

INSURANCE APPRAISAL

HCCC 92

64 Cumberland Drive, Dartmouth, NS, B2V 2C7

Total Insurable Value \$10,500,000



Dated: April 16, 24 at Halifax, NS

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Private and Confidential

Property: HCCC 92
c/o Steve Cooper and David Crowell, President and Treasurer
Self-Managed
101 371 St. Margaret's Bay Road
Halifax, NS, B3N 1J8

Dear Steve Cooper and David Crowell:

Subject: Insurance Appraisal Report

1.0 Purpose and Intended Use

As per your request, we have prepared an estimate of the Total Insurable Value of the applicable assets for HCCC 92. The subject property is comprised of a wood-framed apartment building located at 64 Cumberland Drive, Dartmouth, NS, B2V 2C7.

It is our understanding that the appraisal will be utilized for the placement of property insurance. By result, the intended users are the property owner(s), and/or property manager(s), as addressed above, and their insurance broker(s) and/or underwriter(s).

We direct your attention to the limiting conditions in Section 8.0 as they are a fundamental part of this report.

2.0 Date of Report and Effective Date

This report has been prepared on April 16, 24, and it has an effective date of July 25, 2024.

This is a current appraisal report. The effective date, and the date of the report are within a reasonably short period from the date of inspection when market conditions have not or are not expected to change.

3.0 Summary Conclusion

Contingent upon the limiting conditions, assumptions, and restrictions noted herein, we estimate that the Total Insurable Value of the applicable assets of the subject property stated in Canadian dollars, is approximately:

\$10,500,000

* A copy of this report will be kept on file in our office for a period of at least seven years *

4.0 Identification of Property

The property, which is the subject of the appraisal is comprised of 39 residential suites in 1 building, with the following features: lounge, electrical rooms, workshop, mechanical rooms, various site improvements.

Note that limited building plans were used to complete this appraisal. While we believe the areas estimates are reasonable for the purpose of the Report, they are most likely not as accurate as measurements taken from as-built building plans. We assume no responsibility for any loss that may arise from the floor areas used in this report.

4.1 Photographs



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4.2 Summary of Construction

Date of construction.....	circa 1985
Number of floors.....	3 over basement
Total size (including all levels).....	refer to valuation breakdown in Section 6.1
Footprint.....	refer to valuation breakdown in Section 6.1
Building Class.....	D - Wood (refer to building classification details in Section 9.0)

Structure Components:

Excavations.....	for lowest level and foundations
Foundations.....	reinforced concrete footings
Exterior Frame.....	wood
Interior Frame.....	wood
Exterior Cladding.....	brick, glass panels, vinyl
Lowest Floor Structure.....	wood joists and decking over reinforced concrete slab in basement
Upper Floor Structure.....	wood joists and decking
Roof Structure.....	wood trusses
Roofing.....	asphalt shingles
Additional Components.....	balconies, canopies, roof overhangs

Interior Finish:

Ceilings.....	stippled surfaces, painted surfaces, stippled surfaces
Interior Walls.....	painted surfaces, wallpapered, painted surfaces
Flooring.....	ceramic tile, carpet, subfloor
Appliances.....	hood fan
Fireplaces.....	nil

