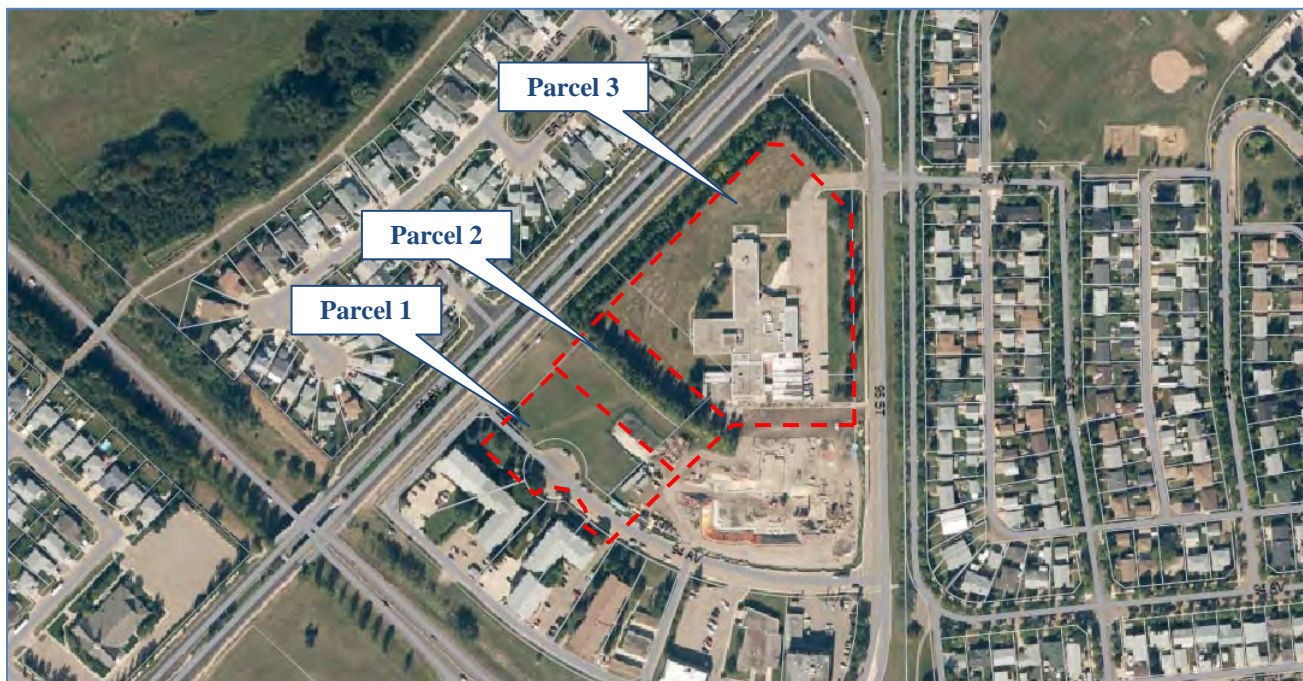


REAL ESTATE APPRAISAL

of

The 'Old Health Centre Site' in Fort Saskatchewan, AB
Located in the vicinity of 99th Avenue and 95th Street
(consisting of three parcels of vacant land)



Report prepared for:

City of Fort Saskatchewan
10005 – 102 Street
Fort Saskatchewan, AB T8L 2C5
Attention: Mr. Mike Erickson, Economic Development Officer

By:

Pat A. Woodlock, BMgt, AACI, P.App
HarrisonBowker Real Estate Appraisers Ltd.
200, 37 St. Thomas Street
St. Albert, Alberta T8N 6Z1
Tel: (780) 458-3814 Fax: (780) 458-3962
E-mail: pat@harrisonbowker.com
www.harrisonbowker.com

September 8, 2015

City of Fort Saskatchewan
10005 – 102 Street
Fort Saskatchewan, AB
T8L 2C5

Attention: Mr. Mike Erickson, Economic Development Officer

Dear Mr. Erickson:

Re: Real estate appraisal of three parcels of vacant land located at the Old Health Care Centre Site, in the vicinity of 99th Avenue and 95th Street, in the City of Fort Saskatchewan, AB. Legal descriptions are defined below.

