Town of Aurora
Closed Session Council Report No. PDS20-046

Subject:	**Potential Property Acquisition – 250213 Holdings Ltd (15157, 15165, 15171 Yonge Street)**
Prepared by:	**David Waters, Director, Planning and Development Services**
Department:	**Planning and Development Services**
Date:	**May 26, 2020**

Recommendation

1. **That Report No. PDS20-046 be received;**
2. **That the conditions for the completion of the real estate acquisition of properties known as 15157, 15165 and 15171 Yonge Street be waived by the Town; and,**
3. **That the transaction be closed in accordance with the term of the agreement of purchase and sale.**

Executive Summary

The purpose of this report is to present the findings of three studies undertaken by consultants retained by the Town during the due diligence period for 15157, 15165, and 15171 Yonge Street (collectively, the "Property"). The Property is currently owned by 250213 Holdings Limited,Aristotelis Spasopoulos, Theodoros Spasopoulos and Vasilios Spasopoulos (collectively, the "Vendor").

Town staff are recommending that the conditions to the transaction be waived by the Town and that staff close the transaction for the acquisition of the Property. This recommendation is based on the findings of an environmental site report, a property building assessment and a financial due diligence report including a cash flow analysis.

- **The Agreement of Purchase and Sale is conditional on the Town satisfying itself with respect to the Property prior to May, 30, 2020**
- **The Town retained consultants experienced in geotechnical investigations, property building assessments and financial analysis to undertake a comprehensive review of the Property as part of the due diligence process**

- **The current design for Library Square requires a construction easement and a small portion of the rear parking area from 15165 Yonge Street for the building of a new retaining wall**

Background

Staff have previously presented several closed session reports outlining an opportunity for the Town to purchase 15157, 15165, and 15171 Yonge Street (collectively, the "Property"). The sites that make up the Property are contiguous, directly north of the Aurora Public Library ending at Mosley Street and are:

- zoned PD1 (permits a mix of commercial and residential uses);
- currently leased by a variety commercial and office users;
- approximately 0.76 acres in area;
- approximately 24,613 square feet of leased space; and,
- owned by 250213 Holdings Limited,Aristotelis Spasopoulos, Theodoros Spasopoulos and Vasilios Spasopoulos (collectively, the "Vendor").

As directed by Council at the June 4, 2019 closed session meeting of Council, staff have been engaged in negotiations with the Vendor and conditionally acquired the subject property in January 2020, subject to a due diligence period for the Town to undertake an environmental site review, a building assessment, a financial analysis and a review of the title to the Property. The Town closing date for the Property is currently set for June 25, 2020.

Analysis

The Agreement of Purchase and Sale is conditional on the Town satisfying itself with respect to the Property prior to May, 30, 2020

The following summarizes a number of the pertinent terms that are part of the Purchase and Sale Agreement as agreed to in January 2020:

- The sale price for the property is $7,500,000. The Town has already provided a $250,000 deposit to the Vendor which will become non-refundable after May 30.

- The agreement is conditional upon the Town satisfying itself with respect to the condition of the Property and its use for the property before May 30, 2020.

- The Town has the option to void the agreement and the transaction, without any financial consequences until May 30, 2020. If the Town waives such conditions, or does not void the agreement, before May 30, the agreement will become firm and the Town will be required to close the transaction or otherwise forfeit the $250,000 deposit to the Vendor.

- The agreement is subject to a number of representations and warranties, which survive one year following the closing of the transaction, many of which are standard in this type of a transaction.

- The Property is being acquired by the Town on "as is, where is" basis. Apart from the representations and warranties set out in the agreement, the Town has to rely on its own investigations with respect to all other items. Council is advised that the agreement does not contain any representations, warranties and indemnities with respect to any environmental conditions that are present or may exist on the Property.

Following the closing of the transaction, the Town will become responsible for any environmental conditions or contaminants that exist on the Property, regardless of whether such conditions are known or not known at the time of closing. (The Vendor was not willing to enter into an agreement that contained any form of a representation, warranty or indemnity with respect to the environmental condition of the Property.)

The Town retained consultants experienced in geotechnical investigations, property building assessments and financial analysis to undertake a comprehensive review of the Property as part of the due diligence process

Environmental Site Assessment

The Town retained the services of Wood Environment & Infrastructure Solutions to undertake electromagnetic (EMT) and electrical resistivity and ground penetrating radar (GPR) surveys at 15157, 15165 and 15171 Yonge Street (see Attachment 1). The surveys were conducted to confirm if any historical underground storage tanks (USTs) and their associated piping were present at the Property relating to former uses as a repair garage (2 USTs) and Cousins Creameries Brantford Ltd. (1 UST).

The Wood report can be summarized as follows:

- An EMT (electromagnetic test) on the front parking area of 15157 extending onto 15165 Yonge Street, (the green rectangle) was undertaken to reveal whether the UST and piping identified in old insurance reports remained in the ground. (a review of past uses and data is required for an environmental site assessment or ESA)

- The EMT did not locate tanks or piping. It did locate what would be other servicing infrastructure along the municipal right of way.

- An area of the orange rectangle of approx. 2.6m by 4.6m or approx. (8ft by 15 ft.) and at a depth of 1m (3ft) indicated disturbed soil (probably an excavated and filled area). This would most likely be the area of the former underground tank in the parking area. The tank in the building of 15171 Yonge Street was not found but the Owner verbally indicated to the consultant that the foundations were newer but could not remember the tank.

- Previous testing of soils indicated the possible presence of contaminants consistent with oil or gasoline (a hydrocarbon) in the tanks. Further drilling of test holes and sampling would be required to determine the extent and type of contaminant for disposal and provide a better estimate of costs of removal.

Although the report indicated that the tanks had been removed, previous boreholes and soil testing indicated that there were contaminants in this area. As a requirement for redevelopment to residential, the soils would need to be removed from the site. Also, it should be noted that any additional testing should include boreholes to review foundation capacity and ground water. Tests undertaken to date were of insufficient depth to verify foundation capacity for what would be required for a multi-story building with underground parking.

Based on the test results to date, and in comparison to the adjacent library project where contaminants were found adjacent to 15157 Yonge Street, the cost of cleanup is estimated at approximately $100,000. However, this estimated cost is based on limited testing to date and would not include any clean up costs should the Property contain any deleterious material or chemical compounds not identified to date.

Wood is recommending that a further assessment of the undisturbed area in the parking lot/boulevard of 15157 and part of 15165 Yonge Street be undertaken as part any future

subsurface environmental investigations to determine if contaminated soils or ground water remain as a result of the former USTs located there.

Also, the investigation undertaken by Wood as part of the Town's due diligence process does not represent a full ESA report under Ontario Regulations. A further report would be required with the testing and cleanup with a Record of Site Condition.

Property Building Assessment

The Town retained the services of Appraisers Canada Inc. to provide an opinion of the overall physical condition of each building based on a non-intrusive investigation. The assessment did not include any specialist review of the mechanical/electrical systems or structural components. A more comprehensive financial review and analysis of the Property is presented in the Financial Implications section of the report.

Overall, each of the 3 buildings were reported to be in satisfactory condition. In total, the reports estimate approximately $152,000 will be needed over the next 3 years to undertake the necessary repairs to each building. Staff are of the opinion that the estimates provided are understated and costs could be greater than identified in the assessment reports. The assessment reports prepared for each building are found in Attachment 2. A summary of each building's condition and recommended repairs for the immediate (60-90 days) and short term (within 3 years) expenditures is presented as follows:

15157 Yonge Street

The structure was originally constructed in 1957 and reconstructed with additions in 1982 and contains ground floor retail area divided into two units with a total gross floor area of 1,800 square feet.

Overall, the subject building appears to be in average/good condition commensurate with its age and comparable with competing commercial properties in the general area. The building assessment did not identify any evidence of major structural failures, soil erosion or differential settlement.

Immediate repairs that should be completed in the next 60 to 90 days are estimated to cost $3,000 and includes brick deterioration repairs and asphalt crack sealing and line repainting in the rear parking area. Short term repairs that are required within the next

three years are estimated at $32,000 and include the replacement of the two HVAC systems and the existing roof covering.

15165 Yonge Street

The structure was originally constructed in 1957 and reconstructed with additions in 1978. The building contains ground floor retail and second floor offices with a total gross floor area of 8,900 square feet.

Overall, the subject building appears to be in average/good condition commensurate with its age and comparable with competing commercial properties in the general area. The building assessment did not identify any evidence of major structural failures, soil erosion or differential settlement.

Immediate repairs that should be completed in the next 60 to 90 days are estimated to cost $12,000 and includes brick deterioration repairs and asphalt crack sealing and line repainting in the rear parking area. Short term repairs that are required within the next three years are estimated at $60,000 and include replacing the four HVAC systems and the existing roof covering.

15171 Yonge Street

The structure was originally constructed in 1957 and reconstructed with additions in 1982. The building contains ground floor retail and second floor offices with a total gross floor area of 10,500 square feet.

Overall, the subject building appears to be in average/good condition commensurate with its age and comparable with competing commercial properties in the general area. The building assessment did not identify any evidence of major structural failures, soil erosion or differential settlement.

Immediate repairs that should be completed in the next 60 to 90 days are estimated to cost $15,000 and includes brick deterioration repairs and insulating the ground floor furnace. Short term repairs that are needed to be completed within the next three years is limited to replacing the existing roof covering which is estimated at $30,000.

