prepared at the request of the client and for the specific use referred to herein. It is not reasonable for any other party to rely on this appraisal without first obtaining written authorization from the client, the author and any supervisory appraiser, subject to the qualification in paragraph 11 below. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.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 and confirmed in writing.The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No registry office search has been performed and the appraiser assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in this report. The property is appraised on the basis of it being under responsible ownership.The subject property is presumed to comply with government regulations including zoning, building codes and health regulations and, if it doesn't comply, its non-compliance may affect market value.No survey of the property has been made. Any sketch in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property.This report is completed on the basis that testimony or appearance in court concerning this appraisal is not required 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.Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, 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. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the subject property.The appraiser obtained information, estimates and opinions that were used in the preparation of this report from sources considered to be reliable and accurate and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of items that were furnished by other parties.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.The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the Canadian Uniform Standards of Professional Appraisal Practice ("The Standards") and/or when property entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the Canadian Uniform Standards of Professional Appraisal Practice (the "Standards") and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the appraiser's privacy policy.The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use.Written consent from the author and supervisory appraiser, if applicable, must be obtained before any part of the appraisal report can be used for any purpose by anyone except the client and other intended users identified in the report. Where the client is the mortgagee, liability is extended to its insurer. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee. Written consent and approval must also be obtained before the appraisal (or any part of it) can be altered or conveyed to other parties, including mortgagees (other than the client) and the public through prospectus, offering memoranda, advertising, public relations, news, sales or other media.If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault. <p>Other:</p> <p>EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS An extraordinary assumption or limiting condition has been invoked in this appraisal report. <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If yes, see attached addendum.</p> <p>HYPOTHETICAL CONDITIONS A hypothetical condition has been invoked in this appraisal report. <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If yes, see attached addendum.</p> <p>JURISDICTIONAL EXCEPTION A jurisdictional exception has been invoked in this appraisal report. <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If yes, see attached addendum.</p>																	
CERTIFICATION	<p>I certify that, to the best of my knowledge and belief:</p> <ol style="list-style-type: none">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 my personal, impartial and unbiased professional analyses, opinions and conclusions.I have no past, present or prospective interest or bias with respect to the property that is the subject of this report and no personal interest or bias with respect to the parties involved with this assignment, except as specified herein.My engagement in this assignment is not contingent upon developing or reporting a predetermined result, upon the amount of value estimate, upon a direction in value that favours the cause of the client, upon the attainment of a stipulated result or the occurrence of a subsequent event.My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice.I have the knowledge and experience to complete this assignment competently. Except as herein disclosed, no other person has provided me with significant professional assistance in the completion of this appraisal assignment.The Appraisal Institute of Canada has a mandatory Continuing Professional Development Program for all members. As at the date of this report, the requirements of this program have been fulfilled. <p>.....