

Real Estate Appraisal

of

A Multi-User Commercial Property
Located at 4917 47 Street, Camrose, Alberta
Valued "As If Complete"



Prepared For:

2191109 Alberta Ltd.

Prepared By:

HarrisonBowker Valuation Group

Effective Date:

August 31, 2023

September 25, 2023

2191109 Alberta Ltd.

Attention: Shayne Bonnough:

Dear Mr. Shayne Bonnough,

Re: "As If Complete" real estate appraisal of a multi-user commercial property located at 4917 - 47 Street, Camrose, Alberta. Legally described as: Lot 10A, Block 33, Plan 7722174, excepting thereout all mines and minerals.

Pursuant to your instructions, the above referenced property has been appraised with the objective of estimating its current "As If Complete" Market Value. It is the understanding that this report will be used for first mortgage financing purposes. Based on the investigations and analyses contained within the body of the report, the current "As If Complete" Market Value of the Leased Fee interest in the Subject Property as of August 31, 2023, is estimated to be: **\$1,035,000, As If Complete**. This value has been premised on the Extraordinary Assumptions and Hypothetical Assumptions detailed on Page 63.

Values and opinions contained in this report are based on market conditions as at the time (Effective Date) of this report. This report does not provide a prediction of future values. In the event of market instability and/or disruption, values and opinions may change rapidly, and such potential future events have NOT been considered in this report. As this report does not and cannot consider any changes to the property or market conditions after the Effective Date, clients and intended users are cautioned in relying on the report after the Effective Date noted herein.

The enclosed narrative appraisal report was prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) of the Appraisal Institute of Canada (AIC). It contains data and analyses which, to the best of our knowledge and ability, are correct. Please review it for accuracy and completeness and advise our office of any errors or omissions found.

Neither possession of this report, or copy thereof, carries with it the right of publication. All copyright is reserved to the author and is considered confidential by the author and the client. It shall not be disclosed, quoted from, or referred to, in whole or in part, or published in any manner, without the express written consent of the author. This is subject only to confidential review by the AIC as provided in the CUSPAP.

Thank you for this opportunity to be of service.

Yours respectfully,

HarrisonBowker Valuation Group

enclosure: Appraisal Report

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Executive Summary

The subject of this appraisal is a multi-user commercial property, valued “As If Complete,” located in the City of Camrose, Alberta. When complete, the subject building will consist of a fully finished main level restaurant, a partially finished second level, and a partially finished basement level. The yard site is already fully landscaped and has ample paved parking. The building improvement is conventional in design and given the location, age, condition, size, and overall utility, the Subject Property would be readily marketable “As If Complete.”

The appraisal process included the Direct Comparison Approach and Income Approach to value. In the final reconciliation, both valuation approaches were considered with slightly more weight placed on the Direct Comparison Approach. The reader is encouraged to review the Glossary of Terms appended in Annex B, as required. The salient facts and conclusions of the report are summarized as follows:

Appraiser: Jacobus Slabbert, BA, AACI, P.App.

Client: 2191109 Alberta Ltd., represented by Shayne Bonnough.

Intended User: Same as above.

Other Intended User: None noted.

Municipal Address: 4917 47 Street, Camrose, Alberta, T4V 1J9.

Legal Description: Lot 10A, Block 33, Plan 7722174, excepting thereout all mines and minerals.

Purpose and Use: To estimate the “As If Complete” Market Value of the Subject Property as of the Effective Date of the appraisal for first mortgage financing purposes only. All other uses are denied.

Interests Appraised: Leased Fee Interest.

Effective Date: August 31, 2023.

Property Owner: 2191109 Alberta Ltd.

Improvements:

- 1910-built (as per owner) two storey brick framed building with a full basement.
- “As If Complete” the main level will be fully finished and demised into a new 112 seat restaurant with a custom bar, a storage room, two new public bathrooms, a new rear kitchen/staff area, and a mezzanine office area.
- “As If Complete” the second level will remain partially finished and be demised into a large open area.
- “As If Complete” the basement level will remain partially finished and be demised into an open area with a stage, a roughed in kitchen area, two partially finished public bathrooms, a bar area, two storage rooms, and a mechanical room.
- Landscaped yard site has concrete walkways, paved parking, and a patio area which will have a new railing “As If Complete.”

Effective Age: 35 years.

Remaining Economic Life: 30 years.

Site Area: 12,440 SF / 1,156 SM.

Land Use District: C1 – Central/Downtown Commercial District.

Property Use: Multi-tenant commercial use.

Highest & Best Use: Commercial purposes.

Key Factors: **Pros:** (1) Well located in the historical downtown core of Camrose, two blocks east of Main Street (50 Street). (2) The building improvement has been extensively renovated and the main floor will be in good condition once complete. (3) Relatively conventional in design, layout, size, and utility, and could be utilized for a variety of commercial uses.

Cons: (1) The building is older in age and will require on-going maintenance. (2) The second level and basement level will remain partially finished “As If Complete” and will require additional landlord expenditures in order to be ready for use. (3) Uncertain macro market conditions.

Qualifications: **Extraordinary Assumptions and Hypothetical Conditions:** The Subject Property has been valued on an “As If Complete” basis; therefore, several Extraordinary Assumptions and Hypothetical Conditions have been applied throughout this report. See Page 63 for a full summary. See Annex C for further details.

Direct Comparison: Quantitative Analysis
Range of \$83 to \$93 PSF
Final unit value: \$87 PSF
Estimated Value: \$1,039,000

Income Approach: Direct Capitalization
Vacancy Provision: 5.00%
NOI: \$149,670 (\$9.52 PSF)
Capitalization Rate: 11.00%
Estimated Value: \$1,361,000
Less: Forecasted Lease-Up Costs: \$331,000
Estimated Value: \$1,030,000

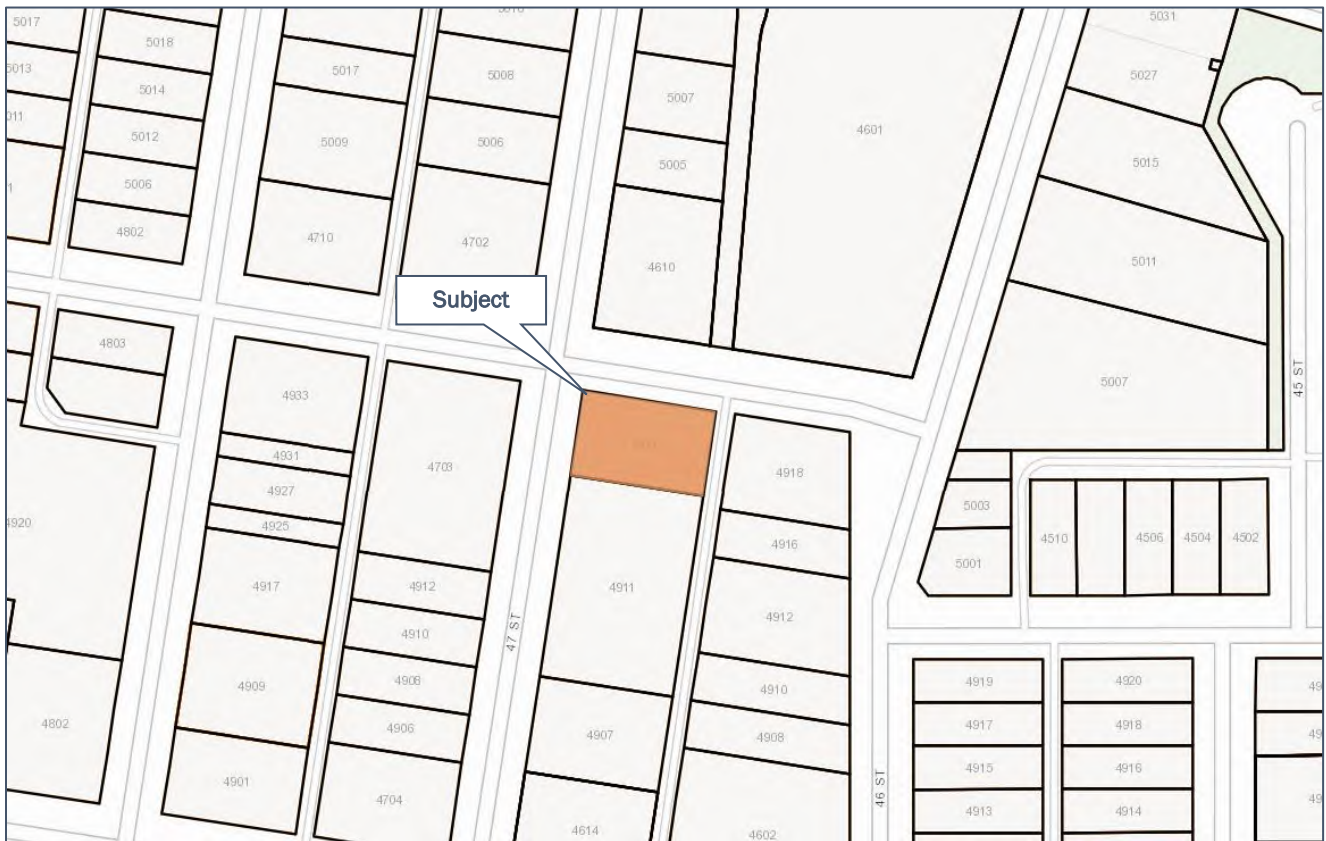
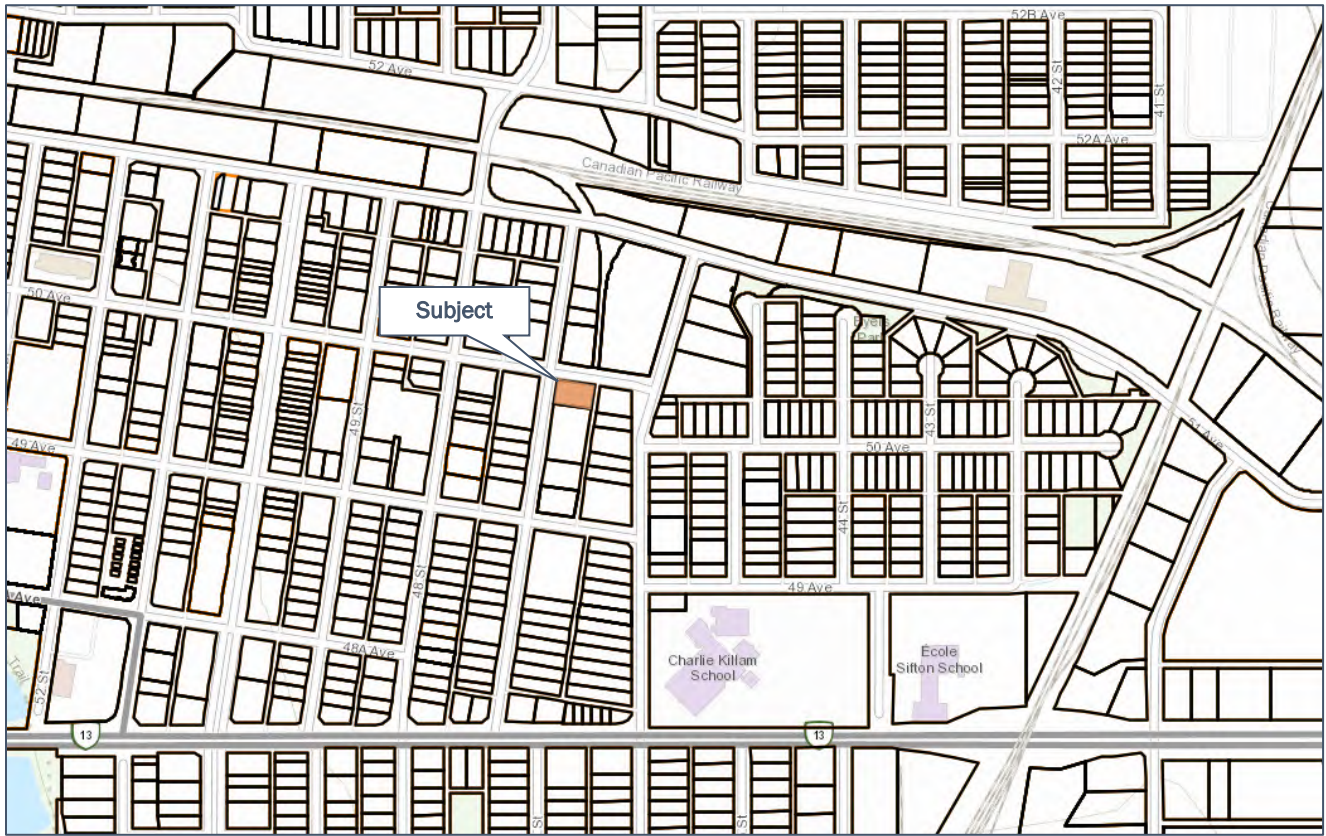
Final Value: \$1,035,000

Value premised on the Extraordinary Assumptions and Hypothetical Conditions stated on Page 63.

Maps



Provincial Map: The Subject Property is located in the City of Camrose which is situated approximately 77 km southeast of the outer limits of the City of Edmonton. Major Highways intersecting the City of Camrose include Highway 13, Highway 26, and Highway 833.



Maps (City of Camrose GIS Map): Depicting the subject site in the context of the neighbourhood (above) and immediate surroundings (below).

Photographs



Aerial Photo (City of Camrose GIS Map): The Subject Property is a corner lot which borders 50 Avenue on the northern boundary, 47 Street on the western boundary, and an alley way on the eastern boundary.



Southwest elevation (front) of the Subject Property.



Northeast elevation (rear) of the Subject Property.



Street scene facing south along 47 Street. The Subject Property is to the left of the photo.



Street scene facing east along 50 Avenue. The Subject Property is to the right of the photo.



Street scene facing south along the rear alley way. The Subject Property is to the right of the photo.



View of the on-site paved parking area. Note the new patio area to the left of the photo.



Main Level: Open restaurant area.



Main Level: Bar area.



Main Level: Raised restaurant area.



Main Level: One of two new public bathrooms.



Main Level: Storage room.



Main Level: Mezzanine office area.



Main Level: Rear kitchen area.



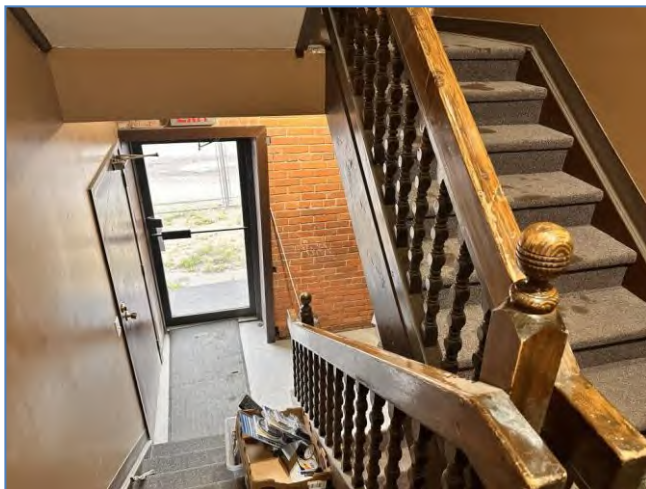
Main Level: Built-in walk-in cooler.



Main Level: Rear staff 2-pc bathroom.



Main Level: Mechanical room.



One of three common area stairwells.



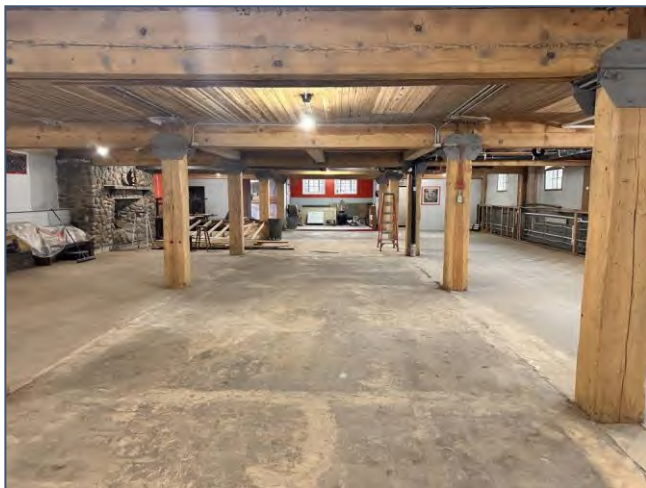
Second Level: Partially finished open area.



