

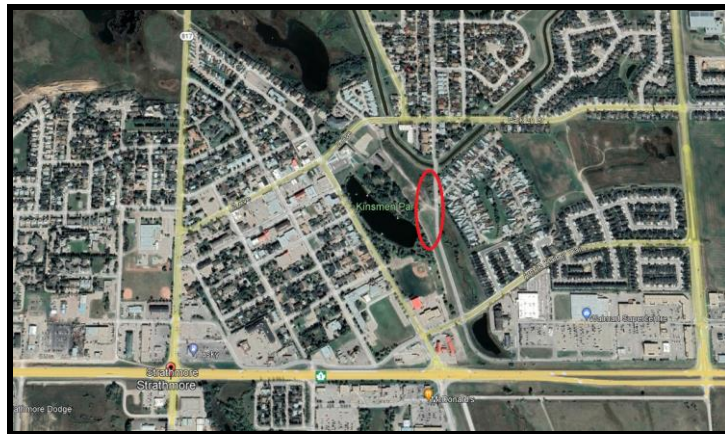


Weleschuk Associates Ltd.
Accredited Appraisers and Agricultural Consultants

Current Market Value of Two Hypothetical P1 Zoned Parcels in the Town of Strathmore

Existing Parcels: Plan 9411772 Blocks 3, 4 and 5

Town of Strathmore, Alberta



Effective Date: November 10, 2021

**Prepared for: Wheatland County
November 2021**

Our File No. 21-2277



Weleschuk Associates Ltd.
Accredited Appraisers and Agricultural Consultants

November 22, 2021

File No.: 21-2277

Wheatland County

c/o Dennis Klem
242006 Range Road 243
County of Wheatland, AB T1P 2C4

**Re: Transmittal: Market Value Report of Two Hypothetical Parcels
Town of Strathmore
Effective Date: November 10, 2021**

Please find enclosed a copy of the captioned appraisal report. This appraisal is being delivered in electronic format, pursuant to your instructions. The report sets out the scope of this assignment, describes the subject property and area, presents the Comparable Sales and discusses the analysis to derive the value conclusion. All assumptions are included in the appraisal report. The value estimate assumes that the local economy will recover to pre-pandemic status in a timely fashion.

The indicated value of the subject property as of the effective date is estimated at:

Theoretical Parcel	Value per Acre	Value of the Parcel
4.61 acres	\$171,000	\$788,310
7.00 acres	\$161,500	\$1,130,500

Please contact the undersigned if you have any questions or wish to discuss this further. Thank you for the opportunity to provide you with our services.

Respectfully submitted,

Ivan T. Weleschuk, P.Ag., DAC

Summary of Salient Facts and Conclusions

Owner(s): Town of Strathmore

Legal Description	Certificate of Title No.	Municipality	Size (acres)	No. of Encumb.
Plan 9411772 Block 3	151 074 738+1	Town of Strathmore	4.43	4
Plan 9411772 Block 4	151 074 738+2	Town of Strathmore	2.90	3
Plan 9411772 Block 5	111 136 123	Town of Strathmore	1.56	3

Property Rights Appraised: Fee simple market value of surface interest
Of two hypothetical parcels zoned P!;
Parcel sizes: 4.61 acres and 7.00 acres
As bare land

Effective Date: November 10, 2021

Zoning: Public Service District P-1

Highest and Best Use: Public Service District P-1

Conclusion of Value:

Theoretical Parcel	Value per Acre	Value of the Parcel
4.61 acres	\$171,000	\$788,310
7.00 acres	\$161,500	\$1,130,500

Prepared by: Ivan Weleschuk, P.Ag., DAC
Accredited Appraiser

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I. BACKGROUND

A. Purpose and Client

This is a market value appraisal of the surface fee simple interest of two hypothetical parcels located in the Town of Strathmore. One hypothetical parcel is 4.61 acres and the other is 7.00 acres. The hypothetical parcels do not legally exist as of the effective date. My client, Wheatland County, provided a description of each of the hypothetical parcels, that may be created from three existing titled parcels owned by the Town of Strathmore.

The purpose of this appraisal is to provide an estimate of the fair market value of the two hypothetical properties for project planning purposes. In addition to my client, parties involved in this project, including the Town of Strathmore, are intended users of this appraisal report.

This narrative appraisal report is prepared in accordance with the Uniform Standards of Professional Appraisal Practice¹ (USPAP), in Appraisal Report Format as described in Standards Rule 2. This format allows for a summary of the information and analysis used to derive the value estimate. Additional information may be contained in the appraiser's work file.

B. Effective Date

The effective date of this appraisal is November 10, 2021, as specified by my client. Comparable sales were viewed either on this date, prior to this date as part of other appraisal assignments in the area or shortly after this date.

C. Scope

The scope of this appraisal assignment is to provide an estimate of the current market value of the fee simple surface interest of the two subject hypothetical properties as of the November 10, 2021 effective date. As of the effective date, the property is

¹ Uniform Standards of Professional Appraisal Practice 2020-2021 Edition. Appraisal Standards Board of the Appraisal Foundation, Washington, D.C. Effective January 1, 2020.

bare land, owned by the Town of Strathmore on three Titled parcels that would be reconfigured to create the hypothetical parcels.

One definition of market value is:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite in 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 that consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions 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 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.”²

Inherent in a definition of market value is the time that the property is exposed to the market. Currently, based on Days on Market data obtained for similar properties selling in the area through the local Multiple Listing Service (MLS), market exposure (days on market) is in the range of 60 to 300+ days. An exposure time of 120 days is assumed in this definition of market value, recognizing the current real estate market.

A copy of the subject Land Titles was obtained to verify ownership, parcel size and encumbrances. A detailed description of the hypothetical parcels was provided by my client. Comparable Sales were identified using the monthly Government of Alberta Land Titles Changes, the Calgary Real Estate Board Multiple Listing Service (MLS). Transfer documents and from communication with the Town of Strathmore Assessor. Transfer documents were obtained and reviewed.

The appraiser viewed the subject property on November 11, 2021. Comparable sales were viewed either on this date or prior to this date as part of other appraisal assignments in the area. Aerial photographs were used to enhance the understanding of the character and nature of the property.

² Uniform Standards of Professional Appraisal Practice, Definitions Section, 1996 edition.

