APPRAISAL REPORT

6000 Trans-Canada Highway
Pointe-Claire (Québec)

O/File 651116-E

PARIS, LADOUCEUR & ASSOCIÉS INC.

ÉVALUATEURS IMMOBILIERS PROFESSIONNELS

March 28, 2022

Mrs. Cindy Fisher
Coordinator – Planning Advisory Committee - Urban Planning
City of Pointe-Claire
451, Saint-Jean Boulevard
Pointe-Claire, Québec
H9R 3J3

Subject	Valuation report for demolition purposes, relating to the new and depreciated replacement cost, as well as the estimate of the potential renovation costs
Location	6000 Trans-Canada Highway, Pointe-Claire (Québec)
O/File	651116-E

Dear Mrs. Ficher:

In compliance with the mandate extended to us, with reference to by-law PC-2818 relating to the demolition of buildings, we have carried out an an estimate of the new and depreciated replacement cost of the above-mentioned building. In addition, we made an estimate of the potential renovation costs of this building. Note that these estimates will have to be validated with specialized contractors.

The property under study refers to an industrial building composed of spaces for a warehouse, office spaces and a high-tech paint shop. According to the information obtained, the building was built around 1974. It is of standard quality. The warehouse sections are about 102,638 square feet. The office and paint shop sections are approximately 19,710 square feet and occupy one floor. The building sits on 595,247 square feet of land located in zone Cb9, which is commercial and industrial.

For information purposes, the property was sold on February 26, 2021 for $20,000,000, under registration number 26 098 328 in the Quebec Land Registry.

Following our visit to the building, considering its general condition and with reference to the conclusions of Mrs. Louise Coutu, architect, in her diagnostic inspection report (file no 1973-2021-12-13), we have come to the following conclusions:

Replacement Cost New	$11,765,000 (± $96/square foot)
Depreciated Replacement Cost	$4,860,000 (± $40/square foot)
Estimated Renovation Cost	$1,815,000

Vincent Ladouceur, É.A. | Jean Ronco, É.A. | Nataniel Desjardins, É.A. | Mélanie Vézina, É.A. | Joëlle Thauvette, É.A. | Martin Bisaillon, É.A.
Daniel Ryan, É.A. | Luc Héroux, É.A. | Noémi Létourneau, É.A. | Stéphane Monette, É.A. | Marie-Claude Farmer, É.A. | Ève Richard, É.A.
Tél. 450-963-2777 | 514 385-4417 | Téléc. 450 963-2221
centrale@parisladouceur.ca
63, rue de la Pointe-Langlois, Laval (Québec) H7L 3J4

You will find, in the following pages, a brief physical description of the building under study, the photographs taken at the time of our visit, on December 13, 2021, the detailed breakdown of the replacement cost new and the estimated physical depreciation. You will also find an estimate of the renovation costs for this building. It should be noted that at the time of writing this report, no bids from specialized contractors were available. Thus, the estimated amount for the building renovation must be interpreted with reserve and confirmed by the expertise of specialized contractors.

We hope that the content of this report will be useful, in accordance with your wishes and to your complete satisfaction.

Best regards.

PARIS, LADOUCEUR & ASSOCIÉS INC.

Signature numérique de Luc Heroux
DN : c=CA, o=CENTRE DE CERTIFICATION DU QUEBEC, ou=ORDRE DES EVALUATEURS AGREES DU QUEBEC, ou=MEMBRES, serialNumber=3216, cn=Luc Heroux
Date : 2022.05.06 10:19:42 -04'00'

Alain Legault,
Senior technician

Luc Héroux, Ch. App.
Chartered Appraiser

AL/LH/dk

att.: Expertise

Photographs of the Subject Property

Front view of the building

Right side view of the building

Photographs taken on December 13, 2021, by Alain Legault

PHOTOGRAPHS OF THE SUBJECT PROPERTY (cont.)