</p> <p>SUPERVISORY APPRAISER'S CERTIFICATION If a supervisory appraiser has signed this appraisal report, he or she certifies and agrees that "I directly supervised the appraiser who prepared this appraisal report and, having reviewed the report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certification and am taking full responsibility for the valuation and the report."</p> <p>PROPERTY IDENTIFICATION ADDRESS: <u>464 Frood Road</u> CITY: <u>Sudbury</u> PROVINCE: <u>ON</u> POSTAL CODE:</p> <p>LEGAL DESCRIPTION: <u>Concession 4, Lot 6, McKim Twp., Lot 6, M100, Parcel 5175 S.E.S.</u></p> <p>AS A RESULT OF MY ANALYSIS OF ALL APPLICABLE DATA AND RELEVANT FACTORS, IT IS MY CONCLUSION THAT THE MARKET VALUE OF THE INTEREST IN THE SUBJECT PROPERTY AS AT <u>January 27, 2012</u> (Effective Date of the Appraisal) IS \$ <u>335,000</u></p> <table><tr><td><p>APPRAISER:</p><p>SIGNATURE: </p><p>NAME: <u>Fred Johannsen AACI, P.App.</u></p><p>DESIGNATION: <u>AACI, P.App.</u></p><p>DATE SIGNED: <u>January 30, 2012</u></p><p>DATE OF INSPECTION: <u>January 27, 2012</u></p><p>LICENSE INFO (where applicable):</p><p><i>NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.</i></p><p>ATTACHMENTS:</p><table><tr><td><input type="checkbox"/> ADDITIONAL SALES</td><td><input type="checkbox"/> EXTRAORDINARY ITEMS ADDENDUM</td><td><input type="checkbox"/> NARRATIVE ADDENDUM</td><td><input checked="" type="checkbox"/> PHOTO ADDENDUM</td><td><input checked="" type="checkbox"/> SKETCH ADDENDUM</td></tr><tr><td><input checked="" type="checkbox"/> MAP ADDENDUM</td><td><input checked="" type="checkbox"/> INVOICE FOR SERVICES</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr><tr><td><input type="checkbox"/></td><td></td><td></td><td></td><td></td></tr></table></td><td><p>SUPERVISORY APPRAISER:</p><p>SIGNATURE:</p><p>NAME:</p><p>DESIGNATION:</p><p>DATE SIGNED:</p><p>DATE OF INSPECTION:</p><p>LICENSE INFO (where applicable):</p><p><i>NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.</i></p></td></tr></table>	<p>APPRAISER:</p> <p>SIGNATURE: </p> <p>NAME: <u>Fred Johannsen AACI, P.App.</u></p> <p>DESIGNATION: <u>AACI, P.App.</u></p> <p>DATE SIGNED: <u>January 30, 2012</u></p> <p>DATE OF INSPECTION: <u>January 27, 2012</u></p> <p>LICENSE INFO (where applicable):</p> <p><i>NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.</i></p> <p>ATTACHMENTS:</p> <table><tr><td><input type="checkbox"/> ADDITIONAL SALES</td><td><input type="checkbox"/> EXTRAORDINARY ITEMS ADDENDUM</td><td><input type="checkbox"/> NARRATIVE ADDENDUM</td><td><input checked="" type="checkbox"/> PHOTO ADDENDUM</td><td><input checked="" type="checkbox"/> SKETCH ADDENDUM</td></tr><tr><td><input checked="" type="checkbox"/> MAP ADDENDUM</td><td><input checked="" type="checkbox"/> INVOICE FOR SERVICES</td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr><tr><td><input type="checkbox"/></td><td></td><td></td><td></td><td></td></tr></table>	<input type="checkbox"/> ADDITIONAL SALES	<input type="checkbox"/> EXTRAORDINARY ITEMS ADDENDUM	<input type="checkbox"/> NARRATIVE ADDENDUM	<input checked="" type="checkbox"/> PHOTO ADDENDUM	<input checked="" type="checkbox"/> SKETCH ADDENDUM	<input checked="" type="checkbox"/> MAP ADDENDUM	<input checked="" type="checkbox"/> INVOICE FOR SERVICES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					<p>SUPERVISORY APPRAISER:</p> <p>SIGNATURE:</p> <p>NAME:</p> <p>DESIGNATION:</p> <p>DATE SIGNED:</p> <p>DATE OF INSPECTION:</p> <p>LICENSE INFO (where applicable):</p> <p><i>NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.</i></p>
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<input type="checkbox"/>																		