The Town retained the services of BDO to review operating costs, tenant leases and prepare cash flow projections for the Property. The Financial Implications section of this report presents a comprehensive financial review and analysis of the Property based on the findings of the BDO Due Diligence report.

The current design for Library Square requires a construction easement and a small portion of the rear parking area from 15165 Yonge Street for the building of a new retaining wall

The proposed acquisition of the subject property has not been identified as a future phase of the Library Square development. However, the block has been identified as a key location for future redevelopment in the Promenade Secondary Plan for mixed uses that would contribute to the broader Library Square vision. In the short term, the current design for Library Square requires a construction easement of 6 metres and about 2 to 2.5 metre taking of the parking lot from 15165 Yonge Street for the building of a new retaining wall. Should Council decide to purchase the Property, the Town would no longer have to expropriate the abutting property or obtain a working easement.

Next Steps

In the event that Council decides to proceed with the purchase of the Property, the following next steps are recommended with regard to property management:

- Retain an interim Commercial Property Management firm to manage the day-to-day tenant related activities until such time the Town issues a formal RFP for longer term Property Management Services of the Property.

The Property Management firm would be responsible for the following activities:

- Renting the properties, showing the properties and processing tenant applications
- Collecting monthly rentals, damage deposits and other amounts due from the tenants
- Inspecting properties for damages upon the tenants vacating the property
- Retaining and overseeing contractors and service providers required to maintain the properties to meet regulatory standards
- Providing 24-hour emergency response for repair services to the Property

The above list of next steps is not exhaustive, and additional requirements may need to be fulfilled depending on Council's deliberations and direction.

Advisory Committee Review

None

Legal Considerations

Pursuant to Council direction from the Closed Session meeting of June 4, 2019, the Town and the Vendor entered into an Agreement of Purchase and Sale for the purchase by the Town of the Property in January of 2020 (the "Agreement'). The Agreement is conditional on the Town satisfying itself with respect to the condition and use of the Property and waiving, or otherwise not voiding the Agreement, before May 30, 2020.

If staff is directed to waive the conditions of the Agreement and proceed with the closing, the Agreement will become firm and the Town will be obligated to complete the transaction. If the Town defaults on completing the transaction after the conditions are waived, the Town would be required to forfeit its deposit of $250,000 as liquidated damages to the Vendor.

If direction is provided to waive the conditions and proceed with closing of this transaction, Legal Services will work the Vendor's lawyer to finalize the closing documents and conduct the transaction pursuant to the Agreement.

The properties subject to this transaction are currently comprised of three separate legal parcels. Following closing, the parcels will merge together with the other adjacent Town properties in the Library Square. As a municipality, the Town is permitted to sever land that it owes and divest it in portions in subsequent transactions, should that ever be necessary.

It should also be noted that contamination has been identified on the Property and the Agreement does not provide for any warranty, representation or indemnity with respect to any environmental issues. Upon closing, the Town will become responsible for the contaminants on the Property. Additionally, should it be discovered that contaminants have migrated off the Property, the Town may become liable for damages associated with such migration.

Lastly, due to the current state of emergency and the ongoing pandemic, many of the types of businesses on the Property are currently not permitted to operate. It is unknown when and how this situation may change. At this time, the Province has not mandated any special rules with respect to the management of commercial leases and landlords are permitted to demand rent and evict tenants that do not meet their obligations to pay rent. It should be noted however that many of the leases that are

currently in place at the Property are monthly agreements and such tenants may be able to simply vacate the premises without financial consequences.

Financial Implications

Staff recommend that this potential investment be fully funded from the Town's proceeds from the sale of municipal lands reserve. Upon the completion of the Library Square project, the funds in this reserve will be fully exhausted. The total amount to be funded from this reserve is $7,682,900 as detailed in Table 1. The HST arising from this transaction of $975,000 would be fully recoverable by the Town and would not need to be funded from the reserve. Of note, a purchase price of $7,500,000 represents a 50% premium over the pre-COVID-19 appraised value of this property of $5,000,000. Previous appraisals commissioned by the Town in May 2015 valued the Property in the range of $6.8 to $7.1 million.

If the Town were to acquire the complete suite of properties described above, its total required investment is presented in the below table.

Table 1
Summary of Total Investment Costs

$000s	**Total Cost**
Transaction due diligence	29,900
Purchase price	7,500,000
Land transfer cost	146,500
Other closing costs	6,000
Un-recoverable HST	500
Total Investment Required	**7,682,900**

As part of the Town's financial due diligence of this possible investment, it engaged BDO Canada LLP to undertake a financial review and analysis of the Property. BDO's complete report in this regard can be found under Attachment 3.

In the undertaking of its analysis, BDO made the following assumptions:

- A vacancy rate of three percent of gross revenues;
- The Town will be able to fill any vacancies such that vacancy and bad debt allowance rates do not exceed assumed levels;

- The Town will continue to internally recover water costs from the Property;
- The Town is exempt from income taxes related to the operations of the Property;
- The non-recoverable HST related to the operations of the Property is immaterial;
- Any vacant units will be occupied prior to the closing date;
- Property management & administration will approximate ten percent of gross rent for the foreseeable future;
- Capital expenditures will approximate the amounts presented in the Town's recent building condition assessment report;
- There are no contingent liabilities, unusual contractual obligations, substantial commitments (other than usual course of business), or litigation, pending or threatened, which could materially affect the projected financial results;
- There are no environmental concerns or contingencies regarding the properties known to the vendor that have been disclosed to BDO;
- The lease agreements provided to BDO fairly reflect the circumstances of the Property;
- There are no significant adjustments required to calculate the projected net income and/or operating cash flows, other than what BDO included;
- There are no facts known to the vendor that were not disclosed to BDO that might materially affect its financial analysis.

BDO did not attempt to reflect any COVID-19 impacts in its above presented assumptions. The majority, if not all of the current tenants of the Property have been impacted by COVID-19 which has resulted in tenants temporarily closing their businesses to the public. The impact of COVID-19 or the negative consequences of COVID-19 may have on the viability of these businesses or their ability to pay rent in the future is difficult to predict. Furthermore, to what extent available government financial relief programs have assisted small businesses such as these tenants cannot be estimated.

The Town asked BDO to prepare financial projections for two different scenarios;

1. the initial property investment was fully financed by way of debt and,
2. the initial property investment was fully financed by way of cash.

BDO's analysis demonstrated that a positive return on investment would not be possible should the Town fully finance its investment through debt. However, a positive return on investment might be possible if the Town were to fully finance this investment by way of

cash. The below tables summarizes BDO's five year pro forma operating forecasts for these two scenarios.

Table 2
Scenario 1 Five Year Pro Forma Operating Forecasts

$000s	2020 (6 months)	2021	2022	2023	2024
Net Revenue	169	336	338	338	338
Total expenses	(285)	(512)	(636)	(516)	(518)
Operating cash flow	**(116)**	**(176)**	**(298)**	**(178)**	**(180)**
Return on Investment (%)	**(1.51)**	**(2.30)**	**(3.89)**	**(2.32)**	**(2.35)**

Table 3
Scenario 2 Five Year Pro Forma Operating Forecasts

$000s	2020 (6 months)	2021	2022	2023	2024
Net Revenue	169	336	338	338	338
Total expenses	(54)	(50)	(174)	(54)	(56)
Operating cash flow	**115**	**286**	**164**	**284**	**282**
Return on Investment (%)	**1.50**	**3.73**	**2.14**	**3.70**	**3.68**

Communications Considerations

None

Link to Strategic Plan

The proposed Offer to Sell and any related planned development supports the Strategic Plan goal of ***Enabling a Creative, Diverse and Resilient Economy*** through its accomplishment in satisfying requirements in the following key objective within this goal statement: **promoting economic opportunities that facilitate the growth of Aurora as a desirable place to do business.**

Alternative to the Recommendation

1. That Council not to proceed with the acquisition of the Property and direct staff to

void the Agreement of Purchase and Sale pursuant to its terms.

Conclusions

In June 2019, Council directed staff to negotiate the purchase of 15157, 15165, and 15171 Yonge Street that resulted in a conditional agreement to purchase between the Town and the Vendor in January 2020. The agreement is subject to a number conditions and permits the Town a period of due diligence to investigate the condition of the Property, buildings and financial matters prior to May 30, 2020. Staff have completed the due diligence and are recommending that the conditions be waived and that acquisition of the Property proceed to closing pursuant to the Agreement.

Attachments

Attachment 1 – Wood Environment & Infrastructure Solutions EMT & GPR Survey
Attachment 2 – Appraisers Canada Inc. Property Assessment Reports
Attachment 3 – BDO Financial Due Diligence Report

Previous Reports

Confidential Closed Session Council Report No. PDS19-024, dated March 19, 2019.
Confidential Closed Session Council Report No. PDS19-055, dated June 4, 2019.

Pre-submission Review

Chief Administrative Officer, Director of Finance and Town Solicitor.

Departmental Approval **Approved for Agenda**

David Waters, MCIP, RPP, PLE
Director
Planning and Development Services

Doug Nadorozny
Chief Administrative Officer

Appraisers Canada INC.