Right side view of the building

Left side view of the building

Photographs taken on December 13, 2021, by Alain Legault

Table of Contents

1 Descriptive data

1.1 DESCRIPTION OF THE REAL ESTATE

PROPERTY ADDRESS	6000 Trans-Canada Highway, City of Pointe-Claire (Québec)
CADASTRAL DESCRIPTION	Lot 6 114 596 – Québec cadastre
TYPE OF PROPERTY	Standard quality industrial building of standard quality consisting of office spaces, a warehouse and a paint shop facing the Trans-Canada Highway
BUILDING DATE	1974 (estimate)
ECONOMIC LIFE	50 years
EFFECTIVE AGE	48 years
APPARENT AGE	39 years
REMAINING ECONOMIC LIFE	11 years
GENERAL CONDITIONS	Based on the complete visit of the building, as well as on the diagnostic inspection report (file no 1973-2021-12-13) prepared by Mrs. Louise Coutu, architect, we estimate that the physical condition of the premises is generally good. The building has undergone normal and inevitable aging over the years. It should be noted that some deficiencies have been identified and will have to be repaired in order to extend the economic life of the building and its competitiveness on the market.

SURFACE AREA		
	Warehouse	102,638 square feet
	Office, dining room, paint shop	19,710 square feet
	Total area	± 122,348 square feet

LAND AREA	595,347 square feet and relatively regular in shape
ZONING	Cb9 zone (commercial and industrial)
PUBLIC SERVICES	The site under study is provided with all the services offered by the City of Pointe-Claire (aqueduct, sanitary sewer, storm sewer, paving, curbs and lighting).

1.2 BUILDING TECHNICAL DESCRIPTION

EXCAVATION	Trench excavation
FOUNDATION	Poured concrete
SLAB ON GROUND	Poured concrete
FRAME	Masonry walls with steel columns
EXTERIOR WALLS	Bricks Corrugated and painted steel cladding Concrete panels cladding Steel doors with panic bar Commercial style steel glass door Steel garage doors with window-pane Steel garage doors without window-pane Loading docks Aluminium fixed windows
ROOF	Flat roof covered with tar and gravel Metal decking on steel joists Canopy
ELECTRICITY	Electrical inputs conforming to use Circuit breaker distribution panels Transformers Fluorescent type lighting Recessed and incandescent lighting Exterior lighting
HEATING/COOLING	Forced air heating system Central air conditioning (rooftop units) Gas heaters
PLUMBING	60 gallon hot water tanks Cast iron, steel, copper and ABS plumbing Washrooms including lavatories, sinks, urinals Kitchen sinks and faucets Sprinkler system

1.2 BUILDING TECHNICAL DESCRIPTION (cont.)

WALLS AND PARTITIONS	Concrete blocks
	Painted plasterboardon metal studs
	Interior steel doors
	Ceramic
	Laminated kitchen cabinets and counters
FLOOR FINISHES	Vinyl tiles
	Carpet
	Ceramic tiles
	Sealed concrete slab
CEILING	Drop ceiling
	Apparent structure
MISCELLANOUS	Ceiling fans
	Alarm system and surveillance camera
	Emergency exit sign
	Phone and internet wiring system
	Fire walls
	Fire-resisting doors
EXTERIOR LANDSCAPING	Lawn
	Asphalt parking
	Concrete sidewalk
	Concrete Curb
	Trees
	Shrubs
	Chain link fence

1.3 PROPERTY ASSESSMENT AND REALTY TAX

TRIENNIAL ROLE	2020-2021-2022
REGISTRATION NUMBER	7936-92-4413-6-000-0000
MARKET REFERENCE DATE	2018-07-01
LAND VALUE	$5,531,000
BUILDING VALUE	$3,879,000
TOTAL PROPERTY VALUE	$9,410,000

1.3.1 SUMMARY OF OWNERSHIP

SELLER	6000 Transcan Inc., représented by Vincent Mazzei
BUYER	RF West Island Limited Partnership III, représented by Sotiris Tsoumas
SALE DATE	February 26, 2021
SALE PRICE	$20,000,000
GROSS AREA	55,309.6 square meters
REGISTRATION NUMBER	26 098 328

1.4 BUILDING GENERAL DESCRIPTION

Following our site visit and with reference to the diagnostic inspection report (file no 1973-2021-12-13) prepared by Mrs. Louise Coutu, architect, you will find below a summary of the deficiencies observed in the buildings. Please refer to the mentioned inspection report for the complete set of these deficiencies.