The data compiled was analyzed and a report prepared setting out the methodology and analysis involved in the value conclusions in accordance with a report prepared in Appraisal Format under USPAP.

D. Assumptions and Limiting Conditions

The key limiting condition is that the two subject parcels are hypothetical, therefore do not legally exist as of the effective date. This appraisal report is also subject to the following assumptions and limiting conditions, which governs the value conclusion contained in this report.

- 1) This appraisal report is prepared for the exclusive and sole use and benefit of my client, and for the purpose identified. Any use of this report by anyone other than the client or the intended users identified, or for any purpose or function other than the original intent, invalidates the findings and voids all results and/or conclusions.
- 2) The appraiser assumes no responsibility for matters of a legal nature affecting the real property appraised or the title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The subject must comply with government regulations, including zoning, building codes, and health regulations, and if it does not comply, its non-compliance may affect the market value. To be certain of compliance, further investigation may be necessary. The real property is appraised as though under responsible ownership.
- 3) The appraiser has made no survey of the real property. The Appraiser relies on the Land Title Certificate for the size of the property. Any sketches or references to distances or dimensions are to assist the reader in visualizing or understanding the real property.
- 4) This is an appraisal of the fee simple market value of the hypothetical subject properties as bare land. Mines and minerals are assumed exempt from title.
- 5) No soils or engineering work was undertaken by the appraiser. Further, no environmental assessment of the property was undertaken, nor provided to the appraiser. The appraiser is not expert in either of these disciplines and offers no independent analysis or opinions on these matters. We understand the condition of the property to be as observed.
- 6) Information provided by others is believed to be complete and true, but its accuracy cannot be guaranteed. All reasonable efforts have been made to verify information provided by others, however no responsibility for the accuracy of such information is

assumed by the appraiser. The appraiser reserves the right to reconsider the conclusions should new information be made available.

- 7) The appraiser provides appraisal services to this client on an on-going basis but has not previously appraised the property associated with the hypothetical parcels for any other client.
- 8) Neither possession of this report, or copy thereof, carries with it the right of publication. All copyright is reserved to the author and is considered confidential by the author, client(s), and intended user(s). It shall not be disclosed, quoted from or referred to, in whole or in part, or published in any manner without the expressed written consent of the author. This is subject only to confidential review by the appraisal accreditation organizations that the author is a member of, in accordance with their by-laws.
- 9) With the current state of the Canadian economy, states of emergency, volatility of real estate markets, principles of supply and demand, the rapidly changing cost and availability of credit and various other market forces being influenced by the Covid 19 virus; intended users of this appraisal report are cautioned that the values stated in this appraisal report are as of the effective date only and in no way reflect issues of supply and demand, marketability or values of the subject property at any subsequent time.

E. Legal Description

The subject hypothetical properties will be created out of portions of three titled parcels owned by the Town of Strathmore. The existing parcels are zoned Public Service District P1. The table below sets out the existing properties as of the effective date.

Table 1: Summary of existing properties.

Map Colour	Legal Description	Certificate of Title No.	Size (acres)	No. of Instruments
Brown	Plan 9411772 Block 5	111 136 123	1.56	3
Purple	Plan 9411772 Block 4	111 136 123+2	2.90	3
Blue	Plan 9411772 Block 3	151 074 738+1	4.43	4



Figure 1: Map showing the existing properties (reference to Table 1).

The instruments registered on the Titles are predominantly utility rights of way, with Blocks 3 and 4 having a Development Agreement and Block 2 having an access easement across the parcel. In discussions with Town planning staff, the off-site levies associated with the Development Agreements are currently in the order of \$45,000/acre. These are all common encumbrances.

The hypothetical parcels would consist of portions of the three existing properties, creating an irregular shaped parcel. The hypothetical parcels are illustrated below.



Figure 2: Sketch of the hypothetical 4.61 acre parcel (Hypothetical 1).



Figure 3: Sketch of the hypothetical 7.00 acre parcel (Hypothetical 2).

F. Description of the Subject Area

The subject area is located in the Town of Strathmore, about a 20 minute drive east from the City of Calgary. The Strathmore area is predominantly agricultural, with considerable oil and gas and energy development (including developing solar generation). Because of the proximity to Calgary, country residential uses are also prevalent on various sized parcels in the area.

The Town is within the commuting halo around Calgary and its metropolitan area, therefore some of the residents are commuters into Calgary and the industrial areas surrounding Calgary. The Town provides services to some 14,000 residents as well as a much larger service area primarily north, east and west of the Town.

In the mid-2000's big box retail operations began to locate in the Town, with that development slowly continuing. At about the same time, the Town created an industrial area south of the Highway to provide serviced light industrial lots, competing with unserviced industrial lots in Wheatland County. The Town is predominantly a residential community, with over 80% of the property tax base being residential.

The area is served by a good network of paved highways providing good access across the region and into Calgary. The TransCanada Highway runs through the Town, which has resulted in services and retail operations that cater to travelers (both truck and passenger vehicles).

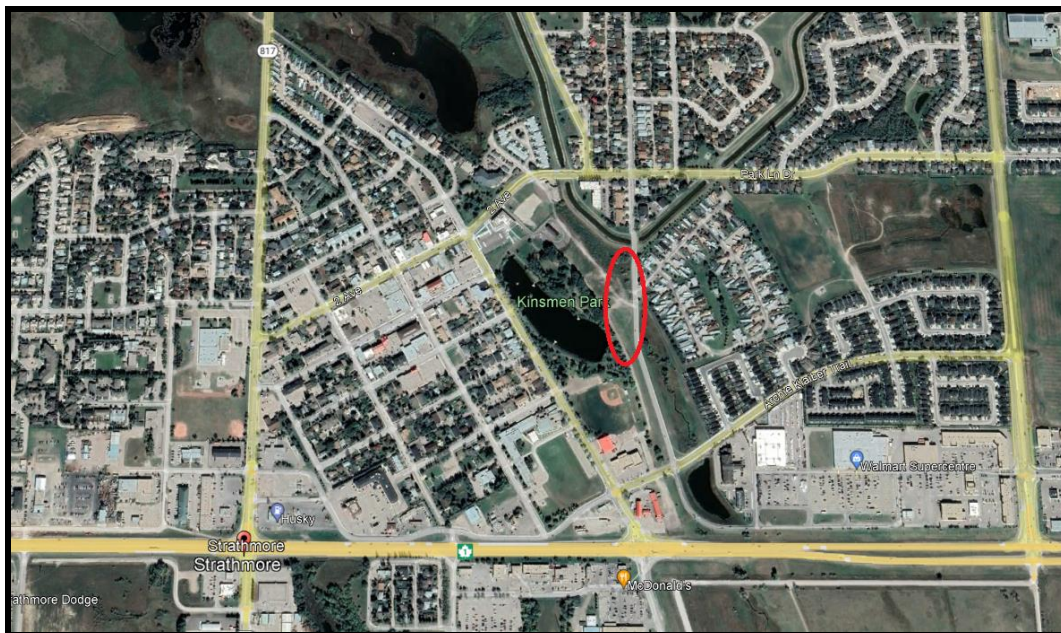


Figure 4: Aerial of the subject area (location of the hypothetical parcels in red circle).