Second Level: 800-Amp power panel with sub-panels.



View of rooftop HVAC systems.



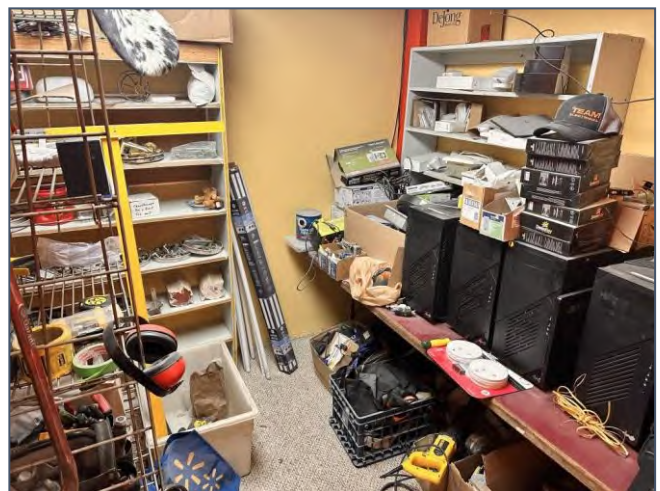
Basement Level: Open partially finished area.



Basement Level: One of two partially finished bathrooms.



Basement Level: Bar area.



Basement Level: Office.

Purpose and Use of the Appraisal

Appraiser: Jacobus Slabbert, B.A., AACI, P.App.

Client: 2191109 Alberta Ltd., represented by Shayne Bonnough.

Purpose: To estimate the current “As If Complete” Market Value of the Subject Property as of the Effective Date of the appraisal.

Use: For first mortgage financing purposes. All other uses are denied.

Intended User: Same as above.

Other Intended User: None noted.

Qualifications: **Extraordinary Assumptions and Hypothetical Conditions:** The Subject Property has been valued on an “As If Complete” basis; therefore, several Extraordinary Assumptions and Hypothetical Conditions have been applied throughout this report. See Page 63 for a full summary. See Annex C for further details.

Property Rights: Leased Fee Interest. The real property appraised includes the land any permanent improvements thereon. Specifically excluded are inventory items, storage trailers, trade fixtures, mobile equipment, any personal property or chattels, or business interests.

Currency: Market Value estimated stated in Canadian dollars cash.

Other: No person other than the identified clients and intended users may rely upon this report for any purpose, including lending, without first obtaining written authorization from the appraiser. Without written permission, the appraiser shall not be held liable for any loss or damage that may occur to any person other than the client(s) by reason of their reliance on this report. The appraiser expressly disclaims legal liability for any un-authorized use of the report.

Pertinent Dates of the Appraisal

The pertinent dates of the appraisal are as follows:

Effective Date: August 31, 2023.

Date of Inspection: August 31, 2023

Report Date: September 25, 2023.

Scope of the Appraisal

The scope of the appraisal encompasses the research and analyses required to prepare the report in accordance with the CUSPAP of the AIC. This entailed the following steps:

Inspection: The Subject Property was physically inspected by the AACI on the date noted above. The purpose of the physical inspection was to view the functional and physical state of the property.

Type of Report: This narrative appraisal report was researched and developed in compliance with CUSPAP. The report was completed by an AACI Designated Member who is qualified and competent to perform this type of appraisal assignment and has appraised a number of similar properties.

Legal Descriptions: Information to verify and confirm ownership of the property, any restrictions to title, applicable land use regulations, and tax information was obtained from public records and other reliable sources.

Market Analysis: Regional and local market information was obtained from various reliable third-party sources including: the offices of the municipality, Multiple Listing Service (MLS) via applicable boards, Government of Alberta Land Titles, the Network, local property owners, developers, real estate brokers, and HarrisonBowker files. Due diligence regarding select sales and/or listings was conducted by the appraiser, which may have included site inspections, interviews with real estate brokers, parties to the transfer, and other knowledgeable individuals; as well as the analysis of registered documents, MLS records, and/or other pertinent data.

Technical Enquiries: Technical site investigations of the property were not completed, such as: an environmental review or audit, or investigations into the composition and bearing qualities of the soils on the site. In the absence of information to the contrary, and subject to the environmental related assumptions stated in the report, it is assumed there are no related issues that might influence value.

Property Description: Information relating to the history and the physical attributes of the Subject Property was obtained through the site inspection, interviews, and available data. The building description was compiled from the site inspection and information provided by the owner. The information received has not been audited and is assumed to be accurate.

Direct Comparison: The Direct Comparison Approach was developed on the basis of market transactions and/or listings of similar properties found in comparable market areas. Sales data that was considered instructive was verified where practicable including a registry search and discussions with parties to the transaction.

Income Approach: The Income Approach was used as a basis for valuing the Subject Property because the property could be viewed as a potential investment property by the market. Rental income and operating costs were based on both actual data and/or market norms. Capitalization rates were market derived.

Cost Approach: The Cost Approach is not deemed applicable due to older age of the improvements.

Transaction Details: Title, transfer documents, and/or listing details were obtained if available for all primary sales data used within the valuation contained in this report. Whenever possible, parties to each transaction were contacted for confirmation, which may include vendors, purchasers, and/or real estate brokers involved with each sale, as applicable. The anecdotal nature of this data is acknowledged. If deemed appropriate, street inspections of the Value Indicators were conducted.

Authorization: This report was prepared at the request of the client. The client/owner authorized the inspection of the property and the use of the photographs contained herein.

Identification of the Property and Related Data

Address, Legal Description, and Ownership Details



Source: SPIN 2 (Land Titles). The Subject Property is highlighted green.

Municipal Address: 4917 47 Street, City of Camrose, Alberta.

Legal Description: Lot 10A, Block 33, Plan 7722174, excepting thereout all mines and minerals.

A copy of the certificate of title and the subdivision plan are attached in Annex C.

Title Number: 222 081 517.

Registered Owner: 2191109 Alberta Ltd.

Ownership Type: Fee Simple Estate.

Date Registered: April 7, 2022.

Registrations: The title to the Subject Property was reviewed for value-related registrations and the following is of note:

- **Registration No. 852 129 316** – Caveat Re: Order “Historical Resources Act, Section 16”: This registration relates to an Historical Resource Act order designating the Subject Property as a “Provincial Historic Resource”. As such, this registration prohibits any person to “destroy, disturb, alter, restore, or repair or remove any object” from the property without the written approval of the Minister. Although this order might delay future restoration and repairs, it should not affect the marketability and/or market value of the Subject Property.
- There are no other registrations noted on title.

Nothing in this report is intended as a legal opinion as to the state of the subject title. This report was prepared on the premise that title to the land was free and clear.

Municipal Assessment and Taxes

Assessed values of commercial properties are based on the assessor's estimate of their Market Value. The 2023 tax year levy is based on the property's 2022 assessed value as follows:

Assessed Value: \$277,090 (as per city assessment summary report).

Tax Levy: \$4,723.94 (as per 2023 non-residential mill rate of 0.0170484).

NOTE: Once complete and reassessed, it is likely that the assessed value will increase significantly resulting in a corresponding increase in the annual tax levy. There are no other observed trends or anticipated changes in the assessment policies that would indicate a significant change in the future taxes applicable to the Subject Property.

Ownership History

CUSPAP requires the appraiser to analyze all agreements of sale, options, or listings of the Subject Property as of the Effective Date of the appraisal, and all sales or listings of the Subject Property that may have occurred within three years prior to the date of the appraisal.

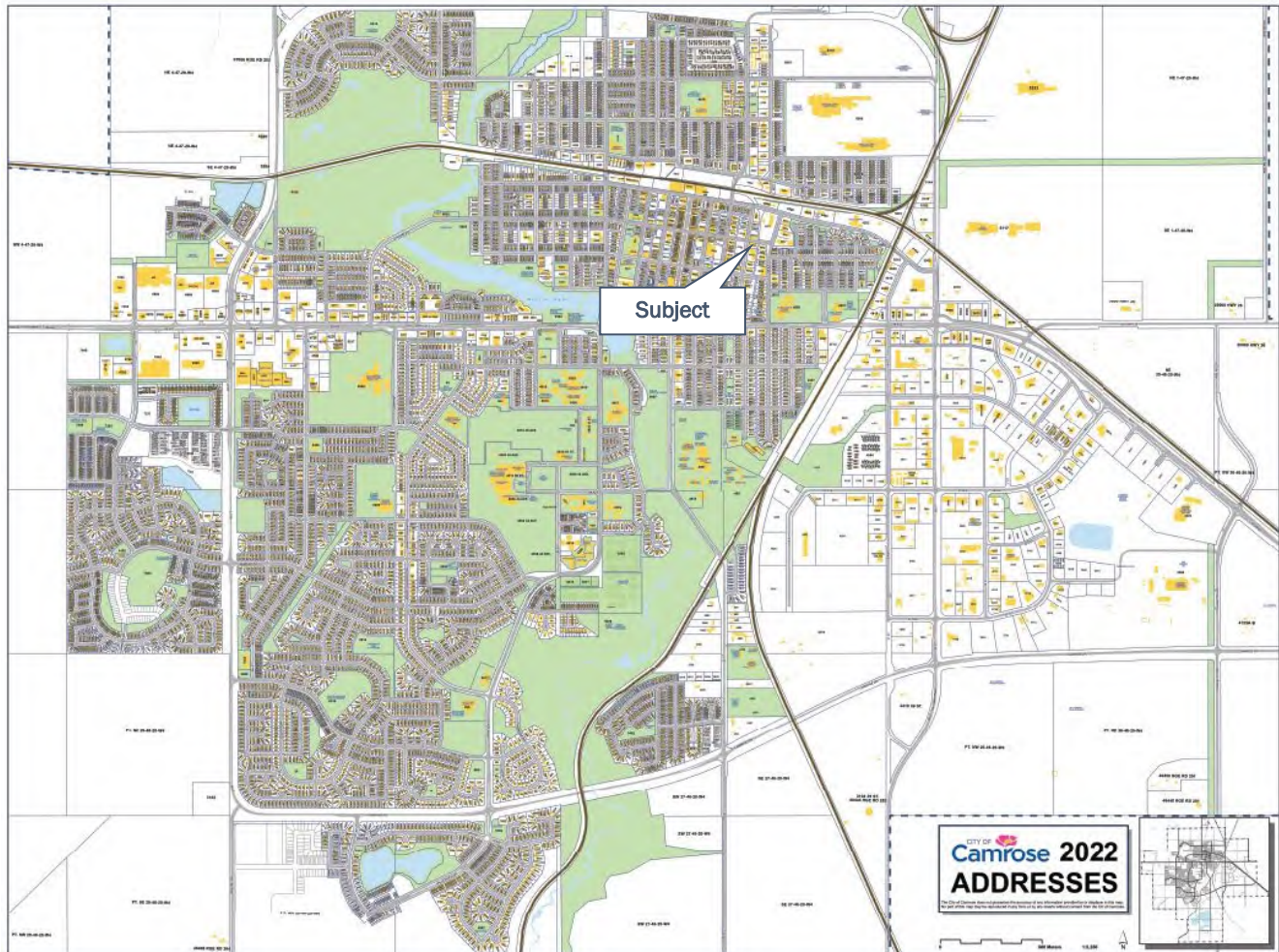
Listing History: There are no known listings to have taken place concerning the Subject Property during the past three years (per MLS).

Sales History: The Subject Property sold for \$225,500 on December 10, 2021 (transferred title on April 7, 2022). NOTE: This sale price occurred prior to any of the recent renovations and is therefore not considered to be indicative of the current market value.

There is no other transfer history known to have taken place concerning the Subject Property during the past three years (per land titles and client).

Regional and Neighbourhood Description

Municipal Map



Source: City of Camrose.

General

Municipality: City of Camrose.

General Description: Camrose is located at the hub of five highways, two rail lines, and a local airport. Transportation connections have played an important role in making the city a successful regional economic and service centre.

Camrose is home to several post-secondary education institutions, including the University of Alberta Augustana Campus, Camrose Lutheran Bible Institute, and Lakeland College. Housing types within the city include single family, semi-detached, and apartment style accommodations, located both in mature and newly developing neighbourhoods.

Economic Base: Economic opportunities and available services have attracted a diverse population to Camrose and have produced a broad range of housing types including single-family, townhouse and apartments located within established and new communities.

Camrose retains a traditional walkable downtown core area, along with many heritage buildings and a diverse range of shopping options in newer retail centres. Other important services provided within the city include a hospital and extended care facilities, as well as a wide variety of services for those seeking active retirement and the ability to age in place.

Regional transportation infrastructure has allowed Camrose to achieve a diverse economic base which includes regional industries such as agriculture and agricultural services, oil and gas development, and pipe manufacturing.

Locale

Subject Location: The Subject Property is located in the historical downtown core, which is situated on the northeast side of the City of Camrose. The Subject Property border 47 Street on the western boundary, 50 Avenue on the northern boundary, and an alley way on the eastern boundary.

The property is also situated approximately 0.90 km east of Highway 833 (53 Street) and 0.35 km north of Highway 13 (48 Avenue), both of which are major arterial roadways linking the City of Camrose to surrounding municipalities.

Adjacent Uses: The immediate area surrounding the Subject Property consists of commercial developments. To the north of the Subject Property (across 50 Avenue) is a multi-tenant commercial building, to the east (across the alley way) is a mix of single and multi-user commercial developments, to the south is a multi-user commercial building, and to the west (across 47 Street) is the newly built “Academy of Gymnastics” building.

Description of the Site

The salient details of the subject site are summarized as follows:

Photos/Figures



Figures: Left side depicts aerial photo (source: Camrose City Web Map); right side depicts excerpt from the legal plan (source: legal plan). Note that the site overlays applied to the aerial photograph and registered plan are approximate and are for illustration purposes only.

Site Details

Size/Configuration: Rectangular shaped corner lot. See Annex D for a full copy of the registered plan.

Area: 12,440 SF / 1,156 SM.

89' of frontage along 47 Street.

139.75' of frontage along 50 Avenue.

Topography: The subject site is mostly level and at grade with its surroundings. Surface drainage appears to be adequate, with no noted significant areas of settling or standing water upon inspection, and the site generally slopes away from the building.

Access / Exposure: The Subject Property is located in the historical downtown core, which is situated on the northeast side of the City of Camrose. The Subject Property border 47 Street on the western boundary, 50 Avenue on the northern boundary, and an alley way on the eastern boundary.

The property is also situated approximately 0.90 km east of Highway 833 (53 Street) and 0.35 km north of Highway 13 (48 Avenue), both of which are major arterial roadways linking the City of Camrose to surrounding municipalities.

Services / Street Improvements: All typical, municipal, and utility services found in most commercial neighbourhoods are available to the subject site. Therefore, the site is connected with water lines, a natural gas line, telephone hook-ups, a sanitary sewer service, storm sewer service, and electrical power.

The adjacent roadways in the immediate area are paved and improved with street lights, concrete curbs, sidewalks, storm sewers, and street parking.

Easements / Encroachments: There are no known easements or encroachments that would be expected to influence the value or utility of the Subject Property.

Environmental / Considerations: The Subject Property has been appraised as if unaffected by contamination or hazardous substances. No hazardous substances or conditions were observed on or near the subject property that would be considered detrimental to its utility or value. Nothing in this report should be construed as an environmental audit, because such reporting is beyond the qualifications of the appraiser. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

Description of the Improvements

The salient details of building and site improvements are summarized below.

Photos



Photos: Left photograph depicts the building exterior; right photograph shows the interior of the main floor restaurant area.