Pursuant to your instructions, we have appraised the above referenced properties with the objective of determining their current market value. Based on our research and analysis, it is our opinion that the market value of the fee simple interest in the subject properties as of September 2, 2015 may be fairly stated as:

Final Values				
Parcel	Short Legal Description	Size	Value	Unit Value
1	Part of Lot 8/22/6180NY; Lot R1/22/3610RS (en bloc)	1.55 acres	\$1,125,000	\$725,000/acre
2	Lot 18, Block 11, Plan 1523644	1.24 acres	\$900,000	\$725,000/acre
3	Lot 17, Block 11, Plan 1523644	4.47 acres	\$2,905,000	\$650,000/acre

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

The appraisal report is to be used only for the specific purpose stated in the report, and no person may rely on the report for any other purpose. You may show the report in its entirety to those third parties who have a need to review the information it contains.

Thank you for this opportunity to be of service.

Yours respectfully,

HARRISONBOWKER REAL ESTATE APPRAISERS LTD.



Pat A. Woodlock, BMgt, AACI, P.App
Appraiser

enclosure: Appraisal Report

EXECUTIVE SUMMARY

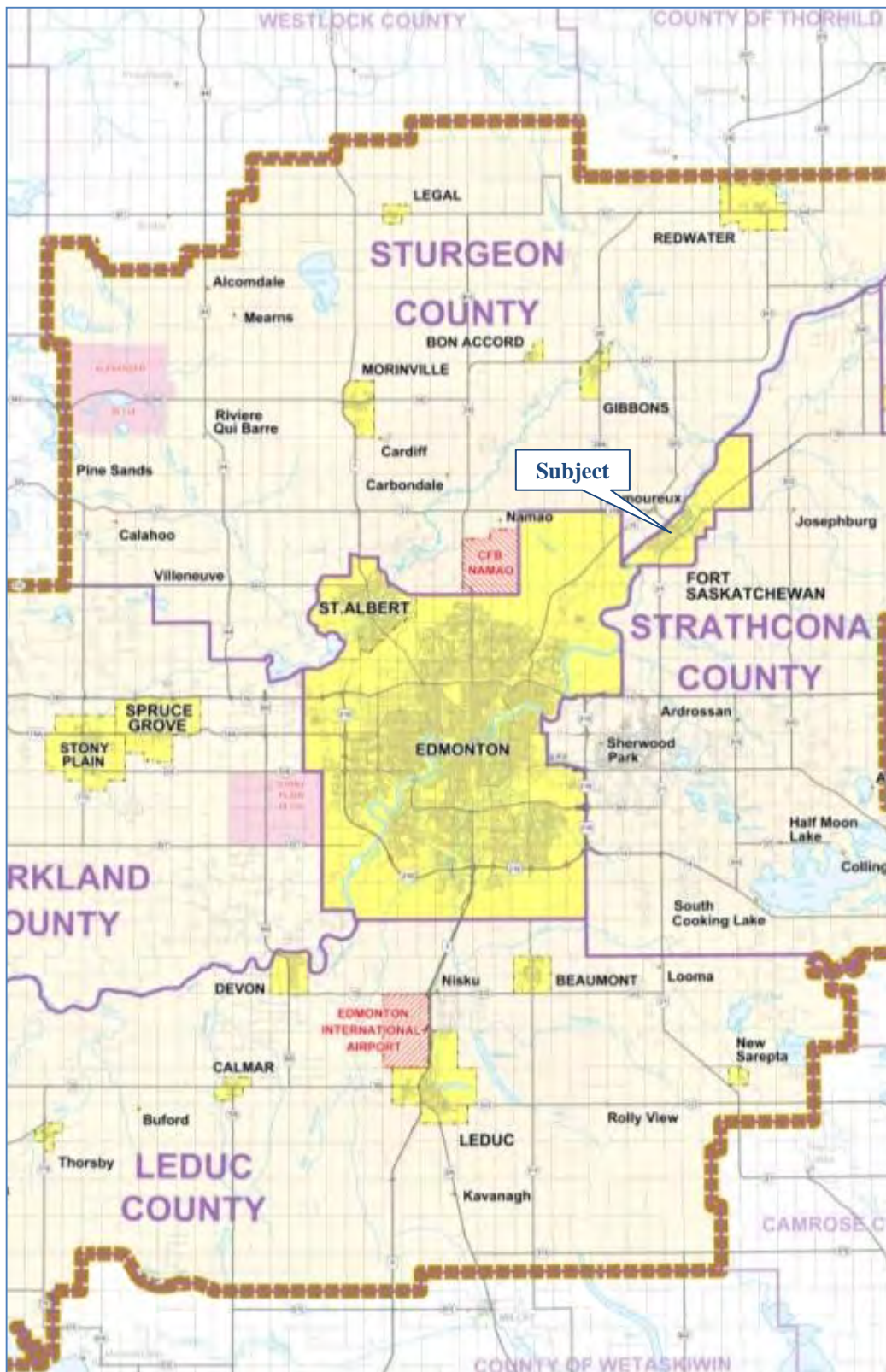
The subject of this appraisal is comprised of three contiguous parcels of vacant land at the Old Health Care Centre Site in the City of Fort Saskatchewan. This is a mature area, primarily characterized by mixed-density residential development, with some commercial development also in place. The DC-zoning of the property suggests mid to high density development would be appropriate. There is continued demand for higher density sites in the Edmonton CMA, recognizing the peripheral area and slower market. This has been reflected in the valuation.