ATTACHED
- SCHEDULE A -

LENDER/CLIENT Claire and Jean-Pierre Louiseiz
ADDRESS: 464 Frood Road, Sudbury, ON

TEL: (705) 698-3249

Income Approach, Duplex, Triplexes & above
FIVE PLEX

Property Civic Address
464 Frood Road
Sudbury, ON

APPRAISER: Fred Johannsen AACI, P.App.
ADDRESS: 239 Pine Street, Sudbury, ON P3C 1X4

TEL: (705) 675-7180

Main File No. 12-0072FW | Page #6
12-0072FW

SERVICES & AMENITIES INCLUDED IN RENT											
	YES	NO		YES	NO	NO. OF UNITS		YES	NO	BROADLOOM:	
Electricity	X		Stove	X		5	Pool		X	YES	NO
Hot Water	X		Refrigerator	X		5	Sauna		X	Units	X
Water Tax	X		Dishwasher		X		Exercise Room		X	Public	
Heating	X		Parking	X		8 +/-	Other (attached)		X	Areas	X

SQ. FT. or SQ. M.				INCOME		LEASES VERIFIED ... X ... YES ... NO			
FLOOR	NO. OF UNITS	NO. OF BRS	NET FLOOR AREA	MONTHLY RENT - PER UNIT		ANNUAL SQ. M. OR FT.	TOTAL MONTHLY	TOTAL ANNUALLY	
				ACTUAL	ECONOMIC				
BSMT.	1	3	5	\$ 1,000	\$ 1,000	\$ 2,400.00	\$ 1,000.00	\$	12,000.00
1	1	1	3	750	750	3,000.00	750.00		9,000.00
1	1	1	2	500	500	3,000.00	500.00		6,000.00
1	1	2	4	850	850	2,550.00	850.00		10,200.00
2	1	3	5	1,250	1,250		1,250.00		15,000.00
5.00	5.00	10.00	19.00	4,350.00	4,350.00	10,950.00	4,350.00 TOTAL	\$	52,200.00
LAUNDRY: UNITS x \$ x 12 MONTHS =									\$
OTHER:									\$
GROSS INCOME									\$ 52,200.00
LESS: VACANCY AND BAD DEBT 1.50 %									\$ 783.00
BALANCE:									\$ 51,417.00
PLUS PARKING: MONTHLY TOTAL OCCUPANCY									
INTERIOR: SPACES AT \$ PER SPACE \$ x %									\$
EXTERIOR: SPACES AT \$ PER SPACE \$ x %									\$
EFFECTIVE GROSS INCOME									\$ 51,417.00

EXPENSES									
DESCRIPTION		ANNUAL AMOUNT			% OF GROSS INCOME				
		TOTAL	PER UNIT	SQ. M. OR FT.					
TAXES:	MUNICIPAL	\$ 2,450.00	\$ 490.00	\$ 128.95	4.76				
	SCHOOL								
	OTHER								
	INSURANCE	2,733.00	546.60	143.84	5.32				
	HEATING	2,612.00	522.40	137.47	5.08				
	WATER	2,100.00	420.00	110.53	4.08				
	ELECTRICITY	10,200.00	2,040.00	536.84	19.84				
	JANITOR								
	REPAIRS & MAINTENANCE	800.00	160.00	42.11	1.56				
	PAINTING & DECORATING	800.00	160.00	42.11	1.56				
	RESERVE								
	ELEVATORS								
	MANAGEMENT	900.00	180.00	47.37	1.75				
	MISCELLANEOUS	400.00	80.00	21.05	0.78				
TOTAL EXPENSES		\$ 22,995.00	\$ 4,599.00	\$ 1,210.27	44.73	\$	22,995.00		
NET INCOME						\$	28,422.00		

CAPITALIZATION									
MORTGAGE RATE	6.50 %	65.00 % x	.090756395	(Annual Factor)	=	0.05899166			
EQUITY	8.00 %	35.00 % x	0.80		=	0.28000000			
AMORTIZATION TERM	20 YRS. 5 YRS.								
MORTGAGE RATIO	65.00 %	NET INCOME	\$ 28,422.00	÷	.087			\$	326,689.66
VALUE INDICATED BY INCOME APPROACH (ROUNDED)									\$ 326,700

COMMENTS ON INCOME APPROACH

All rents and expenses were supplied by the owner and assumed to be legal.
Value estimates contained herein are based on the assumption that the subject property conforms with the new Ontario Retrofit Fire Code, regulations and all provincial legislation, acts and rental controls governing residential rental income property in the Province of Ontario.
Non-compliance with any of these acts or regulations can adversely affect the value of the subject property.
Vacancy rate is derived from CMHC statistics.
The stabilizing of operation expenses involved the estimation of certain expense items. These estimates were based on comparison with information pertaining to similar properties contained in our in-house files. Rents include utilities.

SUPPLEMENTAL ADDENDUM

LENDER/CLIENT Claire and Jean-Pierre Louiseize	ADDRESS OF PROPERTY	APPRAISER Fred Johannsen AACI, P.App.
ADDRESS: 464 Frood Road, Sudbury, ON	464 Frood Road	ADDRESS: 239 Pine Street, Sudbury, ON P3C 1X4
TEL: (705) 698-3249	Sudbury	TEL: (705) 675-7180
	ON	

ASSUMPTIONS AND LIMITING CONDITIONS (CONT')

15. The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, or in compliance with all regulatory environmental condition, past, present or future that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain and expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.

It is imperative that the reader or any other interested party be aware that the appraiser did not inspect the premises for fire detection or smoke detection systems, or for the presence of carbon monoxide detectors, nor did the appraiser inspect the condition of such equipment, if present.