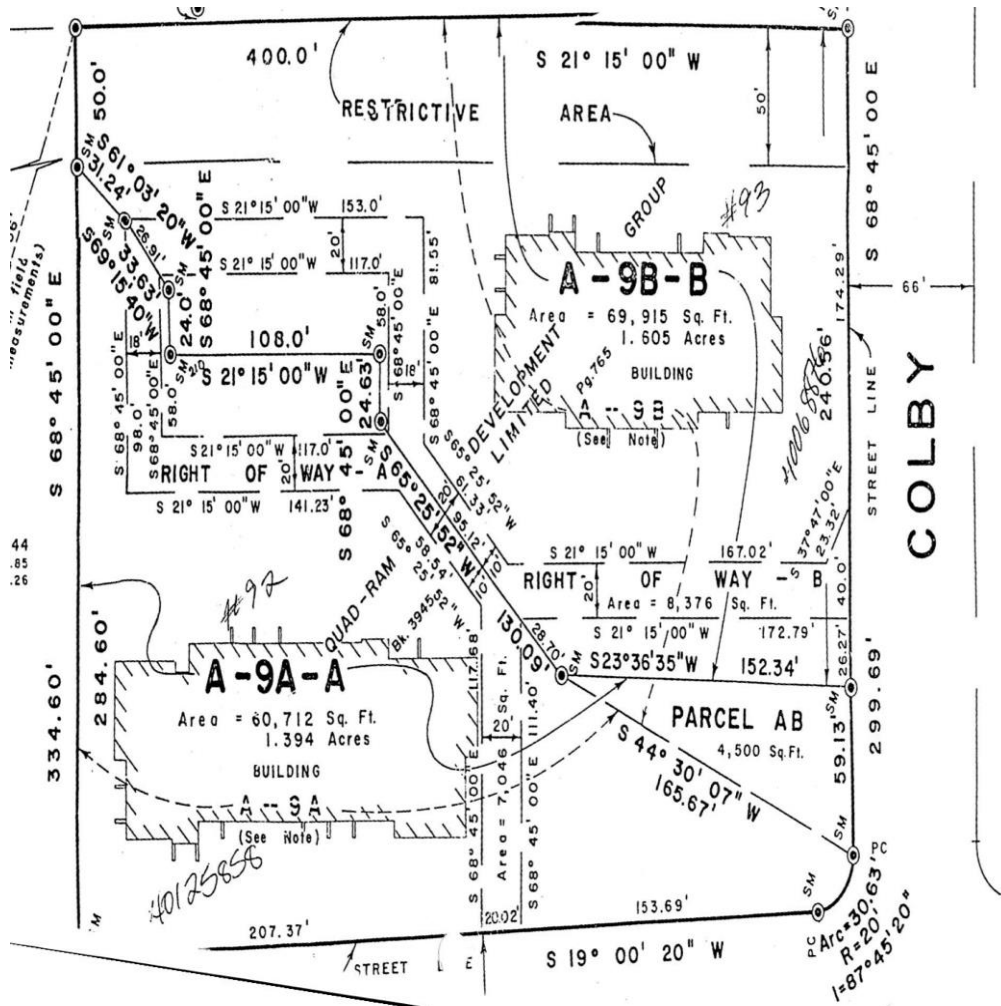
Mechanical and Electrical Systems:

Elevators.....	1
HVAC.....	electric baseboard, ventilation system, exhaust fans, wall mounted heaters, makeup air system
Main Electrical Panel.....	circuit breakers
Main Plumbing.....	copper
Security Systems.....	enterphone system
Fire Protection.....	smoke detectors (wired), heat detectors (wired), fire panel, fire alarms, pull stations, fire extinguishers, emergency lights, exit signs, emergency battery packs, sprinklers throughout, standpipe (exterior)

Landscaping:

Soft & Hard Details.....	grass, trees, shrubs, benches, curbing, lighting, patios, planters, railing, retaining walls, signs, surface parking, walkways, driveways, plants, chain link fencing
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4.3 Site Plan



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5.0 Scope of Appraisal

The general scope of our appraisal services includes:

1. **Initial appraisal program.** This includes a site visit, both an exterior and interior inspection, including photographs of the property.
2. **Reappraisal program.** An exterior inspection may be required, as determined by Normac, and is contingent upon whether major upgrades that affect new construction cost as identified by the client have been done since the previous report was issued.
3. Review of Strata/Condominium Plans, Building Plans and/or Estimation of Floor Areas
4. Inventory of Main Construction Features
5. Identification of Special Features
6. Inventory of Landscaping and Miscellaneous Assets
7. Building Code and Bylaw Review for parking, special needs access and fire protection
8. Costing and Report Production. Further discussion on our costing is found in Section 5.5.

5.1 Valuation Premise

With reference to the purpose and intended use of the appraisal, the appropriate value premise to estimate is Total Insurable Value (TIV) which is defined as:

“The total cost of construction required to replace the subject property (buildings and site improvements) with a substitute of like or equal utility using current standards of material and design. Costs for demolition and removal are included. All applicable costs include labour, materials, supervision, contractor’s profit and overhead, architect’s plans and specifications, applicable taxes and insurance.”

5.2 Items included in the Total Insurable Value

The assets included in this appraisal consist of the structure, hard & soft landscaping, NS Building Code and municipal bylaw review, and demolition and removal costs.