General

Use: Currently utilized as a vacant multi-user commercial building. Once complete, the main floor will be operating as “Marrow Restaurant and Lounge” while the second level and basement level will be partially finished and vacant.

Age / Condition: Chronological age: 113 years (Built-in 1910, as per owner).
 Effective age: 35 years.
 Economic life: 65 years.
 Remaining economic life: 30 years (with upkeep).
 Condition: Above Average.

Size: Number of storeys: 2 Storey plus full basement.

Gross Floor Area (GFA):

Main Level: 5,972 SF.

Second Level: 5,976 SF.

Total GFA Above Grade: 11,948 SF.

Basement Level: 5,807 SF.

Gross Leasable Area (GLA):

Main Level: 5,206 SF.

Main Level Mezzanine Office: 143 SF.

Second Level: 5,321 SF.

Basement Level: 5,056 SF.

Total: 15,726 SF.

Source: Measurements are based on on-site exterior and interior measurements completed by the appraiser. Note, the partially finished basement area has been EXCLUDED from the GFA, as is common practice in the local market. Instead, this area, which provides additionally utility, has been accounted for separately within the Direct Comparison valuation. Also note that the finished mezzanine office area on the main level has been INCLUDED in the GLA.

Ceiling Height: Ranges 9'4" to 12'8".

Construction

Substructure: Concrete pilings, footing, and/or grade beam, or equivalent with poured concrete foundational walls and a poured concrete slab floor.

Superstructure: Brick with wooden roof trusses.

Exterior

Exterior Envelope: Painted and exposed brick siding.

Roof Type: The flat torch on membrane roof was replaced in 2012 (as per owner) and appears to be in average condition. Any deficiency with the roof would result in a straight deduction from the final value.

Windows/Doors: The older metal framed windows have all new glass. Exterior doors are wood framed with glass inserts. According to the owner, the main entrance door leading into the main level restaurant area will be replaced with a new unit, "As If Complete."

Interior

Configuration: The building is demised into three levels:

- **Main Level:** "As If Complete" the main level will be fully finished and demised into a new 112 seat restaurant with a custom bar, a storage room, two new public bathrooms, a rear kitchen/staff area, and a mezzanine office area. GLA of 5,349 SF (includes 143 SF mezzanine office area).
- **Second Level:** "As If Complete" the second level will remain partially finished and be demised into a large open area. GLA of 5,321 SF.
- **Basement Level:** "As If Complete" the basement level will remain partially finished and be demised into an open area with a stage, a roughed in kitchen area, two partially finished public bathrooms, a bar area, two storage rooms, and a mechanical room. GLA of 5,056 SF.

- Floors:**
- Main Level: New vinyl and new laminate wood.
 - Second Level: Unfinished subflooring only.
 - Basement Level: Mix of uncovered poured concrete and older tile.
 - Common Area Staircases: Carpet.

Walls: Mostly exposed brick and painted drywall. Basement level has some wood panelling, and the main floor kitchen has poly sheet walls.

Ceiling: Mostly wood and painted drywall. The main level restaurant also has accented faux tile finishing while the main level kitchen has poly sheet ceilings.

Lighting: Mix of fluorescent and incandescent lighting.

Fixtures/Finishings: The main level has been extensively renovated and once complete will be demised into a new 112 seat restaurant with a long custom granite top bar and a new commercial grade kitchen complete with a built-in walk-in cooler, walk-in freezer, and new ventilation system. The two 8-pc public washrooms will also have all new plumbing fixtures.

Once complete, the second level and basement level will remain partially finished with minimal fixtures or finishings.

Overall, the building will be above average in condition for its age “As If Complete.”

Mechanical

HVAC: The building is heated and cooled with three roof top HVAC systems. Each level is separately metered for gas.

Electrical: 800-Amp main service with multiple subpanels. Power is connected to the building via overhead power lines. Each level is separately metered for power.

Plumbing: Plumbing lines are a mix of copper, and/or ABS, or equivalent. Hot water is provided by four new on-demand hot water tanks. Each level is separately metered for water.

Fire/Security/Other: It is assumed that the fire detection and alarm systems are routinely maintained and are in compliance with applicable regulations. On the date of inspection emergency exit signs and a security system were noted.

Site Improvements

Parking: There is ample paved parking along the southern portion of the site. Additional on-street parking is also available along 47 Street and 50 Avenue.

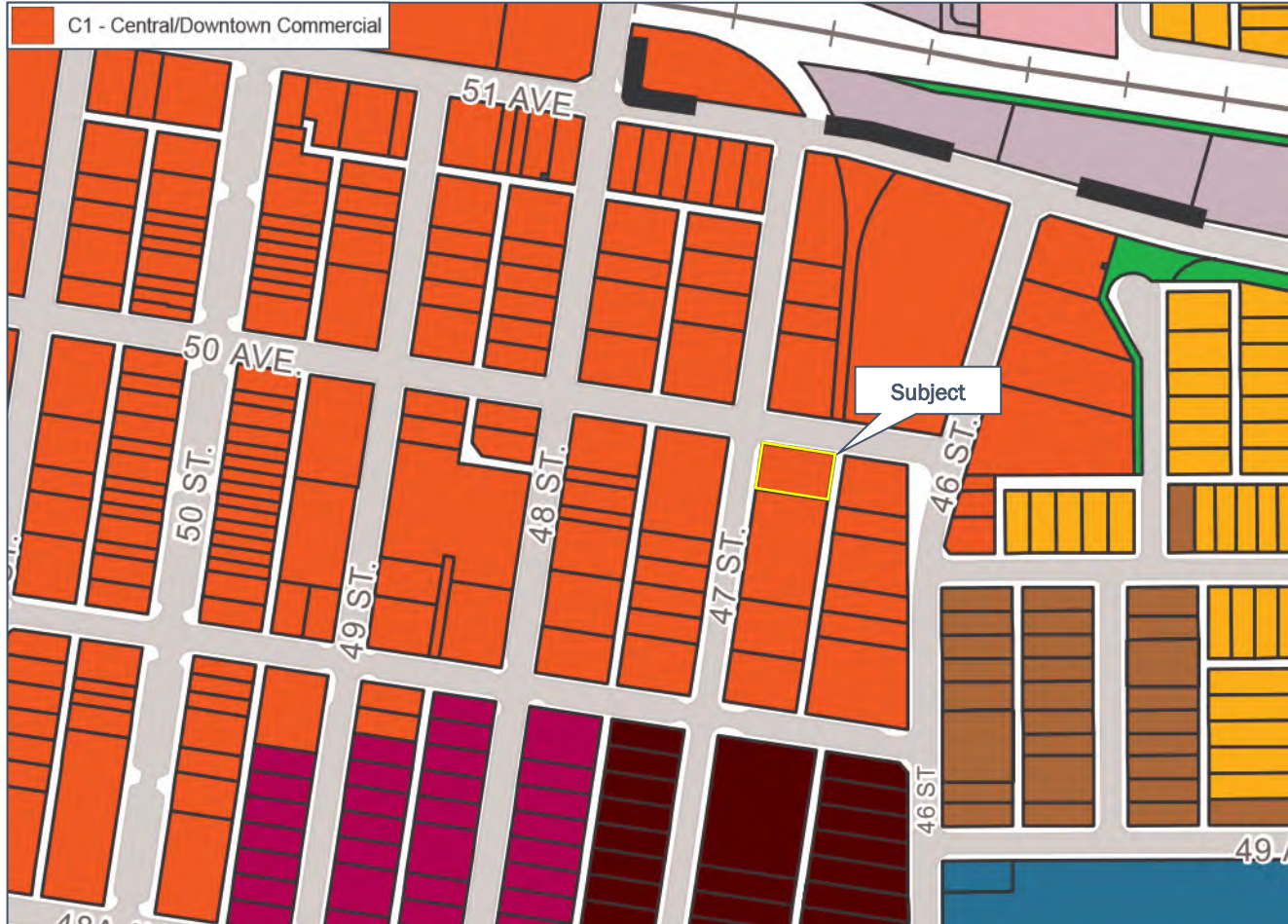
Landscaping: Landscaped with concrete walkways and paved parking.

- Other:**
- 432 SF patio with ramp will have a new railing “As If Complete” and will provide the restaurant an additional 30 seats.
 - The exterior of the building has custom built-in exterior lighting (estimated cost of \$30,000, as per owner) which can be programmed to reflect different colours.

Land Use Controls

The property is regulated and controlled by the following planning documents:

Land Use Bylaw



Zoning Map: Depicting the subject area.

Authority: City of Camrose

Bylaw No.: 3222-22.

Zoning: C1 – Central/Downtown Commercial District.

A copy of the C1 Bylaw is in Annex E.

Purpose of Zoning: “...is to allow for *development* that will support the revitalization of the City’s historic downtown centre. The downtown area includes the original townsite of Sparling and later, the town of Camrose. The downtown area is in transition from the former commercial service centre to a mixed-use commercial, institutional, residential, and cultural centre in the heart of the City of Camrose. With many retail commercial businesses choosing to develop outside of the downtown core, there is increasing focus on permitting a wider range of land uses, including residential and institutional *development*, within the downtown.”

Lot Coverage: There is no maximum lot coverage of under C1 zoning. The subject has a coverage of 53% (6,573 SF building, patio, ramp footprint / 12,440 SF lot area, rounded), which is assumed to be permitted by the City.

Use: The C1 zoning allows for a wide range of uses (see Annex E). Once complete, the main level would fall under the “restaurant” category, which is a Permitted Use. The second level and basement could be built out and utilized for a number of various commercial uses, provided they comply to the C1 zoning bylaws.

Parking: The parking requirements for commercial land uses are detailed in Section 10.1.8 of Land Use Bylaw 3222-22 (See Annex E for excerpt). The Subject site has ample on-site parking along the southern portion of the site. Additional on-street parking is also available along 47 Street to the west and 50 Avenue to the north. As such, it is assumed that the “As If Complete” improvements will comply with the parking by-law requirements.

Conformity: No Real Property Report or Compliance Certificate was provided. In its absence, it is assumed without verification that the property is in compliance with applicable land use regulations. With the exception of the encroachment agreement previously discussed, it is also assumed that there are no other offending easements and/or encroachments that might influence the value of the property.

Conclusion

The current and future use of the Subject Property is commercial in nature, which is believed to be a legal and conforming use.

Market Analyses

Alberta

Overview: The last decade in Alberta has been eventful. The economy peaked in 2014, followed by a two-year recession and subsequent slow recovery in 2018. In 2019 the provincial economy slowed in what most hoped would be a minor correction prior to a steadier increase in economic growth. Unfortunately, this was not to be the case as Alberta was simultaneously hit with a collapse in oil prices and a global pandemic in 2020. As a result, instead of a growing provincial economy, Alberta experienced a significant decline in GDP and historically high budget deficits.

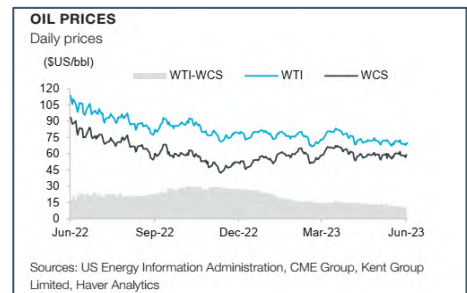
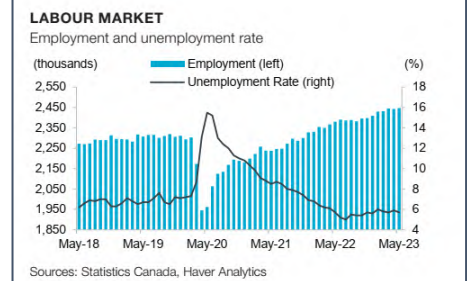
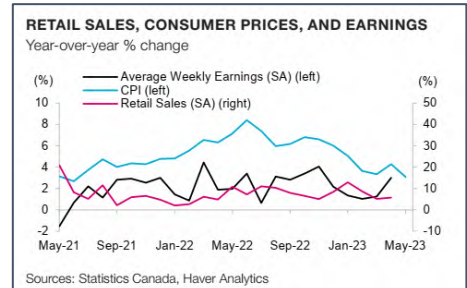
With the recovery of oil prices and the lifting of health restrictions, the provincial economy recovered with a GDP expenditure of 4.9% in 2021 and 5.1% in 2022, and this resurgence appears to have continued into 2023. In particular, the energy sector continues to benefit from high commodity prices, as global producers have not been able to keep up with renewed demand from re-opening economies. In addition, agricultural exports have remained strong due to global food insecurity caused by increasingly adverse climate events and the on-going war in Ukraine.

Energy: Alberta’s economy continues to exhibit its reliance on oil and gas. The reach of energy markets in the province is wide and deep and the trends are cyclical, resulting in boom-bust economics that are not always easy to predict.

The adjoining chart to the right¹ compares West Texas Intermediate (WTI) and Western Canadian Select (WCS) crude oil prices.

Oil prices increased in the first half of 2022, modestly declined in the second half of 2022, and have remained relatively stable in the first half of 2023. The WTI was trading at approximately \$70 US per barrel in late June 2023, which is down from the high of \$112 US per barrel achieved in March 2022.

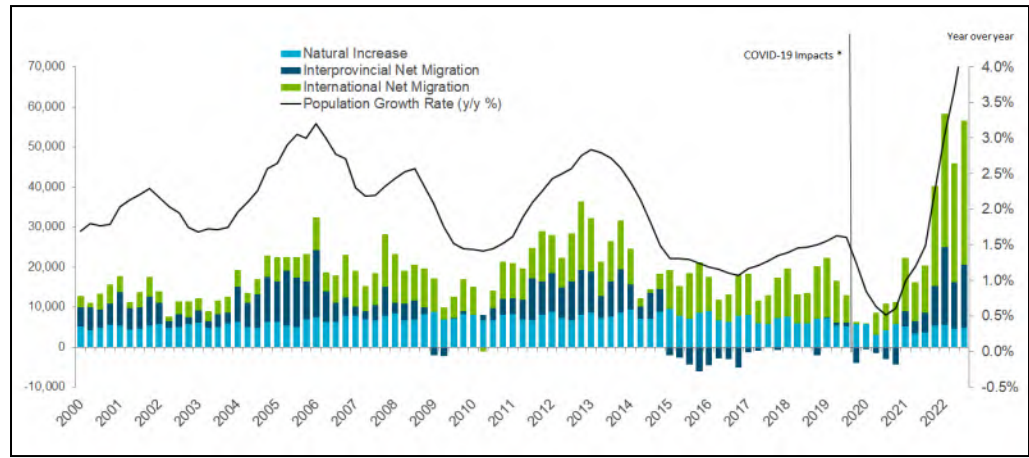
The WTI-WCS price differential was \$10.65 US per barrel in late June 2023. The number of rigs drilling in Alberta averaged 78 in May 2023, down 11% from the same time last year.



¹ All Charts sourced from the province’s ‘Alberta Economy Indicators at a Glance,’ which is a weekly publication.

The resurgence in oil prices has played a major role in the recovery and has helped to spur activity in all the sectors of the economy.

Population: Alberta posted the largest quarterly population growth in history in Q1 2023:



Typically, population growth leads to economic growth, as demand for products and services increases. This bodes well for re estate.

Economic Growth:

- The charts previous highlight some economic statistics for the province as of June 30, 2023.
- Alberta’s real GDP increased by 5.1% in 2022, up from 4.9% in 2021.
- Alberta’s unemployment rate was 5.7% in May, down from the 5.9% reported in April 2023 but unchanged from the same time last year.
- Alberta retail sales increased 1.0% m/m to \$8.4 billion in April 2023. Compared to a year ago, sales were up 5.7%.
- Alberta housing starts increased 35% m/m in May 2023 to 37,104 units (SAAR), down 20% from a year ago. The number of home sales in the resale market was up 8.0% m/m to 6,339 units in May 2023, but down 9.6% from the same time last year.
- HarrisonBowker appraisers had noted a positive sentiment ‘on-the-ground’ in 2023. However, with historic high inflation rates, increasing interest rates, and a potential recession looming, many business owners are becoming more cautious.