The Alberta economy has been struggling for a number of years, first due to a drop in petroleum prices and limitations on the ability to move petroleum products to markets. As the economy was starting to recover, the Covid pandemic hit in early 2020, causing a number of negative impacts on the economy. There are currently signs that the economy is again beginning to recover, in part due to petroleum prices that are near historically high levels (though access to markets is still an issue) and strong agricultural prices. Concerns with inflation have arisen, as have concerns that interest rates may be set for significant increases over the next few years.

On the positive side, agriculture and agriculture related manufacturing and processing has fared well over the last decade, continuing to grow even through the Covid pandemic. Because Strathmore is in a predominantly agricultural area, this has provided a cushion to the economic impact due to petroleum and manufacturing sectors being in decline.

Population growth in Strathmore has mirrored these economic realities, with the growth rate slowing in 2014 and then increasing but at a much slower rate than previously. A slowing growth rate reduces the demand for commercial services.

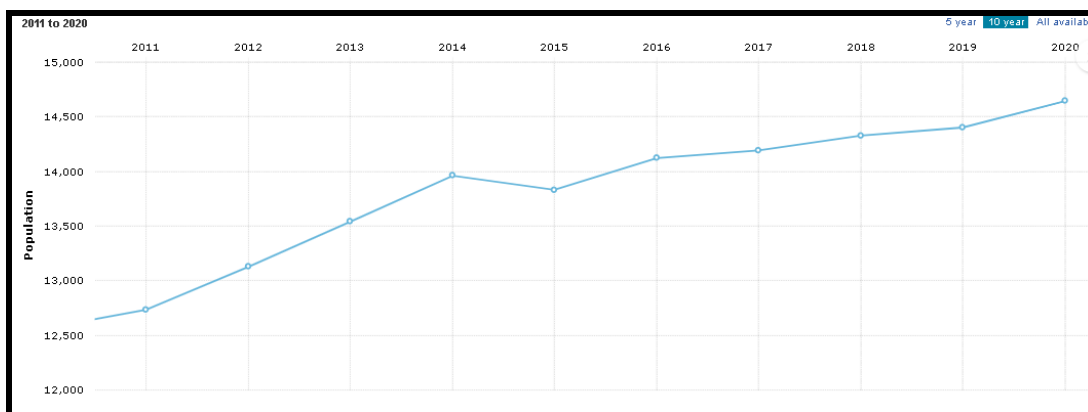


Figure 5: Population trend in Strathmore, 2011 to 2020.

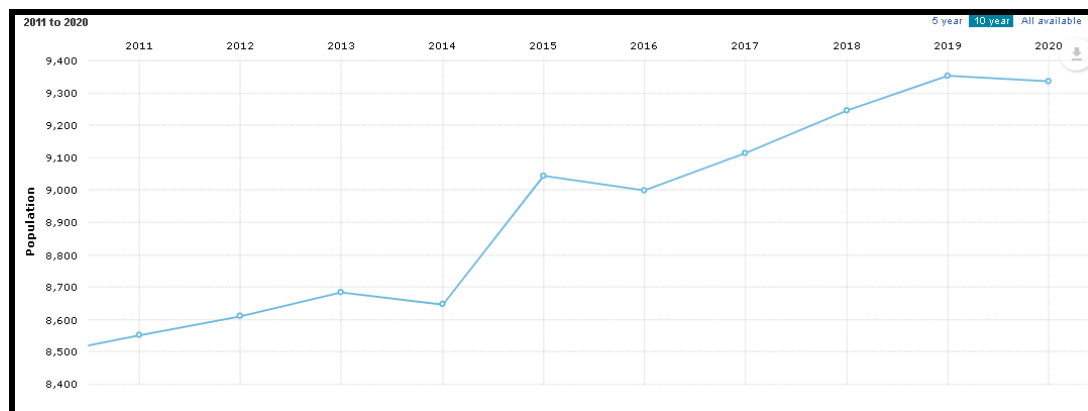


Figure 6: Population trend in Wheatland County, 2011 to 2020.

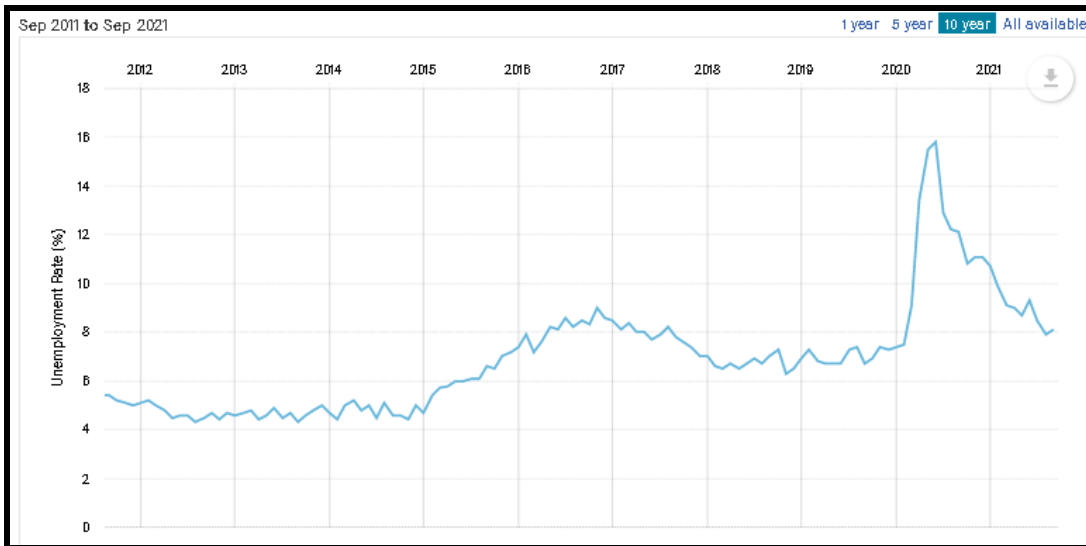


Figure 7: Alberta unemployment rate. Note the increase in unemployment in 2015 associated with a drop in oil prices and the impact of Covid in 2020.