FOUNDATIONS	Inspection limited by the ground level. Minor cracks on the left side wall.
FLOOR SLAB	The concrete slab in the warehouse is damaged. Perform a pyrite test.
FRAME	No particular comments to report at the time of the inspection.
ROOF STRUCTURE	No visible deficiencies were observed at the time of the inspection.
EXTERIOR CLADDING	We noticed that metal panels have come off the top of the facade. Cornice repair is required in some places. A displacement of a concrete block wall section was observed. Stabilization works are necessary. Check that the sub-floors have slopes towards the roof and check the joints between sub-floor sections. Brick facings require minor repointing work. When the current mortar is floury or sandy, the bricks and joints should be removed, the removed section sould be cleaned and the affected brick section reassembled. Ask the mason to carry out discreet interventions (color of mortar, type of mortar compatible with the current one and work without burrs). Weepholes need to be repaired or added, and cracks need to be repaired.
FLASHINGS AND SEALINGS	The sealing joints are generally deteriorated. Replace the sealing joints on the entire building. After ensuring that the rear brick wall has been repaired, redo a flexible surface joint to allow for movement. Plan this work on all vertical joints between brick sections. Replace the damaged metal flashings between the metal siding and the brick siding.
WINDOWS	Window sills have negative slopes and, at best, are horizontal. In addition, they do not have end stops. Have the window sills corrected, as current installations are at high risk of water infiltration. The slope of the window sills must be at least 6% and the end stops must rise vertically by at least 10 mm. It is possible that water infiltration has already taken place.
GARAGE DOORS	Many garage doors are old and can cause water infiltration. Plan to replace them. Truck shock absorbers need to be replaced.

1.4 BUILDING GENERAL DESCRIPTION (cont.)

EAVES, FASCIAS AND SOFFITS	Water infiltration is observed on the undersides of the canopies.
ROOF CLADDING	Water infiltration is observed on the undersides of the entrance canopies covered with metal sheet. Provide for a repair of these canopies. The roof shows some deficiencies, basins need to be repaired, portions of the roof need to be replaced and drains are partially clogged.
FLASHINGS AND PARAPETS	The roof counter flashing joints are not watertight and cause drips on the brick facings. We also noticed that some counter flashings are missing.
SPRINKLER SYSTEM	The sprinkler system has not been inspected. This system must be periodically inspected. Check with the current owner and ask him for proof of periodic inspections by a specialist. We noticed a gasket leak.
PLUMBING	We have no specific comments to make following the inspection.
ELECTRICITY	Some electrical boxes are uncovered. We noticed that some electrical outlets are non-functional.
HEATING AND AIR-CONDITIONING	Have the heating systems checked by a specialist who will be able to plan the necessary replacements and maintenance.
FLOOR FINISHES	During the inspection, we noticed that the flooring in many rooms was made of tiles which could contain asbestos. Asbestos is harmful to health. Sample the various tiles to verify if they contain asbestos. This will help you determine if work needs to be done to replace the damaged sections. If you are not keeping the building, this asbestos test is essential.
WALLS AND CEILINGS	Water stains are observed in various places on the suspended ceilings. Control water infiltration and replace soiled materials.
ASBESTOS RISK	Possible presence of asbestos in floor covering tiles.

The building under study, of standard quality, is in good general condition. We believe that its components have undergone normal and inevitable aging over the years. Although maintenance and repair work has been carried out over the years, the building currently requires some renovation work in order to extend its economic life and its competitiveness on the market. In addition, some identified deficiencies require repairs.

2 Analysis

2.1 BUILDING REPLACEMENT COST AND DEPRECIATION

The replacement cost as new must be distinguished from the cost of reproduction and represents the cost of replacing a building (and improvement) with one of equal value (based on current construction standards and equivalent and commonly available materials).

The replacement cost of the building was estimated at **$11,765,000** based on the *Marshall & Swift Valuation Services* cost manual, published by *CoreLogic*. This value corresponds to **approximately $96** per square foot.

2.1.1 DEPRECIATION MEASUREMENT

The application of the cost method includes the measurement of the various forms of depreciation and obsolescence that cause a loss in value of the building, in relation to its value in new condition. The various forms of depreciation are as follows:

- Physical depreciation (curable or incurable)
- Functional depreciation (curable or incurable)
- Economic depreciation

Physical curable depreciation

Curable physical depreciation generally results from deferred maintenance, i.e., the need for a buyer to carry out in the very short term the repairs or replacements required for the building to return to its normal state of maintenance and become competitive again.