Real Estate:

A surge of activity in the real estate market occurred in early 2021 as the pandemic began to wane. The surge was short lived and real estate activity began to stabilize again in mid-2021. The stabilized trend lasted throughout until the early part of 2022, but with consecutive increases in the Bank of Canada interest rates, the residential market once again began to cool in late 2022 and into early 2023. Most small cities and towns had also seen increases in demand from early 2021 to mid 2022 before seeing a cooling since; however overall market trends vary from location to location. Commercial and industrial real estate markets appear to be holding steady, although the first signs of escalation in capitalization rates and internal rates of return are starting to emerge – not surprising given the strong rise in interest rates in the past 16 months.



Broad recovery from pandemic conditions remains in 2023. Population growth should serve to strengthen local real estate markets that benefit from in-migration; likely to be tempered by high interest rates and general market uncertainty.

City of Camrose

Population Trends: The local economy is agriculture-based and has been characterized by relatively steady, but slow growth. Development in the residential sector has been commensurate with the city's population growth.

According to Statistics Canada, Camrose's population grew modestly at an average rate of less than one percent per year from 1986 until 2000, with growth jumping in the last two decades, due in part to commensurate increases in the retail sector. More recently, the population grew at or below provincial averages from 2006 to 2016. However, according to the most recent census, the population growth in Camrose stalled between 2016 and 2021 with a negligible growth rate of 0.16%, which is well below the provincial average of 4.8%.

We have no knowledge of any significant economic trends or local developments that might increase the city's population or economic growth.

Camrose Population Growth Comparisons				
	2021	2016	2011	2006
Census	18,772	18,742	17,286	15,620
% Change	0.16%	8.42%	10.67%	n/a

Source: Statistics Canada.

Permit Trends: The Table below summarizes annual building permit values by real estate sector in Camrose. The magnitude and trends in the permit values provide good indicators of overall economic growth in the community:

Summary of Annual Building Permits ('000's) - City of Camrose						
	To July - 2023	2022	2021	2020	2019	2018
Residential	\$6,396	\$17,307	\$13,852	\$9,374	\$14,816	\$12,107
Commercial	\$26,901	\$11,615	\$7,298	\$3,513	\$13,457	\$5,422
Industrial	\$0	\$407	\$18,104	\$21	\$15	\$1,626
Institutional	\$20,940	\$4,644	\$11,313	\$15,435	\$260	\$16,486
Total ('000's):	\$54,237	\$33,973	\$50,567	\$28,343	\$28,548	\$35,641

Source: Camrose Planning & Economic Development Department.

Like other municipalities in Alberta, the overall value of building permits peaked in 2007 (total of \$96,658,000) and fell significantly through to 2010 and 2011 (mirroring the cooling Alberta economy and real estate markets). Building permit rates have fluctuated since 2013 and have been largely dependant on the strength of the overall provincial economy.

The previous Table illustrates the following trends:

- Residential housing starts have fluctuated from \$9.4 million to \$17.3 million between 2018 to 2022. As of July 2023, residential developments appears to be on pace with the last few years but still down significantly from the high of \$27.7 million reported on 2013.
- Commercial development has fluctuated from a low of \$3.5 million in 2020 to a high of \$11.6 million in 2022. As of July 2023, commercial developed is on pace to far exceed development in the past few years with a total of \$26.9 million already reported.
- Industrial development had been stagnant for last few years and fell to a low of only \$15 thousand in 2019; and \$21 thousand in 2020. Industrial developed increased significantly in 2021 to \$18.1 million before declining back down to \$407 thousand in 2022. As of July 2023, no building permits have yet been obtained for industrial development.
- Institutional developed has fluctuated from a low of \$260 thousand in 2019 to a high of \$16.5 million in 2018. As of July 2023, institutional developed is also on pace to far exceed development in the past few years with a total of \$21 million already reported.

Commercial Real Estate Trends: The following trends are evident in Camrose and other comparable markets in central Alberta:

- Vacancy rates for commercial space are deemed to be comparable to that exhibited in other peripheral and comparably sized municipalities in Alberta. There is generally ample supply in the space market and limited demand, pushing vacancy rates up.
- Land values in rural towns are a direct function of supply and demand levels at a point in time. Commercial land sales in rural towns tend to occur only when development is planned. The value of industrial land in Camrose appears to have remained relatively stable in the past few years, recognizing that there have been limited sales.
- Commercial lease rates typically range from the \$5.00/SF to \$15.00/SF, with higher rates attainable for good quality space.
- Recognizing that there is limited sales data available to establish clear trends, market values for commercial properties in the City of Camrose and other rural markets have been relatively stable over the last few years. That being said, uncertain macro economic conditions, which includes high inflation rates, increasing lending rates, and continued struggles with supply chains, will likely have a cooling affect on the local market throughout 2023.

Conclusions

Overall, the Alberta real estate sectors showed resiliency in 2021 and 2022 that is continuing into 2023. Although there are still macro-economic challenges on the horizon, the overall economy has recovered from historic lows in 2020. Agriculture has been a bright spot over the past fifteen years, with sustained appreciation in arable farmland values that have pulled up less productive land values as well. It remains to be seen for how long this upwards trajectory can be maintained under the backdrop of increased interest rates, fluctuating commodity prices, and uncertain climactic conditions. Typically, Alberta weathers these macro-economic influences well, with sustained (and increasing) farmland values.

Values in Camrose's commercial sector have been relatively stagnant between 2010 to 2020, with values often dictated by a particular need for a property type rather than by predictable market trends. Between early-2021 to mid-2022 market activity for commercial properties increased, however given rising inflation and a rise in the cost to borrow, values have been relatively stable since.

Highest and Best Use

Overview

Methodology: It is generally in the best interest of a landowner to maximize value by employing land to its Highest and Best Use. The most profitable and probable use of land is typically market determined on the basis of location, land use classification, and development potential.

The development potential of an undeveloped or an underutilized parcel of land is a function of current economic conditions, market expectations, and the demand for a particular type of development in the area. These factors are generally imputed in the Market Value of the land.

When a site has been improved with a permanent structure, the concept of Highest and Best Use takes a different perspective, as the land and improvements become a singular entity with the existing use usually the Highest and Best Use, since economic pressures generally dictate use.

An analysis of the Highest and Best Use definition suggests that for a parcel of land or a developed property to achieve its highest Market Value it should be:

1. Legally permissible
2. Physically possible
3. Financially feasible
4. Maximally productive

Highest and Best Use as Improved

Legally Permissible: The development and use of the Subject Property “As If Complete” is believed to be legal and conforming, and in compliance with applicable land use regulations.

Physically Possible: The conventional construction and design of the building would allow for a variety of commercial uses. The subject building was built-in 1910 (as per owner) and exhibits normal levels of depreciation. Based on its observed condition and considering the various recent renovations completed, the building is estimated to have an effective age of 35 years and a remaining economic life of approximately 30 years. It is thus reasonable to assume that the building will continue to contribute value on a longer-term basis.

As a corollary to this, it is our opinion that the value of the existing improvements contributes to the value of the land. The explicit valuation of the site as if vacant and undeveloped is beyond the scope of this appraisal. However, we have data on file that supports the premise that the value of the property as improved exceeds its value as if vacant and undeveloped.

Financially Feasible: As If Complete, the property should be readily marketable to a variety of potential users, recognizing that the second level and basement level will require finishing. Market analysis indicates that there is adequate demand for commercial properties in Camrose. As vacant, the premises would likely be readily leasable to other potential users.

Maximally Productive: The Subject Property was designed as a commercial property and is well-suited to that purpose. From an investment standpoint, the property “As If Complete” provides a maximally productive use, with no other use(s) indicated or likely.

Conclusion: The use of the Subject Property as a multi-user commercial property represents its Highest and Best Use as improved.

Highest and Best Use as if Vacant

Conclusion: As vacant, the development of a new commercial use building would likely define its Highest and Best Use.

The Valuation Process

There are three generally accepted approaches to estimating value, the Direct Comparison Approach, the Income Approach, and the Cost Approach are defined below as per the 'The Appraisal of Real Estate, Third Canadian Edition 2010':

Direct Comparison Approach: A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison.

Income Approach: A set of procedures through which an appraiser derives a value indication for an income producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

Cost Approach: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to reconstruct a reproduction of, or replacement for, the existing structure; deducting accrued depreciation from the reproduction or replacement cost; and adding the estimated land value plus an entrepreneurial profit. Adjustments may then be made to the indicated fee simple value of the Subject Property to reflect the value of the property interest being appraised.

Approach(es) Used: Which of these approaches to value are most applicable to the valuation of a specific property is largely dependent upon the nature of the property being appraised and the quality and quantity of data available.

With respect to the valuation of the Subject Property, the Direct Comparison Approach and Income Approach will be utilized. The Cost Approach is not deemed applicable due to the older age of the subject building improvements and the inherent difficulty in quantifying accrued depreciation.

Direct Comparison Approach

Using the Direct Comparison Approach, the value of a property is estimated by reference to sales or active listings of comparable properties in the marketplace. While historical in nature, this method generally provides a reliable indicator of value in an active real estate market.

Improved Property Valuation

After researching local and other similar markets, sales and listings of properties that exhibited characteristics similar to the Subject Property were identified and analyzed. The following parameters were used in the selection process:

Location: Indicators were chosen from the local Camrose market and other comparable markets in east-central Alberta.

Time: An extended window of time was required due to low sales volumes. The analysis considered sales from mid-2020 forward, which is required in order to reflect the locational attributes of the Subject Property.

Land Use: Value Indicators were chosen that were deemed to have similar zoning designations and overall utility by the appraiser.

Units of Comparison: Value Indicators have been compared to the improved Subject Property on a **sale price/gross floor area (PSF, per square foot)** basis, as is typical of the market.

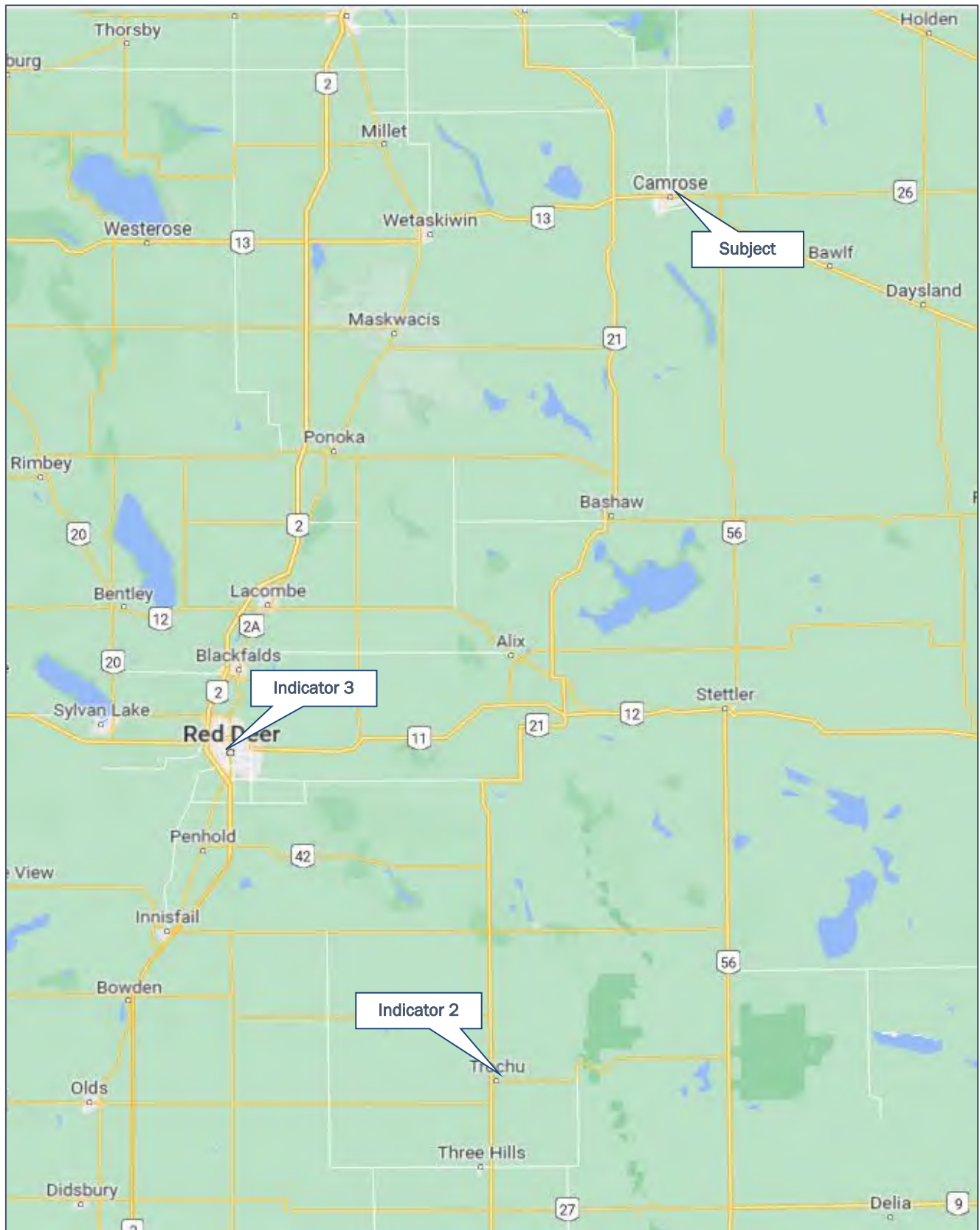
For valuation purposes, two approaches of comparison can be utilized:

Qualitative Analysis: This is a primary and intuitive method, well-known by most market participants.

Quantitative Analysis: Dollar or percentage adjustments are applied to the unit selling prices of the Value Indicators to reflect differences between the Subject Property and each Value Indicator. This method typically provides the strongest support for the Direct Comparison Approach when adequate market data exists to support quantitative adjustments.

Both the Qualitative Analysis and Quantitative Analysis were relied upon for the valuation of the Subject Property as improved.

The locations of Value Indicators 1 to 5 and a table of their salient facts as compared to the Subject Property are below. Data sheets for each of the Value Indicator is located in Annex A.



Map: Illustrating the locations of Value Indicators 2 and 3 in relation to the Subject Property.








Map: Illustrating the locations of Value Indicators 1, 4, and 5 in relation to the Subject Property.