REAL ESTATE APPRAISERS & ADVISORY SERVICES

Property Condition Assessment Report Of an Improved Commercial Property

Located at:

15157 Yonge Street
Aurora, Ontario

Prepared for (Client):
[redacted] **Manager**
Facilities Management
Town of Aurora,
Community Services Dept.
229 Industrial Parkway North,
Aurora, Ontario L4G 4C4

File Number:
[redacted]

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TEL: 905-884-5499
www.appraiserscanada.com

Appraisers Canada INC.
REAL ESTATE APPRAISERS & ADVISORY SERVICES

March 31, 2020

Town of Aurora, Community Services Department (client) Tel: [redacted]
229 Industrial Parkway North,
Aurora, Ontario L4G 4C4 e-mail: [redacted]
Attention: [redacted] Manager Facilities Management

Dear Sir:

RE .....Property Condition Assessment ("PCA")

Address.....15157 Yonge Street, Aurora, Ontario

Type.....Commercial/Retail Office Building

Effective Date .....March 16th, 2020

In accordance with your authorization, I have completed a PCA for the above referenced property. This report is prepared generally in accordance with the Canadian Uniform Standards of Appraisal Practice (CUSPAP) and in accordance with ASTM International - American Society for Materials and Testing (ASTM 2018-15) Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process.

The purpose of the assessment is to provide an objective, independent, unbiased professional opinion of the potential immediate and short-term repair costs associated with the subject property, if applicable. The primary objective is to visually examine and evaluate the present condition of the property elements and building

The intended use of the report will be to provide [redacted] Manager, Facilities Management for the Town of Aurora, identification of observed physical condition of the subject property related to a possible acquisition of the subject property. Unauthorized use of the data, analyses, and conclusions presented in this report is strictly prohibited.

This report complies with the Consulting reporting requirements set forth in (CUSPAP). The information contained within the report is specific to the needs of the client and for the stated intended use. Appraisers Canada Inc. (ACI) and the author of this report are not responsible for unauthorized use of this report.

The conclusions stated in this report have been completed without any environmental impact study being ordered or made. Full compliance with applicable environmental regulations and laws is assumed unless otherwise stated, defined and considered in our report. No legal survey, engineering reports, soil analysis,

geological studies, or chemical hazard inspections have been ordered or made in conjunction with our report. Accordingly, no responsibility is assumed concerning these matters, or other technical or engineering techniques, which would be required to discover any inherent or hidden condition in the subject property.

Unless otherwise stated in this report, the existence of hazardous substances including, without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or the abutting lands, or other environmental conditions, were not called to the attention of, nor did the author become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The author, however, is not qualified to test for, detect, investigate, or otherwise ascertain such substances or conditions and assumes no responsibility relative to the possible presence of such. Further, it is beyond the scope of the report to address the matter of any costs that might be associated with the detection, removal, correction or treatment in the event such substances exist on the subject or adjacent lands. No requests have been given to retain experts or other qualified persons to ascertain the possible existence of such materials, as such engineering fact finding is not part of the author's mandate and no funds have been provided for such an undertaking. If the presence of substances or environmental conditions affect the property, then the estimates, which is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto, would be subject to revision. No responsibility is assumed for any such conditions or for any expertise or knowledge required to discover them. It is respectfully suggested that the client retain appropriate experts or qualified persons to address such matters.

This report has been prepared on the assumption that the property complies with all requirements of the authorities having jurisdiction over environmental matters. The estimates reported may not reflect the actual or true costs of the deferred items, should the property be found to be contaminated.

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We trust that you will find the details of this Report relevant to your decisions. Should you have any further questions, please do not hesitate to contact the writer.

Yours very truly,

Appraisers Canada INC.

[redacted]

/gr

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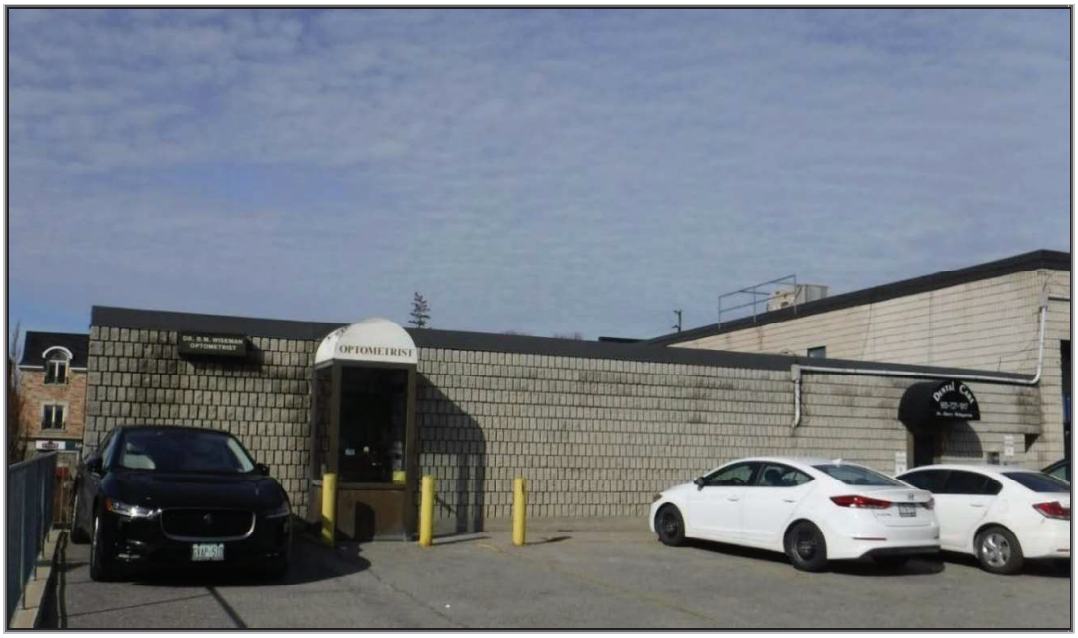
SUBJECT PROPERTY PHOTOGRAPH



1.0 EXECUTIVE SUMMARY

Appraisers Canada Inc. ("ACI") was retained by [redacted] Manager, Facilities Management, Town of Aurora (Client) to conduct a Property Condition Assessment of the property referred to as 15157 Yonge Street, ("subject property"), in the Town of Aurora, Ontario. As discussed with the client, this report was to provide an opinion of overall physical condition of the subject building based on a *non-intrusive* basis. This service did NOT include any specialist review of items regarding any of the components such as mechanical/electrical systems, structural components, etc. This is always recommended for a property the age of the subject. ACI was advised by the client that the intended use of this report was to assist in the possible decision to acquire the subject property. The site visit was completed on March 16, 2020. All areas of subject property were accessible at the time of the site visit, except the roof. A roofing expert should be retained if further investigation is required. The owner advised that [redacted] has been the roofing company to maintain the roof. Attempts were made to contact with no response provided.

THE SITE (same description as 15165 Yonge Street as it appears to be on the same PIN #)

The subject site appears to be a rectangular shape having a frontage of approximately 128.19 feet located along Yonge Street by an irregular depth and containing a total area of approximately 25,254.98 square feet. The site is fully serviced and connected to municipal services. The site is gently sloping away from the building, where the front and rear of the site has runoff that is directed toward the rear of the site. No landscaping was evident. Municipal storm water drains are located on the street and on the rear parking area to the east. The site is fully paved with asphalt at the rear of the building.

THE BUILDING

According to public records the original structure was built in approximately 1957 and reconstructed in approximately 1982 and contains ground floor retail area divided into 2 units. The subject property, according to public records, comprises of approximately 1,807 square feet with ground floor being retail.

The subject building appears to be in average/good condition, commensurate with its age, and in comparable standing to other similar commercial properties in the area. Based on our visual observations the building appears to have been constructed in general accordance with standard building practices in place at the time of construction. The observations did not reveal any visual evidence of major structural failures, soil erosion or differential settlement. This was all revealed via visual observation and walk through.

Specifically, the subject building is constructed with a solid masonry building with slab on grade. The superstructure of the building is solid masonry walls with brick veneer facade.

ROOF STRUCTURE AND COVERING

Based on our interview with the owner, the membrane roof is assumed to be in average condition, [redacted]

In our experiences and based on cost manuals and age life cycle tables, the physical life of a built-up tar and gravel roof is approximately 25 to 40 years. The roof was not accessible at time of inspection, however, based on our inspection and observation from interior, major leaks from roof were not found. Based on our experiences, no immediate replacement of the roof is evident however given its age and proper maintenance, its life cycle, while extended, is likely to require replacement [redacted].

DEFINITIONS

Immediate Repairs – Events that require immediate attention (i.e., events that are recommended to occur within the next 60-90 days to prevent further deterioration to a major system or component, to prevent possible injury due to an unsafe condition, and/or to address a possible Code violation).

Short Term Repairs – Events that require immediate attention (i.e., events that are recommended to occur within the next 3 years to prevent further deterioration to a major system or component, to prevent possible injury due to an unsafe condition, and/or to address a possible Code violation).

OPINIONS OF PROBABLE COST

The opinions of costs presented in this report are based on unit rates published by various industry costing services, combined with local experience and professional relationships that ACI has in the marketplace related to experts in respective fields of concern. A cost threshold of $3,000 has generally been used in reporting opinions of cost associated with the site; however, this cost threshold may have been lowered to include events that are considered "immediate" in nature, aggregate valuations, or items that should be considered. We recommend that all maintenance contracts, and reserve fund documents be reviewed in conjunction with the opinions of costs presented in this report.

Of note, recommendations, repairs for items in this report are exclusive of HST.

2.0 INTRODUCTION

ACI was retained by [redacted] Manager, Facilities Management, Town of Aurora to conduct a Property Condition Assessment of the property referred to as 15157 Yonge Street, Aurora, Ontario (including exterior of building, roof and site). As discussed with the client, this report is to provide an opinion of overall physical condition of the subject building and elements. This service was through visual observation with consultation without Roofing and HVAC specialists. At the time of the site visit all areas of subject property that were accessible were viewed. The entire building was viewed from both interior improvement and outside excluding a walk of the roof.