The land valuation was completed without undue difficulty, recognizing that the property is not conventionally zoned and potential use and density factors are not completely defined. The Direct Comparison approach was applied for the valuation, based on ten primary Value Indicators, good secondary support, and extensive research and analysis into all sales within this market since 2010. The results are deemed adequately supported.

- Client:** City of Fort Saskatchewan.
- Property Description:** Portions of the 'Old Health Centre Site' lands, comprised of three parcels of bare redevelopment land in established Fort Saskatchewan
- Municipal Address:** Not yet assigned. Located in the vicinity of 99 Avenue and 95 Street.
- Legal Description:** Parcel 1: Part of Lot 8/22/6180NY; Lot R1/22/3610RS (en bloc)
Parcel 2: Lot 18, Block 11, Plan 1523644
Parcel 3: Lot 17, Block 11, Plan 1523644
- Purpose and Use:** Internal corporate purposes.
- Interests Appraised:** Fee simple estate.
- Effective Date:** September 2, 2015.
- Property Owner:** The City of Fort Saskatchewan.
- Improvements:** None of value.
- Site Area:** Parcel 1: 1.55 acres (0.627 ha)
Parcel 2: 1.24 acres (0.503 ha)
Parcel 3: 4.47 acres (1.809 ha)
- Zoning:** DC – Direct Control District.
- Property Use:** Vacant land.
- Highest and Best Use:** Development consistent with market forces and City approvals. An imminent to short term development horizon is market supported.
- Key Factors in Value:** **Pros:** (1) Well-located in an established area of Fort Saskatchewan. (2) Good access to arterial routes. (3) Servicing is reported to be available for full development of the site. (4) Longer term economic prospects for the Edmonton CMA are good.
Cons: (1) The parcels are subject to vague Land Use Controls, increasing perceived risk. (2) Fort Saskatchewan's economic development is strongly tied to petrochemical and industrial developments, the dynamics of which are constantly changing. (3) Uncertain macro market conditions have been underscored by the recent drop in world oil prices