A cost approach to value may or may not have been included in this appraisal it would be for information purposes only. While sometimes required by lenders, the cost approach is not typically used by purchasers pr vendors in the marketplace, particularly with respect fo older homes. Further, there is little or no empirical evidence to support the rates of depreciation used in the approach other than that indicated by the comparable sales used in the direct comparison approach to value. Accordingly, the cost approach is not necessarily a reliable indicator of market value and the reader is warned not to rely on the value indicated by the cost approach in this report, nor to use it to determine the fire insurance to be placed on the property. Fire insurance coverage is assumed to be available.

HYPOTHETICAL CONDITIONS

Hypothetical conditions may be used when they are required for legal purposes, for purposes of reasonable analysis or for purposes of comparison. Common hypothetical conditions include proposed improvements and prospective appraisals. For every hypothetical condition, and extraordinary assumption is required, an analysis based on on a hypothetical condition must not result in an appraisal report that is misleading or that relies on actions or events that would be illegal or improbable within the context of the assignment Following is a description of each hypothetical condition applied to this report, the rationale for its use and its effect on the result of the assignment.

HAVE NOT: considered easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assignments, ordinances, by-laws, or other items of similar nature.

HAVE NOT: considered whether an appraised fractional interest, physical segment, or partial holding contributes pro rata on the value of the whole.

This report is only valid if it bears the original signature of the author.

Subject Photo Page

LENDER/CLIENT Claire and Jean-Pierre Louiseize
ADDRESS: 464 Frood Road, Sudbury, ON
TEL: (705) 698-3249

ADDRESS OF PROPERTY
464 Frood Road
Sudbury
ON

APPRAISER Fred Johannsen AACI, P.App.
ADDRESS: 239 Pine Street, Sudbury, ON P3C 1X4
TEL: (705) 675-7180



Subject Front

464 Frood Road
Sale Price -----
Liveable Floor Area 5 Plex
Total Rooms 19
Total Bedrooms 10
Total Bathrooms 5.1
Site 33' x 120
Age Eff 15



Subject Rear



Subject Street

Subject Photo Page

LENDER/CLIENT Claire and Jean-Pierre Louiseize
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ADDRESS OF PROPERTY

464 Frood Road
Sudbury
ON

APPRAISER Fred Johannsen AACI, P.App.
ADDRESS: 239 Pine Street, Sudbury, ON P3C 1X4
TEL: (705) 675-7180



Subject Interior

464 Frood Road
Sale Price -----
Liveable Floor Area 5 Plex
Total Rooms 19
Total Bedrooms 10
Total Bathrooms 5.1
Site 33' x 120
Age Eff 15



Subject Interior



Subject Interior

REFERENCE:

Subject Photo Page

FILE NO.: 12-0072FW

CLIENT	CLIENT:	Claire and Jean-Pierre Louiseize	APPRAISER	APPRAISER:	Fred Johannsen AACI, P.App.		
	ADDRESS:	464 Frood Road		ADDRESS:	239 Pine Street		
		Sudbury, ON			Sudbury, ON P3C 1X4		
	PHONE:	(705) 698-3249		FAX:			
				PHONE:	(705) 675-7180	FAX:	(705) 675-7826

464 Frood Road, Sudbury, ON



Subject Interior

464 Frood Road
Sale Price -----
Livable Floor Area 5 Plex
Total Rooms 19
Total Bedrooms 10
Total Bathrooms 5.1
Site Size 33' x 120
Age Eff 15



Subject Interior



Subject Interior

Comparable Photo Page

LENDER/CLIENT Claire and Jean-Pierre Louiseize
ADDRESS: 464 Frood Road, Sudbury, ON
TEL: (705) 698-3249

ADDRESS OF PROPERTY

464 Frood Road
Sudbury
ON

APPRAISER Fred Johannsen AACI, P.App.
ADDRESS: 239 Pine Street, Sudbury, ON P3C 1X4
TEL: (705) 675-7180



Comparable 1

5 Clemow Avenue
Sale Price 348,000.
Liveable Floor Area 5 Plex
Total Rooms 17
Total Bedrooms 8
Total Bathrooms 5
Site 33' x 122'
Age Similar



Comparable 2

83 Patterson
Sale Price 325,000.
Liveable Floor Area 5 Plex
Total Rooms 16
Total Bedrooms 6
Total Bathrooms 5
Site 50' x 120'
Age Similar