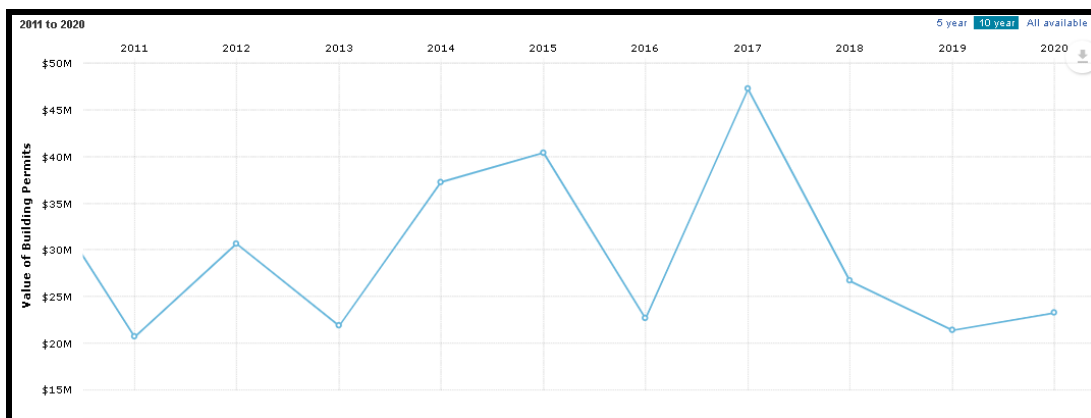


Figure 8: Value of building permits issued in Strathmore, 2011 to 2020.

An indication of growth and people's view of the economy is the value of building permits being issued in Strathmore. Because Strathmore is a relatively small municipality, one or two projects skew the trend. Since 2017, the value of building permits has dropped and remained at low levels. The recent building permit activity is predominantly associated with residential construction.

Across the province, building permits have been declining until very recently. The figure below shows the lagging activity in building permits for commercial and industrial projects, with the Covid impact manifesting itself in mid 2020.

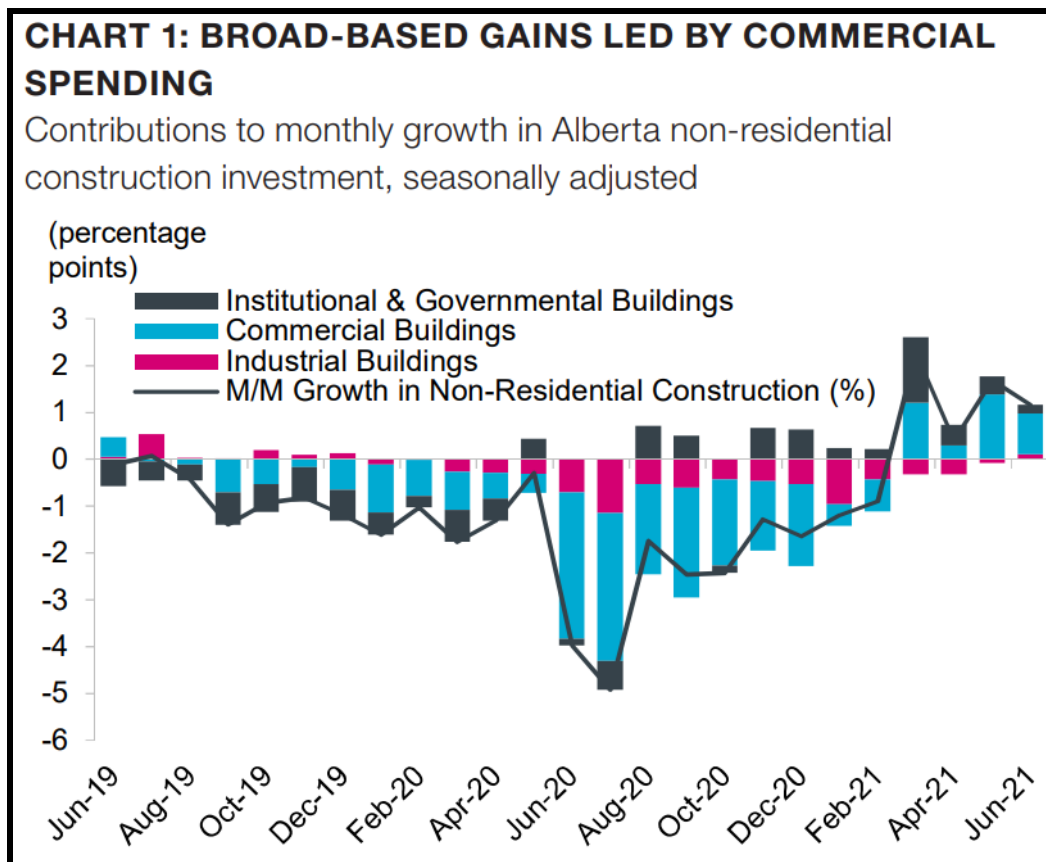


Figure 9: Alberta non-residential construction investment.

Strathmore has an adequate supply of commercial, industrial and residential land for future needs.

G. Description of the Subject Hypothetical Property

The subject hypothetical properties are located on the east side of Strathmore, east of the downtown area and north of the TransCanada Highway. Access is via Center Street along the eastern boundary of the parcel. The western boundary of the hypothetical parcels is a wetland area in Kinsmen Park.

The hypothetical properties are largely stripped and contoured. Deep and shallow services are in the immediate area and are sufficient to service the proposed needs of the development being proposed for the hypothetical properties.



Figure 10: Aerial photo of the subject hypothetical properties (Hypothetical 1 red outline; Hypothetical 2 black outline). Note boundaries are approximate.