Physical incurable depreciation

Incurable physical depreciation is the general deterioration of building materials caused by the aging of the building. Generally, it is the deterioration of building components that cannot be repaired at a cost less than or equal to the increase in value caused by this repair. Incurable physical depreciation is measured using the age-life method for each of the building's components, using the *Marshall & Swift* table.

For the purposes of this report, we estimated the physical depreciation (curable and incurable) at **59%**, taking into account the general condition of the building. This indicates a depreciated building value of **$4,860,000, or about $40 per square foot**. Note that this depreciation takes into consideration that the building is of standard quality, that some of the components are at the end of their useful life and that some deficiencies have been identified.

2.1.1 DEPRECIATION MEASUREMENT (cont.)

Table 1 – Replacement Cost and Depreciation

Actual Building Components	Replacement Cost	Physical Depreciation (%)	Depreciation Replacement Cost
Footing/Excavation/Wall foundation	$1 611 886	57%	$693 111
Frame	$1 929 367	57%	$829 628
Floor Structure	$1 291 203	65%	$451 921
Floor Covering	$578 555	57%	$248 779
Ceilling	$103 841	57%	$44 651
Interior Construction	$1 041 549	42%	$603 226
Plumbing	$101 617	57%	$43 695
Sprinklers	$510 279	57%	$219 420
Electricity	$274 388	57%	$117 987
Heating/Cooling/Ventilation	$367 906	15%	$313 792
Exterior Walls Composition	$1 437 643	69%	$446 117
Roof	$2 265 804	65%	$801 423
Miscellanous	$249 310	82%	$44 695
Rounded Total	**$11 765 000**	**59%**	**$4 860 000**
Building Area	**122 348 sq. ft.**		**122 348 sq. ft.**
Rounded Unit Rate per Square Foot	**$96.00**		**$40.00**

2.2 ESTIMATED RENOVATION COST

At your request, we have estimated the potential renovation costs of the building, based on our visit and with reference to the building's diagnostic inspection report (file no 1973-2021-12-13), prepared by Mrs. Louise Coutu, architect. Note, however, that the amount for this work is approximate and will have to be validated with specialized contractors. Furthermore, some hypothetical deficiencies should be the subject of more specific expertise and are not included in the renovation costs (possible presence of pyrite under the slab, possible presence of asbestos at masonry joints/floor covering tiles).

Table 2 – Approximate Renovation Cost of the Building

Items	Estimated Renovation Cost
Roof Repair and/or Replacement (including counter flashings)	$650 000
Exterior Metal Siding Replacement	$8 000
Masonry Repair (Bricks, Blocks, Joints)	$170 000
Concrete Slab Replacement	$500 000
Minor Electrical Work	$2 000
Interior Layout/Office Section (Various Repairs)	$18 000
Miscellaneous	$25 000
Subtotal	$1 373 000
Contingencies (± 15 %)	$205 950
Subtotal	$1 578 950
Taxes	$236 448
Total	$1 815 398
Rounded Total	**$1 815 000**

We estimate the approximative renovation cost at $1,815,000 (taxes and contingencies included). Note that this amount does not include costs related to the possible removal of asbestos (hypothetical work)

3 Conclusion

3.1 CORRELATION

In conclusion, the replacement cost of the building was estimated at **$11,765,000** based on the *Marshall & Swift Valuation Services* cost manual, published by *CoreLogic*.

Based on the site visit and with reference to the inspection report (file no 1973-2021-12-13), prepared by Mrs. Louise Coutu, architect, we estimate the **overall physical depreciation of the building at about 59%**, taking into account its general condition. This provides us with a **depreciated building value of $4,860,000**. Note that this depreciation takes into consideration that the building is of standard quality, and that some components are to be replaced or repaired.

Additionally, at your request, we estimated the **potential cost of the renovations at $1,815,000** (taxes and contingencies included), subject to validation by specialized contractors. This cost does not include some hypothetical work, as mentioned on the previous page.

3.2 CERTIFICATION

I certify that:

- Alain Legault, technician, visited the property being appraised on December 13, 2021.
- I have not based my remuneration on a pre-determined conclusion of value.
- I have researched, to the best of my ability, the information contained in this report.
- I have no present or future interest in the properties covered by this appraisal report and no personal relationship with respect to the parties involved.
- I have not deliberately omitted or overlooked any material facts in connection with this appraisal.
- I have conducted this appraisal in accordance with the rules of the Appraisal Institute of Canada's Code of Professional Ethics.
- We have carried out this evaluation according to the rules of the Professional Code of Ethics of the *Ordre des évaluateurs agréés du Québec*.

