WEST HANTS REGIONAL MUNICIPALITY REPORT

Information ☐	Recommendation x	Decision Request ☐	Councillor Activity ☐

To: Mayor Zebian and Members of Council

Submitted by:

Mark Phillips, Chief Administrative Officer

Date: September 23, 2025

Subject: Closure of the Windsor Court House – Proposal to Deem Property Surplus and Issue Request for Proposals for Redevelopment

LEGISLATIVE AUTHORITY

Municipal Government Act (MGA) Section 50 5(b) Allows for sale of land at market value when property is not needed, Section 51 Allows for sale of land at less than market value to non-profit
***Note: If Market value is above $10,000 and want to sell below market value then a Public Hearing is required.

RECOMMENDATION or DECISION REQUEST

That Council deem the property and building known as the Hants County Court House located at 226 King Street (PID #45059987) as surplus and that staff be directed to prepare and issue a Request for Proposals (RFP) for its future use, sale, or redevelopment.

BACKGROUND

Property x	Public Opinion x	Environment ☐	Social ☐	Economic x	Councillor Activity ☐

The former Windsor Court House was constructed in 1950 at the corner of King and Victoria Streets in Windsor, Nova Scotia. The building was designed to include a county jail portion, which originally housed 17 holding cells. The structure replaced an earlier courthouse destroyed by fire in 1946 and served the legal needs of Hants County for over 70 years.

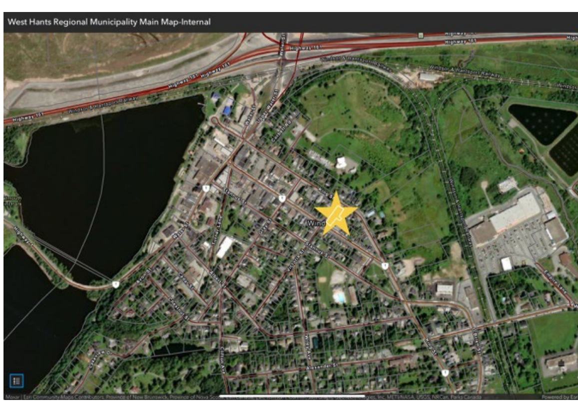
The building is owned by the West Hants Regional Municipality (WHRM) as it was formerly owned by the Municipality of the District of West Hants (WH) prior to the 2020 municipal consolidation.

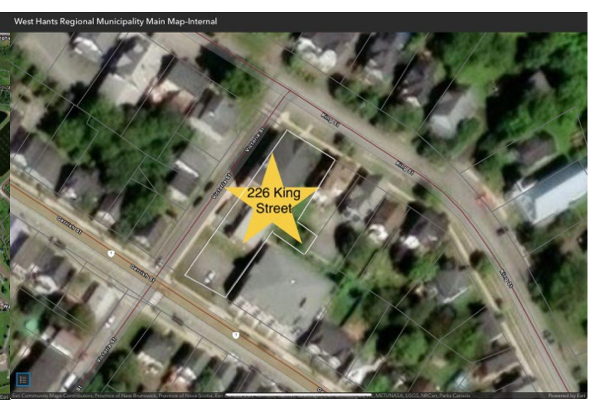
The Department of Justice (DOJ) (Tennant) leased the building from WH and now the WHRM (Landlord) through a current lease agreement dating back to 1995. The Landlord / Tennant relationship has carried through to May 1, 2025 when the WHRM received notice from Deputy Minister of Justice and Deputy Attorney General, Jennifer Glennie that court services were to be merged with the Kentville Justice Centre, effective July 1, 2025. This letter and follow up correspondence from the Province served as termination notice to the municipality.

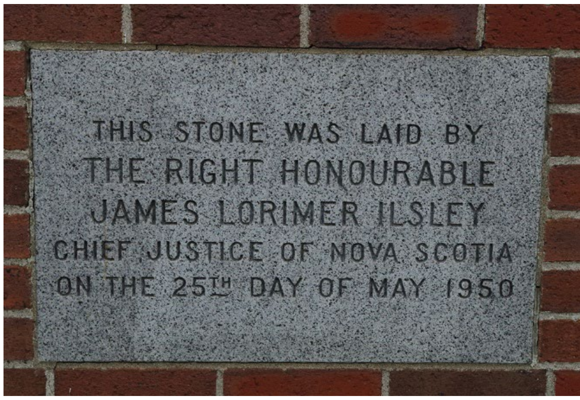
The DOJ was the sole occupant of the building with WHRM utilizing ground level storage space off Victoria Street for green cart storage. As of September 1st The DOJ have vacated the site and removed all contents. The WHRM have also removed the green carts now leaving the facility empty and unoccupied.

Site Data

King Street Frontage	68ft
Victoria Street Frontage	213 ft
Gerrish Street Frontage	60 ft
Eastern Boundary	303ft
Total Area of Lot	16,100 sq.ft.
Two storey Building with full basement.	
Basement Area	5,640 sq.ft
Above Grade Area	7,980 sq.ft.
Zoning	Town Centre Zone (Windsor MPS / LUB)








DISCUSSION

The vacant building requires capital investment to meet the current building code due to the "change of use" to accommodate an alternate use, including accessibility standards. Municipal departments have toured the vacant building along with members of Council. The building is not required for a municipal purpose, resulting in the recommendation to surplus the building and seek interested parties that may be interested in the redevelopment of the building or the site.

A bulk asbestos and lead paint analysis was carried out in July of 2018 by WH with results reveling negative test results for the asbestos based on ceiling tile testing and positive results for lead paint testing in two areas tested. These results are typical for buildings of this age, and all information will be shared through the RFP process to interested parties.

Declaring the property surplus will:

- Eliminate ongoing operational costs related to maintenance, security, and utilities
- Unlock redevelopment opportunities that align with municipal community and economic development strategies

It is hoped that the Request for Proposal (RFP) process will generate interest from perspective buyers, providing Council with the opportunity to evaluate a range of proposals and select the one that offers the most beneficial future use of the site. The specific terms and conditions can be refined and finalized through the Purchase and Sale Agreement once a successful proponent has been selected.

With respect to leasing, it is not recommended as the preferred option. Leasing would not achieve the highest level of financial efficiency provided as an option as it would require the continued ownership by the municipality. Further, becoming a landlord can require additional staff time and ongoing costs and liabilities associated with established leases as well as unknown leasehold improvements that may need to be negotiated.

NEXT STEPS

1. Pass a motion to officially declare the building and property as surplus.
2. Prepare and issue an RFP notice: publicly advertised.

FINANCIAL IMPLICATIONS

The leasing agreement with DOJ had the annual operating costs offset by the province dollar for dollar. Capital related expenses were cost shared with the province throughout the term of the lease. With the DOJ vacating the building at the end of August all operating costs associated with the building moving forward will be at the expense of the WHRM. Staff are currently taking steps to minimize climate control costs as well as draining water from the plumbing systems. Essentially the building is being mothballed to reduce or eliminate building related costs.

If Council supports the recommendation, it will reduce the future operational costs within the current and future operating budgets. It would also reduce the requirement of an Asset Retirement Obligation, which requires $319,200 be set aside, based on current remediation costs. Further the building requires immediate work to ensure it meets insurance requirements. There is also other significant work for this aging building, the municipality would save in their five-year capital plan to ensure the building is safe for operations and accessible if it remained operational.

An appraisal was conducted in 2021 as part of the municipality's ongoing review of municipally owned buildings. The appraisal states the following values which can be referenced in the attachment, "Valuation Report 226 King Street, Windsor, NS, March 12th 2021".

Sale Value (highest and best use):	Four Hundred Sixty Thousand Dollars ($460,000)
Rent or Lease Value:	$55,170 per annum

ALTERNATIVES

1. Council may elect to retain the property.

2. Council may elect to retain the property and lease the space at market value to a 3rd party.

3. Council may elect to retain the property and lease the space below market value to a not-for-profit or charitable organization.

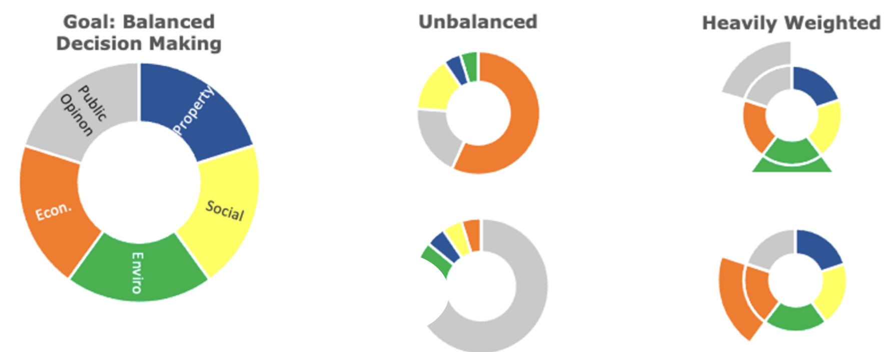
4. Council may elect to donate the property to a not-for-profit or charitable organization.

ATTACHMENTS

- Letter from Jennifer Glennie, Deputy Minister of Justice and Deputy Attorney General , May 1, 2025
- Building / Site Appraisal – March 12 , 2021

CHIEF ADMINISTRATIVE OFFICER REVIEW

Council has been provided with a reference taken from the Meeting and Committee Procedural Policy , Appendix C "Decision Making by Council and Committee of the Whole" as a reminder of the principles highlighted for good decision making.



Report Prepared by: ___________________________________

Deanna Snair, Municipal Clerk

Report Reviewed by: ___________________________________

Carlee Rochon, Director of Finance

NOVA SCOTIA
Department of Justice

PO Box 7
1690 Hollis Street
Halifax, NS B3J 1T0

Phone: (902) 424-4826
E-mail: Jennifer.Glennie@novascotia.ca

Jennifer Glennie, K.C.
Deputy Minister of Justice and Deputy Attorney General

May 1, 2025

Via Email to: mphillips@westhants.ca

Mark Phillips, Chief Administrative Officer
Municipality of the District of West Hants
76 Morison Drive
Windsor, NS B0N 2T0

Dear Mr. Phillips,

I am writing in follow up to your conversation with my colleague James Leiper, Executive Director of Court Services, to confirm that the Nova Scotia Department of Justice has made the decision to close the Windsor Satellite Court and merge court operations with the Kentville Justice Centre by July 1, 2025.

On behalf of the Department of Justice I would like to express our sincere gratitude to the Municipality of the District of West Hants for your longstanding partnership and support. The Windsor court has played an important role in the administration of justice in the region, and this would not have been possible without the dedication and collaboration of the municipality.

The Department of Public Works will be in contact regarding the current lease arrangement in the coming weeks.

We extend our very best wishes to you and your team as you continue to serve your community.

Sincerely,

JGl

Jennifer Glennie, K.C.
Deputy Minister of Justice and Deputy Attorney General

Cc: Jennifer Eddy, Manager, Infrastructure, Leasing and Property Management
Nova Scotia Department of Public Works

James Leiper, Executive Director, Court Services
Nova Scotia Department of Justice

Valuation Report
226 King Street, Windsor, NS

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VALUATION REPORT
(Summary Report)

VALUATION OF

PID #45059987
HANTS COUNTY COURT HOUSE
226 KING STREET
WINDSOR
NOVA SCOTIA

OWNED BY

MUNICIPALITY OF THE COUNTY OF WEST HANTS

PREPARED FOR

WINDSOR/WEST HANTS REGIONAL MUNICIPALITY

AS OF

12TH MARCH 2021

BY

RICHARD J. ESCOTT

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30 April 2021

Mr. Mark Phillips
Chief Administration Officer
Windsor/West Hants Regional Municipality
PO Box 3000
76 Morrison Street
Windsor NS B0N 1T0

Dear Mr. Phillips:

Re: PID #45059987, Hants County Court House, 226 King Street, Windsor, Nova Scotia

In accordance with your request of the 6th January 2021, we have completed a valuation of the above property on the basis of its **Market Value** (Highest & Best Use) and **Market Rent**. (Net Absolute).