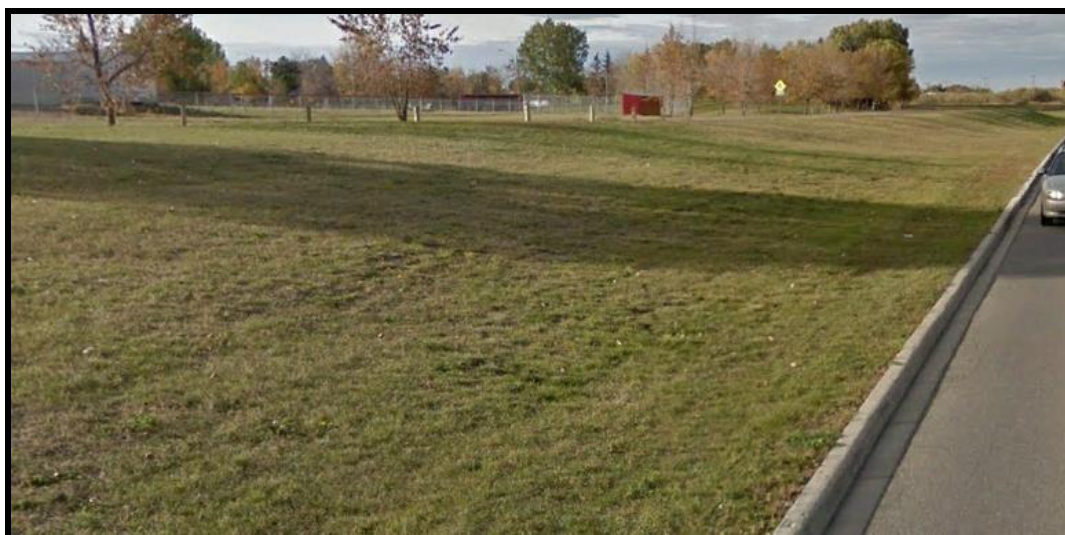


Figure 11: Looking northwest across the southern portion of Hypothetical Parcel 2.



Figure 12: Looking northwest across the area common to both hypothetical parcels.

The existing parcels are zoned Public Service District P1. The purpose of this zoning is “to provide a District for publicly owned land and facilities of an institutional or community service nature.”

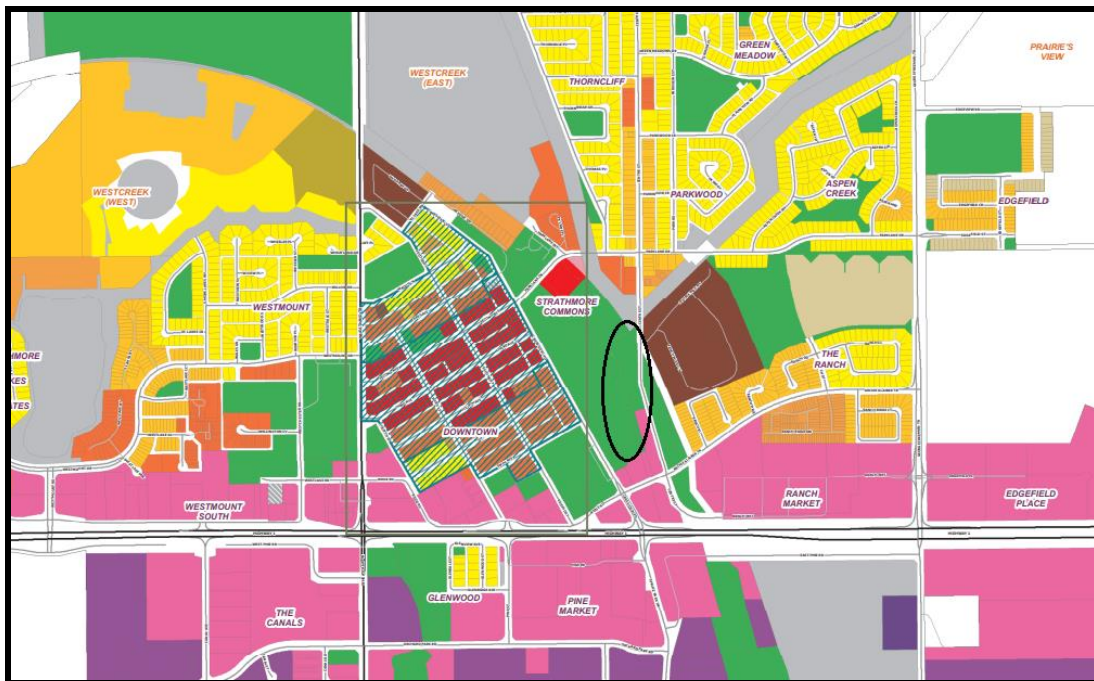


Figure 13: Land use map of the subject area, with the location of the theoretical parcels indicated in a black oval.

II. ANALYSIS AND CONCLUSIONS

A. Approaches to Value

There are three approaches to value. The sales comparison approach is based on using arms-length market transactions of similar property to indicate the value of the subject. The cost approach is based on valuing the components of the property, including the bare land, and the contributory value of each of the improvements. The sales comparison and cost approaches are the same for an unimproved property. The income approach is based on using the net revenue being generated from the property, and a market capitalization rate to indicate the value of the subject as of the effective date. The sales comparison approach will be used, as it is the most appropriate for bare land that is not generating income based on its highest and best use.

B. Highest and Best Use

The principle of highest and best use is the fundamental basis for the valuation of property. It is defined³ as:

“the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

Highest and best use recognizes two potential states of the property, being bare land and as improved. My instructions are to value the theoretical properties as serviced bare land, therefore this is a bare land appraisal.

The existing parcels are zoned Public Service District 1 (P-1) and the theoretical parcels will continue with this zoning. The theoretical properties are located in the Town of Strathmore, surrounded by established commercial, residential and public land uses, as well as on the edge of a large greenspace/wetland. The theoretical parcels are largely graded, contoured and landscaped. Deep and shallow services are located at the property boundary.

I conclude that the highest and best use of the theoretical properties is Public Service District based on its physical condition, location and zoning.

³ The Appraisal of Real Estate, Eleventh Edition. The Appraisal Institute. Chicago, Illinois, pp 297.