Comparable 3

10 Venice Street
Sale Price 325,253.
Liveable Floor Area 5 Plex
Total Rooms 16
Total Bedrooms 6
Total Bathrooms 5
Site 47' x Irregular
Age Similar

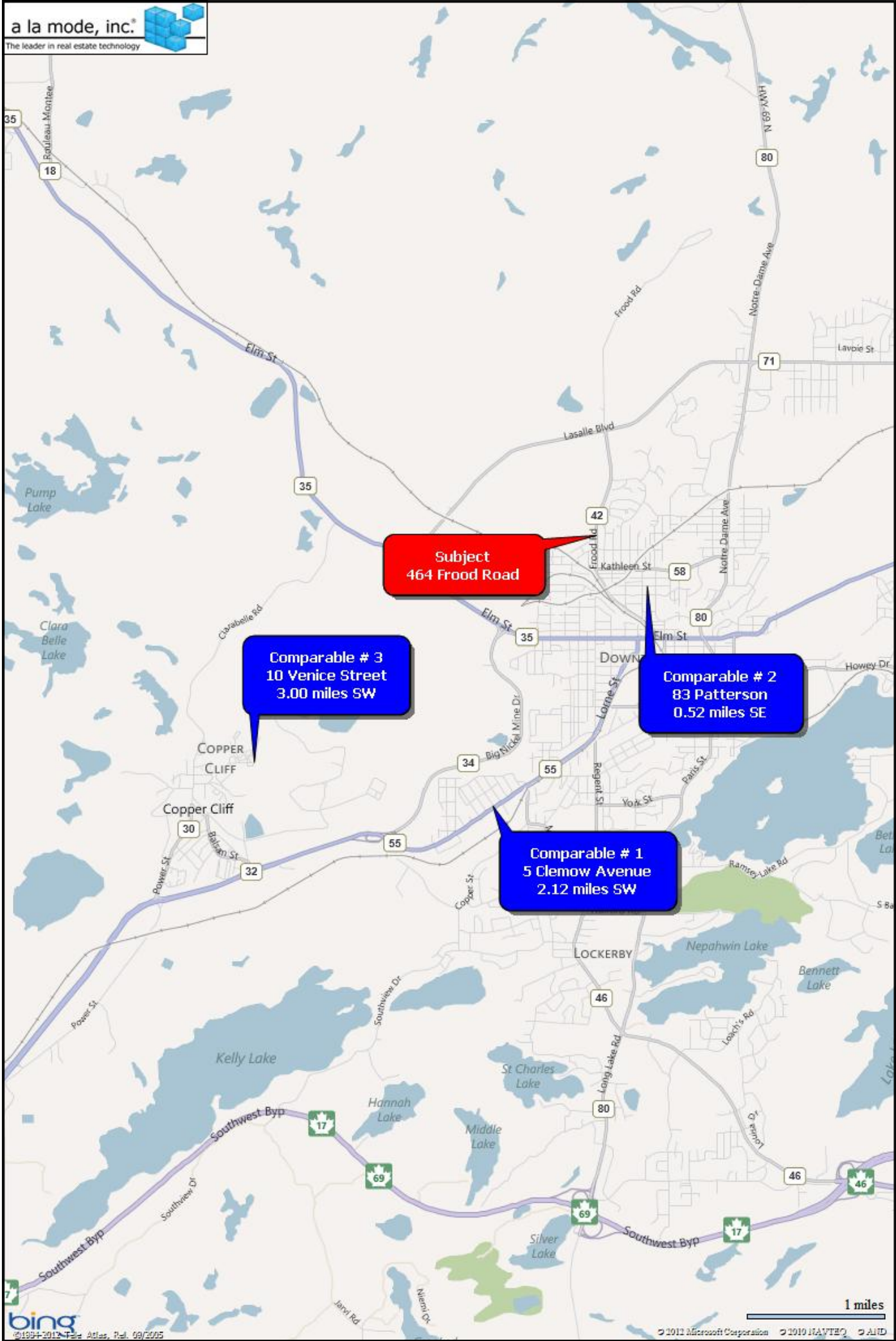
REFERENCE:

Location Map

FILE NO.: 12-0072FW

CLIENT	CLIENT:	Claire and Jean-Pierre Louiseize	APPRAISER	APPRAISER:	Fred Johannsen AACI, P.App.
	ADDRESS:	464 Froid Road		ADDRESS:	239 Pine Street
		Sudbury, ON			Sudbury, ON P3C 1X4
	PHONE:	(705) 698-3249		PHONE:	(705) 675-7180
		FAX:		FAX:	(705) 675-7826