The structure includes all costs associated with replacement of excavation, site preparation, site services, foundations, exterior framing, exterior finishes, floor structure, roof structure, roof cover, balconies, decks, common area interior finishes, common security systems, fire protection equipment, and elevators.

Residential structures also include costs associated with replacement of interior framing, interior finishes, plumbing, heating, ventilation, cooling, electrical, fireplaces, common amenities (i.e. gym, indoor pool, sauna, change room, etc.), common furniture, equipment, fixtures, and the standard set of appliances installed by the developer.

Commercial structures also include costs associated with replacement of main demising walls. Unless otherwise noted in the report, commercial structures do not include costs for furniture, contents & equipment. Similarly, other tenant improvements (i.e. custom counters and display areas, extra wall partitioning, vaults, custom electrical work) will also not be included unless noted.

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For the commercial units of strata-titled/condo-titled properties, structures also include costs for roughed-in electrical, roughed-in plumbing, and HVAC systems if they were included as part of original construction. The interior of the units will be assumed to be unfinished.

For the commercial units of non-strata-titled/non-condo-titled properties, structures include basic plumbing, basic electrical and HVAC systems. The interiors of the units are assumed to have a basic level of finish for the floor, outside walls, and ceilings.

For properties with designated heritage status, the costs associated with the current façade and unique building features are included. The exterior and interior finishes are assumed to be replaced with a like-for-like construction as close as can be reasonably expected, with consideration given to current construction industry standards for materials and being in compliance with the NS Building Code.

Hard & soft landscaping typically includes all costs associated with replacement of; site preparation, paving, curbs, sidewalks, handicap ramps, trees, lawns, shrubs, hedges, gazebos, fencing, fountains, street lamps, gates, benches, retaining walls, outdoor pools and outdoor jacuzzis.

For actual structural and landscaping components, refer to the Summary of Constructions table(s).

NS Building Code and municipal bylaw updates refer to the estimated additional cost necessary in the event of a replacement to bring the subject structures up to current NS Building Code and municipal bylaws with respect to parking spaces, fire protection, and handicapped access. In addition, an estimate for demolition & removal costs is provided in this section.

5.3 Assets Excluded

Assets that are excluded from the appraisal include land, individual betterments & improvements, and personal property. Land for the purposes of this report is defined as the market value of the subject property site.

Individual betterments and improvements are defined as modifications to the structure and/or interior finishes not considered to be for the common use of all property owners.

Personal property is defined as individually owned, identifiable, portable, and tangible objects such as furnishings, artwork, stereos, and antiques.

5.4 Valuation Approaches

Cost Approach

The Cost Approach is one of the three approaches commonly used to estimate value. It is based on the principle of substitution, which affirms that where a property is replaceable its value tends to be set by the cost of acquiring one equally desirable substitute.

The cost approach is best suited to estimating Total Insurable Value, and it will be used to satisfy the purpose and intended use of this appraisal.

Income and Direct Comparison Approaches

Income and Direct Comparison Approaches are two market value appraisal methods. The Income Approach is based on the theory that value is related to the worth of the future income that a property is capable of producing. The Direct Comparison Approach is based on the principle of substitution, which states that a prudent purchaser will not normally pay more for a property than the price of an equally

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desirable property available under similar circumstances. Given the purpose and intended use of the appraisal report, these two approaches are not relevant or appropriate methods of valuation.

This is an insurance appraisal, and certain market value appraisal practices are not relevant. As a result, we have not provided an opinion as to the highest and best use of the property. We have not considered exposure time, agreements for sale, options, property listings, historical sales, actual or anticipated public work improvement, easements, rights of way, land use contracts, and the effect on value of an assemblage.

5.5 Valuation Process

In order to determine an estimate of TIV, we have relied upon various information sources including: published valuation services (Altus, BDC, BTY Group, RS Means), local developers, architects, and construction associations.

These information sources provide costs per square foot for typical building construction for the major sections of each building (basements, parking garages, detached garages, finished residential areas, commercial areas, etc.); or costs per unit of the major building components (foundations, frame, floor structure, floor cover, roof structure, roofing, millwork, sprinklers, heating systems, lawns, curbing, etc.)