3.0 SCOPE AND PROCEDURE

The scope of this report included interview with one of the owners, [redacted] and a site visual observation (without any intrusive testing or demolition of finishes to observe hidden areas) of the following:

- building envelope system
- structural elements
- interior finishes, both common areas and individual tenant units
- site features
- mechanical systems
- electrical systems
- plumbing systems
- life safety/fire protection

The review of the property was based on a walk-through and visual observation of the accessible components of the site and building. The interior and exterior wall finishes, and floor and ceiling finishes of the Subject Building were visually observed to check their condition and to identify physical deficiencies. The assessment did not include an intrusive investigation of roof surfaces, wall assemblies, ceiling cavities, or any other enclosures/assemblies. No intrusive tests were conducted, and no samples of building materials were collected to substantiate observations made, or for any other reason. The non-specialist visual review of mechanical, electrical, vertical transportation, and life safety/fire protection systems at the property included discussions with the site representatives. A visual walk-through assessment of these systems was conducted to determine the type of systems present, age, and aesthetic condition. No physical tests were conducted. We also did not contact the Town of Aurora to determine if

code requirements have been met or building permits were obtained prior to construction of any interior development.

The following is a summary of the scope of work that will be considered.

- A visual observation of the property to assess the condition of the major elements
- Review of general documentation on the repair/maintenance history of the elements, if available
- Cursory review of previous reports pertaining to the Subject Building, if made available by the Site Representative
- Interviews and discussions with on-Site personnel regarding the repair/maintenance conducted on the Subject Building
- Documentation of observed existing deficiencies observed within the various elements
- Photographic documentation of various components and observed deficiencies; and
- Compilation of findings in a formal written report including observed deficiencies, together with a list of recommendations for repair/replacement with associated estimated costs for both immediate and short term

The report provides:

- A basic description of each of the various major components of the Subject Building;
- A list of deficiencies noted with respect to the components examined; and
- Recommendations and cost estimates for the corrections recommended.

Cost estimates provided in this report are preliminary and provided only as an indication of the order of magnitude of the remedial work. These values have been arrived at by determining a representative quantity from the visual observations made at the time of our site visit and by applying current market value unit costs to such quantities and/or a reasonable lump sum allowance for the work. More precise cost estimates would require more detailed investigation to define the scope of work. They are not intended to warrant that the final costs will not exceed these amounts or that all costs are covered. The estimates assume the work is performed at one time and do not include costs for potential de-mobilization and re-mobilization if repairs/replacement are spread out over the term of analysis. All costs are identified in Canadian Dollars, and do not include consulting fees or applicable taxes.

The opinions of cost are based on unit rates published by various industry costing services and other costing sources combined with local experience gained by Appraisers Canada Inc., inclusive of the consultation of professionals in the various industries of mechanical, electrical and structural maintenance and repair. The costs are inclusive of "soft" costs such as contractor overhead and & profit, ancillary demolition/repairs, contingency allowance and consulting fees (i.e., design, inspection, testing, etc.), where these are applicable. The quantities associated with each event have been roughly estimated during the "walk-through" site visit and do not represent exact measurements or quantities.

4.0 SYSTEM DESCRIPTION

4.1 SITE AND BUILDING INFORMATION

Site Address:	15157 Yonge Street, Aurora, Ontario
Site Type:	Retail Building
Existing Land Use Type:	Commercial
Primary On-Site Activity:	Commercial

[redacted]

AERIAL PHOTO OF SUBJECT PROPERTY (HISTORICAL CIRCA 2007)

AERIAL PHOTO OF SUBJECT PROPERTY (CURRENT CIRCA 2019)

[redacted]

4.2 STRUCTURAL FRAME AND BUILDING ENVELOPE

Observations of the building's exterior generally are limited to vantage points that are on-grade or from readily accessible balconies or rooftops was undertaken.

4.2.1 Roofing

Identify and observe drainage for evidence and/or the need for the material roof systems (exposed membrane and flashings) including, parapets, slope, material repairs, evidence of significant ponding, or evidence of roof leaks. Inquire as to the age of the material roofing system(s)

Description:

It is reported by the owner that the building has a membrane roof. The roofing assemblies are understood to include steel and wood joists and steel and wood decking and was not visible from interior area. The scope of the work did not include destructive testing.

Storm water directly runoff from the roof because of the slope of the roof, and discharges through the building's exterior drainpipes and onto paved surfaces and into storm drains, redone approx. 4 years ago.

Assessment:

A roof top inspection is not applied at time of inspection. However, based on our inspection from the interior observation and aerial GIS mapping the roof was original condition, [redacted] to the owner has been maintained as required. In our experiences and based on cost manuals, the physical life of a membrane roof is 25 to 40 years. Although there was no leaking into the building from visual observation from the interior of the premises at time of inspection due to the weather, based on the foregoing, the roof of the building is in average condition but reaching end of its economic life cycle.

Recommendation | Conclusion:

[redacted] In our opinion, the existing roof would not be replaced immediately, but costings have been included due to the short term time frame.

Recommendation	EUL	EFF AGE	RUL	Year	Cost
Roof Covering	40	30	Up to 5	Up to 3 yrs-	$12,000
Total					$12,000

4.2.2 Exterior Walls

Description:

The exterior walls comprise a brick veneer on the front and architectural split face concrete block on the sides of the building which was added over the existing facade. [redacted]

Assessment:

Exterior cladding assemblies are predominantly original to the construction of the building's respective sections. There is no evidence of cracks on the foundation walls or building. The wall, window, and door system of the building were generally noted to be in serviceable condition at the time of inspection. However, the lower 3 or 4 brick rows require cleaning, sealing and some parging due to salt deterioration. Exterior windows and storefronts were noted to be original to the building's development in 1982.

The cladding assemblies were noted to be in overall good condition, with only minor deficiencies observed as noted. The rear barrier wall requires repointing.

Recommendation:

The lower 3 or 4 brick rows require cleaning, sealing and some cement parging due to salt deterioration

Always monitor the building envelope and exterior through inspection and observations. Further investigation is recommended by either a structural company or any professional expert to repair or replace the affected areas.

Recommendation	EUL	EFF AGE	RUL	Year	Cost
Brick Deterioration	40	20	20	Immediate	$2,000
Total					$2,000

4.2.3 Foundation and Building Frame

Description:

[redacted]

Assessment:

There was no issue based on a non-intrusive visual observation. No cracks in slab on grade or uneven concrete were evident in the subject building.

Recommendation:

None

4.2.4 Insulation

Description:

Subject property is assumed to have insulation. It is assumed insulation was installed when the building was improved. The building was improved/renovated approximately 38 years ago.

Assessment:

The insulation is assumed to be in average condition.

Recommendation:

None.

4.3 INTERIOR FINISHES

An observation of typical common areas including, but not limited to, lobbies, corridors, assembly areas, and restrooms. Identify and observe typical finishes, that is, flooring, ceilings, walls, etc., and material building amenities or special features was undertaken.

Description:

[redacted]

Subject building also contains multiple washrooms which are in average condition, no noteworthy issues were found during inspection.

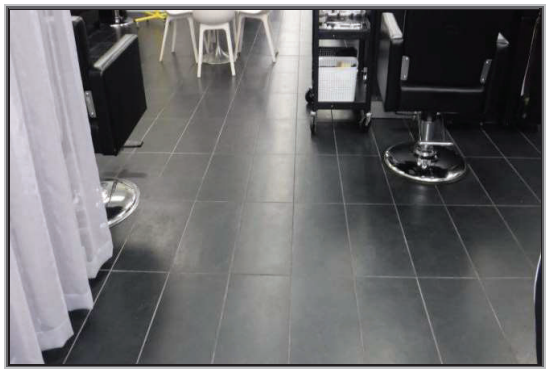
Assessment:

The retail areas and bathrooms are in average condition and provide typical functions. All the interior finishing would generally be completed by any prospective tenant. Therefore, while the improvements are deemed to be acceptable for the current tenants, they most likely would be changed if a tenant vacates the premises.

Recommendation:

None.

[redacted]



4.4 SITE FEATURES

4.4.1 Topography

An observation of the general topography and any unusual or problematic features or conditions was undertaken.

Description:

The topography of the site is level to adjacent properties to the east. The subject site provides gentle slope away from building to drain water. Surface drainage is directed to catch basins via slopes that are built into the parking lot pavement surfaces, both front and rear, and onto the municipal catch basins on street. The retaining wall to the south was installed by the Town of Aurora when the Library was constructed several years ago.

Assessment:

No significant deficiencies or deterioration associated with the site topography was observed or reported during the site visit.

Recommendation:

No significant capital expenditures pertaining to the site topography are anticipated over the next three (3) years, apart from ongoing routine maintenance and repairs.

4.4.2 Storm Water Drainage

An observation of the storm water collection and drainage system and note the presence of on-site surface waters, and retention or detention basins was undertaken.

Description:

Paved driveway and parking area on the subject site is sloped to direct storm water runoff towards catch basins that are located on the rear parking area to the property, and they are reported to connect with the municipal storm sewer system. As mentioned in Roof section, the storm water runoff from slope roof surface is lead to the surface ground and drain to municipal drainage.

Assessment:

No significant major ponding or erosion was noted during the assessment. The storm water system appeared to provide adequate runoff drainage, and no evidence of storm water runoff from adjacent properties was noted. However, there was no rainfall at time of inspection to confirm appropriate drainage.