This report is intended only to be used for Lease and Sale purposes and for no other purpose; and only by Windsor/West Hants Regional Municipality our client for this assignment. Use of the report for other purposes or by other parties may invalidate the conclusions. The RICS Valuation Standards require that we prepare a new report if the client, intended user, date, or purpose of the assignment, is changed.

Type of Property

The property comprises the County Court House and is held as an operational asset.

Scope of Work

(i) Property identification – we took as our source the legal description from the deed conveying the property to the present owner together with a survey plan as well as the Provincial on-line mapping service. We utilised the foregoing, aerial satellite imagery to identify the property boundaries during our on-site inspection.

(ii) Property inspection – we undertook a detailed inspection of the property including the interior and exterior of the building that has a material impact on the property value. Our findings are described in the body of this report.

...2

(iii) Data research – we obtained the assessment, zoning, planning and other pertinent data from the appropriate sources. Some sales information is available from government sources and was utilised for this assignment. However it was incomplete and rudimentary and required processing by our CompuVal® Information Platform to render it usable. Further sales information was compiled from vendors, purchasers, brokers, appraisers, Multiple Listing Services® and other sources we deemed reliable. It was analysed and utilised to compute the Land and Building Value using the Direct Comparison Approach, and the rents and capitalisation rates for the Income Approach. Income and expense data was obtaine from comparable properties and industry benchmarks.

(iv) Analyses applied – there are three methods traditionally used to arrive at the value of real estate: the Direct Comparison, Cost and Income Approaches. We utilised the Direct Comparison and Income Approaches since this was necessary to properly value the property.

The following **Executive Summary** provides an overview of our findings and describes the extent of our investigations and document research.

Quality Standards

Turner Drake's quality assurance system, which covers the conduct of all of our operations, is registered to the ISO 9001:2015 standard. This assignment has been conducted in accordance with our quality assurance system, the Code of Professional Ethics and the Royal Institution of Chartered Surveyors' Valuation Standards [2017 Edition] (RICS Red Book), the International Valuation Standards (IVS), the Uniform Standards of Professional Appraisal Practice (USPAP), [1][Appraisal Report] and the Canadian Uniform Standards of Professional Appraisal Practice.

Observed Condition of Building

Whilst our inspection of the property should not be construed as a structural survey, and we did not undertake any tests of the heating, plumbing, electrical, airconditioning or other systems we found no major defects other than normal wear and tear consistent with the property's age and use. However the interior finishes are generally dated and some areas are disused (ie: several vaults, former jail).

Building Measurement

We did measure the Gross Floor Areas of the building.

Environmental

(a) **Hazardous materials or environmental concerns** - none were observed or brought to our attention during our inspection of the property. However buildings of this age and occupancy often contain potential hazardous materials or have been exposed to environmental contamination. We have identified possible contaminants in the Environmental Contamination section of this report.

We noted the presence of storage tanks on the property. We have not been able to confirm that they meet Provincial Government environmental regulations.

The property has been valued on the assumption that it is environmentally "clean".

1 Contains all of the information significant to the solution of the appraisal problem.

(b) **Climate change concerns** – climate change resulting from global warming exposes property to the increased risk of flooding from pluvial (rain), fluvial (watercourses) and coastal (storm surge) sources. Most municipal infrastructure for water dispersal was not designed to accommodate the heavier rainfalls that are a consequence of a warming climate. Former and current National Building Codes do not contemplate the present regime of climate change which is resulting in higher winds, temperatures and rainfall. Excessive rainfall has a concomitant, adverse, impact on the ability of watercourses to function without overflowing their banks. Excess precipitation, coupled with a storm surge, conspire to elevate the danger of flooding for coastal property since both are the outcome of a hurricane. Where they exist, flood plain maps are often outdated or inaccurate.

Since no Climate Risk and Vulnerability Assessment Report was available to us for the property, we restricted our investigation to our on-site inspection, enquires of the present owner or occupier, flood plain maps, and our general knowledge of the property and the neighbourhood. We did not observe any immediate risks from flooding, nor were any brought to our attention.

Zoning

We have reviewed the uses permitted under the current Zoning By-Law. The current use of the property is permitted. More complete details are included in the Zoning section of this report.

Since it is outside the mandate of this assignment we have not verified that the building meets all of the site specific requirements of the current Zoning By-Law such as set back and building envelope constraints.

Income Data and Expense Data

We relied upon on the operating history of the subject, data on file on comparable properties, and industry benchmarks.

Investment Assumptions

We have utilised a 10 year investment horizon Overall Capitalisation model employing the Ellwood Mortgage Equity Technique. Our investment assumptions are described in the Income Approach section of this report. The Overall Capitalisation Rate has been validated by reference to a sales analysis of investment type properties.

Sales & Marketing History

To the best of our knowledge the property has not been actively marketed for sale during the past three years and no offers to purchase have been received.

Most Probable Purchaser

In our experience the most probable purchaser for this property would be a partial owner-occupier, a local investor or developer.

Covid-19 Considerations

As of the date of this report Canada and the Global Community is experiencing unprecedented measures undertaken by various levels of government to curtail health related impacts of the Covid-19 Pandemic. The duration of this event is not known. While there is potential for negative impact with respect to micro and macro-economic sectors, as well as upon various real estate markets, it is not possible to predict such impact at present, or the impact of current and future government countermeasures. There is some risk that the Covid-19 Pandemic increases the likelihood of a global recession, however without knowledge of further anticipated government countermeasures at the national and global levels it is not possible to predict any impact at this point in time. Accordingly, this point-in-time valuation assumes the continuation of current market conditions, and that current longer-term market conditions remain unchanged.

Market Value

In our opinion, the Market Value of the Fee Simple Interest in the subject property, premised on the basis that it will be utilised for its Highest and Best Use with vacant possession as of the 12th March 2021, subject to the Limiting Conditions and Assumptions contained herein and a Reasonable Exposure Time of 6 to 18 months, is the sum of $460,000.

FOUR HUNDRED SIXTYTHOUSAND DOLLARS

Market Rent

As requested, we have also considered the Market Rent for the Subject Property. Our analysis and conclusion are detailed in the Income Approach section of our report. In our opinion the Market Rent of the subject property, on a **net absolute to landlord basis** (i.e. assuming that the lessee pays for the property taxes and all operating expenses other than structural repairs and management) and includes the use of the basement space, for a typical term of 5 years. We would expect that the market rent for the subject would reflect age, dated finishes and lack of handicap access. Having regard to the attributes of the subject property and the foregoing, we have estimated the market rent for the ground floor (3,990 $ft.^2$ GFA) at $6.00/$ft.^2$ and the second floor (3,990 $ft.^2$ GFA) at $5.00/$ft.^2$. We have estimated the Market Rent for basement space (5,650 $ft.^2$) at $2.00/$ft.^2$ reflecting its condition and limited utility for alternative uses. The total estimated Market Rent equates to $55,170 per annum**.**

In our opinion the Market Rent of the subject property of the 12th March 2021, subject to the Limiting Conditions and Assumptions contained herein and a Reasonable Exposure Time of 6-18 months, is the sum of **$55,170 per annum.** (i.e. $7.00/$ft.^2$ of GFA).

Yours truly,

TURNER DRAKE & PARTNERS LTD.

RICHARD J. ESCOTT
Senior Manager
Valuation Division

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SUBJECT PROPERTY

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SUBJECT PROPERTY

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BASEMENT - GARAGE

LIMITING CONDITIONS AND ASSUMPTIONS

(1) No responsibility is assumed for matters of a legal nature, nor do we render any opinion as to the title which is assumed to be good. Unless otherwise noted in this report, existing mortgages, liens, encumbrances and special assessments, if any, have been disregarded and the property has been valued as though free and clear.

(2) We have not undertaken a survey of the property, and no responsibility can be accepted for the accuracy of the Site Plan and sketches. They are only included to assist the reader in better visualising the property.

(3) Market conditions can, and do, change rapidly because of economic, social and political reasons. The market value expressed in this report pertains only to the date of the valuation. It must not be relied on to estimate the market value as of any other date. HST, GST and other tax or expenses due on acquisition or disposition, have not been deducted from, or added to the market value. If the market value is based upon the prospect of future growth in rental and/or capital values, the reader is cautioned that these projections may not occur and values can fall as well as rise.

(4) It is assumed that there are no hidden or non-apparent conditions of the property, subsoil or structures that would render it more or less valuable. No responsibility is assumed for such conditions or for engineering studies that might be required to discover these factors.

(5) The distribution of value between the land and buildings applies only to the property as utilised at the date of valuation and is invalid if the valuation is used for any other purpose.

(6) This report must be used in its entirety since parts taken out of context may be misleading. The report, or any parts thereof, may not be used for any purpose other than that for which it was undertaken and is furnished for the exclusive use of the client. **All liability to any party other than the client is hereby denied.**

(7) Information in this report furnished by others is believed to be reliable, although no responsibility is assumed for its accuracy.

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(9) Unless otherwise noted in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, agricultural chemicals, radon gas, urea-formaldehyde foam insulation, or other potentially hazardous substances, which may or may not be present on the property, or molds, mildews and other environmental conditions, were not called to our attention nor did we become aware of them during our inspection. We are not qualified to detect such substances or conditions and the client is urged to retain an expert in this field, if desired. The presence of such hazardous substances or environmental conditions on, or in the proximity to the property, may affect the value of the property. Whilst we have valued the property on the assumption that it does not, and never has, contained such hazardous substances or environmental conditions, and is not in such proximity to another contaminated property as to cause a loss in value to the property the subject of this report, we do not warrant that this is the case and accept no liability in this regard.

(10) Unless otherwise expressly stated in this report, it has been assumed that all oil or other storage tanks, whether above or below ground, are in good condition, free of leaks and other defects, have been registered with the Department of the Environment, are legally permissible and meet all environmental standards. We have not undertaken any investigation, do not warrant that this is the case and accept no liability in this regard.

(11) Climate change, particularly global warming, is a continuous process which increasingly impacts real estate, often in an adverse manner. It can significantly increase the risk of flooding from pluvial (rainfall), fluvial (watercourses) and coastal (storm surge) sources. If a Climate Risk and Vulnerability Assessment was not made available to us for the property we have undertaken a very preliminary investigation of the flooding risk for the purpose of this report. However such investigation is not tendered as a substitute for a detailed Climate Risk and Vulnerability Assessment Report and any party relying on this report is encouraged to undertake their own investigations. Climate change risk is not yet fully "priced" into sales transactions and our estimate of Market Value reflects it only to the degree that it is recognised by the market.

(12) We have not inspected woodwork or other parts of the structure which are covered, unexposed or inaccessible and we are therefore unable to report that such parts of the property are free of rot, beetle or other defects.

(13) This valuation is based on the assumption that there is an adequate supply of potable water to the property at all times. We have not undertaken any tests ourselves and make no warranty therewith.

(14) This valuation is based on the assumption that there is a fully functioning sewage disposal system. We have not undertaken any tests ourselves and make no warranty therewith.

(15) As of the date of this report Canada and the Global Community is experiencing unprecedented measures undertaken by various levels of government to curtail health related impacts of the Covid-19 Pandemic. The duration of this event is not known. While there is potential for negative impact with respect to micro and macro-economic sectors, as well as upon various real estate markets, it is not possible to predict such impact at present, or the impact of current and future government countermeasures. There is some risk that the Covid-19 Pandemic increases the likelihood of a global recession, however without knowledge of further anticipated government countermeasures at the national and global levels it is not possible to predict any impact at this point in time. Accordingly, this point-in-time valuation assumes the continuation of current market conditions, and that current longer-term market conditions remain unchanged.