464 Froid Road, Sudbury, ON



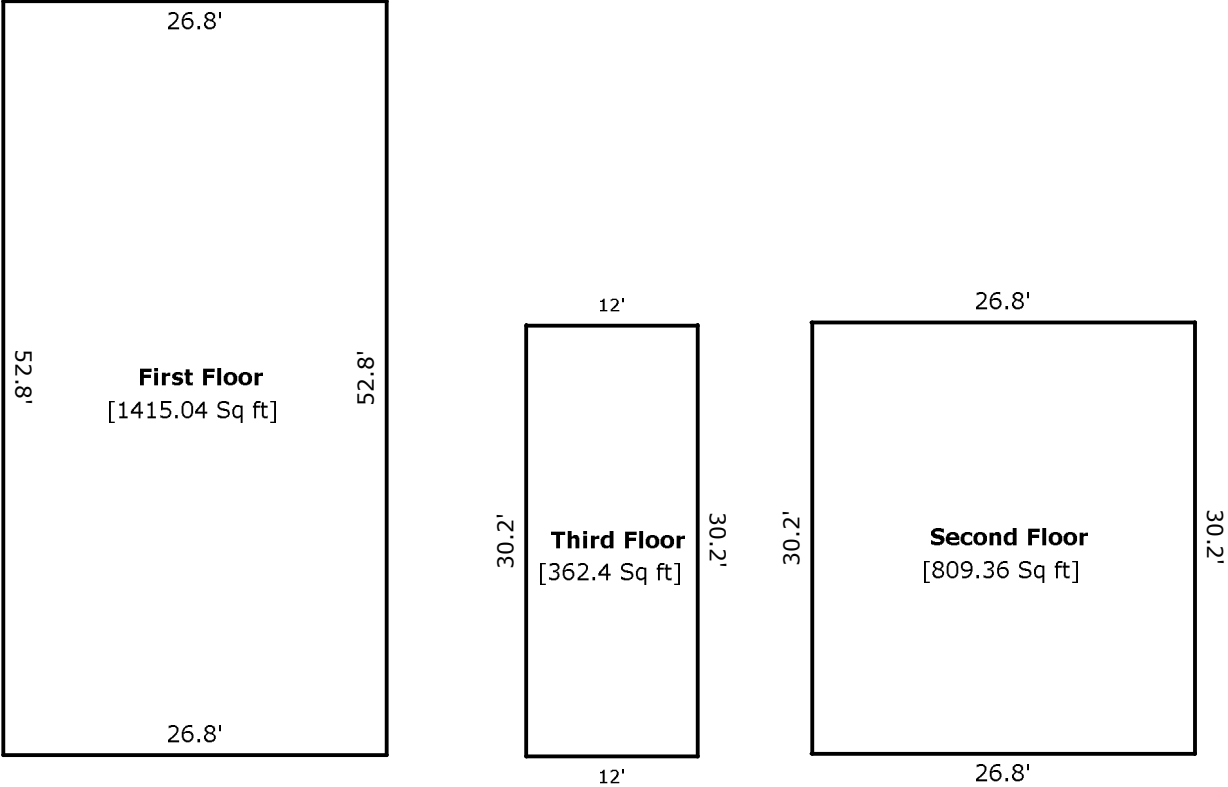
REFERENCE:

Building Sketch

FILE NO.: 12-0072FW

CLIENT	CLIENT:	Claire and Jean-Pierre Louiseize	APPRAISER	APPRAISER:	Fred Johannsen AACI, P.App.
	ADDRESS:	464 Frood Road		ADDRESS:	239 Pine Street
	PHONE:	(705) 698-3249		PHONE:	(705) 675-7180
		Sudbury, ON			Sudbury, ON P3C 1X4
		FAX:			FAX: (705) 675-7826

464 Frood Road, Sudbury, ON



DaVinci by a la mode, inc.

Area Calculations Summary

Living Area		Calculation Details
First Floor	1415 Sq ft	26.8 × 52.8 = 1415.04
Second Floor	809.4 Sq ft	26.8 × 30.2 = 809.36
Third Floor	362.4 Sq ft	12 × 30.2 = 362.4
Total Living Area (Rounded):	2587 Sq ft	