Recommendation:

No significant capital expenditures pertaining to the site topography are anticipated over the next three (3) years, apart from ongoing routine maintenance and repairs. Cracks, loose pavement, concrete walks, proper drainage should always be monitored and mitigated.

4.4.3 Paving, Curbing, Parking, Landscaping

An observation of the material paving and curbing systems. Identify the types of parking, that is, garage, surface, subsurface, etc., the number and types of parking and loading spaces, and any reported parking inadequacies. Note the source of the information relating to the number and types of parking and loading spaces. sidewalks, plazas, patios, landscaping (trees, shrubs, lawns, fences, retaining walls, and material site appurtenances (irrigation systems, fountains, lighting, signage, ponds, etc.) was undertaken.

Description:

Surface-level, paved parking areas is located in the front yard of the property and parking in common in the rear. The parking areas require repainting of lines to delineate parking stalls. Also, there was no handicap parking. The site is landscaped minimally.

Assessment:

The site shows signs of wear over time as it appears to be in original condition. There are cost assessments considered within the next 3 years. Periodic maintenance is always recommended for any building system or site. Handicap parking should be provided.

Recommendation:

Marginal capital expenditures pertaining to the paving, curbing, parking and landscaping are anticipated over the next three (3) years, apart from ongoing routine maintenance and repairs. Cracks, and landscaping should always be monitored and mitigated as needed.

Recommendation	EUL	EFF AGE	RUL	Year	Cost
Asphalt crack sealing	30	25	5 Yrs	Immediate	$1,000
Total					$1,000

4.4.4 Ingress and Egress

An observation of the major means of ingress and egress was undertaken.

Description:

Surface-level, paved parking areas at the property are located along the front on the site and shared parking in the rear. The parking areas have painted lines to delineate parking stalls with site is landscaped minimally with access via an assumed right of way from the property to the north.

Assessment:

The site shows signs of wear over time as it appears to be in original condition. There are no cost assessments considered within the next 3 years. Periodic maintenance is always recommended for any building system or site.

Recommendation:

No significant capital expenditures pertaining to the ingress, egress, paving, curbing, parking and landscaping are anticipated over the next three (3) years, apart from ongoing routine maintenance and repairs of the right of way. Cracks, and landscaping should always be monitored and mitigated as needed.

4.5 MECHANICAL SYSTEM

4.5.1 Major Service Providers

The following providers serve the subject property:

[redacted]

4.5.2 Utilities

Description:

The Subject Building connects to municipal water and sewer systems. Natural gas is supplied to the building from a gas main that is presumably located below adjacent municipal roadways. [redacted]

Assessment:

[redacted]

Recommendations:

No significant deficiencies associated with utility services were reported or observed. The quantity of electricity and pressure of the utilities provided are understood to be adequate for their intended use. The utility meters, where observed, appeared to be in good condition.

4.5.3 Heating, Ventilation and Air Conditioning (HVAC)

The basic identification of the type of heat generating and distribution system, and the apparent or reported age of the equipment, past material component replacements/upgrades, and the apparent level of maintenance exercised was undertaken. If heating equipment is shutdown or not operational at the time of the walk-through survey, an opinion of the condition to the extent observed is noted.

Description:

[redacted]

Assessment:

[redacted]

Recommendation:

[redacted]

Recommendation	EUL	EFF AGE	RUL	Year	Cost
2 – 5-ton HVAC unit	30	27	3	Up to 3 Yrs.	$20,000
Total					$20,000

4.5.4 Domestic Hot Water

Description:

[redacted]

Assessment | Recommendation:

Domestic hot water heater and supply appear in good condition.

4.5.5 Plumbing

Identify and observe the material plumbing systems including piping (sanitary, storm and supply water), fixtures, domestic hot water production, and note any special or unusual plumbing systems.

Description:

The Town of Aurora provides the building with a domestic cold-water supply and sanitary/storm sewer hook-ups. The domestic water supply for the building enters through a common water meter room at the south side of the building. Where visible, the domestic water distribution piping was copper and plastic, and the sanitary waste and rainwater piping appeared to be galvanized piping.

Plumbing fixtures observed in washrooms within the building were standard commercial-grade models that were equipped with manual water valves. Sinks set within the counter tops of wood-framed cabinetry were typical.

Assessment:

[redacted]

The building's plumbing systems generally appeared to be performing as intended. There does not appear to be any existing issues related to any isolation.

Recommendation:

[redacted] the piping is expected to require periodic repair or partial replacement over the course of the evaluation period to maintain its function and reliability, to address general deficiencies as they occur, and to conduct renewal work in conjunction with future renovation activities.

4.5.6 Life Safety/Fire Protection

Observation of life safety and fire protection systems, including sprinklers and standpipes (wet or dry, or both), fire hydrants, fire alarm systems, water storage, smoke detectors, fire extinguishers, emergency lighting, stairwell pressurization, smoke evacuation, etc. was undertaken and a general visual review for compliance to the accessibility for Ontarians with Disabilities Act (OADA).

Description:

[redacted]

Assessment:

[redacted]

Recommendation:

[redacted]

4.6 ELECTRICAL SYSTEMS

Identify the electrical service provided and observe the electrical distribution system including distribution panels, transformers, meters, emergency generators, general lighting systems, and other such equipment or systems. Observe general electrical items, such as distribution panels, type of wiring, energy management systems, emergency power, lightning protection, etc. Identify any observed or reported special or unusual electrical equipment, systems, or devices at the subject property.

Description:

[redacted]

Assessment:

[redacted]

Recommendation:

[redacted]

PLUMBING AND ELECTRICAL PHOTOGRAPHS

5.0 KNOWN VIOLATIONS OF CODE

Compliance with the Ontario Building Code and Fire Code was not reviewed as it was beyond the scope of this survey.

6.0 CONCLUSIONS AND RECOMMENDATIONS

Based on the survey of the property, conducted on March 16, 2020 the Subject Building appears to be in satisfactory condition, and competitive or comparable with competing buildings in the general area with similar age.

Based on our visual assessment the Subject Building appears to have been constructed in general accordance with standard building practices in place at the time of construction. The assessment did not reveal any evidence of major structural failures, soil erosion or differential settlement.

The opinions of costs presented in this report are based on unit rates published various industry costing services, combined with local experience and professional relationships that ACI has in the marketplace related to experts in respective fields of concern. A cost threshold of $3,000 has generally been used in reporting opinions of cost associated with the site; however, this cost threshold may have been lowered to include events that are considered "immediate" in nature, aggregate valuations, or items that should be considered. We recommend that all maintenance contracts, and reserve fund documents be reviewed in conjunction with the opinions of costs presented in this report.

- [redacted]
- [redacted]
- [redacted]
- [redacted]

The summary of all of the immediate and short term repair costs are summarized as follows:

Immediate Repairs – Events that require immediate attention (i.e., events that are recommended to occur within the next 60-90 days to prevent further deterioration to a major system or component, to prevent possible injury due to an unsafe condition, and/or to address a possible Code violation).

IMMEDIATE REPAIRS ARE ESTIMATED AT $3,000.00
(Includes brick deterioration repair, asphalt crack sealing)

Regular maintenance should be conducted on the roof systems, wall systems, structural elements, interior finishes, the site and the mechanical/electrical systems to ensure that the useful life of the major components/long lived items is realized. Repair costs for the items have been included over the term of the analysis. The specific deficiencies identified during the PCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report.

Short Term Repairs – Events that require immediate attention (i.e., events that are recommended to occur within the next 3 years to prevent further deterioration to a major system or component, to prevent possible injury due to an unsafe condition, and/or to address a possible Code violation).

SHORT TERM REPAIRS ARE ESTIMATED AT $32,000.00
(includes HVAC units and roof covering)

The following chart summarizes the overall condition rating of the subject property, it is included to assist and illustrate the level of deferred maintenance and the overall condition rating for the property and its components.

CONDITION INDEX:

This table sets the ratings used by the consultant to represent the general condition of building assets.

Rating	Status	Definition of rating/condition of building asset
5	Excellent	• no defects, in as new condition and appearance
4	Good	• minor defects or defects that do not unduly impact on operation • superficial wear and tear • some deterioration to finishes, major maintenance not required
3	Fair	• average condition or worn finishes require maintenance • significant defects are evident • services are functional but need attention • deferred maintenance work exists
2	Poor	• major defects and/or potential structural or safety concerns • badly deteriorated or inferior appearance • components fail frequently
1	Very poor	• building or component has failed and not operational • not viable to remain in use • unfit for occupancy or normal use • environmental/contamination/pollution issues exist

[redacted]

CONDITION ASSESSMENT PRIORITY RANKING SCALE:

This table sets the rankings to be used to provide an indication of recommended maintenance schedule.

Priority Ranking	Definition
4	Works needed to: • meet related statutory obligation and due diligence requirements • ensure the health and safety of building occupants and users • prevent serious disruption of building activities and/or may incur higher costs if not addressed within 1 year.
3	Works that: • affect the operational capacity of the building • are likely to lead to serious deterioration and therefore higher future repair costs if not addressed between 1 to 2 years.
2	Works that: • have minimal effect on the operational capacity of the building but are desirable to maintain the quality of the building • are likely to require rectification within 3 years.
1	Works that: • can be safely and economically deferred beyond 3 years and reassessed at a future date.

[redacted]

BASIC COSTS GUIDE:

This table ranks indicative cost levels for preliminary budgeting and decision making.