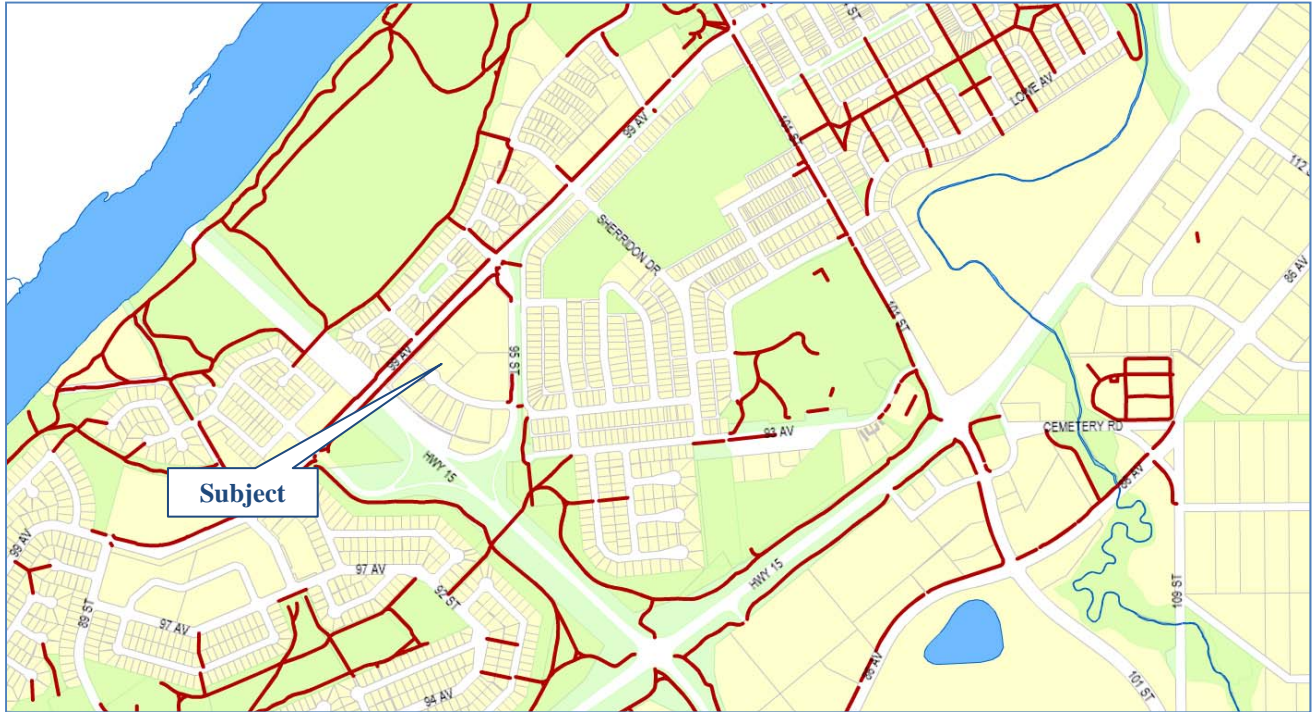
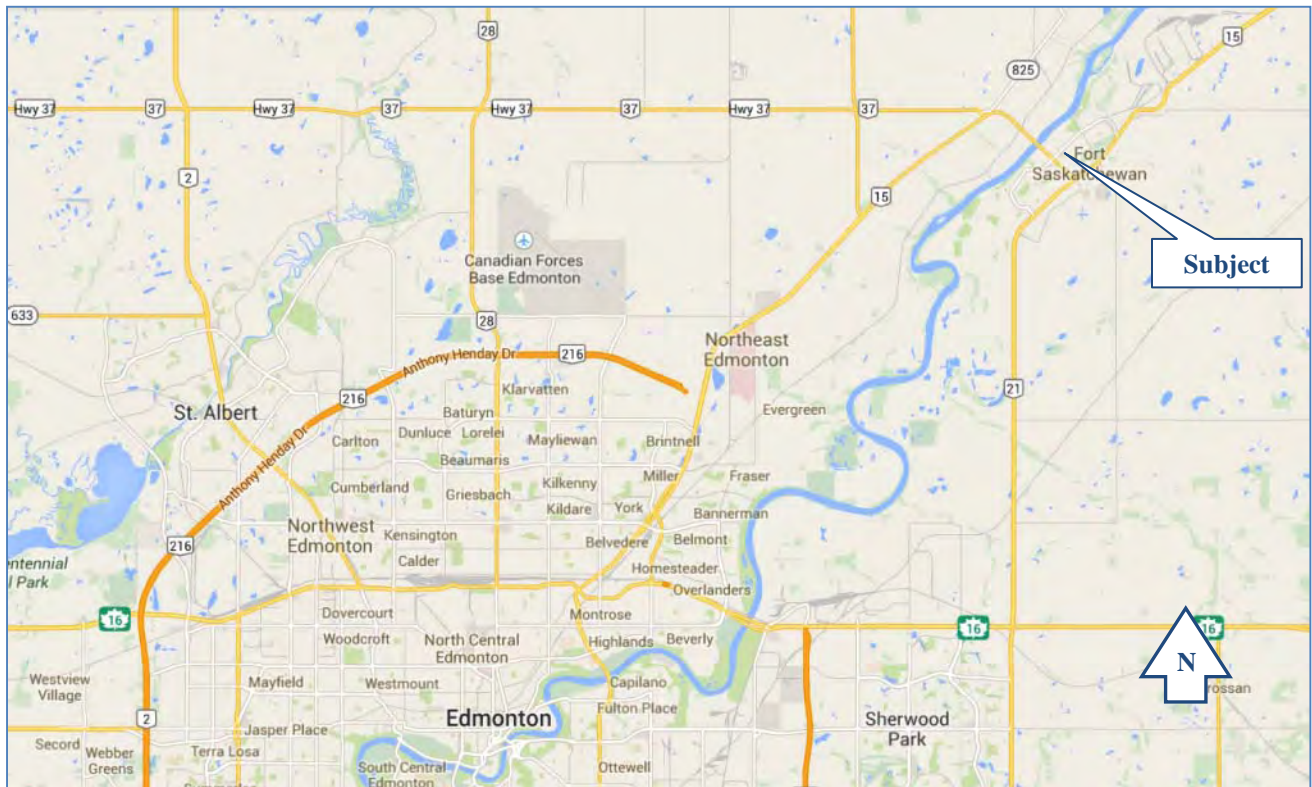
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MAPS