Improved Value Indicators						
	Subject Property	Value Indicator 1	Value Indicator 2	Value Indicator 3	Value Indicator 4	Value Indicator 5
Internal Property No.	n/a	111840	113918	114065	113788	114066
Address	4917 47 Street	4610 50 Avenue	221 Main Street	5032 50 Avenue	4929 50 Street	4901 50 Avenue
Municipality	Camrose	Camrose	Trochu	Red Deer	Camrose	Camrose
Legal Description	10A/33/7722174	2/32/2751RS	11/1/8210AK	19,20,Pt.21/11/795HW	18/6/RN28	A/6/RN28
Sale Price	n/a	\$500,000	\$169,900	\$862,500	\$368,000	\$2,360,000
Sale Date (mm/dd/yy)	n/a	May 23, 2020	April 21, 2023	April 12, 2022	May 18, 2023	January 27, 2020
Sale Terms	n/a	MLS Sale #CA0148931: Cash/Mortgage	MLS Sale #A2022079: Cash	MLS Sale #A1162310: Cash	MLS Sale #A2009215: Cash/Mortgage	Private Sale: Cash/Mortgage
Vendor	n/a	629623 Alberta Ltd.	S. & J. Sinclair	1181115 B.C. Ltd.	1441558 Alberta Ltd.	1485445 Alberta Ltd.
Purchaser	n/a	Jesus Cares Christian Fellowship	Ishan Petrochemicals (Canada) Inc.	2420847 Alberta Ltd.	2503842 Alberta Ltd.	1564082 Alberta Ltd.
Year Built	1910	1989	1935	1948	1975	1954
Gross Floor Area (SF)	11,948	7,662	2,300	10,401	4,315	20,268
Site Area (SF)	12,440	17,758	3,250	17,785	3,000	24,000
Zoning Class	C1	C1	CB	C1	C1	C1
Improvement Description	Two-storey, multi-user brick framed commercial building. Main level will be demised into a new 112 seat restaurant with new kitchen/staff area, and a 143 SF mezz office area (not included in GFA). The second level will remain vacant and partially finished. The basement area (5,807 SF, not included in gross) will also remain vacant and partially finished.	One-storey, multi-user concrete block commercial building with newer tar/gravel roof (2017). Consists of three bays with office/retail area in front and warehouse space in the rear. Site is situated on the northeastern fringe of downtown Camrose.	Two-storey, mixed-use wood/brick framed building. Main floor demised into an open sitting area with service counter, a bathroom, and rear kitchen/staff area (operating as a coffee shop). Second floor demised into bedrooms/office areas, a kitchen, and a bathroom. Partial basement is unfinished (not included in gross). Updated furnace, windows, and electrical.	Two-storey split style, multi-user masonry/concrete block commercial building. Main floor (9,288 SF) demised into open retail space, a washroom, kitchenette, and rear staff area. Second floor (1,173 SF) developed into office space, reception area, bathroom, and storage. Full basement (9,200 SF, not included in gross) is partially finished and demised into an open space. Interior has been fully renovated.	Two-storey, single-user concrete block retail commercial building. Main floor (2,144 SF) demised into showroom, office, storage rooms. Second floor (2,171 SF) demised into showroom, bathrooms, offices, lunchroom, mechanical room. Basement is partially finished and used for storage (748 SF, not included in gross). Extensively renovated in 2011.	Two-storey, multi-user concrete block building. Demised into 20,268 SF on two levels. GLA of 19,476 SF of which 17,123 SF is above grade and 2,353 SF below grade (basement). Anchored by Canada Post and Service Canada. Typical office grade finishing throughout. Half a block of Main Street.
Site Improvements	Landscaped with concrete walkways, paved parking, and a patio.	Basic landscaping and a large rear gravel parking area.	Minimally landscaped with rear parking area.	Minimally landscaped with a concrete walkway and paved parking.	Minimally landscaped with a concrete walkway and rear gravel parking.	Landscaped in front with grass, trees, and concrete walkways. Rear paved parking.
Unit Selling Price		\$65	\$74	\$83	\$85	\$116
Adjustments for Differences						
Financing/Motivation	As described	-	-	-	-	-
Changing Market	As described	-	-	-	-	-
Adjusted Price/SF		\$65	\$74	\$83	\$85	\$116
Location / Exposure	As described	-	Up	Down	Down	-
Site Size / Coverage	As described	Down	Up	Down	Up	Down
Age / Condition	As described	-	Down	Down	Down	Down
Building Size / Utility	As described	Up	Down	Up	-	-
Site Improvements	As described	Up	Up	-	Up	-
Adjusted Price/SF	n/a	\$85	\$89	\$83	\$85	\$93
	Net Adjustments	30%	20%	0%	0%	-20%
	Average Unadjusted	\$85		Average Adjusted	\$87	



Qualitative Analysis: After considering differences between the Value Indicators and the Subject Property, the best support for the final unit value (\$ PSF) for the Subject Property is estimated. The result of this Qualitative Analysis is summarized below:

Summary of Qualitative Analysis				
Value Indicator	Selling Price (\$ PSF)	Comparability	Relative to Subject	Images
1	\$65	<ul style="list-style-type: none"> Similar location (Camrose) Similar exposure Larger site size Superior age/Inferior condition Smaller building size Inferior utility Inferior site improvements 	Inferior (Higher Than)	
2	\$74	<ul style="list-style-type: none"> Inferior location (Trochu) Superior exposure (Main Street) Smaller site size Superior age/Superior condition Smaller building size Superior utility Inferior site improvements 	Inferior (Higher Than)	
3	\$83	<ul style="list-style-type: none"> Superior location (Red Deer) Superior exposure (Gaetz Avenue) Larger site size Superior age/Inferior condition Comparable building size Inferior utility Comparable site improvements 	Off-Setting (Similar To)	
4	\$85	<ul style="list-style-type: none"> Similar location (Camrose) Superior exposure (Main Street) Smaller site size Superior age/Superior condition Smaller building size Inferior utility Inferior site improvements 	Off-Setting (Similar To)	
5	\$116	<ul style="list-style-type: none"> Similar location (Camrose) Similar exposure Larger site size Superior age/Superior condition Larger building size Superior utility Comparable site improvements 	Superior (Lower Than)	
				Suggested Value Range: \$74- \$116 PSF
				Conclusion: \$90 PSF

The best support is between Value Indicators 2, 3, 4, and 5, with more weight placed on Indicators 3 and 4, which have mostly off-setting characteristics. As such, a point value estimate of **\$90 PSF** is deemed reasonable for the Subject Property, As If Complete. The Quantitative Analysis will further refine the qualitative value range and provide a point estimate of value.

Quantitative Analysis and the Adjustment Process: Adjustments to the unit selling prices of the Value Indicators were applied to reflect the qualitative differences between the subject and each comparable sale.

Adjustments are typically derived from the reconciliation of market derivation, cost analysis, and the appraiser's own experience in a market sector. Adjustments were applied as follows:

Financing/Motivation: Adjustments may be indicated if a selling price was known to have been influenced by atypical sale conditions (i.e., motivation).

Changing market: Market analysis indicates values for commercial properties in Camrose and comparable communities have been relatively stable since the most dated sale. Therefore, adjustments for changing market conditions have not been warranted.

Location/Exposure: This variable is reflected in street location as well as local market conditions. Adjustments were applied accordingly.

Site Coverage: The size of the site is imputed in the unit value of the building. Adjustments were applied where required to reflect difference in site size and coverage ratios.

Age/Condition: Adjustments were applied to reflect differences in age and condition.

Building Size/Utility: Items that affect the utility and value of a commercial property and warranted adjustments for this analysis include:

- Quality and extent of finishing.
- Type of finishing (offices, restaurant, retail, other).
- Ceiling heights, construction type, etc.
- Built-in features.
- Overall appeal and marketability of the configuration.
- Basement development.
- One storey or two storey construction.
- Building size: generally smaller buildings sell for a higher unit value.

Site/Other Improvements: Site improvements including landscaping, paved and gravel parking, etc. Other improvements including outbuildings, garages, sheds, etc.

After considering the value-related differences between the five properties and the Subject Property, adjustments were made to the unit selling prices of each to provide an indication of value. The results of this process are at the bottom of the table found previously in the report.

After adjustments, Value Indicators 1 to 5 indicate a unit value range between \$83 to \$93 PSF with an average adjusted unit value of \$87 PSF. The best support is slightly below the mid-point of the range due to the stronger support of Value Indicators 3, 4, and 5, which are the most recent sales and/or the most comparable in location, exposure, site size, building size, and/or utility.

Weighing the current economic conditions against the overall location, age, condition, building size, and utility of the Subject Property, a final unit value of **\$87 PSF** is reasonable and adequately supported under the circumstances.

Reconciliation: The Direct Comparison methods are summarized as follows:

Qualitative Analysis: Unadjusted Range of \$74 to \$116 PSF
\$90 PSF
Secondary Support

Quantitative Analysis: Adjusted Range of \$83 to \$93 PSF
\$87 PSF
Primary Support

The two analyses are mutually supportive, with the best support provided by the Quantitative Analysis. A final unit value of **\$87 PSF** will be utilized, yielding the following value estimate:

Gross Floor Area:	11,948 SF
Estimated Unit Value:	\$87 PSF

Value by the Direct Comparison Approach (rounded):	\$1,039,000
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Value premised on the Extraordinary Assumptions and Hypothetical Conditions stated on Page 63.

Income Approach

The Income Approach to value is based on the premise that real estate is purchased as an investment, and from an investor's point of view, the return on and of the investment are the critical elements in the estimation of a property's value.

The Direct Capitalization Method will be utilized for the Income Approach, which proceeds as follows:

- Step 1:** The Potential Gross Income (PGI) of the property is estimated at 100 percent occupancy.
- Step 2:** The PGI is reduced by a reasonable allowance for vacancies and bad debts, yielding the property's Effective Gross Income (EGI).
- Step 3:** The EGI is then reduced by any applicable expenses to provide an indication of the property's potential Net Operating Income (NOI).
- Step 4:** Finally, the NOI is capitalized by an appropriate market derived rate, resulting in an estimate of the property's value.

The reader is encouraged to review the Glossary of Terms appended in Annex B for definitions of PGI, EGI, and NOI.

Subject Property Evaluation

The following value-related factors pertain to the Subject Property:

- Positive factors:**
 - Well located within the historical downtown core of Camrose, with frontage onto Main Street (50 Street).
 - Building has been extensively updated.
 - Contractual 5-yr lease in place for the Main level.
 - Leasable area is relatively conventional in design and layout and could be utilized for a variety of uses, recognizing that the second level and basement level require finishing.
- Negative factors:**
 - The building is older in age and will require on-going maintenance.
 - The second level and basement level are vacant and partially finished.
 - Soft local market conditions are putting downward pressure on rental rates and upward pressure on vacancy rates.
 - Uncertain macro market conditions.

Subject Tenancy

Historical Tenancy: No leasing history other than the current tenancy is known or was provided.

- Current Tenancy:** As of the Effective Date, the main level was tenant occupied while the second level and basement level were vacant. The following information was provided by the client:
- A copy of the current lease.
 - A verbal description of the main floor lease.

The current lease agreements are summarized in the following table.

Summary of Lease Agreements							
Unit	Tenant	Current Lease Term	Current Monthly Rent	Current Annual Rent	GLA (SF)	Current Base Rent (PSF)	*Net Rent (\$ PSF)
Main Level	Marrow Restaurant and Lounge	Jun/23-Jun/28	\$10,500.00	\$126,000.00	5,349	\$23.56	\$23.56
Terms/Comments: 5-yr lease, triple net. Tenant pays utilities and their proportionate share of landlord costs including property taxes, building insurance, repairs/maintenance and admin/management. According to the landlord, of the total monthly rent, \$3,000/month (\$36,000/year) is allocated for the rental of all the restaurant fixtures, chattels, and leasehold improvements, which will be provided by the landlord. NOTE: The GLA includes the 143 SF of finished mezzanine office space situated on the main level.							
Second Level	Vacant	n/a	n/a	n/a	5,321	n/a	n/a
Terms/Comments: Vacant and partially finished.							
Basement Level	Vacant	n/a	n/a	n/a	5,056	n/a	n/a
Terms/Comments: Vacant and partially finished.							

*Net Rent: The average over the term and/or base rent less any rental inducements, such as: rent abatements, tenant improvement allowances, tenant inducements, and/or non-recoverable operating expenses.

Market Rent Survey

Preamble: In order to estimate a reasonable net rent level for the Subject Property a survey of market rental rates was conducted.

In the comparative analysis of lease rates, it is important to recognize that lease agreements vary from property to property. A key variable is who, the landlord or the tenant, pays the operating expenses (taxes, utilities, insurance, maintenance, etc).

At one end of the scale is gross rent in which the landlord pays all the expenses, and the tenant pays a grossed-up rent that effectively includes the expenses paid by the landlord.

At the other end is the absolute net (or triple-net) rent, in which the tenant pays a comparatively low base or net rent plus all the expenses except capital expenditures and non-recoverable expenses. Terms in between a gross rent and triple-net rent are typically described as a partial net rate.

Thus, the question of how the expenses are allocated is an essential factor in the market analysis of rents. In most instances, gross rents are adjusted (or stabilized) by the appraiser so they can be compared on a net basis.

- General Trends:**
- Lease rates usually varied inversely with size of the building, with lower rent rates typically associated with larger structures.
 - Net rental rates for multi-tenant properties tend to be similar to those observed in larger single tenancy properties with smaller sites.
 - Partial net (or gross) rents on a month-to-month basis are typical in older properties, while newer properties tend to attract longer term leases and higher rental rates.

- Lease rates vary widely depending on the age and condition of the building(s), site area, etc.

Survey: The following is a selection of lease rates and terms for similar commercial properties in Camrose. The leases are arranged in ascending order of lease rate.

Survey of Comparable Improved Property Lease Rates						
Index	Location	Area (SF)	Start Date	Total Term (Years)	Effective Rate (SF)	Comments
1	50 Street (4900 block) Camrose	1,398	Oct-21	1-yr	\$2.53	Physical: 1947-built retail space situated in downtown Camrose. Unit is basement level space utilized as a gym. Lease: Stabilized to net by appraiser. Op. costs are \$4.00 PSF.
2	50 Street (4800 block) Camrose	1,007	n/a	Monthly	\$4.76	Physical: 1955-built, finished second floor office space situated in a multi-tenant building. Frontage onto Main Street in downtown Camrose. Lease: Stabilized to net by appraiser.
3	50 Street (4900 block) Camrose	600	Aug-20	1-yr	\$7.85	Physical: 1954-built, finished second floor office space situated in a multi-tenant building. Frontage onto Main Street in downtown Camrose. Lease: Stabilized to net by appraiser.
4	50 Street (4900 block) Camrose	1,868	May-21	6-yr	\$8.23	Physical: 1947-built office/retail space situated in downtown Camrose. Unit is main level retail space with frontage onto Main Street. Lease: Stabilized to net by appraiser. Op. costs are \$4.00 PSF.
5	50 Street (4900 block) Camrose	4,315	Sep-22	3-yr	\$9.06	Physical: 1975-built free-standing two storey retail building situated on Main Street in downtown Camrose. Lease includes partially finished basement (748 SF, not included in gross). Extensively updated. Lease: Stabilized to net by appraiser.
6	50 Street (4800 block) Camrose	2,600	Mar-22	n/a	\$10.00	Physical: 1965-built, commercial retail space situated on Main Street in downtown Camrose. Updated interior finishing. Good access to Highway 13 (48 Avenue). Lease: Net. MLS No. A1186405.

Survey of Comparable Improved Property Lease Rates (continued)

Index	Location	Area (SF)	Start Date	Total Term (Years)	Effective Rate (SF)	Comments
7	48 Avenue (5600 block) Camrose	3,850	Feb-17	5-yr	\$15.00	Physical: 1990-built, free-standing restaurant with good frontage onto Highway 13 (48 Avenue). Demised into a front restaurant area and rear kitchen/staff area. Lease: Net. Escalating rents. Op. Costs estimated to be \$6.35 PSF.
8	46 Street (5000 block) Camrose	1,281	Mar-19	5-yr	\$16.83	Physical: 1983-built, main level office/warehouse space situated on the eastern fringe of downtown Camrose. Demised into front office area and rear warehouse area. Updated interior décor. Lease: Stabilized to net by appraiser.
9	48 Avenue (5600 block) Camrose	1,564	Jan-16	5-yr	\$18.00	Physical: 1987-built, free-standing take-out only restaurant with good frontage onto Highway 13 (48 Avenue). Demised into a front reception area and rear kitchen/staff area. Lease: Net. Escalating rents.

Base Rent: These and other market lease agreements illustrate the wide range of lease rates from \$2.53 to \$18.00 PSF for comparable commercial spaces in the City of Camrose. The key variables that affect the lease rates include location, exposure, appeal of the property, leasable area, timing, and build out of the space.

The lower lease rates are associated with second level and basement level space with limited exposure/access while the higher lease rates are associated with main level space which have good exposure/access and/or are updated and utilized as restaurants.

Weighing the current economic conditions against the location, age, size, and overall utility of the Subject Property, a market net lease rate between **\$15.00 to \$18.00 PSF** would be reasonable for the main level restaurant area, EXCLUDING additional rent for fixtures, chattel, and leasehold improvements.

As shown in the market analysis above, main level units with superior street exposure/access obtain significantly higher lease rates than second level and basement level units which have limited exposure/access. As such, a market net lease rate between **\$4.00 to \$8.00 PSF** is considered reasonable for the second level unit, while **\$2.00 to \$4.00 PSF** is considered reasonable for the basement level unit, if finished.