Ranking	Cost Component	Trades
5	Greater than $5000	May require single trades (i.e. Full repaint, or multiple trades) Recommend obtain quotes to confirm accurate cost over opinions
4	$1000 - $2500	May require multiple trades to carry out full repairs and rectification. (i.e. Roof leak requiring plumber) Recommend obtaining quotes before proceeding
3	$500 - $1000	Generally, only requires single trade (i.e. Fencing), but may require additional trades to 'fit-off'. (i.e., Hot water system)
2	$250 - $500	Generally, only requires single trade. (i.e. Fence Repair)
1	$0 - $250	Generally, only requires single trade. (ie. Broken Aerial)

7.0 LIMITING CONDITIONS

Exclusive Use

This report, including its information and opinions, has been prepared for the exclusive and sole use of [redacted] Facilities Management Town of Aurora (the "Client").

Reliance

Information provided by Appraisers Canada Inc. (ACI) is intended for Client use only. ACI will not provide results or information to any party unless disclosure by ACI is required by law. Any use by a third party of reports or documents authored by ACI or any reliance by a third party on or decisions made by a third party based on the findings described in said documents, is the sole responsibility of such third parties.

ACI accepts no responsibility or liability for damages suffered by any third party as a result of decisions made or actions conducted. No other warranties are implied or expressed.

Opinions of Costs

Any opinions of costs expressed in this report are partially based on consultation with industry-recognized publications on costs for materials and labor. While ACI uses information available, combined with our judgment and past experience, the specific rationale and conditions forming the basis of contractors' bids, material or equipment pricing are beyond our knowledge and control. ACI can therefore not be held responsible if the final costs which may vary from these opinions of costs.

As well, any opinions of costs are intended for budgeting purposes only. The scope of work and the actual costs of the work recommended can only be determined after a detailed examination of the site element in question, understanding of the site restrictions, understanding of the effects on the ongoing operations of the site/building, definition of the construction schedule, and preparation of tender documents.

Opinions of costs presented in this report are also based on information received during interviews with site representatives, operations and/or maintenance staff. ACI cannot be held responsible for incorrect information received during the interview process. Should additional information become available with respect to the condition of the building and/or site elements, ACI requests that this information be brought to our attention so that ACI may reassess the conclusions presented herein.

Physical Limitations to Scope

In accordance with the proposed scope of work, no physical or destructive testing or design calculations were conducted on any of the components of the buildings. Assessment of the original or existing building design, or detection or comment upon concealed structural deficiencies and any buried/concealed utilities or components are outside the scope of work. Similarly, the assessment of any Post Tension reinforcing is not included in the scope of work. Determination of compliance with any Codes is beyond the scope of this Work. There was no access available to the roof at time of walk though survey.

Assessments

As indicated above the personnel conducting the building assessment, where applicable, have performed a non-specialist review of the building and all associated finishes and related systems including the mechanical and electrical (including fire alarm and life safety) systems, Site features, etc. The personnel conducting the assessment are knowledgeable of building systems and construction, but not technical specialists in each of these fields. The intent of the comments made on these systems are for the sole purpose of identifying areas where it has been. observed a noteworthy condition which will lead to a likely significant expenditure during the term of the assignment and/or where it would recommend that the Client consider a further, more detailed investigation. The assessment is based, in part, on information provided by others. Unless specifically noted, it has been assumed that this information was correct and was relied upon in developing the conclusions.

Standard of Care

The assessment outlined in this report generally captured conditions that existed at the time of the site visit. The opinions and recommendations presented in this report are rendered in accordance with generally accepted professional standards for like services under like circumstances for similar locales. The opinions and recommendations are not to be construed as a warranty or guarantee regarding existing or future physical conditions or regarding compliance of systems/components and procedures/operations with the various regulating codes, standards, regulations, ordinances, etc.

Appraisers Canada INC.

REAL ESTATE APPRAISERS & ADVISORY SERVICES

Property Condition Assessment Report Of an Improved Commercial Property

Located at:

15165 Yonge Street
Aurora, Ontario

Prepared for (Client):
[redacted] **Manager**
Facilities Management
Town of Aurora,
Community Services Dept.
229 Industrial Parkway North,
Aurora, Ontario L4G 4C4

File Number:
[redacted]

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TEL: 905-884-5499
www.appraiserscanada.com

Appraisers Canada INC.
REAL ESTATE APPRAISERS & ADVISORY SERVICES

March 31, 2020

Town of Aurora, Community Services Department (client) Tel: [redacted]
229 Industrial Parkway North,
Aurora, Ontario L4G 4C4 e-mail: [redacted]
Attention: [redacted] Manager Facilities Management

Dear Sir:

RE .....Property Condition Assessment ("PCA")

Address.....15165 Yonge Street, Aurora, Ontario

Type.....Commercial/Retail Office Building

Effective Date .....March 16th, 2020

In accordance with your authorization, I have completed a PCA for the above referenced property. This report is prepared generally in accordance with the Canadian Uniform Standards of Appraisal Practice (CUSPAP) and in accordance with ASTM International - American Society for Materials and Testing (ASTM 2018-15) Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process.

The purpose of the assessment is to provide an objective, independent, unbiased professional opinion of the potential immediate and short-term repair costs associated with the subject property, if applicable. The primary objective is to visually examine and evaluate the present condition of the property elements and building

The intended use of the report will be to provide [redacted] Manager, Facilities Management for the Town of Aurora, identification of observed physical condition of the subject property related to a possible acquisition of the subject property. Unauthorized use of the data, analyses, and conclusions presented in this report is strictly prohibited.

This report complies with the Consulting reporting requirements set forth in (CUSPAP). The information contained within the report is specific to the needs of the client and for the stated intended use. Appraisers Canada Inc. (ACI) and the author of this report are not responsible for unauthorized use of this report.

The conclusions stated in this report have been completed without any environmental impact study being ordered or made. Full compliance with applicable environmental regulations and laws is assumed unless otherwise stated, defined and considered in our report. No legal survey, engineering reports, soil analysis,

geological studies, or chemical hazard inspections have been ordered or made in conjunction with our report. Accordingly, no responsibility is assumed concerning these matters, or other technical or engineering techniques, which would be required to discover any inherent or hidden condition in the subject property.

Unless otherwise stated in this report, the existence of hazardous substances including, without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or the abutting lands, or other environmental conditions, were not called to the attention of, nor did the author become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The author, however, is not qualified to test for, detect, investigate, or otherwise ascertain such substances or conditions and assumes no responsibility relative to the possible presence of such. Further, it is beyond the scope of the report to address the matter of any costs that might be associated with the detection, removal, correction or treatment in the event such substances exist on the subject or adjacent lands. No requests have been given to retain experts or other qualified persons to ascertain the possible existence of such materials, as such engineering fact finding is not part of the author's mandate and no funds have been provided for such an undertaking. If the presence of substances or environmental conditions affect the property, then the estimates, which is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto, would be subject to revision. No responsibility is assumed for any such conditions or for any expertise or knowledge required to discover them. It is respectfully suggested that the client retain appropriate experts or qualified persons to address such matters.

This report has been prepared on the assumption that the property complies with all requirements of the authorities having jurisdiction over environmental matters. The estimates reported may not reflect the actual or true costs of the deferred items, should the property be found to be contaminated.

We collect personal information to better serve our clients, for security reasons and to provide clients and potential clients with information about our services. We may retain any personal information provided for as long as necessary to provide our services and respect our obligations to governmental agencies and other third parties. The information will remain confidential to Appraisers Canada Inc., to businesses working for us, and to any organization that acquires part or all our business, provided that they agree to comply with our privacy policy. By accepting this report, you are agreeing to maintain the confidentiality and privacy of any personal information contained herein and to comply in all material respects with the contents of our Privacy Policy. If you wish to see a copy of our Privacy Policy, or have privacy questions or concerns, please contact our Privacy Policy Administrator, Appraisers Canada Inc. by phoning (800) 665-1114 or by e-mail to admin@appraiserscanada.com

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We trust that you will find the details of this Report relevant to your decisions. Should you have any further questions, please do not hesitate to contact the writer.

Yours very truly,

Appraisers Canada INC.