We, the undersigned, Alain Legault, senior technician, and Luc Héroux, chartered appraiser, certify that to the best of our knowledge, the information contained in this report including the analyses, opinions and conclusions resulting therefrom is accurate, limited by the assumptions and reservations set out herein.

PARIS, LADOUCEUR & ASSOCIÉS INC.

Signature numérique de Luc Heroux
DN : c=CA, o=CENTRE DE CERTIFICATION DU QUEBEC, ou=ORDRE DES EVALUATEURS AGREES DU QUEBEC, ou=MEMBRES, serialNumber=3216, cn=Luc Heroux
Date : 2022.05.06 10:20:03 -04'00'

Alain Legault,
Senior technician

Luc Héroux, Ch. App.
Chartered Appraiser

Subject Photographs

Main façade

Rear view of the building

Photographs taken on December 13, 2021, by Alain Legault

SUBJECT PHOTOGRAPHS (cont.)

Left side raise

Left side of the facade

Photographs taken on December 13, 2021, by Alain Legault

SUBJECT PHOTOGRAPHS (cont.)

Left side raise

Office space

Photographs taken on December 13, 2021, by Alain Legault

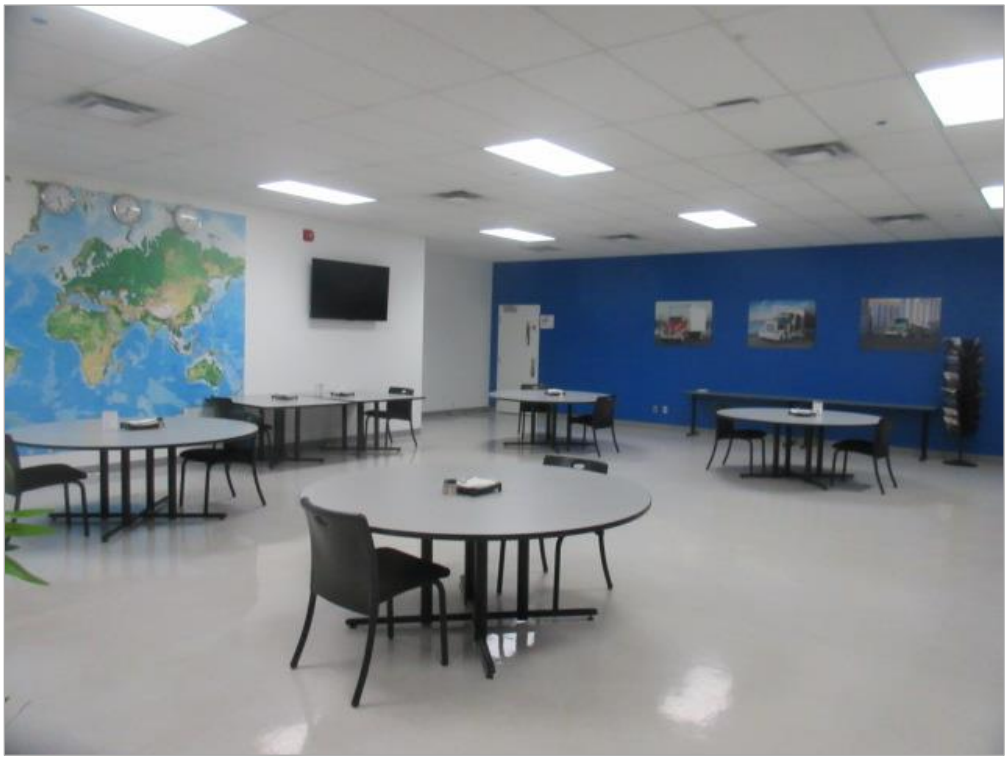
SUBJECT PHOTOGRAPHS (cont.)

Office space

Office space

Photographs taken on December 13, 2021, by Alain Legault

SUBJECT PHOTOGRAPHS (cont.)