PURPOSE OF VALUATION

The purpose of this valuation is to estimate the **Market Value** (Highest & Best Use Use) and **Market Rent** of the subject property.

INTENDED USE

This report is intended only to be used for Lease and Sale purposes. The report is not intended to be utilised for any other purpose.

In view of the purpose and intended use of the valuation, this report conforms to the Royal Institution of Chartered Surveyors' Valuation Standards [2017 Edition] (RICS Red Book), the International Valuation Standards (IVS), the Uniform Standards of Professional Appraisal Practice (USPAP) [2][Appraisal Report], and the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP).

INTENDED USERS

This report is intended for use only by Windsor/West Hants Regional Municipality our client for this assignment. This report is not intended to be utilised by any other party.

PROPERTY RIGHTS VALUED

Fee Simple

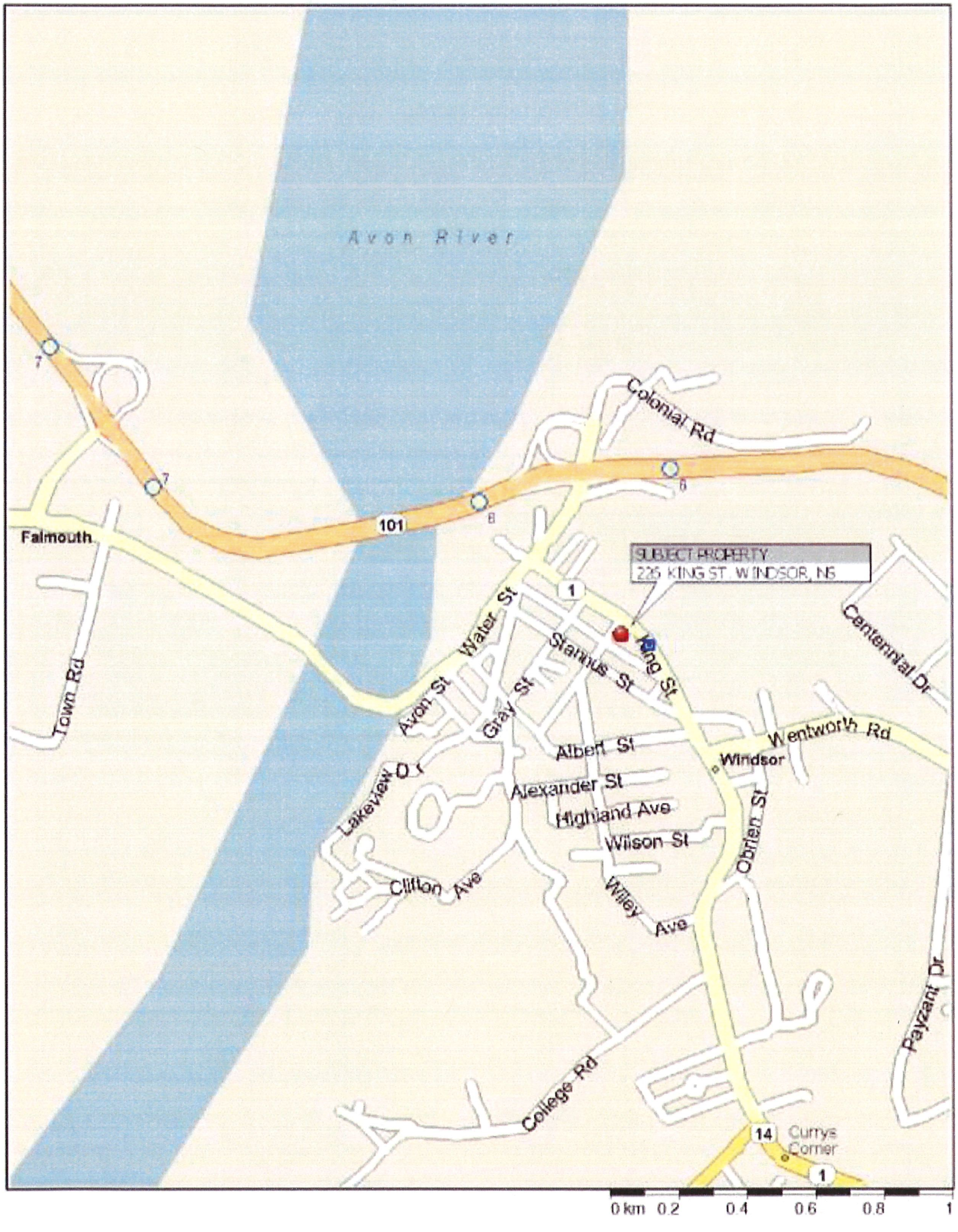
DEFINITION OF VALUE

Market Value is defined in CUSPAP as:

> "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer whereby:
>
> (1) buyer and seller are typically motivated;
> (2) both parties are well informed or well advised, and acting in what they consider their best interests;
> (3) a reasonable time is allowed for exposure in the open market;
> (4) payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
> (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."
>
> Market Value is premised on the basis that the Subject Property will be utilised to its Highest and Best Use.

2 Contains all of the information significant to the solution of the appraisal problem.

LOCATION MAP



Market Rent is defined as:

> "the estimated amount for which a property, or space within a property, should lease on the date of valuation between a willing lessor and a willing lessee on a net absolute to landlord basis (i.e. assuming that the lessee pays for the property taxes and all operating expenses other than structural repairs for a typical term of 5 years in an arm's-length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

EXPOSURE TIME

A Reasonable Exposure Time is defined as:

> "the estimated length of time the property would have been exposed on the open market prior to the effective date of the valuation in order to achieve a sale or lease at Market Value or Rent. Implicit in this definition are the following characteristics:
>
> (1) The property would have been actively exposed and aggressively marketed to potential purchasers and tenants through marketing channels commonly used by buyers and sellers or tenants and landlords of similar type properties.
> (2) The property would have been offered at a price reflecting the most probable mark-up over market value or rent used by sellers and landlords of similar type properties.
> (3) A sale or lease would have consummated under terms and conditions of the definition of market value or rent as outlined in this report."

EFFECTIVE DATE OF VALUATION

The effective date of valuation is the 12th March 2021.

DATE OF INSPECTION

The property was inspected on the 12th March 2021.

TIMEFRAME

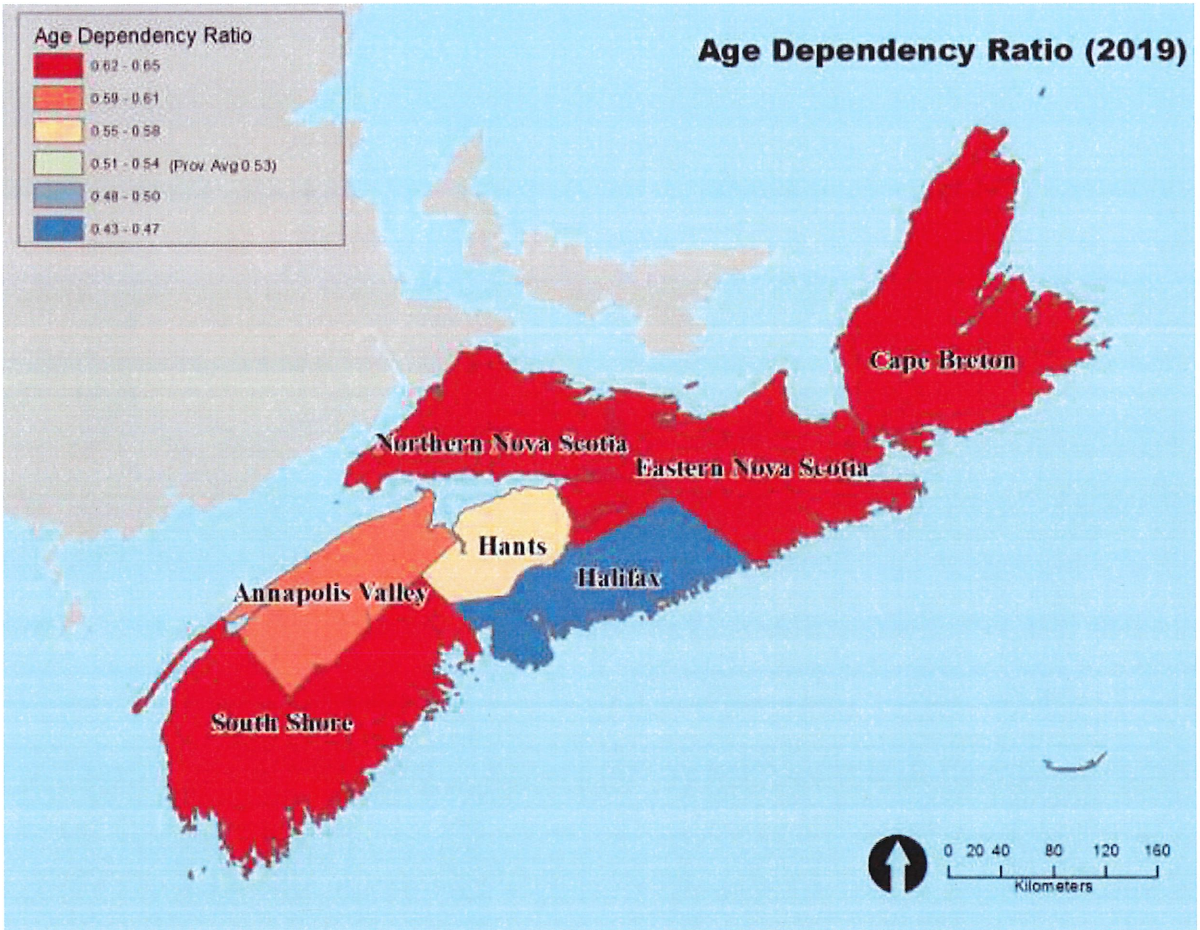
This is a Current Value Opinion.

IDENTIFICATION OF PROPERTY

The property is located on the west side of King Street and is identified on the Location Map on the opposite page.

AREA DATA

The Subject Property is located in the Town of Windsor in Hants County, Nova Scotia



The population of Nova Scotia is 960,593 (2019 estimate), while the Hants County region supports an estimated population of 42,564. This represents a population decrease of 0.59 % over the five year period 2014-2019, in contrast to the trend of overall 1.89% provincial population increase during the same period.

The population in the Hants County region is aging: the median age in 2019 is 45.7, up from 43.8 in 2014, above the median provincial age of 44.8 years. The dominant age group in the region, defined as the five-year age bracket with the largest percentage of the population, is 55-59 years, also in line with the dominant provincial age group. The Age Dependency ratio, which measures the ratio of dependents (people younger than 15 or older than 64) to the working age population (15 to 64), in the Hants County region is 0.55, above the provincial ratio of 0.53. The average household income (2019) in the Hants County region is $85,594: slightly above that of Nova Scotia as a whole ($84,593).