[redacted]

/gr

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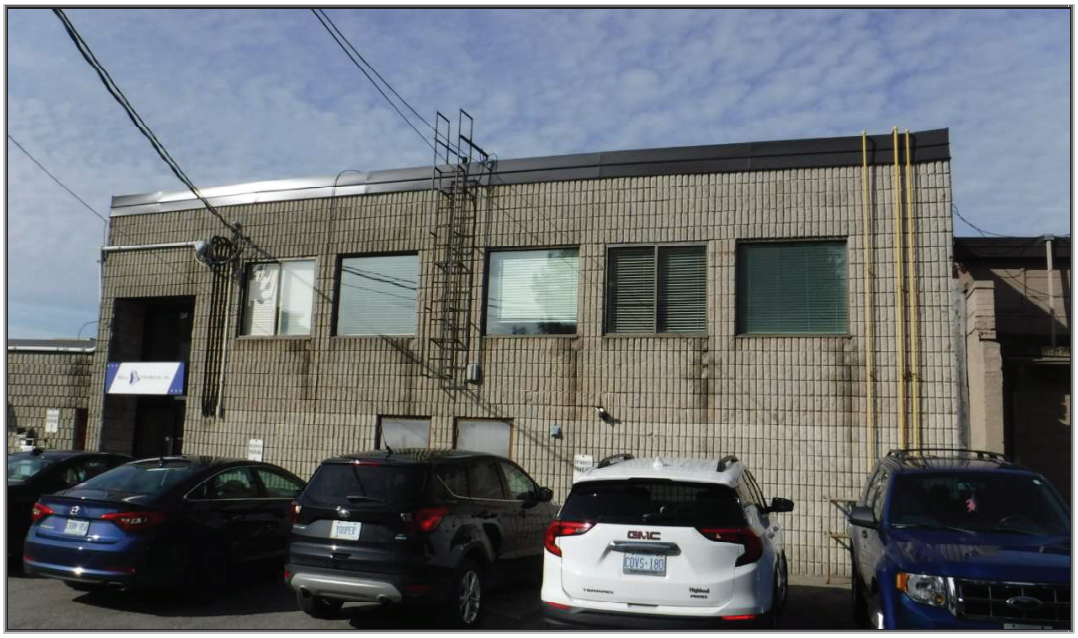
SUBJECT PROPERTY PHOTOGRAPH



[redacted]
Real Estate Appraisers & Advisory Services

1.0 EXECUTIVE SUMMARY

Appraisers Canada Inc. ("ACI") was retained by [redacted], Manager, Facilities Management Town of Aurora (Client) to conduct a Property Condition Assessment of the property referred to as 15165 Yonge Street, ("subject property"), in the Town of Aurora, Ontario. As discussed with the client, this report was to provide an opinion of overall physical condition of the subject building based on a *non-intrusive* basis. This scope of work did NOT include any specialist review of items regarding any of the components such as mechanical/electrical systems, structural components, etc. This may be recommended for a property the age of the subject once the results of this report are completed. ACI was advised by the client that the intended use of this report was to assist in the possible decision to acquire the subject property. The site visit was completed on March 16, 2020. All areas of subject property were accessible at the time of the site visit, except the roof. A roofing expert should be retained if further investigation is required. The owner advised that [redacted] has been the roofing company to maintain the roof. Attempts were made to contact with no response provided.

THE SITE

The subject site appears to be a rectangular shape having a frontage of approximately 128.19 feet located along Yonge Street, by an irregular depth and containing a total area of approximately 25,254.98 square feet. The site is fully serviced and connected to municipal services. The site is gently sloping away from the building, where the front and rear of the site has runoff that is directed toward the rear of the site. No landscaping was evident. Municipal storm water drains are located on the street and on the rear parking area to the east. The site is fully paved with asphalt at the rear of the building.

THE BUILDING

According to public records the original structure was built in approximately 1957 and reconstructed with additions to in approximately 1978, and contains ground floor retail and second floor offices The subject property according to public records comprises of approximately 8,903 square feet with ground floor being retail space of approximately 5,718 square feet and the second floor being offices of approximately 3,718 square feet.

The subject building appears to be in average/good condition, commensurate with its age, and in comparable standing to other similar commercial properties in the area. Based on our visual observations the building appears to have been constructed in general accordance with standard building practices in place at the time of construction. The observations did not reveal any visual evidence of major structural failures, soil erosion or differential settlement. This was all revealed via visual observation and walk through.

Specifically, the subject building is constructed as a solid masonry structure with slab on grade. The superstructure of the building is solid masonry walls with brick veneer facade.

ROOF STRUCTURE AND COVERING

Based on our interview with the owner, the membrane roof is assumed to be in average condition, [redacted]. In our experiences and based on cost manuals and age life cycle tables, the physical life of a built-up tar and gravel roof is approx. 30 to 40 years. The roof was not accessible at time of inspection, however, based on our inspection and observation from interior, major leaks from roof were not found. Based on our experiences, no immediate replacement of the roof is evident however given its age and proper maintenance, its life cycle, while extended, is likely to require replacement [redacted]

DEFINITIONS

Immediate Repairs – Events that require immediate attention (i.e., events that are recommended to occur within the next 60-90 days to prevent further deterioration to a major system or component, to prevent possible injury due to an unsafe condition, and/or to address a possible Code violation).

Short Term Repairs – Events that require immediate attention (i.e., events that are recommended to occur within the next 3 years to prevent further deterioration to a major system or component, to prevent possible injury due to an unsafe condition, and/or to address a possible Code violation).

OPINIONS OF PROBABLE COST

The opinions of costs presented in this report are based on unit rates published by various industry costing services, combined with local experience and professional relationships that ACI has in the marketplace related to experts in respective fields of concern. A cost threshold of $3,000 has generally been used in reporting opinions of cost associated with the property; however, this cost threshold may have been lowered to include events that are considered "immediate" in nature, aggregate valuations, or items that should be considered. We recommend that all maintenance contracts, and reserve fund documents be reviewed in conjunction with the opinions of costs presented in this report.

Of note, recommendations, repairs for items in this report are exclusive of HST

2.0 INTRODUCTION

ACI was retained by [redacted] Manager, Facilities Management, Town of Aurora to conduct a Property Condition Assessment of the property referred to as 15165 Yonge Street, Aurora, Ontario (including exterior of building, roof and site). As discussed with the client, this report is to provide an opinion of overall physical condition of the subject building and elements. This service was through visual observation with consultation without Roofing and HVAC specialists. At the time of the site visit all areas of subject property that were accessible were viewed. The entire building was viewed from both interior improvement and outside excluding a walk of the roof.

3.0 SCOPE AND PROCEDURE

The scope of this report included interview with one of the owners, [redacted], and a site visual observation (without any intrusive testing or demolition of finishes to observe hidden areas) of the following:

- building envelope system
- structural elements
- interior finishes, both common areas and individual tenant units
- site features
- mechanical systems
- electrical systems
- plumbing systems
- life safety/fire protection

The review of the property was based on a walk-through and visual observation of the accessible components of the site and building. The interior and exterior wall finishes, and floor and ceiling finishes of the Subject Building were visually observed to check their condition and to identify physical deficiencies. The assessment did not include an intrusive investigation of roof surfaces, wall assemblies, ceiling cavities, or any other enclosures/assemblies. No intrusive tests were conducted, and no samples of building materials were collected to substantiate observations made, or for any other reason. The non-specialist visual review of mechanical, electrical, vertical transportation, and life safety/fire protection systems at the property included discussions with the site representatives. A visual walk-through assessment of these systems was conducted to determine the type of systems present, age, and aesthetic condition. No physical tests were conducted. We also did not contact the Town of Aurora to determine if

code requirements have been met or building permits were obtained prior to construction of any interior development.

The following is a summary of the scope of work that will be considered.

- A visual observation of the property to assess the condition of the major elements
- Review of general documentation on the repair/maintenance history of the elements, if available
- Cursory review of previous reports pertaining to the Subject Building, if made available by the Site Representative
- Interviews and discussions with on-Site personnel regarding the repair/maintenance conducted on the Subject Building
- Documentation of observed existing deficiencies observed within the various elements
- Photographic documentation of various components and observed deficiencies; and
- Compilation of findings in a formal written report including observed deficiencies, together with a list of recommendations for repair/replacement with associated estimated costs for both immediate and short term

The report provides:

- A basic description of each of the various major components of the Subject Building;
- A list of deficiencies noted with respect to the components examined; and
- Recommendations and cost estimates for the corrections recommended.

Cost estimates provided in this report are preliminary and provided only as an indication of the order of magnitude of the remedial work. These values have been arrived at by determining a representative quantity from the visual observations made at the time of our site visit and by applying current market value unit costs to such quantities and/or a reasonable lump sum allowance for the work. More precise cost estimates would require more detailed investigation to define the scope of work. They are not intended to warrant that the final costs will not exceed these amounts or that all costs are covered. The estimates assume the work is performed at one time and do not include costs for potential de-mobilization and re-mobilization if repairs/replacement are spread out over the term of analysis. All costs are identified in Canadian Dollars, and do not include consulting fees or applicable taxes.

The opinions of cost are based on unit rates published by various industry costing services and other costing sources combined with local experience gained by Appraisers Canada Inc., inclusive of the consultation of professionals in the various industries of mechanical, electrical and structural maintenance and repair. The costs are inclusive of "soft" costs such as contractor overhead and & profit, ancillary demolition/repairs, contingency allowance and consulting fees (i.e., design, inspection, testing, etc.), where these are applicable. The quantities associated with each event have been roughly estimated during the "walk-through" site visit and do not represent exact measurements or quantities.

4.0 SYSTEM DESCRIPTION

4.1 SITE AND BUILDING INFORMATION

Site Address:	15165 Yonge Street, Aurora, Ontario
Site Type:	Office and Retail Building
Existing Land Use Type:	Commercial
Primary On-Site Activity:	Commercial

[redacted]

AERIAL PHOTO OF SUBJECT PROPERTY (HISTORICAL CIRCA 2007)

AERIAL PHOTO OF SUBJECT PROPERTY (CURRENT CIRCA 2019)

4.2 STRUCTURAL FRAME AND BUILDING ENVELOPE

Observations of the building's exterior generally are limited to vantage points that are on-grade or from readily accessible balconies or rooftops was undertaken.

4.2.1 Roofing

Identify and observe drainage for evidence and/or the need for the material roof systems (exposed membrane and flashings) including, parapets, slope, material repairs, evidence of significant ponding, or evidence of roof leaks. Inquire as to the age of the material roofing system(s)

Description:

It is reported by the owner that the building has a membrane roof. The roofing assemblies are understood to include steel and wood joists and steel and wood decking and was not visible from interior area. The scope of the work did not include destructive testing.