In all cases, the costs are applied according to the apparent quality of each section: low cost, average, good, and excellent. Adjustments are then made for other specific components installed (i.e. sprinklers, appliances, fireplaces, HVAC, site services, balconies, canopies, water features, gazebos, etc.). The amounts are then added to create a cost composite for the property.

5.6 Property Rights and Land Use Controls

The subject property is a freehold interest property zoned as R-4. For our land use control analysis, the NS Building Code and Municipal bylaws have been reviewed to determine any additional cost of parking spaces, fire protection or handicapped access that might be required in the event of a full replacement of the property. This additional cost can be found below.

6.0 Detailed Conclusion

After careful consideration, Normac estimates the Total Insurable Value of the applicable items in Canadian dollars to be approximately:

Total Insurable Value: \$10,500,000

See next page for detailed valuation breakdown.

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6.1 Valuation Breakdown

Building	Condo Units	Approx. Size (SF)	Approx. Size (M2)	Footprint (SF)	Structure	Landscaping	Bylaws & Demolition	Total Insurable Value
1	1-39	46,450	4,320	11,680	\$9,685,000	\$233,000	\$582,000	\$10,500,000
TOTAL		46,450	4,318	11,680	\$9,685,000	\$233,000	\$582,000	\$10,500,000

7.0 Certification Statement

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our 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 appraisal.
6. Cameron Carter has successfully completed the 2020-2021 15-hr National USPAP Course, approval # 19CP16703126 and the 2024-2025 7-hour National USPAP Update Course.
7. Our analyses, opinions, and conclusions were developed, and this report has been written in compliance with the Uniform Standards of Professional Appraisal Practice.
8. A personal inspection of the property that is the subject of this report was conducted by Rob Potter, Property Information Collector on March 18, 2024. We meet the certification requirements of the NSREAA in order to conduct insurance appraisals in the province of Nova Scotia.
9. The exterior inspection of the property conducted by Rob Potter, Property Information Collector on March 18, 2024 can refer to the original or latest site inspection, and where Normac has deemed necessary, we have relied upon online sources to obtain more recent photos for this appraisal. We meet the certification requirements of the NSREAA in order to conduct insurance appraisals in the province of Nova Scotia.

This report was prepared by Bill Deevy, MBA, AACI, P. App, MIMA, FMA, SMA,, Appraisal Consultant
This report was assisted by Jordan Boers, BCom, RI(BC), Senior Insurance Appraiser
This report was reviewed by Cameron Carter, BCom (ULE), RI(BC), CRP, President

On behalf of,
Normac



Cameron Carter, BCom (ULE), RI(BC), CRP
President



Rob Potter
Property Information Collector



Bill Deevy, MBA, AACI, P. App, MIMA, FMA,
SMA,
Appraisal Consultant



Jordan Boers, BCom, RI(BC)
Senior Insurance Appraiser

Dated April 16, 24 in Halifax, NS.

8.0 Standard Assumptions and Limiting Conditions

We have assumed that the subject property is structurally sound, complies with all environmental standards, and is void of any condition that may affect this appraisal. We have assumed that the property is free of all liens and is not encumbered. No research of reporting of the title, legal description, and benefits inherent in the ownership of real estate has been performed, since this type of research is not warranted for the purpose and intended use of this report.

Information used in the creation of this report furnished by others such as explanations, surveys, building plans, and plans are assumed to be correct. However, Normac assumes no liability for the accuracy of such information. Therefore, reference to a sketch, blueprint, or plan appearing in the report is only for the purpose of assisting the reader to visualize the property.

This report is considered a Restricted Use Appraisal Report. The use of this document is restricted to the intended users as identified in Section 1.0, for the intended use of placement of property insurance. The Client agrees that Normac Appraisals Ltd. ("Normac") will not assume any responsibility or liability for any losses suffered by you or any other parties as a result of any use of this report contrary to the provisions of this paragraph.

Possession of this report, or a copy thereof, does not carry with it the right of publication.

This report estimates the Total Insurable Value as of the effective date of the appraisal, which is the date at which our conclusions should be considered valid. This appraisal applies only to a total loss of property, it can in no way be assumed to be applicable to partial losses of the property. Should a complete loss occur subsequent to this date we reserve the right, but will be under no obligation, to review our calculations referred to in this report, and if we consider it necessary, to revise our conclusions in the light of potential changes to construction costs and changes to local bylaws or building codes.