Other Revenue: In order to be consistent with the contractual lease agreement, the additional rent for the restaurant fixtures, chattels and leasehold improvements have been included in the base rent for the main level unit. No additional revenue is anticipated.

Contractual versus Market Lease Rates

Reconciliation: The current contractual net effective lease rate for the main level unit, which includes the \$3,000/month rent allocated for the lease of the restaurant fixtures, chattels, and leasehold improvements, is estimated to be \$23.56 PSF. If the \$3,000/month rent is excluded, the contractual net effective lease rate is \$16.83 PSF ($\$7,500 \times 12 \text{ months} \div 5,349 \text{ SF GLA}$), which is at market.

The second level and basement level will both remain vacant and partially finished “As If Complete.”

As demonstrated in the preceding market survey analysis, the contractual net effective lease rate agreement for the main level unit (excluding the additional rent obtained from the rental of the restaurant fixtures, chattels, and leasehold improvements), is considered at market. As such, the full contractual lease rate of **\$23.56 PSF** will be utilized in the Pro Forma.

Since the second level and basement level units are both vacant and partially finished, a market net lease rate of **\$5.00 PSF** will be utilized for the second level unit while a market net lease rate of **\$2.00 PSF** will be utilized for the basement level unit.

Note that the capitalization rate has been selected to reflect both the stabilized market rates and the current income structure.

Other Variables

Recoverable Expenses: Operating expenses are the periodic expenditures necessary to maintain the real property and continue the production of the effective gross income.

The pro forma operating statement that follows provides a summary of the estimated operating expenses that are to be incurred by the landlord and recoverable from the tenant(s). Actual expenses were used if available and were otherwise stabilized. The estimated recoverable operating expenses for the Subject Property are in line with market norms.

The lease of the Subject Property is (or is assumed to be) on a triple net basis, as market rents are being applied in the valuation. As a result, the landlord recovers 100 percent of the operating expenses of the premises.

Vacancy and Collection Loss: Prudent purchasers analyzing investment properties recognize the potential for lost income through periodic vacancies or collection losses over the life of an investment. Generally, the lowest vacancy rates are associated with better properties and relatively tight local market conditions.

The rate used in the pro forma statement that follows is supported by knowledge of the market and through discussion with other knowledgeable local market participants.

Non-Recoverable Expenses: This expense relates to a relatively marginal provision to include the cost to provide utilities to vacant areas that are normally paid directly by the tenants to the utility providers.

Contingency / Structure Allowance: Typically, structural maintenance (capital expenditures) is not required on a routine or scheduled basis. Therefore, the amount estimated for this type of expense represents an annual increment that would allow for a larger periodic expenditure when necessary.

The percentage allotted is to reflect an annualized figure over the full life of the property. Typically, contingency/structure allowance is in the 0.5 to 2.0 percent range depending on age and overall condition of the property.

Capitalization Rate

The final step in valuing a property by the Income Approach involves the application of a capitalization rate to convert the NOI into an indication of value.

Overview: For this type of property, the most frequently used capitalization rate is the overall capitalization rate where $\text{capitalization rate} = (\text{NOI}/\text{Selling Price}) \times 100\%$. The rate is derived from the market, through the analysis of sales data of comparable properties.

Capitalization rates vary depending on factors such as location, lot size, the nature and quality of the improvements, and local market conditions. Consideration is also given to the terms of the lease arrangements and the strength of the contractual income.

In essence, the overall capitalization rate reflects the perceived quality and durability of the property's income earning potential. Newer industrial properties in active markets with strong rental histories or with the potential for an increase in value usually trade at comparatively low overall rates.

Conversely, capitalization rates for properties with older building improvements or newer properties in less active markets typically range significantly higher, reflecting the greater level of inherent risk and uncertainty.

Surveys: CBRE and Colliers International provide periodic capitalization rate reports for major Canadian centres. These reports are based on surveys of major market participants in given cities and are thus a good indicator of investor sentiment; however, they are not market derived.

The table to follow reflects capitalization rates for investment properties in the Edmonton CMA. The subject would likely be considered a combination a combination of Suburban Office "A" and retail, suggesting a wide rate range of 5.00% to 9.25%, if it were located in the Edmonton CMA. However, in smaller rural markets like Camrose, capitalization rates are typically 2.00% to 3.00% higher than that of the Edmonton CMA. As such, a capitalization rate range between 7.00% to 12.25% would be applicable for the Subject Property.

Industry Capitalization Rate Reports			
Type	Colliers 2023 Q1	CBRE 2023 Q1	Trend from Q4 2022
SUBURBAN OFFICE			
"A"	6.75-7.75%	8.25-9.25%	Flat to Up
"B"	7.00-8.50%	9.00-11.00%	Flat to Up
RETAIL			
Regional/Power	5.75-6.75%	5.00-7.00%	Flat
Grocery/Community/Strip (anchored)	5.75-6.75%	5.75-7.00%	Flat to Up
Neighbourhood/Strip	6.00-7.00%	6.50-7.00%	Flat to Up

Comparable Transactions: The most appropriate method of determining an overall capitalization rate is best served through an analysis of current market activity. Note that the estimated NOI reflects PGI, less a market-derived deduction for vacancy/collection, structural maintenance, and non recoverable occupancy costs.

Comparable Capitalization Rates									
Index	Location	Age	GLA (SF)	Land (SF)	Sale Price	Sale Date	NOI	NOI PSF	Cap. Rate
10	5016 - 51 Street Camrose	2003	2,247	6,000	\$385,000	Nov/19	\$29,814	\$13.27	7.74%
Comment: A free-standing, single-tenant building situated in the downtown core of Camrose. The building is being used as the super net and switching station for Bell Canada and is leased until 2023 at \$14.75 PSF triple net. The building has minimal interior finishing but good construction quality and professional landscaping.									
11	4901 50 Avenue Camrose	1954	19,476	24,000	\$2,360,000	Jan/20	\$190,245	\$9.77	8.06%
Comment: A free-standing, multi-tenant building situated on a corner lot in downtown Camrose. Anchored by Canada Post and Service Canada up to 2021/2022. 340 SF vacant at sale date. 3 mo/mo tenants. The basement space is leased on a gross basis.									
12	4929 - 50 Street Camrose	1975	4,315	3,000	\$368,000	23-Apr	\$35,449	\$8.22	9.63%
Comment: A free-standing, two-storey commercial retail building situated on Main Street in the historical downtown core of Camrose. Fully leased at the time of sale. Lease included the main floor, second floor, and partially finished basement area (748 SF, not included in gross). Partial lease stabilized to net by appraiser. Lease expires in 2025 with option to renew.									
13	4871 - 51 Street Camrose	1928 / 1994	3,476	5,942	\$270,000	Nov/20	\$28,502	\$8.20	10.56%
Comment: A free-standing, single-tenant building situated on a corner lot in downtown Camrose. Building is an older dwelling which was added onto and converted into a commercial retail space.									
14	4610 - 50 Avenue Camrose	1989	7,662	17,761	\$500,000	Jun/20	\$56,673	\$7.40	11.33%
Comment: A free-standing, multi-tenant building situated on the eastern fringe of downtown Camrose. Demised into three bays and a small hair salon. The eastern bay was vacant at the time of sale. NOI stabilized based on market rents.									
								Average:	9.47%

Reconciliation: Overall, a capitalization rate in the range of approximately 7.74% to 11.33% is suggested for the Subject Property. The best support is considered to be on the higher end of the range due to the fact that the second level and basement level are vacant and only partially finished.

Weighing the current economic conditions against the location, age, condition, layout, and overall utility of the Subject Property, a rate of **11.00%** is considered reasonable.

Pro Forma Operating Statement and Valuation by Direct Capitalization

The foregoing stabilized income and expense information was used in developing the following Pro Forma Operating Statement for the Subject Property.

Adjustments to the Income Approach Value: Note that the 'below-line' forecasted lease-up and holding costs reflect the costs estimated to be incurred by the property during the lease-up of the second floor vacant unit within the 6-month forecast period. The following assumptions and parameters were invoked for this analysis:

- A provision of **\$25.00 PSF** has been applied for potential landlord work required to build out the second level and basement level spaces to a point where they could be leased. This rate accounts for constructing demising walls, installing flooring/ceilings, plumbing requirements, electrical requirements, etc.
- Typical lease-up times vary widely. For the purpose of this analysis, a 6-month lease-up period is assumed. Over the forecasted period in which the second level and basement level units will remain vacant, lost minimum and additional rent is assumed to accrue.
- A lease-up commission fee of **5%** for the total forecasted lease terms of the second level and basement level units.

Pro Forma Operating Statement and Income Approach Valuation
4917 - 47 Street, Camrose AB, T4V 1J9
(12 months forthcoming as of effective date)

REVENUE				
Base Rent Revenue				
Main Level (contractual, triple net, includes rental of restaurant improvements):	5,349	\$23.56	\$126,000	
Second Level (market, triple net):	5,321	\$5.00	\$26,605	
Basement Level (market, triple net):	5,056	\$2.00	\$10,112	
Sub-Total:	15,726	\$10.35	\$162,717	
Expense Reimbursement Revenue				
Property Taxes (actual 2023 levy):		\$0.30	\$4,724	
Insurance (estimated):		\$0.29	\$4,500	
Repairs & Maintenance (stabilized*):	5%	\$0.52	\$8,136	
Admin. & Management (stabilized**):	5%	\$0.57	\$9,004	
Sub-Total:		\$1.68	\$26,364	
Potential Gross Income (PGI):				\$189,081
Less: Vacancy & Collection Loss:	5.00%		(\$9,454)	
Effective Gross Income (EGI):				\$179,627
EXPENSES				
Recoverable Operating Expenses				
Operating Expenses:		\$1.68	\$26,364	
Sub-Total:			\$26,364	
Other Expenses				
Provision for Non-Recoverable Expenses due to Vacancy:	\$2.00	\$0.10	\$1,573	
Contingency/Structure Allowance:	2.0%	\$0.67	\$3,593	
Sub-Total:			\$3,593	
Total Expenses:				\$29,957
VALUATION				
Net Operating Income (NOI):				\$149,670
Capitalization Rate:				11.00%
Value by the Income Approach (rounded):				\$1,361,000
Forecasted Lease-Up Costs				
Lost Rent: (assumed six month lease-up period):			\$53,685	
Lost Recoveries (assumed six month lease up period):			\$8,698	
Provision for Landlord Work (\$25 PSF, 5-year lease):			\$259,425	
Estimated Lease-up Commission (5% of term):			\$9,179	
Total Lease-Up Costs (Rounded):				\$331,000
Final Value by the Income Approach (Rounded):				\$1,030,000

* Percentage of base rent revenue.

** Percentage of base rent and recoverable operating expenses.

Value by the Income Approach: \$1,030,000

Value premised on the Extraordinary Assumptions and Hypothetical Conditions stated on Page 63.

Reconciliation and Final Valuation

The estimated values of the Subject Property as derived by the valuation approaches were:

Direct Comparison: Quantitative Analysis
Range of \$83 to \$93 PSF
Final unit value: \$87 PSF
Estimated Value: \$1,039,000

Income Approach: Direct Capitalization
Vacancy Provision: 5.00%
NOI: \$149,670 (\$9.52 PSF)
Capitalization Rate: 11.00%
Estimated Value: \$1,361,000
Less: Forecasted Lease-Up Costs: \$331,000
Estimated Value: \$1,030,000

Value premised on the Extraordinary Assumptions and Hypothetical Conditions stated on Page 63.

The Direct Comparison valuation reflects the actions of a large sector of purchasers who would be more interested in the physical characteristics of the property than its notional investment potential. The Subject Property would appeal to a wide array of purchasers who would look to the property's potential for their own use. Therefore, this approach provides primary valuation support.

The Income Approach was used recognizing the fact that some properties that are similar to the Subject Property are tenant-occupied investment holdings. The weakness of the Income Approach is that it was premised on a mix of contractual lease rates and estimated market lease rates rather than all current, stable, and long term contract based data alone. Nevertheless, the Income Approach provides good secondary support.

In the final reconciliation both approaches have been considered with slightly more weight placed on the Direct Comparison Approach.

Market Activity Related to the Subject Property: The Subject Property sold for \$225,500 on December 10, 2021 (transferred title on April 7, 2022). NOTE: This sale price occurred prior to any of the recent renovations and is therefore not considered to be indicative of the current market value.

There is no other transfer history known to have taken place concerning the Subject Property during the past three years (per land titles and client).

Exposure Time: The appraised value is based on a reasonable Exposure Time of up to 180 days, typical for a property of this type in the local market. The Exposure Time was estimated through analysis of market data and assumes that the property was listed for sale at a reasonable asking price.

Based on the research and analyses completed herein, the current "As If Complete" Market Value as of August 31, 2023, of the identified interest in the Subject Property may be fairly stated as:

ONE MILLION THIRTY-FIVE THOUSAND (\$1,035,000) DOLLARS

Value premised on the Extraordinary Assumptions and Hypothetical Conditions stated on Page 63.

Certificate of the Appraiser

Re: "As If Complete" real estate appraisal of a multi-user commercial property located at 4917 - 47 Street, Camrose, Alberta. Legally described as: Lot 10A, Block 33, Plan 7722174, excepting thereout all mines and minerals.

I certify that, to the best of my knowledge and belief that:

- 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 impartial and unbiased professional analyses, opinions, and conclusions.
- I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict of with respect to the parties involved with this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in and compensation is not contingent upon developing or reporting predetermined results, the amount of value estimate, a conclusion favouring the client, or the occurrence of a subsequent event.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the CUSPAP.
- I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP.
- Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report.
- As of the date of this report the undersigned has fulfilled the requirements of the AIC's Continuing Professional Development Program.
- The undersigned is a member in good standing of the Appraisal Institute of Canada.

Based on the research and analyses completed herein, the current "As If Complete" Market Value as of August 31, 2023, of the identified interest in the Subject Property may be fairly stated as:

ONE MILLION THIRTY-FIVE THOUSAND (\$1,035,000) DOLLARS

Value premised on the Extraordinary Assumptions and Hypothetical Conditions stated on Page 63.



Jacobus Slabbert, BA, AACI, P.App.
Appraiser, AIC Membership No. 904234
Report Date: September 25, 2023
Inspection Date: August 31, 2023
Source of Digital Signature: Foxit.

NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.