C. Comparable Sales Analysis

1. Summary of Comparable Sales

There have been a limited number of bare land sales in the Town of Strathmore over the last four years. This time period was selected as it includes the drop in oil prices and energy activity in the province in early 2018 and the Covid pandemic in early 2020.

The sales that occurred have been smaller parcels and largely lots sold for final uses as commercial or industrial. There have been other sales but of much smaller properties, so not included here. The Town of High River has a similar real estate market situation and can be used to provide comparable sales. There have been no sales of Public Service District land, or land of a size similar to the theoretical subject parcels in either Strathmore or High River.

The Sales presented are all that are available occurring at arms-length between unrelated parties and at financial terms typical for the time. The transactions occurred between sophisticated parties with real estate professionals involved, although the parcels may not have been listed on the Multiple Listing Service in the area.

Listings are also included for reference, although the List Price does not reflect a market value.

Table 1: Summary of Comparable Sales:

No.	Legal Description	Sale Date	Size (acre)	Zoning	Sale Price	Price per acre
1	Plan 9813631 Block 1 Lot 23	Aug-20	1.79	M1	\$190,000	\$106,145
2	Plan 1812198 Block 20 Lot 1	Jun-19	2.00	CHWY	\$600,000	\$300,000
3	Plan 2010582 Block 21 Lot 1	Jun-19	1.901	CHWY	\$345,000	\$172,500
4	Plan 9411772 Block 6	May-19	1.42	CHWY	\$200,000	\$140,845
5	Plan 1811405 Block 1 Lot 15	Aug-18	1.50	M1	\$350,000	\$233,333
6	Plan 1312615 Block 1 Lot 7	Feb-18	2.00	M1	\$380,000	\$190,000
	Listings					
7	Plan 9012129 Block 2	Listing	8.43	UR	\$2,100,000	\$249,110
8	Plan 9012129 Block 1	Listing	9.92	P1	\$2,400,000	\$241,935
9	Plan 7810935 Block 1 Lot 9	Listing	4.00	M1	\$1,190,000	\$297,500

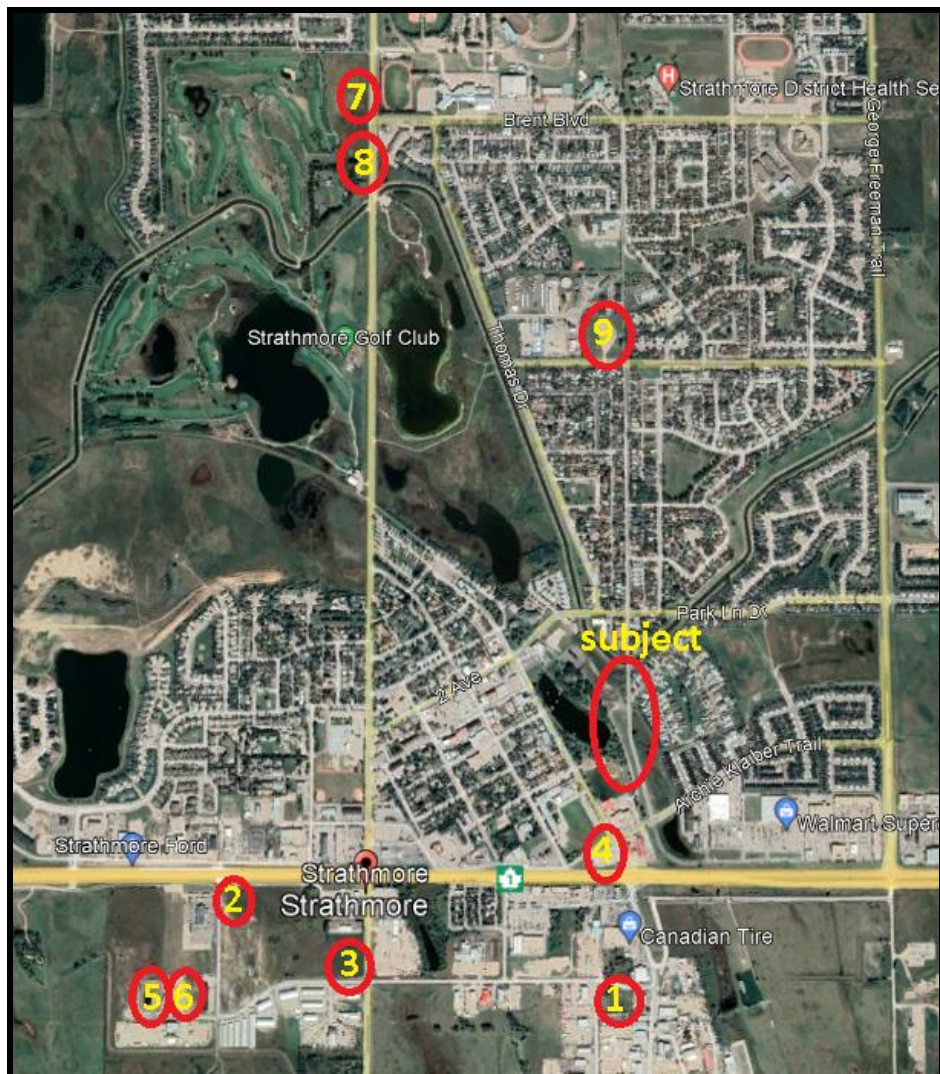


Figure 14: Map showing relative location of the subject and comparable sales.

Comparable Sale 1: Plan 9813631 Block 1 Lot 23

This is a 2.00 acre lot located in the Orchard Park Light Industrial Area and zoned for Light Industrial use. The property had a small outbuilding at the time of sale which contributed nothing to the sale price. The property has access along the north and east boundaries, as it is a corner lot. The surface is relatively level, however it was not stripped and contoured prior to the sale. The property was listed on the MLS and sold by Teedo Equities Ltd. to 19582227 Alberta Inc.

Comparable Sale 2: Plan 1812198 Block 20 Lot 1

This parcel is adjacent to the subject, fronting onto the service road south of the TransCanada Highway. The parcel was stripped and contoured, with services at the property line. The property was subdivided from the subject parcel in 2018 and sold shortly thereafter. The property was sold by Aventura Developments Inc. to JAD Developments Inc. The sale was brokered.