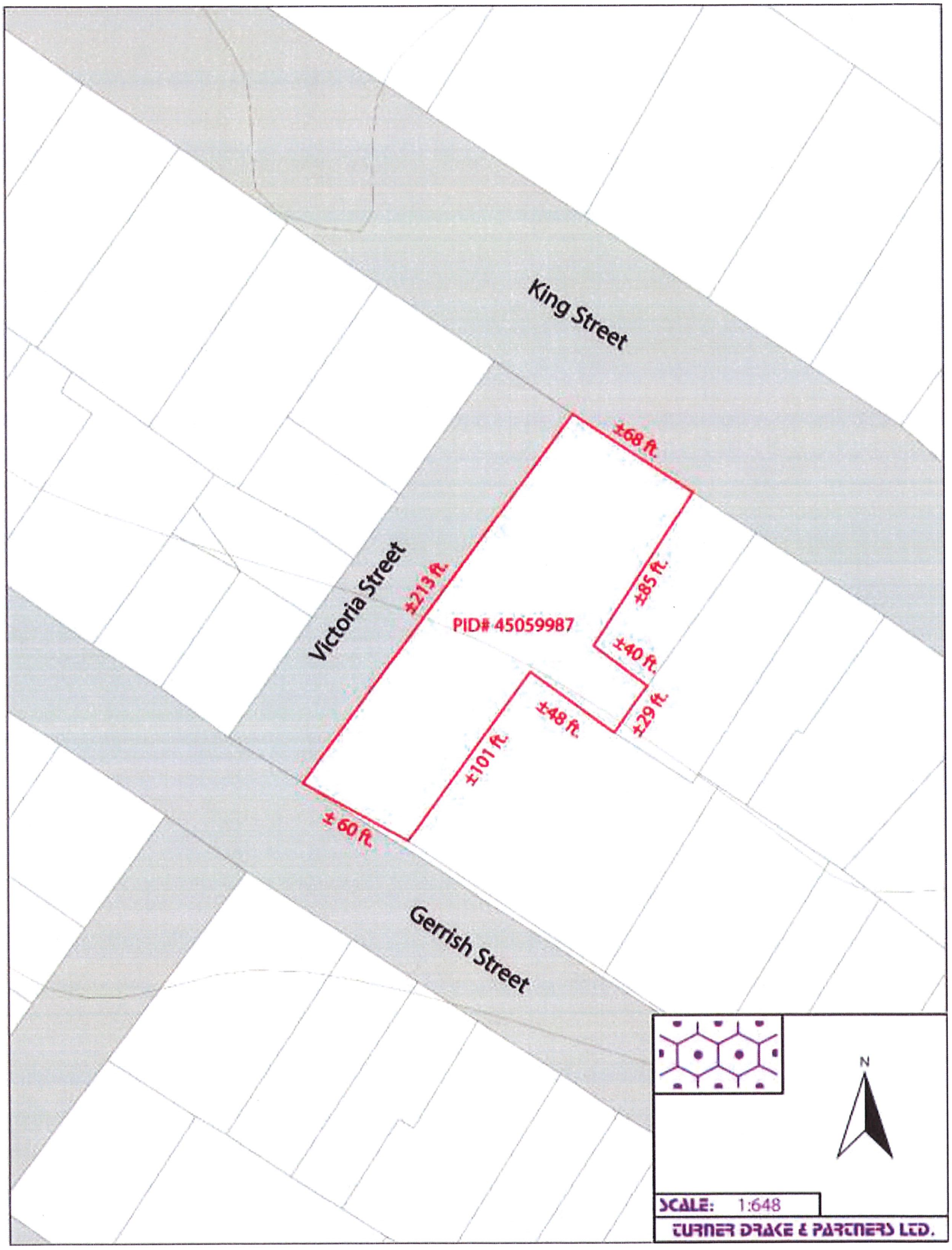
The county's economic base is primarily supported by the agricultural, forestry, light manufacturing, tourism and hospitality sectors. The county is also home to commuters working in HRM. Economic activity as evidenced by new construction appears to be steady, particularly in East Hants. The principal town in West Hants is Windsor which represents the local commercial centre for the area. The town has lost some of its commercial importance to metropolitan HRM over the years. However, the current Hwy 101 twinning represents a major construction project in the locality which will should attract more development to the area

In general, the area can best be described as gradually improving in terms of its economic outlook.

NEIGHBOURHOOD DATA

The neighbourhood represents the periphery of the downtown centre of Windsor bordered on the north by Highway 101, the south by Victoria Street, the east by King Street and the west by the Avon River. Water and Gerrish Streets are the primary commercial streets in the neighbourhood. The remainder of the neighbourhood is mixed use in nature. In terms of its life cycle, it is fairly static. Whilst there is little vacant land available, there is low pressure on land values

SITE PLAN


King Street
Victoria Street
Gerrish Street
±68 ft.
±85 ft.
±40 ft.
±29 ft.
±48 ft.
±101 ft.
± 60 ft.
±213 ft.
PID# 45059987
N
SCALE: 1:648
TURNER DRAKE & PARTNERS LTD.

SITE DATA

The subject property is located at the corner of King and Victoria Streets and extends to Gerrish Street. The land is shown edged red on the Site Plan (opposite page). It is irregular in shape and has the following dimensions:

King Street Frontage	68	ft.
Victoria Street Frontage	213	ft.
Gerrish Street Frontage	60	ft.
Eastern Boundary	303	ft.
Area	16,100	ft.^{2}

The site comprises a downward sloping topography from the King Street frontage to Gerrish Street with an elevation differential of approximately 30 ft.

Reference

We have taken as our source, the legal description from the deed conveying the property to the present owner as well a survey plan and property data from the Nova Scotia online property database. The dimensions have been plotted onto a Provincial Map, Scale 1:648, prepared from aerial photographs.

Site Improvements

The site is improved with an asphalt paving, a concrete retaining wall and some chain link fencing.

Services Available to the Site

Main sewer, water, and electrical services are available to the site.

Building Description

Court House Building

Architectural Style - Traditional.

 # Storeys - Two storey with a full basement extension (former jail) with a partial storage garage under.

Basement Area - 5,640 ft.^{2}.

Above Grade Area - 7,980 ft.^{2}.

Year Built - 1949/50.

Brief Specifications

Exterior:

Foundation - Poured concrete.

Walls - Brick veneer over concrete block.

Frame - Reinforced concrete. Some steel.

Roof	- Originally flat. Covered with wood frame hip roof with asphalt shingles; date U/K. Basement extension: Flat with Tar and gravel finish.
Insulation - Walls	- None.
- Roof	- Fibreglass batts and rigid.
Loading Docks	- None.

Observed Condition:

Exterior Structure	- Average.
Window System	- Original single glazed; Poor to fair.
Roof	- Average.
Fuel Storage	- 2 x 200 gal.
Age	- Installed 2008.
Type & Containment	- Fibreglass. None.
Paintwork	- Average.
Interior Condition	- Dated. Poor to fair.
Electrical	- Fair.
Service Entrance	- Updated.
HVAC	- Fair to average.
Paintwork	- Fair to average.

Interior:

Basement

Floor	- Sheet vinyl; vinyl tiles, some carpeting, unfinished carpet.
Walls (finish)	- Painted plaster, gyproc and concrete.
Ceilings (finish)	- Painted plaster, gyproc and open to ceiling structure.
Clear Height	- ± 9 ft.

Basement (Former Jail Cells)

Floor	- Painted concrete.
Walls (finish)	- Painted concrete.

Ceilings (finish)	- Painted concrete.
Clear Height	- 9 ft.
Ground Floor	
Floor	- Linoleum, carpeting, painted concrete.
Walls (finish)	- Painted gyproc and concrete.
Ceilings (finish)	- Painted concrete and gyproc
Clear Height	- 9 ft.
Second Floor	
Floor	- Vinyl sheet and tiles, carpet.
Walls (finish)	- Painted gyproc and concrete
Ceilings (finish)	- Painted gyproc. Suspended T-bar with acoustic tile.
Clear Height	- ± 9 ft.
Plumbing	-
Fixtures and Location	- Basement: - 2 x 3 piece washrooms - 1 x 6 piece washroom(disused) - Ground floor: - 1 x 2 piece washroom. - 1 x 3 piece washroom. - Second floor: - 4 x 2 piece washrooms
Equipment	- Electric water heater.
Heating	
Type of Furnace	- 2 x Weil-Mclain oil fired hot water boilers.
Type of Radiation	- Hot water radiators.
Supplementary Heating	- None.
Airconditioning	
Type of Airconditioner	- Roof top HVAC unit for court room and judge's office only.
Type of Radiation	- Forced air ceiling diffusers.
Supplementary Ventilation	- Some thru air conditioning units.

Energy Management System

Central Control	-	No.
Type of Equipment Controlled	-	None.

Electrical

Service Entrance	-	400 amp 3 phase, 208 volts.
Fixtures	-	Mainly fluorescent; some incandescent.

Sprinkler System

Type	-	None.

Fire Protection

Sensors	-	Yes.
Central Station Monitor	-	No
Elevators	-	None.

Computer

Network Cable	-	Yes.

Security System

Internal	-	Yes.
External	-	No.
Fixed Equipment	-	None.

AGE/LIFE ANALYSIS - The building has an actual age of 71 years. Overall the building appears to be in fair to average condition: this is above par with its actual age. Accordingly its effective age is less than its actual age.

ASSESSED VALUE AND ANNUAL TAXES (2021)

Assessment:

Commercial Exempt	-	$447,100
Taxes (2021):	-	Tax Exempt

ZONING

The subject is zoned Town Centre (TC) zone. The following uses are permitted in the TC zone:

- Arts and crafts studios including photography;
- Banks and financial institutions;
- Clubs and community organizations;
- Commercial schools;
- Day care centres, licensed and non-licensed;
- Emergency service facilities (i.e., police, ambulance and fire stations);
- Entertainment, recreation and assembly uses within a wholly enclosed building;
- Farm markets;
- Funeral homes;
- Garden and nursery sales and supplies;
- Hotels, motels and other tourist accommodations;
- Licensed liquor establishments;
- Local shopping centres;
- Microbrewery, Microdistillery and Winery (Amended WLUB 18-01 Effective January 29, 2019);
- Museums, art galleries and libraries;
- Offices;
- Parking structures;
- Repair and rental establishments;
    - Residential uses (not on the ground floor except for the area bounded by King Street, Stannus Street, Gray Street and Victoria Street (Amended WLUB 15-02 Effective August 8, 2016)
- Restaurants;
- Retail stores;
- Service and personal service shops;
- Taxi, train and bus stations;
- Veterinary clinics and animal hospitals;
- Existing dry cleaning and laundry establishments;
- Existing residential uses.

ENVIRONMENTAL CONTAMINATION

No hazardous materials or environmental concerns were observed or brought to our attention during our inspection of the property. However the property was constructed 1950 and buildings of this age and occupancy often contain hazardous materials and further investigation may be warranted.

We noted the presence of storage tanks on the property. We have not been able to confirm that they meet Provincial Government environmental regulations.

The property has been valued on the assumption that it is environmentally “clean”.

CLIMATE CHANGE CONCERNS

Climate change resulting from global warming exposes property to the increased risk of flooding from pluvial (rain), fluvial (watercourses) and coastal (storm surge) sources. Most municipal infrastructure for water dispersal was not designed to accommodate the heavier rainfalls that are a consequence of a warming climate. Former and current National Building Codes do not contemplate the present regime of climate change which is resulting in higher winds, temperatures and rainfall. Excessive rainfall has a concomitant, adverse, impact on the ability of watercourses to function without overflowing their banks. Excess precipitation coupled with a storm surge, conspire to elevate the danger of flooding for coastal property since both are the outcome of a hurricane. Where they exist, flood plain maps are often outdated or inaccurate.

Since no Climate Risk and Vulnerability Assessment Report was available to us for the property we restricted our investigation to our on-site inspection, enquires of the present owner or occupier, an Internet search, and our general knowledge of the property and the neighbourhood. We did not observe any immediate risks from flooding, nor were any brought to our attention.

VALUATION METHODOLOGY

Scope

The objective of this assignment is to render an opinion as to the **Market Value** (Highest and Best Use) and **Market Rent**) of the fee simple interest in the property for Lease and Sale purposes.

We inspected the site and the interior and exterior of the improvements located thereon. We also interviewed the property owner and others knowledgeable of the property. We analysed the available financial data and validated it by comparing the information with that for comparable properties and industry benchmarks. We obtained and reviewed the assessment, zoning information and other pertinent municipal data. We undertook a full background analysis and valuation of the property. Our findings, analysis and conclusions are set out in this narrative report.