Dining room

Bathroom

Photographs taken on December 13, 2021, by Alain Legault

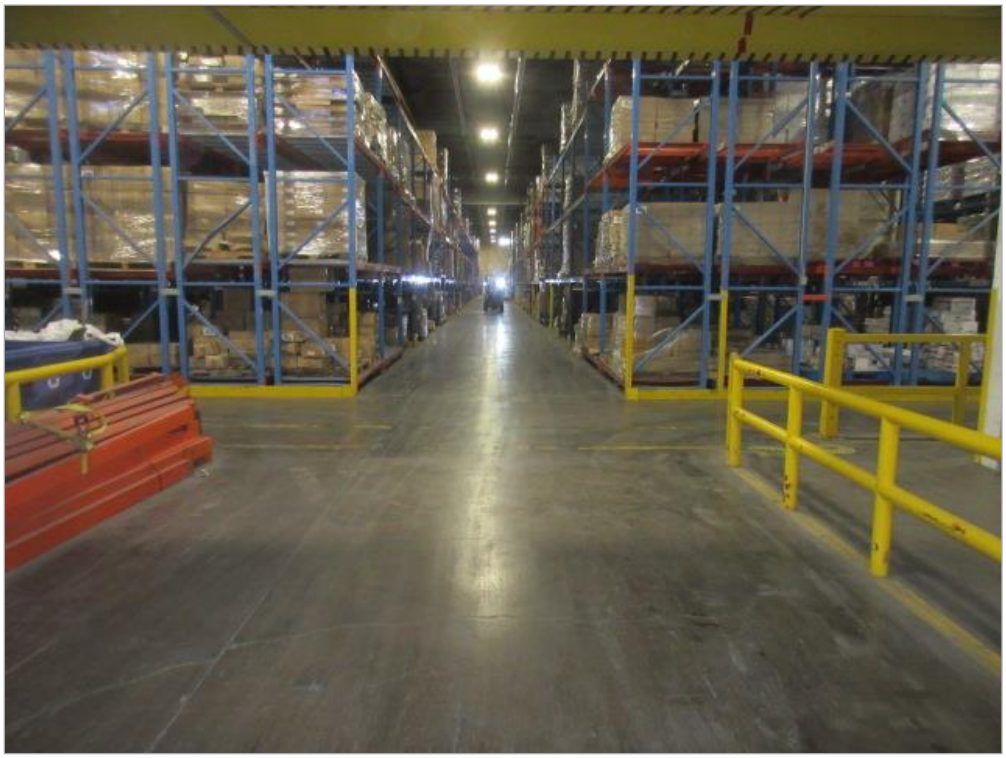
SUBJECT PHOTOGRAPHS (cont.)