Annex A – Value Indicator Data Sheets


Value Indicator 1

	<p>Commercial Investment Building Sale</p> <p>Office: Suburban</p>	<p>Zone 1 SE *</p> <p>Property Number 111840</p>																				
	<p>Address 4610 50 Avenue</p>																					
	<p>Subdivision: Camrose</p>																					
	<p>Legal Description: 2/32/2751RS</p>																					
	<p>Zoning Class: C1</p>																					
	<p>Site Area: 17,758.00 Sq Ft</p>																					
	<p>Building Area: 7,662 Sq Ft</p>																					
	<p>Sale Price: \$500,000</p>																					
	<p>Sale Date: May 23, 2020</p>																					
	<p>Transfer Number: 202122282</p>																					
	<p>Year Built: 1989</p>																					
<p>Linc #: 0010125921</p>																						
<p>Sale Terms</p> <hr/> <p>MLS Sale #CA0148931: Cash/Mortgage</p>																						
<p>Assessments</p> <hr/> <p>Total \$540,100 Year 2020</p> <p>Roll# 304100</p>																						
<p>Vendor</p> <hr/> <p>629623 Alberta Ltd.</p>																						
<p>Purchaser</p> <hr/> <p>Jesus Cares Christian Fellowship</p>																						
<p>Improvements Description</p> <hr/> <p>One-storey, multi-user concrete block commercial building with newer tar/gravel roof (2017). Consists of three bays with office/retail area in front and warehouse space in the rear. Site is situated on the northeastern fringe of downtown Camrose.</p>																						
<p>Site Improvements</p> <hr/> <p>Basic landscaping and a large rear gravel parking area.</p>																						
<p>Income Analysis</p> <hr/> <table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Gross Annual Income</td> <td style="width: 30%;">\$82,827</td> <td style="width: 30%;">Gross Income Multiplier</td> <td style="width: 10%;">0.00</td> </tr> <tr> <td>Vacancy</td> <td>4,141 [5.0%]</td> <td>Sale Price /Sq Ft</td> <td>\$65.26</td> </tr> <tr> <td>Operating Expenses</td> <td>\$22,013</td> <td>Overall Capitalization Rate</td> <td>11.33 %</td> </tr> <tr> <td>Net Operating Income</td> <td>\$56,673</td> <td>Net Income/Unit</td> <td>7.39</td> </tr> <tr> <td></td> <td></td> <td>IRR</td> <td>0.00 %</td> </tr> </table>			Gross Annual Income	\$82,827	Gross Income Multiplier	0.00	Vacancy	4,141 [5.0%]	Sale Price /Sq Ft	\$65.26	Operating Expenses	\$22,013	Overall Capitalization Rate	11.33 %	Net Operating Income	\$56,673	Net Income/Unit	7.39			IRR	0.00 %
Gross Annual Income	\$82,827	Gross Income Multiplier	0.00																			
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Net Operating Income	\$56,673	Net Income/Unit	7.39																			
		IRR	0.00 %																			
<p>Comments</p> <hr/> <p>A multi-tenant mixed retail/office/warehouse building situated on the northeast side of downtown Camrose. Demised into three bays with retail/office areas in the front, rear warehouse space, and loading docks. One of the bays also had a small hair salon retail space.</p>																						
<p><small>Prepared by HarrisonBowker Valuation Group on Sep 14, 2023. All opinions, estimates, data, and statistics furnished by other sources is believed to be reliable. Possession of this report or copies thereof does not carry with it the right of publication. Visit http://www.harrisonbowker.com for more info.</small></p>																						

Value Indicator 2

HB	Commercial Owner/User Building Sale Retail: General	Zone 1 SE * Property Number 113918
	Address 221 Main Street Subdivision: Trochu Legal Description: 11/1/8210AK Zoning Class: CB Site Area: 3,250.00 Sq Ft Building Area: 2,300 Sq Ft Site Coverage Ratio: Sale Price: \$169,900 Unit Value: 73.87 Sq Ft Sale Date: Apr 21, 2023 Transfer Number: 231185283 Year Built: 1935 Linc #: 0018495193	
<u>Sale Terms</u> MLS Sale #A2022079: Cash	<u>Assessments</u> Total Year 0 Roll#	
<u>Vendor</u> S. & J. Sinclair	<u>Purchaser</u> Ishan Petrochemicals (Canada) Inc.	
<u>Improvements Description</u> Two-storey, mixed-use wood/brick framed building. Main floor demised into an open sitting area with service counter, a bathroom, and rear kitchen/staff area (operating as a coffee shop). Second floor demised into bedrooms/office areas, a kitchen, and a bathroom. Partial basement is unfinished (not included in gross). Updated furnace, windows, and electrical.	<u>Site Improvements</u> Minimally landscaped with rear parking area.	
<u>Comments</u> Two-storey mixed-use commercial/residential building situated in downtown Trochu with frontage exposure onto Main Street.		
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Value Indicator 3




Commercial Investment Building Sale

Retail: General

Zone 1 SE *

Property Number 114065



Address
5032 50 Avenue

Subdivision: Red Deer
Legal Description: 19,20,Pt.21/11/795HW

Zoning Class: C1

Site Area: 17,785.00 Sq Ft

Building Area: 10,401 Sq Ft

Sale Price: \$862,500

Sale Date: Apr 12, 2022

Transfer Number: 222215464

Year Built: 1948

Linc #: 0013184296

Sale Terms

MLS Sale #A1162310:
Cash

Assessments

Total Year 0
Roll#

Vendor

1181115 B.C. Ltd.

Purchaser

2420847 Alberta Ltd.

Improvements Description

Two-storey split style, multi-user masonry/concrete block commercial building. Main floor (9,288 SF) demised into open retail space, a washroom, kitchenette, and rear staff area. Second floor (1,173 SF) developed into office space, reception area, bathroom, and storage. Full basement (9,200 SF, not included in gross) is partially finished and demised into an open space.

Site Improvements

Minimally landscaped with a concrete walkway and paved parking.

Income Analysis

Gross Annual Income	\$0	Gross Income Multiplier	0.00
Vacancy	0 []	Sale Price /Sq Ft	\$82.92
Operating Expenses	\$0	Overall Capitalization Rate	0.00 %
Net Operating Income	\$0	Net Income/Unit	0.00
		IRR	0.00 %

Comments

Historical multi-user commercial building known as "Builders' Hardware" building which is situated in downtown Red Deer. Fronts onto Gaetz Avenue and backs onto Highway 2A.

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Value Indicator 4

HB

Commercial Investment Building Sale

Retail: General

Zone 1 SE *

Property Number 113788



Address
4929 50 Street

Subdivision: Camrose
Legal Description: 18/6/RN28

Zoning Class: C1

Site Area: 3,000.00 Sq Ft

Building Area: 4,315 Sq Ft

Sale Price: \$368,000

Sale Date: May 18, 2023

Transfer Number: 122368033

Year Built: 1975

Linc #: 0015250632

<u>Sale Terms</u>	<u>Assessments</u>
MLS Sale #A2009215: Cash/Mortgage	Total Year 0 Roll#
<u>Vendor</u>	<u>Purchaser</u>
1441558 Alberta Ltd.	2503842 Alberta Ltd.

<u>Improvements Description</u>	<u>Site Improvements</u>
Two-storey, single-user concrete block retail commercial building. Main floor (2,144 SF) demised into showroom, office, storage rooms. Second floor (2,171 SF) demised into showroom, bathrooms, offices, lunchroom, mechanical room. Basement is partially finished and used for storage (748 SF, not included in gross). Extensively renovated in 2011.	Minimally landscaped with a concrete walkway and rear gravel parking.

<u>Income Analysis</u>			
Gross Annual Income	\$52,821	Gross Income Multiplier	0.00
Vacancy	2,641 [5.0%]	Sale Price /Sq Ft	\$85.28
Operating Expenses	\$14,731	Overall Capitalization Rate	9.63 %
Net Operating Income	\$35,449	Net Income/Unit	8.21
		IRR	0.00 %

Comments

Single-user, two storey commercial retail building situated in the historical downtown core of Camrose. Property fronts onto Main Street (50 Street). Current tenant lease expires 2025 with option to renew. Lease includes the partially finished basement area (748 SF, not included in gross). Partial lease stabilized to net by appraiser.

Prepared by HarrisonBowker Valuation Group on Sep 14, 2023. All opinions, estimates, data, and statistics furnished by other sources is believed to be reliable. Possession of this report or copies thereof does not carry with it the right of publication. Visit <http://www.harrisonbowker.com> for more info.

Value Indicator 5


HB

Commercial Investment Building Sale

Office: Suburban

Zone 1 SE *

Property Number 114066



Address
4901 50 Avenue

Subdivision: Camrose

Legal Description: A/6/RN28

Zoning Class: C1

Site Area: 24,000.00 Sq Ft

Building Area: 20,268 Sq Ft

Sale Price: \$2,360,000

Sale Date: Jan 27, 2020

Transfer Number: 202059033

Year Built: 1954

Linc #: 0015246507

<u>Sale Terms</u>	<u>Assessments</u>
Private Sale:	Total Year 0
Cash/Mortgage	Roll#
<u>Vendor</u>	<u>Purchaser</u>
1485445 Alberta Ltd.	1564082 Alberta Ltd.

<u>Improvements Description</u>	<u>Site Improvements</u>
Two-storey, multi-user concrete block building. Demised into 20,268 SF on two levels. GLA of 19,476 SF of which 17,123 SF is above grade and 2,353 SF below grade (basement). Anchored by Canada Post and Service Canada. Typical office grade finishing throughout. Half a block of Main Street.	Landscaped in front with grass, trees, and concrete walkways. Rear paved parking.

<u>Income Analysis</u>			
Gross Annual Income	\$306,318	Gross Income Multiplier	0.00
Vacancy	22,974 [7.5%]	Sale Price /Sq Ft	\$116.44
Operating Expenses	\$93,099	Overall Capitalization Rate	8.06 %
Net Operating Income	\$190,245	Net Income/Unit	9.38
		IRR	0.00 %

Comments

Two-storey multi-user commercial building situated in downtown Camrose. Anchor tenants include Canada Post and Service Canada which occupy 14,542 SF to 2021/22. 340 SF vacant at sale date. 3 mo/mo tenants. Basement space is leased on a gross basis.

Prepared by HarrisonBowker Valuation Group on Sep 14, 2023. All opinions, estimates, data, and statistics furnished by other sources is believed to be reliable. Possession of this report or copies thereof does not carry with it the right of publication. Visit <http://www.harrisonbowker.com> for more info.

Annex B - Definitions

Glossary of Terms

The terms following have been sourced from the current version of CUSPAP, The Appraisal of Real Estate, Third Canadian Edition 2010, the HarrisonBowker library, and/or other sources deemed reliable.

Condominium Estate: A multi-unit structure or property in which persons hold fee simple title to individual units and undivided interest in common areas.

Currency: The final value estimate stated in this report is expressed in terms of Canadian dollars cash.

Effective Date: The date at which the analyses, opinions and conclusions in an assignment apply. The Effective Date may be different from the inspection date and/or the report date.

Exposure Time: The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the Effective Date of the appraisal.

Extraordinary Assumption: An assumption, directly related to a specific Assignment, which, if found to be false, could materially alter the opinions or conclusions. Extraordinary Assumptions presume as fact otherwise uncertain information about or anticipated changes in the physical, legal, or economic characteristics of the Subject Property, or about conditions external to the Subject Property such as market conditions or trends, or the integrity of data used in an analysis.

Extraordinary Limiting Condition: A necessary modification to, or exclusion of, a Standard Rule which may diminish the reliability of the report.

Fee Simple Estate: An estate of absolute ownership unencumbered by any other interest or estate, subject only to the limitations by the four powers of government: taxation, expropriation, police power, and escheat.

Forced Sale Value: A Forced Sale Value implies a reduced selling period and a compulsion to sell Real Property. Also known as: "liquidation value," "distress sale" or "power of sale." A Forced Sale Value reflects a situation where:

- the seller is under compulsion to sell (and may be an unwilling seller);
- consummation of the sale is within a short period of time; and
- normal marketing time is not possible due to a brief Exposure Time.

A forced sale is a description of the situation under which a sale takes place, resulting in a value that does not fully meet the definition of Market Value.

Gross Building Area: Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls; includes both the superstructure floor area and the substructure or basement area.

Gross Leasable Area: Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the centre of joint partitioning to the outside wall surfaces.

Highest and Best Use: The reasonably probable use of real property, which is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value.

Hypothetical Condition: Hypothetical Conditions are a specific type of an Extraordinary Assumption that presumes, as fact, simulated but untrue information about physical, legal, or economic characteristics of the Subject Property or external conditions, and are imposed for purposes of reasonable analysis.

Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term under the conditions specified in the lease.

Leased Fee Estate: The ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.

When (if) the lease(s) on the property expires, the property rights revert to a Fee Simple Estate.

Market Value: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in precisely revealed terms, for which the specified property rights should sell under reasonable exposure in a competitive market under all condition's requisite to a fair sale, with the buyer and seller each acting prudently, and knowledgeably, and for self-interest, assuming that neither is under duress.

Net Effective Rent: The rental rate net of financial concessions such as period of no rent during the lease term and above- or below-market TIs [tenant improvement allowances, inducements, rent abatements, etc.].

Operating Expenses: The periodic expenditures necessary to maintain the real property and continue production of the effective gross income, assuming prudent and competent management.

Subject Property: Refers to the property (real estate) that has been appraised within this report. The term is intended to be generic and read in appropriate context.

Value Indicator(s): Consummated or pending sales, or active or expired listings, which have been selected and analyzed by the appraiser(s) for comparison to the Subject Property. The Value Indicators are utilized to provide an estimate of Market Value for the Subject Property via the Direct Comparison Approach. Also known as comparables or comparable sales.

Annex C - Assumptions

Assumptions, Limiting Conditions, Disclosures, Limitations of Liability

The report is subject to the following Assumptions, Limiting Conditions, Disclosures, and Limitations of Liability; and any others which may be stated elsewhere in the report. The list to follow contains 'Mandatory Clauses' as defined by the AIC. The certification that appears in this appraisal report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP") and the following conditions:

1. HarrisonBowker Valuation Group is a trade name of HarrisonBowker Real Estate Appraisers Ltd. The opinions expressed in this report are those of the author and not necessarily those of HarrisonBowker Real Estate Appraisers Ltd.
2. This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
3. Because market conditions, including economic, social, and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the Effective Date specified in this report unless specifically authorized by the author(s).
4. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. Unless otherwise noted within the report, no registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor, or other appropriate experts to verify matters of ownership and/or title.
5. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
6. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
7. If the Subject Property is a condominium Fee Simple Estate, it is assumed that there are no major costs currently required within the subject common area that cannot be covered by the existing contingency fund; that there are no legal actions outstanding or are contemplated against the subject complex; and, that there is a board of directors managing the affairs of the subject condominium association in a diligent manner.

It is further assumed that monthly condominium fees and the balance contained in the capital reserve fund will be adequate to cover all costs of maintaining the common property and any capital items that will be required. It is assumed that Reserve Fund Studies are completed as per Alberta's Condominium Act. The review of the Reserve Fund Study is beyond the Scope of this report. The appraiser will not be held liable if the balance in the reserve fund is inadequate to pay for required repairs and maintenance.

8. This report is completed on the basis that testimony or appearance in court concerning this report 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 report and related data, and the provision of appropriate compensation.
9. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the Subject Property or of/on a neighbouring property that could affect the value of the Subject Property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. 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 author. 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.
10. The author is not qualified to comment on detrimental environmental, chemical, or biological conditions 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 which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical, and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical legal and biological conditions that may affect the Market Value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical, or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical, or biological matters on the Market Value of the property.
11. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
12. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing, and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
13. 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 author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship, or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.

14. 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 CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author 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 CUSPAP and in accordance with the author'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 author's privacy policy and in accordance with the PIPEDA.
15. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
16. This report, its content and all attachments/addendums and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
17. 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 author can be reasonably relied upon.
18. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.
19. The Cost Approach has only been developed by the appraiser(s) as an analysis to support their opinion of the property's Market Value. Use of this data, in whole or part, for other purposes is not intended by the appraiser(s). Nothing set forth in the appraisal should be relied upon for the purpose of determining the amount or type of insurance coverage to be placed on the Subject Property. The appraiser(s) assumes no liability for and does not guarantee that any insurable value estimate inferred from this report will result in the Subject Property being fully insured for any loss that may be sustained. Further, the Cost Approach may not be a reliable indication of replacement or reproduction cost for any date other than the Effective Date of this appraisal due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements.
20. The professional liability insurance of the appraiser(s) is limited to \$2,000,000; therefore, the appraiser(s) is exempt from any responsibility or loss for errors or omissions over and above this amount.

Extraordinary Assumptions, Hypothetical Conditions, Extraordinary Limiting Conditions

CUSPAP 2022 defines an Extraordinary Assumption as an assumption, which presumes “uncertain information about or anticipated changes in: the physical, legal or economic characteristics of the subject property; or about: conditions external to the subject property such as market conditions or trends, or the integrity of data used in an analysis to be fact.”² The definition is further expanded by the application of the term Hypothetical Condition, which is a specific type of an Extraordinary Assumption that “presumes, as fact, simulated but untrue information about physical, legal, or economic characteristics of the subject property or external conditions, and are imposed for purposes of reasonable analysis”.³ An Extraordinary Limiting Condition refers to a “necessary modification to, or exclusion of, a Standard Rule which may diminish the reliability of the report”.⁴

The valuation is subject to the following:

Hypothetical Condition and Extraordinary Assumption: It is assumed the site development and building construction has been completed as per the specifications provided by the client, and that the development has been approved by the municipal development authority. Likewise, it is assumed that all historical designation regulations and bylaws have been complied with and that the provided plans have been approved by the City of Camrose. For the purposes of this appraisal, it is assumed that the “As If Complete” condition of the Subject Property will be as follows:

- The main level interior will be fully finished, and all the kitchen/bar equipment will be installed and in working order.
- The patio area will be finished with a railing.
- The basement and second floor levels, which were partially finished on the date of inspection, will remain “As Is.”
- The exterior of the building and site improvements, which were fully finished on the date of inspection, will remain “As Is.”