Methodology

It was necessary to proceed through a number of steps in order to achieve the foregoing objective. Valuation is by nature often experiential, in which the output of one stage results in re-computing the input to a prior stage so that the final figure is arrived at by an iterative process: rather than by rigidly proceeding in a mechanical fashion through a series of steps in fixed order. Thus, whilst we have described the steps below in ordinal sequence, the reader should bear in mind that this has been done purely for administrative convenience and readability.

(i) **Highest and Best Use -** this is the use for the property which will produce the greatest net return for the foreseeable future. The use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. It is determined by considering the various alternate purposes for which the property can legally be used, having regard not only to existing zoning and other legal constraints, but also to any probable modification of them. The use which generates the highest value is, ipso facto the Highest and Best Use. Unless the property comprises vacant (i.e. unimproved) land we have to consider two different scenarios of Highest and Best Use: the vacant site, and the property improved with the present buildings. This can result in two different Highest and Best Uses:

(a) **Cleared Site –** as at the effective date of the valuation, the Highest and Best Use of the property as a cleared site was for commercial or mixed use purposes as permitted under the zoning law designation. We have computed the land value on this basis.

(b) **As Presently Improved –** as at the effective date of the valuation, the property was utilised as a municipal provincial court house. Whilst the building still functions for its intended use, it is generally outdated and in fair condition overall. Whilst the building structure is solid, the interior finishes are worn and dated and portions of the building are disused and vacant. However there does not appear to be any pressure to redevelop the site with a higher intensity use. Based on our analysis, we are of the opinion that the Highest and Best Use of the property is for possible commercial or mixed use purposes using the existing building and it has been valued on that basis.

(ii) **Land Value -** this is the value of the site, cleared of all buildings and site improvements, available for development for its Highest and Best Use. The land value was calculated using a Direct Comparison Approach. Essentially this Approach is a systematic procedure for comparing the Subject Property with other land sales transactions.

(iii) **Property Value -** this is the value of the property (land, buildings and site improvements) under its Highest and Best Use.

Potentially, three alternate approaches are available for measuring the value of an improved property:

(a) **Cost Approach** - the justification for this approach as a method of valuation rests on two, classical theory underpinnings. First there is the argument that market values in the long run should equal the costs of production. Second, there is the position that reproduction costs represent a ceiling for market values since investors should not be willing to pay more for an improvement than the cost of obtaining a substitute in the marketplace.

Under this approach, value is measured by adding to the land value (found by Direct Comparison) the cost, in current prices, of reproducing the structure and site improvements, and then subtracting any loss in value due to physical depreciation, functional and external obsolescence.

We did not use the Cost Approach because it was not a reliable indicator of value in this instance since the subject property comprises an older structure that would not be rebuilt in the current market. The cost to construct the building would not be considered in a potential purchaser's buying decision.

(b) **Income Approach** - this approach is based on the assumption from neoclassical theory that the market value of an interest in real property is equal to the present value of future benefit flows. This approach first estimates the expected future benefit flows from a property. These benefit flows are then converted into a market value through a variety of alternative mathematical techniques for capitalisation.

(c) **Direct Comparison Approach** - this approach relies on marginal demand theory and derives the market value of a particular interest in real property through the analysis of the sale prices of **similar** properties. The underlying idea is that the marginal demand should be the same for two similar properties in a real estate market. Therefore, the fact that one sold for a certain price should indicate that the other property, if offered for sale, would sell for approximately the same amount (provided that market conditions have not changed). The approach utilises market information on the prices and characteristics of recently sold properties to determine the value of the subject property.

(iv) Reconciliation and Final Estimate of Value

This is a reconciliation of the values indicated by the various Approaches, in which the alternate value indications are considered, the relative significance of each is carefully weighed, and a final estimate of value is then computed. Although reconciliation necessarily involves judgement, the latter results from a careful logical analysis of the procedures leading to each indication of value. The analysis is based on several criteria, (appropriateness, accuracy and quantity of evidence) which result in the formation of a meaningful and defensible conclusion about the final value estimate.

HIGHEST AND BEST USE

The "Highest and Best Use" can be defined as "that use which will produce the greatest net return for the foreseeable future".

Site

We have considered the Highest and Best Use of the site as if vacant, i.e. cleared of all buildings and site improvements and available for development.

The subject property is located on the periphery of the commercial centre of town on one of the main streets. The surrounding properties comprise a mix of commercial and community uses as well as residential uses. The subject is zoned Town Centre (TC) zone which permits a wide variety of uses.

In our opinion, the Highest and Best Use of the site as if vacant, is for commercial, or possibly mixed use development as permitted by the zoning by-law.

Property

At present the site is improved with a municipal provincial court house purpose built in 1950. The building still functions for its intended use. However it is generally outdated and in fair condition overall. Whilst the building structure is solid, the interior finishes are worn and dated and portions of the building are disused and vacant. However there does not appear to be any pressure to redevelop the site with a higher intensity use. Based on our analysis, we are of the opinion that the Highest and Best Use of the property is for possible commercial or mixed use purposes using the existing building and it has been valued on that basis.

MARKET ANALYSIS AND EXPOSURE TIME

Exposure time is the estimated length of time the property interest being valued would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the valuation. Since it is a retrospective opinion based upon an analysis of past events, assuming a competitive and open market, it can only be estimated after an analysis of the market.

Market Analysis

Prior to, and at the effective date of the valuation, the supply and demand for the subject and competing properties can be summarised as follows:

(a) Supply: Prior to, and at the effective date of the valuation the supply of this category of property in the area was fair.

(b) Demand: Prior to, and at the effective date of the valuation demand for this category of property in the area was weak.

Exposure Time

Our estimate of Exposure Time is 6 to 18 months. This is based on the foregoing Market Analysis and the data summarised below:

(1) Properties similar to the subject property have been listed for sale for between 3 months and 24 months.

(2) Based on our research when we were gathering information on comparable sales it became apparent that there was a fair demand for commercial properties in the area.

(3) As part of our research we interviewed brokers, buyers and sellers. They indicated that the marketability of this type of property, prior to the effective date of valuation was fair.

LAND VALUE

Methodology

The land has been valued by the Direct Comparison Approach. Essentially this Approach is a systematic procedure for carrying out comparative shopping in which the Subject Property site is "priced" by comparing it with other, similar parcels of land (Indices) that have sold, been subject to offer or are listed for sale. Based on our experience working with land sales data, we have determined that the four most significant independent variables influencing value are **Time** (Date of Sale), **Location**, **Motivation** and **Size**. The unit price (ft.^{2}) of each Index (comparable transaction) has first been adjusted when applicable, for the **Time** variable. These time adjusted unit prices have then been utilised to value the Subject Property. **Zoning** is often a significant variable depending on the breadth of uses allowed within the zoning band, and the flexibility of the planning authority with respect to variances and rezoning. It is therefore best accommodated by choosing Indices with similar zoning restrictions and on the weight to be placed on each Index after the Time adjustment has been applied. The weight placed on each Index as a predictor for the Subject Property value, is a function of its comparability in terms of **Location**, **Motivation, Size** and **Zoning**.

Discussion of Land Sales

We have researched the sales, offers and listings (Indices) of comparable parcels of land in the locality. The data was collected from vendors, purchasers, brokers, appraisers, MLS®, public and other sources deemed to be reliable. The most relevant data has been detailed on the Land Sales Schedule on the following pages. It was not necessary to adjust the prices in this Land Sales Schedule to the date of valuation because our research found that prices were static.

The Indices are described in greater detail below:

Index #1

This property was sold in May 2015, approximately 5 years 10 months before the effective date of valuation. Sales data indicates that prices were stable **[time]**. The property is situated on the periphery of downtown town commercial area on a corner lot. The location is considered to be comparable to the Subject Property **[location]**. The property was formerly improved with old dwelling which was demolished. The purchaser owned the contiguous parcel and acquired the property for additional parking. However the price reflects market levels **[motivation]**. The parcel was slightly smaller in size than the Subject Property: smaller parcels typically command higher prices per ft.^{2} because they attract a large pool of purchasers **[size]**. The property is zoned commercial. This zoning is similar to the Subject Property **[zoning]**.

We consider this Index to be an average indicator of value on a **time** adjusted unit basis for the Subject Property.

Index #2

This property was sold in July 2018, approximately 2 years 7 months before the effective date of valuation. Sales data indicates that prices were stable **[time]**. The property is located on Water Street. The location is considered to be somewhat comparable to the Subject Property **[location]**. The property was improved with an old masonry building which was formerly an auto dealership. However the building has been vacant and derelict for many years. The building added no value. Nevertheless the property was purchased for redevelopment for a tap room using the existing structure. We are not aware of any factors that would give rise to an adjustment for motivation **[motivation]**. The parcel was smaller in size than the Subject Property: smaller parcels typically command higher prices per ft.^{2} because they attract a larger pool of purchasers **[size]**. The property is zoned commercial. This zoning is the similar to the Subject Property **[zoning]**.

We consider this Index to be a fair indicator of value on a **time** adjusted unit basis for the Subject Property.

Index #3

The property was sold in March 2018, approximately 3 years before the effective date of valuation. Sales data indicates that prices were stable **[time]**. The property is situated on King Street in a downtown commercial area on an interior lot. The location is considered to be comparable to the Subject Property **[location]**. The property comprises mainly a fenced commercial lot with an old masonry warehouse building in poor condition on the rear portion of the land. However the price reflects essentially land value. We are not aware of any factors that would give rise to an adjustment for motivation **[motivation]**. The parcel was smaller in size than the Subject Property: smaller parcels typically command higher prices per ft.^{2} because they attract a larger pool of purchasers **[size]**. The property is zoned commercial. This zoning is the similar to the Subject Property **[zoning]**.

We consider this Index to be a good indicator of value on a **time** adjusted unit basis for the Subject Property.

Index #4

This property was sold in February 2011, approximately 10 years before the effective date of valuation. Sales data indicates that prices were stable **[time]**. The property is located in the general commercial area near Exit 5 and in close proximity to the Hants Community Hospital and at the entrance to the developing Fairfield Park residential subdivision. The location is considered to be superior to the Subject Property **[location]**. The property was subsequently developed with a commercial building. We are not aware of any factors that would give rise to an adjustment for motivation **[motivation]**. The parcel was larger in size than the Subject Property: larger parcels typically command lower prices per ft.^{2} because they attract a smaller pool of purchasers **[size]**. The property is zoned commercial. This zoning is the similar to the Subject Property **[zoning]**.

We consider this Index to be a fair indicator of value on a **time** adjusted unit basis for the Subject Property.

Conclusion

The time adjusted unit prices for the Indices range from $2.62 to $7.91 with a median of $5.45 per ft.^{2}. Having regard to all of the variables (**time**, **location**, **motivation**, **size, zoning**) we are of the opinion that Indices # 1 and #3 are the most reliable indicators of value for the Subject Property. Their time adjusted unit prices range between $4.00 and $7.91 and have an arithmetic mean of $5.96/ft.^{2}. The subject property has a corner location and has frontage to three streets. In our opinion the unit value of the Subject Property lies near toward the high end of this range.