Bathroom

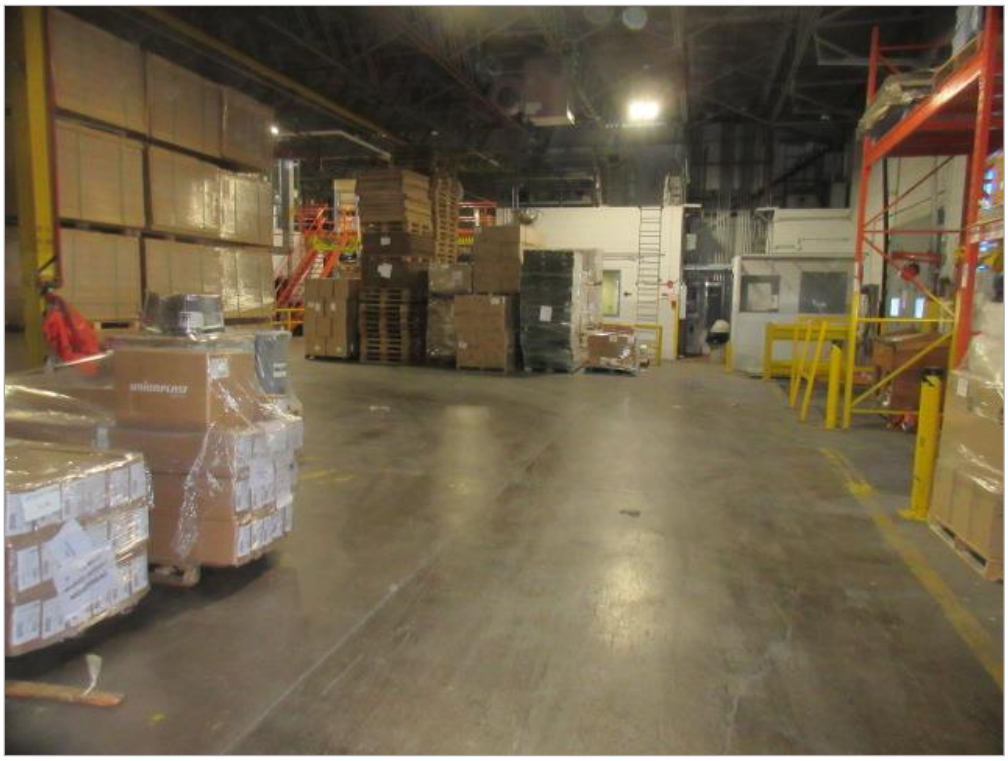
Paint shop

Photographs taken on December 13, 2021, by Alain Legault

SUBJECT PHOTOGRAPHS (cont.)



Warehouse space



Warehouse

SUBJECT PHOTOGRAPHS (cont.)

Rooftop

Heating system in the warehouse

Photographs taken on December 13, 2021, by Alain Legault

SUBJECT PHOTOGRAPHS (cont.)

Electrical room

Electrical inputs

Photographs taken on December 13, 2021, by Alain Legault

SUBJECT PHOTOGRAPHS (cont.)

Sprinkler system

Warehouse bathroom

SUBJECT PHOTOGRAPHS (cont.)