Extraordinary Assumption: It is assumed that only good quality materials and labour will be used in the completion of the proposed improvements, and that all necessary permits and authorizations will be obtained and complied with.

Extraordinary Limiting Condition: Any change to the “As If Complete” assumptions made in this report may cause the opinion of value stated to change.

This valuation is not subject to any other Extraordinary Assumptions, Hypothetical Conditions, or Extraordinary Limiting Conditions.

² CUSPAP Sec. 3.25.

³ CUSPAP Sec. 3.33.

⁴ CUSPAP Sec. 3.26.

Annex D – Legal Documents

Certificate of Title



LAND TITLE CERTIFICATE

S
 LINC SHORT LEGAL TITLE NUMBER
 0014 131 354 7722174;33;10A 222 081 517

LEGAL DESCRIPTION
 PLAN 7722174
 BLOCK 33
 LOT 10A
 EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
 ATS REFERENCE: 4;20;47;2;SW

MUNICIPALITY: CITY OF CAMROSE

REFERENCE NUMBER: 212 277 048

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
222 081 517	07/04/2022	TRANSFER OF LAND	\$225,500	\$225,500

OWNERS
 2191109 ALBERTA LTD.
 OF 5027 50 STREET
 CAMROSE
 ALBERTA T4V 1N2

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
852 129 316	25/06/1985	ORDER "HISTORICAL RESOURCES ACT, SECTION 16"

TOTAL INSTRUMENTS: 001

(CONTINUED)

PAGE 2
222 081 517

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 23 DAY OF AUGUST,
2023 AT 02:21 P.M.

ORDER NUMBER: 48151249

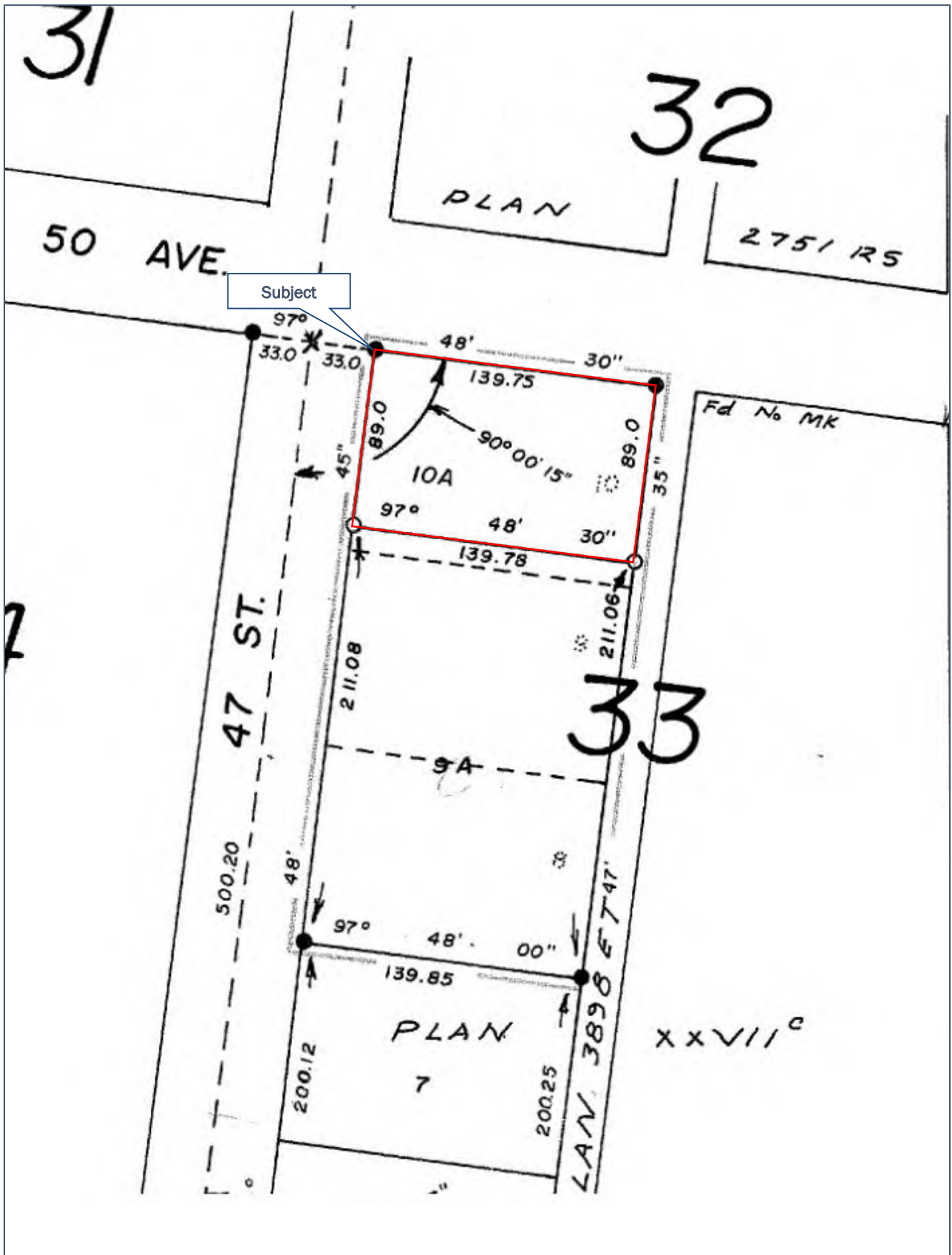
CUSTOMER FILE NUMBER: 28465



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED
FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER,
SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

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INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION,
APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
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Annex E – Extracts from Planning Documents

Zoning Bylaws

City of Camrose

Land Use Bylaw 3222-22

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15.0 COMMERCIAL DISTRICTS

15.1 C1 – CENTRAL/DOWNTOWN COMMERCIAL DISTRICT

15.1.1 Purpose

The purpose of the C1 Central/Downtown Commercial District is to allow for development that will support the revitalization of the City's historic downtown centre. The downtown area includes the original townsite of Sparling and later, the town of Camrose.

The downtown area is in transition from the former commercial service centre to a mixed-use commercial, institutional, residential and cultural centre in the heart of the City of Camrose. With many retail commercial businesses choosing to develop outside of the downtown core, there is increasing focus on permitting a wider range of land uses, including residential and institutional development, within the downtown.

15.1.2 Uses

Permitted Uses (continued on next page)	Discretionary Uses
<u>Bars and Pubs</u>	<u>Community Facility</u>
<u>Boarding House</u>	<u>Contractor Service</u>
<u>Business Support Service</u>	<u>Drive-Through Business</u>
<u>Commercial School</u>	<u>Funeral Home</u>
<u>Day Care Facility</u>	<u>Gas Bar</u>
<u>Entertainment Facility</u>	<u>Health Facility, Major</u>
<u>Financial Institution</u>	<u>Model Unit</u>
<u>Government Service</u>	<u>Specialized Financial Institutions *</u>
<u>Health Facility, Minor</u>	<u>Veterinary Clinic</u>
<u>Home Office**</u>	<u>Warehouse</u>
<u>Home Occupation</u>	
<u>Hotel</u>	
<u>Live Work Unit</u>	
<u>Mixed Use Development</u>	
<u>Park</u>	
<u>Personal Service</u>	
<u>Pet Service</u>	
<u>Professional Services</u>	
<u>Recreation Facility, Indoor</u>	
<u>Recreation Facility, Outdoor</u>	
<u>Restaurant</u>	
<u>Retail Store (Cannabis)</u>	
<u>Retail Store (Convenience)</u>	

<u>Retail Store (General)</u>	
<u>Retail Store (Liquor)</u>	
<u>Specialty Food Service</u>	
<u>Theatre</u>	
<u>Utility Structure</u>	

* Provided that it is located a minimum of 500 m from any other Specialized Financial Institution, as measured from the property line.

**Development Permit not required, as per Subsection 5.2

15.1.3 Site Regulations

Minimum <u>Lot Area</u>	165.0 m ²
Minimum <u>Lot Width</u>	4.5 m

15.1.4 Site Development Regulations

Minimum <u>Front Yard Setback</u>	0.0 m 3.0 m for ground floor residential uses
Maximum <u>Front Yard Setback</u>	1.0 m along 50 th Street
Minimum <u>Flanking Side Yard</u>	0.0 m (must meet <u>sight triangle</u> regulations)
Minimum <u>Side Yard Setback</u>	0.0 m
Minimum <u>Rear Yard Setback</u>	3.0 m 6.0 m for ground floor residential uses
Maximum <u>Building Height</u>	12.0 m along 50 th Street 16.0 m; or 30.0 m where the additional height above 16.0 m is used entirely for residential uses

15.1.5 Additional Regulations

- (a) Parking shall not be permitted in the front yard.
- (b) Residential and non-residential uses shall have separate entrances from grade.
- (c) A single residential use shall be permitted on the ground floor of parcels adjacent to 50th Street provided that the total size of the dwelling unit does not exceed 40% of the ground floor area to a maximum of 100m².
- (d) With the exception of development along 50th Street, the maximum height of a development may be increased from 16.0 m to 30.0 m provided that:
 - i) The additional building height is provided for residential development only;
 - ii) The development provides a minimum of 75% of the required parking underground or in a structured parking facility;
 - iii) All development shall have a stepback of a minimum of 2.0 m above the 4th storey from

City of Camrose

Land Use Bylaw 3222-22

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all primary facades; and

- iv) Any additional floors above three (3) storeys shall be set back at the front, rear, or side minimum setback line, by an additional setback from the primary wall face of at least 2.0 m.
- (e) All development shall be subject to the site development regulations in Section 9.0 General Regulations.
- (f) All uses which include specific use regulations in Section 9.0 General Regulations shall be subject to the regulations within the applicable section.
- (g) Parking shall be in accordance with Section 10.0 Parking and Loading Requirements. Variances to parking may be granted in accordance with Subsection 6.11.
- (h) Landscaping shall be in accordance with Section 11.0 Landscaping.
- (i) Signs are permitted in accordance with Section 12.0 Sign Regulations.

15.1.6 Discretionary Use Criteria and Considerations

An applicant applying for a discretionary use shall demonstrate, to the satisfaction of the Development Authority that the proposed use conforms to all relevant sections of the Municipal Development Plan and will not adversely impact the surrounding community. Should the use have more than a potential minor impact based on the criteria the application shall be declined. In carrying out this assessment the Development Authority shall consider the following criteria as it applies to the respective use:

- (a) Community Facility
 - i) That the use shall not result in blank walls or spaces along the street frontage resulting in inactivity; and
 - ii) That the site layout and building design shall not adversely impact the existing urban form or be contrary to the policies within the Municipal Development Plan with regards to the development of the Downtown.
- (b) Contractor Service
 - i) That the site layout and building design shall not adversely impact the existing urban form or be contrary to the policies within the Municipal Development Plan with regards to the development of the Downtown.
- (c) Drive-Through Business
 - i) Shall not be permitted on parcels adjacent to 50th Street.
 - ii) That the use shall not adversely impact the pedestrian-friendly urban character of the streetscape; and
 - iii) That the use shall not adversely impact the free movement of pedestrian along the sidewalks; and
 - iv) That the site layout and building design shall not adversely impact the existing urban form or be contrary to the policies within the Municipal Development Plan with regards to the development of the Downtown.
- (d) Funeral Home
 - i) That the use shall not adversely impact the pedestrian-friendly urban character of the

- streetscape; and
- ii) That the site layout and building design shall not adversely impact the existing urban form or be contrary to the policies within the Municipal Development Plan with regards to the development of the Downtown.
- (e) Gas Bar
- i) Shall not be permitted on parcels adjacent to 50th Street.
- ii) That the use shall not adversely impact the free movement of pedestrian along the sidewalks and
- iii) That the use shall not adversely impact the pedestrian-friendly urban character of the streetscape; and
- iv) That the site layout and building design shall not adversely impact the existing urban form or be contrary to the policies within the Municipal Development Plan with regards to the development of the Downtown.
- (f) Health Facility, Major
- i) That the use shall not adversely impact the pedestrian-friendly urban character of the streetscape; and
- ii) The site layout and building design shall not adversely impact the existing urban form or be contrary to the policies within the Municipal Development Plan with regards to the development of the Downtown.
- (g) Live Work Unit
- i) Notwithstanding the requirements of Section 15.1.4, a minimum 1.0 m front and rear yard setback shall apply.
- (h) Mixed-Use Development
- i) That the site layout and building design should not adversely impact the commercial uses in the immediate area or be contrary to the policies within the Municipal Development Plan; and
- ii) That residential uses shall not be permitted on the ground floor of the building; and
- iii) That residential and non-residential uses shall have separate entrances from grade; and
- iv) That the site layout shall include a sidewalk or walkway allowing safe pedestrian access to and from the residential entrance to a public sidewalk; and
- v) That any residential development above 14.0 m shall stepback from the principal façades of the building a minimum of 2.0 m to reduce the bulk and massing of the development; and
- vi) That the residential component of the development shall use proven building and construction technologies to reduce noise audible from within the dwelling unit; and
- vii) That the residential component of the development shall be designed and sited so as to minimize any impacts from the commercial component of the development related to noise, traffic circulation or loss of privacy.
- (i) Veterinary Clinic
- i) That the use shall not generate significant noise or odour beyond the site that may impact the use and enjoyment of the neighbouring properties; and

City of Camrose

Land Use Bylaw 3222-22

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- ii) The site layout and building design shall not adversely impact the existing urban form or be contrary to the policies within the Municipal Development Plan with regards to the development of the Downtown.
- (j) Warehouse
 - i) Shall not be permitted on parcels adjacent to 50th Street.
 - ii) That the use shall not result in blank walls or spaces along the street frontage resulting in inactivity; and
 - iii) The site layout and building design shall not adversely impact the existing urban form or be contrary to the policies within the Municipal Development Plan with regards to the development of the Downtown.

Commercial Uses	
Land Use	Minimum Number of Parking Stalls Required
Any commercial <u>use</u> (sales or service), unless otherwise listed in this section	1.0 stall per 40 m ² of <u>public floor area</u>
Any commercial <u>use</u> (sales or service), within the C1 Central/Downtown Commercial District	1.0 stall per 80m ² of <u>public floor area</u>
<u>Airport</u>	2.0 stalls per lease <u>site</u>
<u>Bars and Pubs; Restaurants</u>	1.0 stall per 10 m ² of <u>public floor area</u> ; or 1.0 stall per 8 seats
<u>Campground</u>	1.0 stall per <u>campsite</u> (provided on <u>campsites</u>); and 1.0 stall per 20 <u>campsites</u> for visitor parking.
<u>Casino, Theatre</u>	1.0 stall per 20 m ² of <u>public floor area</u> ; or 1.0 stall per 8 seats
<u>Commercial School</u>	1.0 stall per 15m ² of <u>public floor area</u> ; or 1.0 stall per 5 students
<u>Contractor Service</u>	1.0 stall per 35m ² of <u>floor area</u>
<u>Day Care Facility</u>	0.75 stall per employee
<u>Entertainment Facility</u>	1.0 stall per 10 m ² of <u>public floor area</u> ; or 1.0 stall per 8 seats
<u>Health Facility, Major and Health Facility, Minor</u>	1.0 stall 40 m ² of <u>floor area</u>
<u>Hotel</u>	1.0 parking space per guest room.
<u>Professional Service</u>	1.0 stall per 40 m ² of <u>floor area</u>
<u>Restaurant and Specialty Food Service</u>	1.0 stall per 10 m ² of <u>public floor area</u> ; or 1.0 stall per 8 seats