Having regard to the foregoing we are of the opinion that the value of the land, as a cleared site, is as follows:

	16,100 ft.^{2} @ $7.00/ft.^{2}	$ 112,700
Rounded to		**$ 113,000**

LAND SALES SCHEDULE

No.	Location Vendor/Purchaser	Date of Sale	Sale Price	Area	Sale Price/Unit At Date of Sale	Sale Price/Unit Adjusted to Date of Valuation @ 0.0% p.a.	Comments
1.	377 Albert St. Windsor Hants County, NS PID #45058971 Dana Corbin to Lohnes-Demont Funeral Service Ltd.	May. 2015	$ 60,000	15,000 ft.²	$4.00	$4.00	Vacant corner lot. Purchased by adjoining owner. Zoned Town Centre (commercial)
2.	Water St. Windsor Hants County, NS PID #'s 45056959, 45227824 Derek Littlejohn to James Roue Beverage Company Limited	Jul. 2018	$ 32,000	12,230 ft.²	$2.62	$2.62	Old masonry buildings on site of no value. Purchased for redevelopment. Zoned Town Centre (commercial)
3.	22 King St. Windsor Hants County, NS PID #'s 45057718, 45363561 3225823 Nova Scotia Limited to R & D Dunham Holdings Limited	Mar. 2018	$100,000	12,644 ft.²	$7.91	$7.91	Two adjoining parcels. Fully fenced cleared parcel. Rear parcel improved with old warehouse in poor condition. Zoned Town Centre (commercial)
4.	Lot C-2 Payzant Rd. Windsor, NS PID #45383775 Gateway Investments. to CPT Harvie Property Management Inc.	Feb. 2011	$115,000	16,708 ft.²	$6.89	$6.89	Serviced commercial lot. Zoned General Commercial.

INCOME APPROACH

Methodology

The Income Approach is based on the premise that the value of the property to an investor is the present worth of the income stream it is capable of generating.

The income stream (net operating income) has been calculated by estimating the potential rental income on a net absolute to landlord basis, as if fully leased, and then deducting therefrom an allowance for vacancy and credit loss, structural allowance and cost of vacancy.

The income stream has been expressed on a "stabilised" basis i.e. the projected income has been adjusted to reflect a normal or average year reflective of the remaining economic life of the property.

The income stream has been converted into a market value by using an Overall Capitalisation Rate. The latter is an income rate which represents the ratio of a single year's income amount to capital value.

Analysis and Conclusion

(1)	**Estimated Net Rental Income**				
	Basement:	Unfinished Space	5,640 ft.² @ $2.00/ft.²		$ 11,280
	Ground Floor:	Unfinished Space	3,990 ft.² @ $6.00/ft.²		$ 23,940
	Second Floor:	Unfinished Space	3,990 ft.² @ $5.00/ft.²		$ 19,950
	Total Potential Net Rental Income				$ 55,170
(2)	Less Vacancy & Credit Loss @ 10%				$ 5,517
	Estimated Effective Gross Income (EGI)				$ 49,653
	Less Outgoings				
(3)	Structural Allowance @ $0.40/ft.² GFA			$ 3,156	
(4)	Cost of Vacancy			$ 6,025	
	Total Outgoings			$ 9,181	$ 9,181
	Net Operating Income				$ 40,472
(5)	Overall Capitalisation Rate @ 9%				÷ 0.09
	Capital Value				$ 449,689
	Rounded to				**$ 450,000**

Notes:

(1) Estimated Net Rental Income

The subject property comprises dated office and ancillary space currently utilized as a courthouse. However it is adaptable to other commercial/office uses. The rental rates are based on an analysis of comparable commercial properties, details of which are included on the Space Rental Schedule on the following pages. We have analysed the rents on a "net" basis, i.e. the tenant pays all outgoings, including real estate taxes. We note that there is little interest in commercial office spaces, particularly on upper floors in the locality. Accordingly, the estimated market rent for the subject space is at the low end of the range.

The indicated rental rates range from \$6.13/ft.^{2} for upper storey office space in Windsor to \$12.10/ft.^{2} for good quality office space in Kentville. The remaining rents range from \$8.00 to \$10.00. We would expect that the market rent for the subject would fall toward the low end of the range as a result of its age, dated finishes and lack of handicap access. Having regard to the attributes of the subject property and the foregoing we have estimated the market rent for the ground floor (3,990 ft.^{2} GFA) at \$6.00/ft.^{2} and the second floor (3,990 ft.^{2} GFA) at \$5.00/ft.^{2}. We have estimated the Market Rent for basement space (5,640 ft.^{2}) at \$2.00ft.^{2} reflecting its condition and limited utility for alternative uses.
Total estimated Market Rent equates to **\$55,170 per annum.** (i.e. \$7.00/ft.^{2} of GFA).

(2) Vacancy and Credit Loss

We have stabilized the overall vacancy and credit loss allowance for the building at 10% of total potential gross income for valuation purposes based on the general market vacancy for rental space in the locality.

(3) Structural Allowance

The Structural Allowance is utilised to finance a sinking fund to cover major capital repairs, and is based on our experience with similar properties. We have stabilized this expense at \$0.40/ft.^{2} of GFA.

(4) Cost of Vacancy

Real Estate Taxes	-	Based on 2021 Assessment	\$17,660
Insurance	-	Market allowance.	\$ 3,000
Water & Sewer	-	Market allowance	\$ 1,500
Management	-	5% x EGI \$49,653	\$ 2,483
Heating	-	13,620 ft.^{2} @ \$1.25ft.^{2}	\$17,025
Repairs & Maintenance at	-	10% x EGI \$49,653	\$ 4,965
Electricity	-	13,620 ft.^{2} @ \$1.00/ft.^{2}	\$13,620
Total Operating Expenses			\$60,253
Vacancy @ 10 %			x 0.10
Cost of Vacancy			\$ 6,025

Our CompuVal® Knowledge Base contains information on the Operating Expenses of office, industrial, retail and commercial buildings in Atlantic Canada, disaggregated into the main categories detailed in the Outgoings Table. For each building it allows us to compare each expense category (1) as a percentage of Total Operating Expenses, (2) as a percentage of Effective Gross Income and (3) show increases/decreases over time. In addition CompuVal® allows us to conduct longitudinal (time series) analysis on each expense category, for a selected group of buildings, to determine the increase/decrease over time using linear regression and exponential smoothing. We have used the foregoing information and tools to establish each Stabilised Annual Expense.

(7) Overall Capitalisation Rate

The Overall Capitalisation Rate has been computed using the Ellwood Mortgage Equity Technique and the following assumptions:

(a) Mortgage Financing:

Type of Loan	- Conventional Loan Canadian Funds
Loan to Value Ratio	- 70%
Interest Rate (Stated Annual Rate)	- 5%
Amortisation Period	- 20 years

(b) Equity Data:

Equity Investment	- 30% of Market Value
Equity Yield Rate	- 15%
Time Horizon	- 10 years

(c) Capital Growth:

Annual Compound Appreciation/Depreciation	- 0%

(d) *Overall Capitalisation Rate:

Rounded to	**- 9 %**

**The Overall Capitalisation Rate has been verified by comparison with the sales of other income producing properties, a selection of which are detailed on the Capitalisation Rate Analysis Schedule on the following pages. The Indices have the most comparable risk profile to the Subject Property since they comprise single and multiple tenant commercial properties and are similar in size to the Subject Property. Their small market locations are similar to the Subject Property: the quality of their tenant covenant is similar. The average indicated capitalization rate is 9.07%. Having regard to all of the foregoing we are of the opinion that their Overall Capitalisation Rates reflect a similar level of risk than the Subject Property. We are therefore satisfied that our computed Overall Capitalisation Rate is supported by the market

SPACE RENTAL SCHEDULE

						Current Income Per ft.²				Estimated Market Rent (Net Absolute)		
Space No.	Tenant & Location	*Tenant Class	Rentable Area (ft.²)	Rent Starts	Rent Ends	Base Rent	Landlord's Operating Costs	Overage Rent	Net Absolute Rent	Per ft.²	Total	Comments
1.	73 Morison Dr. Windsor, NS	F	2,432	19 June 17	19 May 22	$10.27	--	---	$10.27	----	----	Single storey flex building comprised of finished retail space and unfinished warehouse/shop space. Currently an operating Speedy Glass centre.
2.	40 Gray St. Windsor, NS	O	2,318	Current	-	$11.13	$5.00 (est)	---	$ 6.13	----	----	Asking rent. Finished 2nd floor office space. Rent quoted on gross basis. Tenant pays own heat.
3.	Gerrish St. Windsor, NS	R	4,000	Current	-	$18.00	$8.00	---	$10.00	----	----	Asking rent. Rent quoted on gross basis. Ground floor turnkey restaurant space.
4.	9198 Commercial St. New Minas	O	1,968	1 Apr. 11	31 Mar. 21	$12.50	$4.00	---	± $ 8.50	---	---	Office space currently on gross basis. Landlord operating costs uncertain.
5.	4 Cornwallis St. Kentville	O	6,533	Current	Current	$15.00	$6.00	---	$ 9.00	---	--	Class B office space.
6.	12-16 Cornwallis St. Kentville	O	4,170	Current	Current	$10.00	± $2.00	---	$ 8.00	---	---	Renovated office space.
7.	11 Crescent Dr. New Minas	S	1,600	Current	Current	$11.00	± $3.00	--	$ 8.00	--	--	Retail and office space. Landlord pays for taxes and operating except electricity.
8.	28 Aberdeen St. Kentville	O	1,150	1 Jan. 19	31 Dec. 24	$18.10	± $6.00	--	$12.10	--	--	Landlord pays for CAM, utilities and taxes. The tenant pays HST.

SPACE RENTAL SCHEDULE

						Current Income Per ft.²				Estimated Market Rent (Net Absolute)		
Space No.	Tenant & Location	*Tenant Class	Rentable Area (ft.²)	Rent Starts	Rent Ends	Base Rent	Landlord's Operating Costs	Overage Rent	Net Absolute Rent	Per ft.²	Total	Comments
9.	Crescent Dr. New Minas	S	6,631	Current	Current	$11.00	$3.00	---	$ 8.00	---	---	Semi gross rent. Modern retail space. Tenant pays heat and power.

***Tenant Class**

A = Additional Revenue.
I = Industrial.
F = Flex Space (Industrial – Retail – Office).
L = Locker Storage.
M = Mixed Office/Warehouse.
O = Office Space.
R = Restaurant.
S = Retail Store.
W = Warehouse (Storage Space).

CAPITALISATION RATE ANALYSIS SCHEDULE

No.	Location Vendor/Purchaser	Bldg GFA (ft.²)	Date of Sale	Sale Price	Sale Price/ft.²	Overall Cap. Rate (Year 1)	Comments
1.	8927 Commercial Street New Minas Kings County, NS PID #55214852 Dorian Properties Ltd. to RTS Consultants Inc.	28,710	Sept. 2016	$4,000,000	$139.32	9.01%	Multi-tenant strip mall located in New Minas. Located along a major commercial thoroughfare.
2.	84-94 Main Street Yarmouth Yarmouth County, NS PID #'s 90196718, 90196726, 90196734, 90196742, 90194119, 90194127 Freshco Retail Maintenance Inc. to Rennduprat Design & Fabrication Inc.	7,317	Feb. 2018	$ 630,000	$ 86.10	9.00%	Three separate commercial buildings converted into one. Older commercial buildings.
3.	11 Crescent Drive New Minas Kings County, NS PID #55204341 Carline Strong to Wanda Lynn Balsor	3,488	Sept. 2019	$ 200,000	$ 57.33	8.14%	Ground floor retail with two apartments above.
4.	16 Church Street Amherst Cumberland County, NS PID #25369489 3105152 NS Ltd. to Avison Young, Michael Brown	39,336	Aug. 2017	$2,299,000	$ 58.45	8.00%	Maritime Block Professional Centre. Three-storey building built in 1907 and refurbished in 1989. In good condition. Has HVAC heat pump systems for each unit.
5.	360-370 Main Street Wolfville Kings County, NS PID #'s 55278758 and 55278766 Landmark Developments 2006 Limited to 3255781 Nova Scotia Limited	24,655	June 2015	$2,200,000	$ 89.23	12.45%	Warehouse Mall in Wolfville. Sale also includes Tim Horton's. Mixed-use plaza including free-standing pad, retail strip and second floor residential units.