We reserve the right, but will be under no obligation, to review our calculations referred to in this report and, if we consider it necessary, to revise our conclusions in the light of any information existing at the date of this report which becomes known to us after the date of this report.

Unless prior arrangements have been made, the appraiser, by reason of this report, is not required to give further consultation or testimony, or be attendance in court with reference to the property that is the subject of this report. Should attendance at any legal proceedings be necessary, prior arrangements including fees must be made.

We have not considered the market value of the land because it is not applicable to the purpose and intended use of the report. Since a portion of the overall "value" is omitted, the numbers presented represent a Fractional Interest in the property.

The Client agrees that any and all claims, whether such claims sound in contract or tort, which the Client has or hereafter may have against Normac (including all staff), in any way arising out of or related to Normac's duties and responsibilities pursuant to this Contract, shall be limited to three times the fee charged under this Contract.

The Client agrees to pay in full, on or before the due date, the fees listed on the invoice that will accompany the report. The Client further agrees to pay late fees calculated at a rate of 2% per month of the total fee. The late fee charges will be applied solely at the discretion of Normac.

8.1 Extraordinary Limiting Conditions

An analysis for highest and best use (HBU) has not been included in this report as it is not relevant for insurance appraisals. HBU is a concept utilized for market value appraisals. According to USPAP, HBU is defined as “The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value.” For an insurance appraisal, the assumed replacement of the assets is the actual current use of the property, regardless of what could be built. For this reason, HBU is not relevant and has not been included.

Related to the Highest and Best Use opinion, a full analysis of Land Use Controls has not been provided in this report. With reference to the purpose and intended use of this appraisal, we have assumed that a property having equal utility would be rebuilt. This appraisal estimates the Total Insurable Value for the property as it stands and is not to be considered a redevelopment study. In calculating our estimate of the replacement cost for the Building Code & Bylaws (“Bylaws”) section of the report, we have considered the current standards for parking spaces, fire protection, & handicapped access, and applied them to the current building. It is possible that the building cannot be re-built due to changes in zoning or other municipal regulations. Any zoning bylaws restricting rebuilding as-is is considered a redevelopment study and is a policy coverage issue. Furthermore, we have not considered official community plans, environmental statutes, flood plains, set-backs or whether the property is a legally permissible use.

The Income and Direct Comparison approaches to value (described in Section 5.4) have been excluded from this report because these approaches are not relevant or appropriate methods of valuation for insurance appraisals.

9.0 Appendix: Building Classifications

Class A building

The primary feature of Class A buildings is the fireproofed, protected structural steel frame. The fireproofing may be masonry, poured concrete, or any other type that will give a high fire-resistance rating. Floors and roofs are normally reinforced concrete on steel decking or formed slabs resting on the frame. Exterior walls will be curtain walls of masonry, concrete steel studs and masonry, tile, or one of the many types of metal or glass panels.

Class B building

The primary feature of Class B buildings is the fire-resistant reinforced concrete frame. Floors and roofs in Class B structures are formed or pre-cast concrete slabs. The walls will generally be masonry or reinforced concrete curtain walls.

Class C building

These buildings are characterized by masonry or reinforced concrete construction for the exterior walls. Floors and roofs are supported on wood or steel joists or trusses, or the floor may be a concrete slab on the ground. The upper floors or roofs may be concrete, steel deck, or wood.

Class D building

Buildings having this classification may have exterior walls made up of wood or steel studs with an exterior consisting of wood siding, stucco, brick, vinyl, or other materials. Floors and roofs are supported on wood or steel joists or the floor may be a concrete slab on the ground. Upper floors or roofs may consist of wood or metal deck, prefabricated panels or sheathing.

Class S building

These buildings are characterized by fire-resistant construction and prefabricated structural members. The exterior walls may be steel studs or an open-skeleton frame with exterior single or sandwich wall coverings consisting of prefabricated panels or sheet siding. Floors and roofs are supported on steel joists or beams, or the floor may be concrete slab on grade. The upper floors or roofs may consist of metal deck, prefabricated panels or sheathing.



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