Comparable Sale 3: Plan 2010582 Block 21 Lot 1

This parcel is adjacent to Highway 817 and Canal Road, south of the TransCanada. The parcel is not graded or contoured. Services are at the property line. There is no Deferred Services Agreement registered on Title. The property was brokered, and sold by Yhana Ventures Inc. to Ladywell Investments Ltd. Following the sale a new title was issued for this parcel using Plan-Block-Lot designation.

Comparable Sale 4: Plan 9411772 Block 4

This parcel is located adjacent and north of the TransCanada on the eastern portion of the Town. The parcel is graded, packed and has some gravel on surface, with services at the property line. The property is adjacent to a gas station and has been used for parking of large trucks for some years, therefore it may have some potential environmental issues, but no such issues were identified by the appraiser. The property was not listed on the MLS, but was brokered. The property was sold by Leroy's Motel Trailer Park & Drive Inn Ltd. (Fraser Flamond – director) to 1676444 Alberta Ltd. (Mazmar Malik – director).

Comparable Sale 5: Plan 1811405 Block 1 Lot 15

This parcel is located in the Canals Industrial District with no direct access to a highway. The property was sold in a state of being stripped and contoured, with a paved road offering access, with services at the property line. The property was listed by a broker. The property was sold by 823351 Alberta Ltd to Addlee Structures Ltd.

Comparable Sale 6: Plan 1312615 Block 1 Lot 7

This property is located in the Canal Industrial area, on the southwestern portion of Town. The property was a leveled and stripped lot at the time of sale with access off Canal Road and zoned Industrial. The property was sold by 823351 Alberta Ltd. to Core Ag Inputs Ltd. and was brokered.

In addition to the four sales, three active listings are presented of properties that are somewhat similar to the theoretical subjects with regard to size. Comparable No.7 and 8 are located northwest of the subject, fronting onto Highway 816. They are zoned Urban Reserve and P1 (Public Service District). Urban Reserve designation is a holding designation awaiting a development proposal, so could have a number of end uses. The P1 zoning would support a host of recreational and public use developments, similar to the theoretical subjects. Both comparable properties have highway frontage, so slightly superior to the theoretical subjects in location but inferior to condition as they are in their natural state with no contouring or stripping having occurred.

Comparable No. 9 is the seed cleaning plant that has since been surrounded by residential development. It is a 4 acre lot that would be used for residential development, therefore has an inferior highest and best use compared to the subject, as well as an inferior location.

2. Adjustments

Based on the previous discussion regarding the economic climate in Alberta and Strathmore over the last four years, there is no indication that the commercial or industrial land market has been trending in any direction. Demand for such parcels has been soft, as indicated by the limited sale activity in Strathmore. No adjustment for time is required.

Parcel size influences price, as typically a larger parcel will sell for a lower price per acre than a similar but smaller property. The sales data is not sufficient to determine this relationship, as the Sales are properties of 2 acres or less while the theoretical subjects are 4.61 and 7.00 acres. Lot size tends to be dependent on the anticipated use. No adjustment is made for size, but this will be considered in the estimate of value.

The theoretical subjects are for the most part contoured and landscaped as an interim use as greenspace. The Sales are all leveled and stripped and ready for final development. Essentially the Sales and the theoretical subjects are in a similar state, so no adjustment is made for site condition.

The theoretical subjects are zoned Public Service District, which limits uses from something approaching a commercial use (with regard to traffic and parking) to an industrial use (with limited traffic and parking required). That said, the number of potential purchasers of such land is more limited (less robust market) than for either commercial or industrial lands. Three of the Sales are zoned Commercial Highway and sold for an average price of \$204,448/acre. Three of the sales are zoned Industrial District 1, which is an inferior zoning to Commercial Highway, and sold for an average price of \$176,493/acre. The difference in zoning is about 14%. No adjustment is applied for zoning, but this will be considered in the estimate of value

All the Comparable properties have services at their boundary, similar to the theoretical subjects, so no adjustment is required. All parcels have paved access or access off paved streets or highways. No adjustment is required for access.

D. Estimate of Value

Given the Sales available, a quantitative analysis is not possible, therefore a qualitative analysis will be done. This results in less certainty in the final estimate, but is a function of the Sales data available.

The Listings are not relied on, as they are not sales, therefore do not represent the market value of those properties, only what the vendor wished to obtain. Furthermore, these prices are listed well above what properties actually sold for.

The Sales, which range in size from 1.42 to 2.00 acres in size, sold between \$106,145 to \$300,000 per acre with midpoint of \$203,072/acre, mean of \$190,470/acre and median of \$181,250/acre.

Based on location, the three industrial zoned properties are considered more similar to the theoretical subjects than the three commercial zoned properties. Properties located on a major highway are superior in location to properties located off the highway. The proposed use of the theoretical properties is as institutional/multi-unit housing however there were no sales of vacant land for multi-family residential purposes in the last four years.

The three industrial properties sold within a range of \$106,145 to \$233,333 per acre, with a midpoint of \$169,739/acre, an average of \$190,470/acre and median of \$190,000/acre. This suggests that the value of an industrial lot of about 2 acres is in the order of \$190,000/acre.

As discussed, a larger lot, in the order of 4.61 or 7.00 acres would likely sell for a discount compared to a smaller 2 acre (more or less) sized lot. However, the data does not provide us with the ability to calculate the difference. The City of Calgary Assessment Business Unit prepares an annual Land Market Trends document for vacant land as part of its background assessment information to the public. Parcel size affects value, but that impact varies by type of land (zoning) and by area. The difference between lots up to 2 acres in size and lots in the 4 to 6 acre or 4 to 10 acre size range (depending on zoning and location) varies from no difference to about -40%. The Calgary market is not comparable to the Strathmore market with regard to values, but because of the volume of sales, this is considered the best source to determine the relative price relationship between different sizes of parcels. Overall, the difference between non-commercial zoned properties is about -10% for properties in the 4-8 acre size range compared to properties 2 acres or less in size.

The theoretical subject properties are irregular in shape and can be described as long and narrow. Because of their size, this is not considered a limiting factor. As the intended use is a multi-family type residence, the location adjacent to a wetland/greenspace adds some amenity value. The amenity value of the location adjacent to a wetland/greenspace offsets any negative impact of the parcel shape.