CAPITALISATION RATE ANALYSIS SCHEDULE

No.	Location Vendor/Purchaser	Bldg GFA ($ft.^2$)	Date of Sale	Sale Price	Sale Price/$ft.^2$	Overall Cap. Rate (Year 1)	Comments
6.	5110 St. Margarets Bay Road Upper Tantallon St. Margaret's Square Ltd. to Pro Reit Acquisition (1) Inc.	25,523	Apr. 2016	$4,300,000	$168.48	7.79%	Single-tenant industrial building, pre-engineered steel frame with metal panel exterior walls and roof. Grade level loading doors and 22 ft. clear heights.
7.	188 Robie Street Truro Colchester County, NS PID #'s 20148144, 20461034, 20298212 3246491 Nova Scotia Limited to 3240402 Nova Scotia Limited	8,781	Apr. 2013	$1,200,000	$136.66	7.86%	The site is improved with a single storey commercial building.
8.	336 Kings Road Sydney Healthcare Properties Holdings Ltd. to Membertou Properties Inc.	34,271	Dec. 2015	$4,130,000	$120.51	7.50%	Modern two storey medical office building. Major Tenants: Island Physiotherapy, Victorian Order of Nurses, CBDHA.
9.	300 Horseshoe Lake Drive Halifax 3103146 Nova Scotia Limited (Banc) to Investors Real Property Fund	22,646	Jan. 2015	$6,800,000	$300.27	6.95%	Total Sales Price. Major Tenants: Access Nova Scotia.

DIRECT COMPARISON APPROACH

Methodology

The Direct Comparison Approach is based on the premise that properties with the same characteristics will transact at the same selling price since knowledgeable purchasers "comparison shop" when buying property.

Essentially this Approach is a systematic procedure for carrying out comparative shopping in which the Subject Property is "priced" by comparing it with other, similar properties (Indices) that have sold, been subject to offer or are listed for sale. With most "improved" property, building size is taken as the unit of comparison because most of the property's value usually resides in the structure, rather than the land. Based on our experience working with property sales data, we have determined that the five most significant independent variables influencing value are **Time** (Date of Sale), **Location**, **Quality** (Fit for Purpose), **Motivation** and building **Size**. The unit price (ft.^{2} Gross Floor Area of each Index (comparable transaction) has first been adjusted, when applicable, for the **Time** variable. These time adjusted unit prices have then been utilised to value the Subject Property. The weight placed on each Index as a predictor for the Subject Property value, is a function of its comparability in terms of **Location**, **Quality**, **Motivation** and **Size**.

Discussion of Building Sales

We have researched the sales, offers, and listings of comparable commercial properties in the area. The data was collected from vendors, purchasers, brokers, appraisers, MLS®, public and other sources deemed to be reliable. The most relevant data has been detailed on the Building Sales Schedule on the following pages. We have adjusted the prices in the Building Sales Schedule to the date of valuation to reflect an annual compound increase of 2%. This is based on a general study of prices in the area.

In analysing this data, we have divided the total selling, offer or asking price by the building gross floor area in the building to provide an indication of the sale, offer or asking price on a building unitised basis.

These unitised figures vary considerably depending on the size, type, location, physical condition and revenue of the building, in addition to the circumstances of the particular transaction. None of them prove conclusively the value of the Subject Property. However, they do paint the background against which the Subject Property can be viewed. Valuation in this instance is by way of interpolation and synthesis.

We have also investigated whether there have been any prior offers, sales, options, Agreements of Sale or listings of the Subject Property within the past three years. We understand that there has been no such activity.

Our analysis is included in the Building Sales Schedule on the following pages. The Indices are discussed in greater detail below:

Index #1

This property was sold in April 2019, approximately 1 year 11 months before the effective date of valuation. Sales data indicates that prices were fairly stable **[time]**. The property is situated in downtown Kentville on a corner lot. The location is considered to be superior to that of the subject property **[location]**. The building is a two-storey structure used for retail and office purposes. It has a retail office (travel agent) tenant on the ground floor and average quality office space above. The building has a masonry façade and masonry side and rear elevations. It was built in the 1950's. It is in average condition. The building is of similar quality to the subject property **[quality]**. We are not aware of any factors that would give rise to an adjustment for motivation **[motivation]**. The building was approximately ½ the size of the Subject Property: smaller buildings typically command higher prices per ft.^{2} because they attract a larger pool of purchasers **[size]**.

We consider this Index to be an average indicator of value on a time adjusted unit basis for the Subject Property.

Index #2

This property was sold in November 2020, approximately 4 months before the effective date of valuation. Sales data indicates that prices were fairly stable **[time]**. The property is situated in Wolfville on a corner lot. The location is considered to be superior to that of the subject property **[location]**. The building is a partial two storey dwelling converted to and formerly used as a funeral home. It has finished space on the ground floor with 2 apartments on the upper floor. The building has a wood siding façade and wood siding side and rear elevations. It was built in the 1930's. It is in fair to average condition. It had been vacant for several years. The building is inferior quality to the subject property. There is also a detached garage on the property **[quality]**. The vendor operated the property as a funeral home until consolidating operations to another location in Coldbrook. The purchaser intends to repurpose the property to a mixed commercial/residential use. We are not aware of any factors that would give rise to an adjustment for motivation **[motivation]**. The building was approximately ⅔ the size of the Subject Property: smaller buildings typically command higher prices per ft.^{2} because they attract a larger pool of purchasers **[size]**.

We consider this Index to be a good indicator of value on a time adjusted unit basis for the Subject Property.

Index #3

This property sold at the effective date of valuation. **[time]**. The property is situated in Windsor in a mixed area nearby to the subject. The location is considered to be similar to that of the subject property **[location]**. The building is a historic 2½ storey building that was used as an inn. It was more recently used as a restaurant and lounge with upper floor bedrooms and offices until it closed in 2019. The building has a wood siding façade and wood siding side and rear elevations. It is in average condition. The building is of inferior quality to the subject property **[quality]**. We are not aware of any factors that would give rise to an adjustment for motivation **[motivation]**. The building was similar in size to the Subject Property: similar buildings typically command similar prices per ft.^{2} because they attract a similar pool of purchasers **[size]**.

We consider this Index to be a good indicator of value on a time adjusted unit basis for the Subject Property

Index #4

This property was sold in February 2019, approximately 2 years 1 month before the effective date of valuation. Sales data indicates that prices were fairly stable **[time]**. The property is situated in the periphery of the downtown commercial area on an interior lot. The location is considered to slightly superior to the subject property **[location]**. The buildings comprise a masonry two storey structure and a single storey wood frame structure. The buildings were originally industrial which were subsequently renovated to multiple commercial use. The buildings were in average condition at the time of sale. The buildings are of inferior quality to the subject property **[quality]**. The property was sold under foreclosure **[motivation]**. The buildings were approximately the same size of the Subject Property: similar buildings typically command similar prices per ft.^{2} because they attract a similar pool of purchasers **[size]**.

We consider this Index to be a fair indicator of value on a time adjusted unit basis for the Subject Property.

Index #5

This property was sold in April 2015, approximately 4 years 11 months before the effective date of valuation. Sales data indicates that prices were fairly stable **[time]**. The property is situated on the periphery of the downtown commercial area on a corner lot. The location is considered to be similar to that of the subject property **[location]**. The building is a one storey structure former retail store re-purposed to a lounge. The building has a masonry and glass façade and masonry side and rear elevations. It was built in 1962. It is in average condition. The building is of similar quality to the subject property **[quality]**. The sale was between related parties. However the sale price reflects market value **[motivation]**. The building was approximately ½ the size of the Subject Property: smaller buildings typically command higher prices per ft.^{2} because they attract a larger pool of purchasers **[size]**.

We consider this Index to be an average indicator of value on a time adjusted unit basis for the Subject Property.

Index #6

This property was sold in October 2017, approximately 3 years 4 months before the effective date of valuation. Sales data indicates that prices were fairly stable **[time]**. The property is situated in the downtown commercial area on a corner lot. The location is considered to be superior to the subject property **[location]**. The building is a two storey structure. It was extensively refurbished to ground floor commercial/office and a social club/restaurant on the second floor. However the building had been mostly vacant for several years prior to the sale. The building has a masonry façade and masonry side and rear elevations. It was built in the 1940's but was re furbished in 1996. It is in fair to average condition. The building is of similar quality to the subject property **[quality]**. We are not aware of any factors that would give rise to an adjustment for motivation **[motivation]**. The building was approximately 1/3 the size of the Subject Property: smaller buildings typically command higher prices per ft.² because they attract a larger pool of purchasers **[size]**.

We consider this Index to be an average indicator of value on a time adjusted unit basis for the Subject Property.

Conclusion

The time adjusted unit prices for the Indices range from \$25 to \$80 with a median of \$48 per ft.². Having regard to all of the variables (**time**, **location**, **quality**, **motivation**, **size**) we are of the opinion that Index #'s 2, 3, 5 and 6 are the most reliable indicators of value for the Subject Property. Their time adjusted unit prices range between \$41 and \$ 81 and have an arithmetic mean of \$54/ft.². In our opinion the unit value of the ground floor and second floor areas (GFA) of the Subject Property lies below the average of this range. The basement space is comprises mostly outdated space which we would expect to indicate much lower value. We have adopted unit rate of \$20/ft.² for this space,

Based on our analysis it is our opinion that the indicated value of the Subject Property is as follows:

Building Value

Basement		5,640 ft.² @ \$ 20/ft.²	\$	112,800
Ground Floor	GFA	3,990 ft.² @ \$ 50/ft.²	\$	199,500
Second Floor	GFA	3,990 ft.² @ \$ 40/ft.²	\$	159,600
Total GFA		7,980 ft.² \$ 59/ft.²	\$	471,900
Rounded to			**\$**	**472,000**

Note: Site Improvements are included in the building value.

BUILDING SALES SCHEDULE

						Bldg. Value/ft.² GFA		
No.	Location Vendor/Purchaser	Date of Sale	Sale Price	Land Area (ft.²)	Bldg. GFA (ft.²)	At Date of Sale	Adjusted to Date of Valuation @ 2.0% p.a.	Comments
1.	341 Main St. Kentville Kings County, NS PID #'s 55246904, 55502652 C Kent & H Duffett to Laumor Properties Limited	Apr. 2019	$510,000	4,888	6,600	$77	$80	Two storey masonry building with ground floor commercial space and offices to second floor. No parking.
2.	568 Main St. Wolfville Kings County, NS PID #55279459 Serenity Cremation & Funeral Specialists (2013) Inc. to ?	Nov. 2020	$610,000	21,590	7,579	$80	$81	Former funeral home. Older partial two storey wood frame. Detached garage. Vacant at time of sale. 2 x 3 bedroom apartments on second floor. Corner lot. Zoned commercial. Purchaser repurposing property. Closing February 2021.
3.	523/535 Albert St. Windsor Hants County, NS PID #'s 45058872, 45058880 3101967 NS Ltd. to ?	Apr. 2021	$400,000	21,632	9,000	$44	$44	2 ½ storey. Bult 1905. Formerly operated as restaurant and lounge. Upper floors bedrooms and offices. Corner location.
4.	14 Water St. Windsor Hants County, NS PID #45056835 Royal Bank Canada to Pro Line Sports Ltd.	Jul. 2019	$250,000	32,300	10,330	$24	$25	Dufferin Place, Two storey masonry and a one wood frame building. Renovated to mixed commercial space. Sold under foreclosure.