Edmonton CMA Map: The subject property is located in the City of Fort Saskatchewan, which is located in the NE quadrant of the Edmonton CMA. Access to major transportation routes and the rest of the CMA is good.

MAPS



Maps (GoogleMaps): Depicting the subject in the context of the Edmonton CMA as well as the immediate area. Note the good access to major arterial roadways. Roadways bound three sides of the site.

PHOTOGRAPHS



Aerial Photos (Google maps above circa 2015, Fort Saskatchewan Webmap below circa 2013): Depicting subject site in the context of the Fort Saskatchewan (above) and immediate surroundings (below). Hospital has been demolished since photo.

PHOTOGRAPHS



Facing south into Parcel 3 from near to the north corner of the site. This property was previously improved with a hospital that has been recently demolished. The 2-storey building in the background is a new 90-unit senior's lodge known as Dr. Turner's Lodge. Parcels 1 and 2 extend beyond the south boundary of Parcel 3.



Facing towards the subject land from the north corner of Parcel 3 at the intersection of 99 Avenue and 95 Street. 99 Avenue (depicted) is a 4-lane arterial roadway. Access will not be possible from this roadway.

PHOTOGRAPHS



Facing into Parcel 3 from east-adjacent 95 Street, which provides access to Parcel 3.



Facing into Parcel 1 from south-adjacent 94 Avenue, which will provide access. Access to Parcel 2 will be through Parcel 1 by way of Registered Easement.

PHOTOGRAPHS



Facing Dr. Turner Lodge along 94th Avenue. This is a high quality development that benefits the area and should fit well into plans for the surrounding areas.



Street scene along 95 Street. This is a collector/arterial that junctions with 94 Avenue, which in turn will provide access to Parcel 1. Parcel 2 is accessed through Parcel 1. Parcel 3 will have direct access to 95 Street.