Using either all six Sales or just the three industrial sales indicates that the value of a 2± acre parcel is valued in the order of \$190,000. This value reflects a 2 acre parcel that is located off a highway, contoured with services at the property line and is considered the base value for this analysis.

Relying on the size price relationships indicated by the City of Calgary Assessment Business Unit, applying a size adjustment of minus 10% results in a value of \$171,000/acre for the 4.61 acre theoretical parcel. Applying a size adjustment of minus 15% results in a value of \$161,500/acre for the 7.00 acre theoretical parcel. This conclusion results in the following size – price relationship:

2 acres	\$190,000/acre
4 acres	\$171,000/acre
7 acres	\$161,500/acre

Such a relationship is consistent with my experience and is intuitively logical. These per acre values also fall within the range of values of the Sales presented.

Based on this analysis, and relying on the six Sales presented, the indicated value of the theoretical subject parcels is:

Theoretical Parcel	Value per Acre	Value of the Parcel
4.61 acres	\$171,000	\$788,310
7.00 acres	\$161,500	\$1,130,500

III. CERTIFICATION

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

- All factors have been taken into consideration and that all statements and information in the report are true and correct, and that no significant information has knowingly been withheld.
- The reported analysis, opinions and conclusions are limited only by the assumptions and limiting conditions contained herein, and are my personal, unbiased and professional analysis, opinions and conclusions. These assumptions and limiting conditions affect the value conclusions contained herein.
- All of the limiting conditions, whether imposed by the terms of the assignment or by the appraiser are identified in the report.
- The scope set out in the report is sufficient to allow me to come to those opinions and conclusions expressed herein.
- The report analysis, opinions and conclusions are those solely of the undersigned appraiser and were personally prepared.
- Neither the assignment to do the work, nor the fee, is contingent on the conclusions or estimate of value.
- The appraiser has not previously provided any services to any client regarding the subject property.

This is an appraisal of market value of two hypothetical properties, as bare land. As of the effective date of November 10, 2021, and for the reasons discussed in the report, I conclude that the fee simple market value of the subject two hypothetical parcels is estimated at:

Theoretical Parcel	Value per Acre	Value of the Parcel
4.61 acres	\$171,000	\$788,310
7.00 acres	\$161,500	\$1,130,500

This report is made under the Code of Ethics of the Canadian National Association of Real Estate Appraisers. I am in compliance with all continuing education requirements.

This appraisal report is presented in “appraisal report format” in accordance with USPAP, which allows for the information presented to be in a summary format. Information not appended to this appraisal report is in the appraiser’s work file. If the client or intended user(s) has questions regarding the data considered or the conclusions reached, please contact the undersigned.



Ivan T. Weleschuk, P.Ag., A.R.A., DAC

November 22, 2021

RESUME OF APPRAISER



Weleschuk Associates Ltd.
Accredited Appraisers and Agricultural Consultants

Ivan T. Weleschuk, B.Sc(Agr.), M. Econ., P.Ag., A.R.A., DAC

Education

Master of Economics, University of Calgary, 1992.

Bachelor of Science (Agriculture), University of Alberta, 1978.

Appraisal and business valuation courses to meet certification and continuing education requirements.

Instructor Skills Workshops, Olds College (four courses) 2006.

Courses in land use planning, environmental auditing, environmental impact assessment, soil and groundwater remediation, surface reclamation, and waste management.

Numerous courses in mediation and arbitration, risk communication, and public consultation.

Professional Qualifications

Accredited Rural Appraiser (A.R.A.): American Society of Farm Managers and Rural Appraisers (ASRMRA). Ceased membership in September 2021.

Designated Appraiser Commercial (DAC): Canadian National Association of Real Estate Appraisers (CNAREA). License No. 22-0366.

Professional Agrologist (P.Ag.) License to Practice: Alberta Institute of Agrologists

Qualified Arbitrator (Q. Arb.)- Alternative Dispute Resolution Institute of Alberta

Calgary Real Estate Board: Associate Member

Licensed Alberta Appraiser
Alberta Land Agents License No. 4169
Commissioner For Oaths (Alberta)
Alberta Workers' Compensation Policy No. 348803

Expert Testimony

Accepted as an expert in agriculture, land valuation, surface rights compensation, damage evaluation, and pipeline and electrical transmission line routing issues before:

- Court of Queen's Bench in Alberta
- Surface Rights Board of Alberta
- Alberta Land Compensation Board
- Alberta Energy and Utilities Board
- Arbitration Panel, National Energy Board

Career History

Weleschuk Associates Ltd.: President 1999 to date
Appraisal of rural and commercial properties. Rural appraisal includes valuation of large farming operations, litigation support in the area of appraisal and farm management, valuation of damages to farm assets, and damages related to personal injury to farm operator. Develop and instruct course through Olds College and CNAREA.

Alberta Land and Property Rights Tribunal: 2020 to date
Part-time Board Member

Calgary Assessment Review Board: Part-time Board Member/
Presiding Officer. 2016 to 2021

Alberta Municipal Government Board: Part-time Board Member 2011 to 2016

Berrien Associates Ltd.: Associate 1999 to 2007
Appraisal of rural and commercial properties, surface rights appraisals and expropriation appraisals.

Matrix Solutions Inc.: Senior Project Agrologist 1997 to 1999
Primary areas of practice included agricultural consulting and appraisal; managing and coordinating large Phase I Environmental Assessment projects; designing and implementing Phase II Assessments; providing advice to clients regarding regulatory issues with the ERCB and Alberta Environment. Level of responsibility was senior project manager.

Alberta Energy Resources Conservation Board: Senior Environmental Advisor
1981 to 1997

UNIFARM: Director of Member Services 1978 to 1981
Seconded part-time to Alberta Canola Growers Association, as operations manager.

Farming Experience:

Own and operate grain and cattle farm. 1979 to 1990
Manage grain farm under lease arrangements. 1991 to date

Other Pertinent Professional Activities

Olds College: Instructor for on-line Land Agents Licensing Course. Developed and instruct on-line land ethics courses (suite of three related courses). Activities include instructing the program, marking and evaluation, course development, and mentoring students.

Authored the Reference Manual for Alberta Land Agents, 2012.

Developed Economics Course for CNAREA.

Developed and instructed two continuing competency courses (Professional Liability, Continuing Professional Development) for the Alberta Institute of Agrologists (2007-08).