BUILDING SALES SCHEDULE

No.	Location Vendor/Purchaser	Date of Sale	Sale Price	Land Area (ft.²)	Bldg. GFA (ft.²)	Bldg. Value/ft.² GFA At Date of Sale	Bldg. Value/ft.² GFA Adjusted to Date of Valuation @ 2.0% p.a.	Comments
5.	143 Gerrish St./King St. Windsor Hants County, NS PID #'s 45057783 & 45057791 Elmer's & Casablanca Restaurant Limited to 3027016 Nova Scotia Limited	Apr. 2015	$305,000	14,940	6,681	$46	$52	One storey masonry building. Built 1962 Former retail building renovated to Tommy Gun's lounge. Sale between related parties.
6.	11 Water St. Windsor Hants County, NS PID #45057700 Earl Pineo to R&D Dunham Holdings	Oct. 2017	$175,000	4,425	4,600	$38	$41	Two storey masonry building. Fully renovated and refurbished in 1996. Ground floor commercial/office space. Second floor was finished as a club space. Vacant at time of sale.

RECONCILIATION AND FINAL ESTIMATE OF VALUE

Summary

The market value indicated by the various approaches is as follows:

Income Approach	$450,000
Direct Comparison Approach	$472,000

Reliability of the Various Approaches as an Indicator of Value

The strengths and weaknesses of the valuation approaches utilised in this assignment are as follows:

Income Approach - The Income Approach can provide a reliable indicator of value for properties which are acquired as investment vehicles. The value of the property is determined by its ability to generate revenue.

This approach is less reliable when applied to properties which are not likely to be rented to a tenant. When the property is to be utilised by an owner/occupier the Income Approach may not produce the most reliable indicator of value.

Direct Comparison Approach - The Direct Comparison Approach can provide a reliable indicator of value when there is comparable sales data available.

This approach is less reliable when sales data is sparse or when the various sales are not truly comparable to the subject thereby requiring extensive adjustments.

Reconciliation and Final Estimate of Value

We place the equal weight in the Direct Comparison Approach and Income Approach in this instance because of the good quality of market data available. There have been recent sales of similar historic properties in area which offer evidence to support the valuation. The Income Approach is equally reliable. Although the subject does not represent a typical investment type property, it could be adaptable to a commercial property and market rental data is available,

Indicated Value	$461,000
Rounded to	$460,000
Final Estimate of Value	**$460,000**

CERTIFICATION

Re: PID# 45059987, Hants County Court House, 226 King Street, Windsor, Nova Scotia

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

the statements of fact contained in this report are true and correct;

the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions;

neither I, nor Turner Drake & Partners Ltd., have any past, present or prospective material involvement with the property that is the subject of this report, other than this assignment;

neither I, nor Turner Drake & Partners Ltd., have received any fees, in connection with the purchase of the property the subject of this report, within twelve months preceding the date of valuation. Turner Drake & Partners Ltd. have not received, nor will they receive, an introductory, mortgage financing or any other fees in connection with such a purchase. They have not negotiated the purchase on behalf of the client;

neither I, nor Turner Drake & Partners Ltd., have any past, present or prospective material involvement with the customer, client, or any parties contemplated to be involved in any transaction resulting from this assignment other than previous valuation assignments on other properties for the client;

neither I, nor Turner Drake & Partners Ltd., share any fiduciary interest with the client. Turner Drake & Partners Ltd. has a prior relationship with the client.

during the twelve months preceding the date of valuation the total fees paid by the client to Turner Drake & Partners Ltd. represented a minimal (< 5%) proportion of Turner Drake & Partners Ltd.'s gross income;

my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this report;

my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Royal Institution of Chartered Surveyors' Valuation Standards [2017 Edition] (RICS Red Book), the International Valuation Standards (IVS), the Uniform Standards of Professional Appraisal Practice (USPAP), and the Canadian Uniform Standards of Professional Appraisal Practice;

I have made a personal inspection of the property that is the subject of this report;

no one provided significant professional assistance to the person signing this report;

I have sufficient current local, national and international knowledge of the market, and the skills and understanding, to undertake this valuation in a competent manner;

all Extraordinary Assumptions and/or Hypothetical Conditions detailed in this report were agreed with the party to whom this report is addressed;

I certify that the use of this report is subject to the requirements of the professional institutes of which I am a member, relating to review by their duly authorised representatives;

as of the date of this report, I have completed the requirements of the continuing education programs of the professional institutes of which I am a member;

that the **Market Value** of the Fee Simple Interest in the subject property, premised on the basis that it will be utilised for its Highest and Best Use with vacant possession as of the 12th March 2021, subject to the Limiting Conditions and Assumptions contained herein and a Reasonable Exposure Time of 6-18 months, is the sum of $460,000.

that the **Market Rent** of the subject property, on a net absolute to landlord basis (i.e. assuming that the lessee pays for the property taxes and all operating expenses other than structural repairs) for a typical term of 5 years as of the 12th March 2021 subject to the Limiting Conditions and Assumptions contained herein and a Reasonable Exposure Time of 6 -18 months, is the sum of $55,170 per annum (i.e. $7.00/ft.^{2} of GFA).

30th April 2021
Date

RICHARD J. ESCOTT, BES, MRICS, AACI
NSREAA #213480

TERMS OF ENGAGEMENT

Our Ref 2114912/13/14 HQ/RE

TURNER DRAKE & PARTNERS LIMITED
TERMS OF ENGAGEMENT

THIS AGREEMENT made the 8th day of January, A.D. 2021

BETWEEN Turner Drake & Partners Ltd.
hereinafter referred to as "TURNER DRAKE" OF THE FIRST PART

and

Windsor/West Hants Regional Municipality
hereinafter referred to as the "CUSTOMER" OF THE SECOND PART

WITNESSETH THAT for consideration, TURNER DRAKE agrees to provide, subject to the terms and conditions set forth in this Agreement, the services described below and any additional services as may be requested by the CUSTOMER and accepted by TURNER DRAKE in the course of this Agreement

1.01 The CLIENT for this assignment is Windsor/West Hants Regional Municipality

1.02 TURNER DRAKE shall prepare and provide to the CUSTOMER 1 electronic copy in pdf format, of a summary valuation report on the Fee Simple interest in:

Windsor Municipal Complex, PID 45057742, 100 King Street, Windsor, Nova Scotia
West Hants Municipal Complex, PID 45146731, 76 Morrison Drive, Windsor, Nova Scotia
Hants County Court House, PID 45059987, 226 King Street, Windsor, Nova Scotia

(hereinafter referred to as the "PROPERTIES") for the purpose of establishing its value for Lease and Sale purposes with vacant possession. Use of the valuation report for other purposes or by other parties may invalidate the conclusions. The RICS Valuation Standards require that we prepare a new report if the CLIENT, intended user, date, or purpose of the assignment, is changed.

1.03 Since the purpose of a draft valuation report is frequently misinterpreted by the CLIENT (the party relying upon the final valuation report referred to in Paragraph 1.02), the valuation report will not be prepared initially in "draft" format.

1.04 The effective date of the valuation of the PROPERTIES is to be date of inspection 2021. The value will be expressed in Canadian currency.

1.05 The PROPERTIES comprise municipal office buildings.

1.06 The basis of the valuation is **Market Value** (Highest and Best Use) and **Market Rental Value**

1.07 The reported analyses, opinions and conclusions will be developed in accordance with the Royal Institution of Chartered Surveyors' Valuation Standards [2017 Edition] (RICS Red Book), and the International Valuation Standards (IVS). The valuation report will conform with the Uniform Standards of Professional Appraisal Practice (USPAP). The conduct of the assignment and the preparation of the report will also comply with the Canadian Uniform Standards of Professional Appraisal Practice. The report and assignment will be subject to the requirements of the Code of Professional Ethics of the professional institutes of which the author of the report is a member, which include provision for peer review.

1.08 The Valuer responsible for the assignment will have sufficient current local, national and international knowledge of the market, and the skills and understanding, to undertake the valuation in a competent manner, and will act as an External Valuer

1.09 TURNER DRAKE will undertake a detailed on-site inspection of the PROPERTIES and the neighbourhood including the exterior and interior of the building situated thereon that impact the value of the PROPERTIES.

1.10 TURNER DRAKE will undertake such fiscal, physical and legal investigations as are necessary and prudent to arrive at the value of the PROPERTIES. This research will not include an investigation of title, a property survey, engineering or environmental studies of the land and structures, or tests to determine whether there is a supply of potable water or that the property has, or will support, a fully functioning sewage disposal system. The PROPERTIES will be valued on the assumption that they are not, and never have been, subject to environmental contamination, and that it is not in such proximity to another contaminated property as to adversely impact the value of the subject PROPERTIES.

TURNER DRAKE anticipates utilising the Cost, Direct Sales Comparison and Income Approaches to value, on this assignment.

1.11 TURNER DRAKE, in order to value the PROPERTIES, will undertake such investigations as are necessary and prudent to verify that information supplied by the CUSTOMER, the CLIENT and other parties, is reliable and accurate. However, these investigations may be limited by privacy legislation and the absence of publicly available, verified, sales and rental data. It will be necessary, in part, to rely upon hearsay data.

1.12 TURNER DRAKE has no material involvement (past, current, or future) with the PROPERTIES other than the assignment contemplated by these TERMS OF ENGAGEMENT.

1.13 TURNER DRAKE has no material involvement (past, current, or future) with the CLIENT, the CUSTOMER, or any parties contemplated to be involved in any transaction resulting from these TERMS OF ENGAGEMENT other than previous valuation assignments for the client.

2.01 The valuation report will contain such confidential information as is necessary to support the analyses, opinions and conclusions contained therein. It may also be subject to Extraordinary Assumptions and/or Hypothetical Conditions: reference to the report in any published document without an adequate contemporaneous reference to these Extraordinary Assumptions or Hypothetical Conditions would be misleading and is prohibited. For these reasons, and to protect the integrity of the report, TURNER DRAKE will retain copyright to the report; reproduction in whole or part will be prohibited without their written permission.

2.02 The valuation report has to be used in its entirety since parts taken out of context may be misleading. Use of the report will be subject to the statements, limited conditions, assumptions and other terms set forth in the report. The report, or any parts thereof, may not be used for any purpose other than that for which it is undertaken and will be furnished for the exclusive use of the CLIENT. **All liability to any party other than the CLIENT will be denied.**

2.03 Turner Drake & Partners Ltd. (TURNER DRAKE) is regulated by RICS (Royal Institution of Chartered Surveyors) for the provision of surveying i.e. property consulting, services. This means we agree to uphold the RICS Rules of Conduct for Firms and all other applicable mandatory professional practice requirements of RICS, which can be found at www.rics.org. As an RICS regulated firm we have committed to cooperating with RICS in ensuring compliance with its standards. The firm's nominated RICS Responsible Principal is Mark Blair Turner, President, Email: markturner@turnerdrake.com. TURNER DRAKE's complaints handling procedure, available upon request, is governed by a quality system registered to the international ISO 9001:2015 standard. In addition, TURNER DRAKE is subject to provincial licencing with respect to its appraisal and brokerage services.

2.04 These TERMS OF ENGAGEMENT will be included in and form part of the valuation report.

3.01 The CUSTOMER, for the performance of the services referred to in Article 1 shall pay to TURNER DRAKE:

(a) A fee of:

Windsor Municipal Complex, 100 King Street, Windsor:	$ 5,000
West Hants Municipal Complex, 76 Morison Drive, Windsor:	$ 4,200
Total	$ 9,200

Hants County Court House, 226 King Street, Windsor:	$4,500

These fees do not include H.S.T.

(b) Disbursements, to be invoiced at actual cost, are included in the above fee.
(c) A retainer in the amount of $NIL.
(d) All accounts are payable on receipt and interest is charged at 2% per month (24% per annum) on outstanding invoices.

Accepted by:
TURNER DRAKE & PARTNERS LTD.
Per: ____________________
Title: Senior manager
Date: 11 Jan /2021

The above is agreed to by the CUSTOMER.
Per: ____________________
Authorised Signing Officer
Title: ____________________
Date: ____________________
PO #: ____________________