Bathroom

Office space in the warehouse

Photographs taken on December 13, 2021, by Alain Legault

Certificate of Location

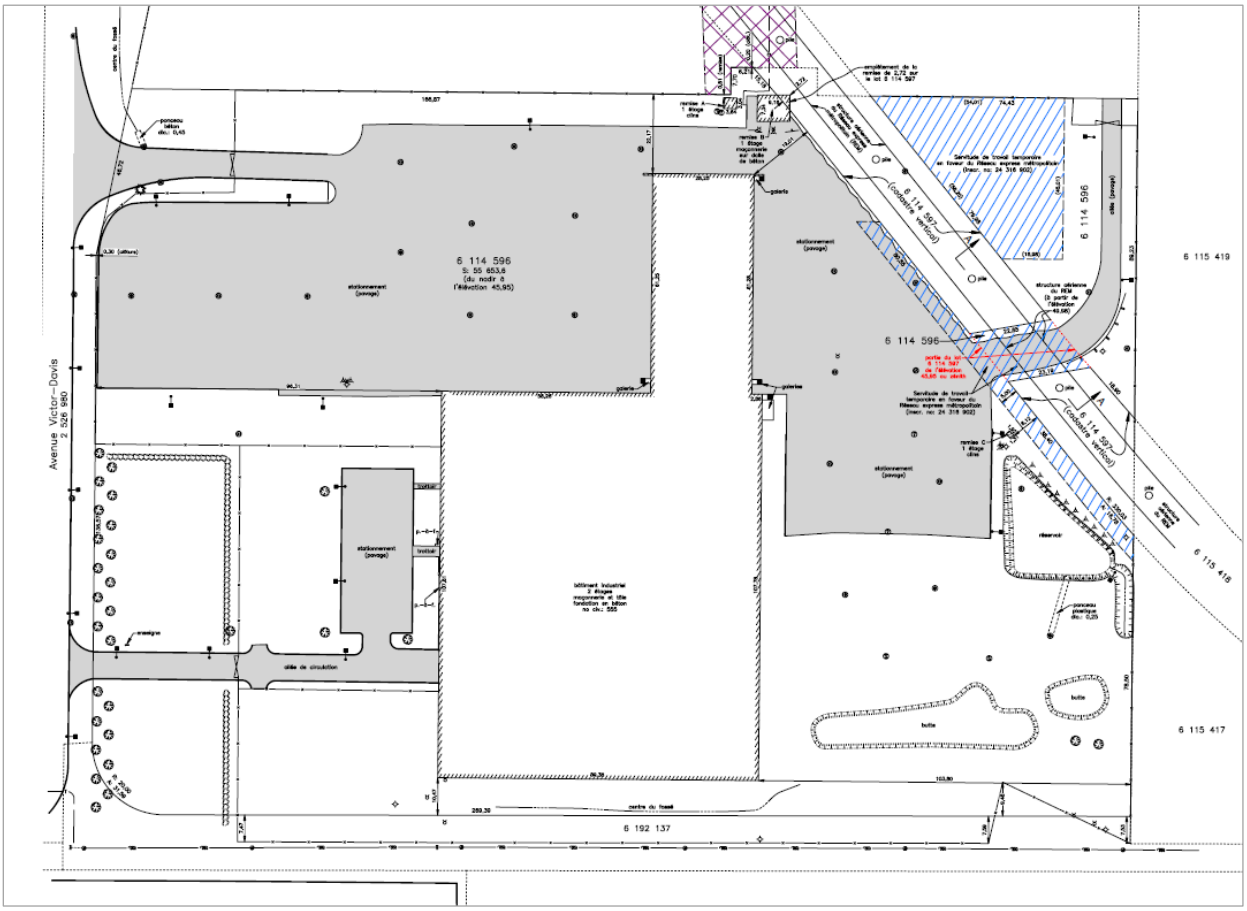


Figure 1 – Certificate of Location

Professional Qualifications

PROFESSIONAL QUALIFICATIONS – ALAIN LEGAULT

Academic Studies

2018 to present	Université du Québec à Montréal (UQAM) Certificate in Administration
2015 to 2017	Université du Québec à Montréal (UQAM) Certificate in Real Estate
1994-1995	Régie du bâtiment du Québec Certificate classes 4041 and 4042
1985-1987	Montmorency College in Laval College diploma in pure and applied sciences

Advanced Classes and Seminars

- Professional Obligations, Ethics and Professionalism
- Income method application, financial mathematics, mortgage calculation
- Application of the direct comparison method
- Application of the cost method and construction techniques
- Land valuation
- Case study

Professional experience

2018 to present	Senior appraiser trainee for Paris, Ladouceur & Associés Inc. (appraisal, research and analysis for financing and mortgages, financial repossessions, expropriation).
2002 to 2018	Senior appraiser for PCG Carmon & Associés Inc. (appraisal, research and analysis for financing and mortgages, financial repossessions, insurances).
2000 to 2002	Appraiser for Pépin, Vaillancourt & Associés Inc. (appraisal, research and analysis for financing and mortgages).
1995 to 2000	General contractor and specialist in residential construction (drafting of plans and specifications, site management).

Specific Experience

- Assessments for Collection Purposes
- Appraisals for Asset Sharing Purposes
- Appraisals for Mortgage Financing Purposes
- Appraisals for insurance purposes

Professional Association

- Trainee member of l'Ordre des évaluateurs agréés du Québec

PROFESSIONAL QUALIFICATIONS – LUC HÉROUX

Academic Studies

University	Université du Québec à Montréal (UQAM) BAA in Business Administration - 1997
University	Université du Québec à Montréal (UQAM) BAA in Economy – 1993
College	Édouard-Montpetit College in Longueuil Diploma obtained in 1990

Advanced Classes and Seminars

- Professional obligation, ethics and professionalism
- Application of the Income Approach, financial mathematics, mortgage calculation
- Application of the Direct Comparison Method
- Application of the Cost Approach and construction techniques
- Appraisal of commercial centres
- Working file for sales analysis in the preparation of the property assessment roll
- Geomatic to appraiser service

Professional Experience

2001 to present	Chartered appraiser for Paris, Ladouceur & Associés Inc. (financing mortgages, financial repossessions, municipal appraisal contestations, insurances and investigations).
1998 to 2001	Chartered appraiser for Paris, Ladouceur & Associés Inc. (financing mortgages, financial repossessions, municipal appraisal contestations and for expropriation purposes, insurances and investigations).
1997	Chartered appraiser for Yvon Caron & Associates (financing mortgages, financial repossessions and insurances).
1995 to 1997	Appraisal technician for Gagnon, Goudreau, Leduc Inc.
1995	Inspector calculator for Le Groupe Leroux
1992 to 1994	Clerk to real estate for Canada Mortgage and Housing Corporation in Longueuil (collection of rents, repossession marketing, works supervision and administration of assets). Trainee at the market analysis for the Canada Mortgage and Housing Corporation in Longueuil (analysis and writing market data, disclosure to market participants).

Professional Association

- Chartered member of l'Ordre des évaluateurs agréés du Québec