Storm water directly runoff from the roof because of the slope of the roof, and discharges through the building's exterior drainpipes and onto paved surfaces and into storm drains, redone approx. 4 years ago.

Assessment:

A roof top inspection is not applied at time of inspection due to the safety and access issues. However, based on our inspection from the interior observation and aerial GIS mapping, the roof was original condition, [redacted] according to the owner has been maintained as required. In our experiences and based on cost manuals, the physical life of a membrane roof is 30 to 40 years. Although there was no leaking into the building from visual observation from the interior of the premises at time of inspection due to the weather, based on the foregoing, the roof of the building is in average condition but reaching end of its economic life cycle.

Recommendation | Conclusion:

[redacted] n our opinion, the existing roof would not be replaced immediately, but costings have been included due to the short term time frame.

Recommendation	EUL	EFF AGE	RUL	Year	Cost
Roof Covering	40	30	Up to 5	Up to 3-	$20,000
Total					$20,000

4.2.2 Exterior Walls

Description:

The exterior walls comprise a brick veneer on the front and architectural split face concrete block on the sides of the building. [redacted]

Assessment:

Exterior cladding assemblies are predominantly original to the construction of the building's respective sections. There is no evidence of cracks on the foundation walls or building. The wall, window, and door system of the building were generally noted to be in serviceable condition at the time of inspection. However, the lower 3 or 4 brick rows require cleaning, sealing and some parging due to salt deterioration. Exterior windows and storefronts were noted to be original to the building's development in 1978.

The cladding assemblies were noted to be in overall good condition, with only minor deficiencies observed as noted. The rear barrier wall requires repointing.

Recommendation:

The lower 3 or 4 brick rows require cleaning, sealing and some cement parging due to salt deterioration

Always monitor the building envelope and exterior through inspection and observations. Further investigation is recommended by either a structural company or any professional expert to repair or replace the affected areas.

Recommendation	EUL	EFF AGE	RUL	Year	Cost
Brick Repairs	40	20	20	Immediate	$3,000
Total					$3,000

EXTERIOR WALL PHOTOGRAPHS

[redacted]

[redacted]

[redacted]

4.2.3 Foundation and Building Frame

Description:

[redacted]

Assessment:

There was no issue based on a non-intrusive visual observation. No cracks in slab on grade or uneven concrete were evident in the subject building.

Recommendation:

None

4.2.4 Insulation

Description:

Subject property is assumed to have insulation. It is assumed insulation was installed when the building was improved. The building was improved/renovated approximately 42 years ago.

Assessment:

The insulation is assumed to be in average condition.

Recommendation:

None.

4.3 INTERIOR FINISHES

An observation of typical common areas including, but not limited to, lobbies, corridors, assembly areas, and restrooms. Identify and observe typical finishes, that is, flooring, ceilings, walls, etc., and material building amenities or special features was undertaken.

Description:

[redacted] Subject building also contains multiple washrooms which are in average condition; no noteworthy issues were found during inspection.

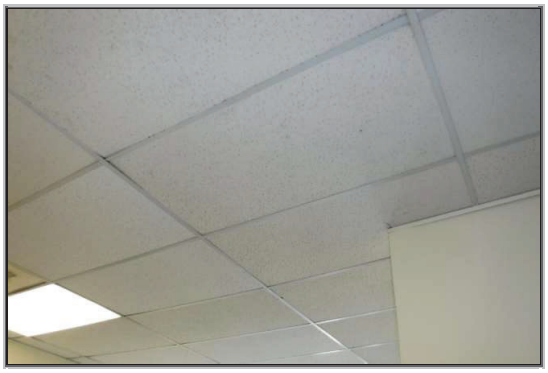
Assessment:

The office area and bathrooms are in average condition and provide typical functions. All the interior finishing would generally be completed by any prospective tenant. Therefore, while the improvements are deemed to be acceptable for the current tenants, they most likely would be changed if a tenant vacates the premises.

Recommendation:

None.

INTERIOR PHOTOGRAPHS



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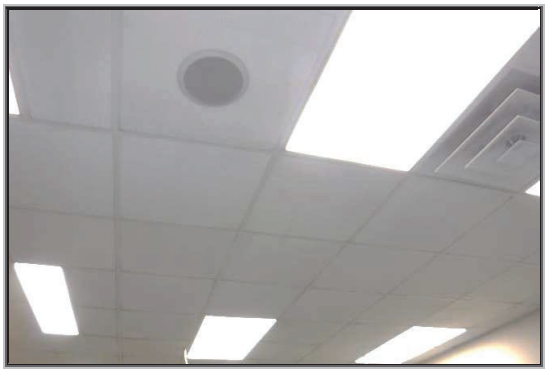

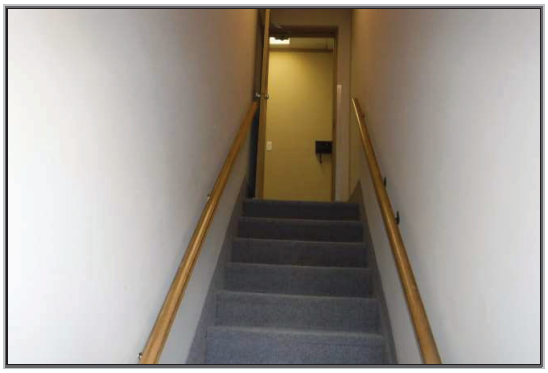

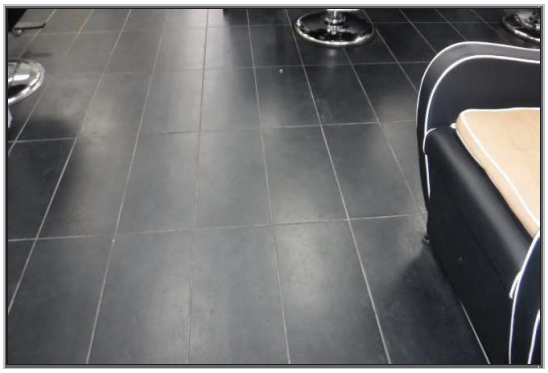

INTERIOR PHOTOGRAPHS

[redacted]

[redacted]

4.4 SITE FEATURES

4.4.1 Topography

An observation of the general topography and any unusual or problematic features or conditions was undertaken.

Description:

The topography of the site is level to adjacent properties to the east. The subject site provides gentle slope away from building to drain water. Surface drainage is directed to catch basins via slopes that are built into the parking lot pavement surfaces, both front and rear, and onto the municipal catch basins on street. The retaining wall to the south was installed by the Town of Aurora when the Library was constructed several years ago.

Assessment:

No significant deficiencies or deterioration associated with the site topography was observed or reported during the site visit.

Recommendation:

No significant capital expenditures pertaining to the site topography are anticipated over the next three (3) years, apart from ongoing routine maintenance and repairs.

4.4.2 Storm Water Drainage

An observation of the storm water collection and drainage system and note the presence of on-site surface waters, and retention or detention basins was undertaken.

Description:

Paved driveway and parking area on the subject site is sloped to direct storm water runoff towards catch basins that are located on the rear parking area to the property, and they are reported to connect with the municipal storm sewer system. As mentioned in Roof section, the storm water runoff from slope roof surface is lead to the surface ground and drain to municipal drainage.

Assessment:

No significant major ponding or erosion was noted during the assessment. The storm water system appeared to provide adequate runoff drainage, and no evidence of storm water runoff from adjacent properties was noted. However, there was no rainfall at time of inspection to confirm appropriate drainage.

Recommendation:

No significant capital expenditures pertaining to the site topography are anticipated over the next three (3) years, apart from ongoing routine maintenance and repairs. Cracks, loose pavement, concrete walks, proper drainage should always be monitored and mitigated.

Recommendation	EUL	EFF AGE	RUL	Year	Cost
Repair asphalt hole	40	30 yrs	10	Immediate	$3000
Total					$3,000

4.4.3 Paving, Curbing, Parking, Landscaping

An observation of the material paving and curbing systems. Identify the types of parking, that is, garage, surface, subsurface, etc., the number and types of parking and loading spaces, and any reported parking inadequacies. Note the source of the information relating to the number and types of parking and loading spaces. sidewalks, plazas, patios, landscaping (trees, shrubs, lawns, fences, retaining walls, and material site appurtenances (irrigation systems, fountains, lighting, signage, ponds, etc.) was undertaken.

Description:

Surface-level, paved parking areas are located in the rear yard of the property. The parking areas require repainting of lines to delineate parking stalls. Also, there was no handicap parking. The site is landscaped minimally.

Assessment:

The site shows signs of wear over time as it appears to be in original condition. There are cost assessments considered within the next 3 years. Periodic maintenance is always recommended for any building system or site. Handicap parking should be provided.

Recommendation:

Marginal capital expenditures pertaining to the paving, curbing, parking and landscaping are anticipated over the next three (3) years, apart from ongoing routine maintenance and repairs. Cracks, and landscaping should always be monitored and mitigated as needed.

Recommendation	EUL	EFF AGE	RUL	Year	Cost
Asphalt crack sealing	20	20	0	Immediate	$3,000
Painting	20	20	0	Immediate	$3,000
Total					$6,000

SITE PHOTOGRAPHS

4.4.4 Ingress and Egress

An observation of the major means of ingress and egress was undertaken.

Description:

Surface-level, paved parking areas at the property are located along the easterly lot line. The parking areas have painted lines to delineate parking stalls. The site is landscaped minimally with access via an assumed right of way from the property to the north.

Assessment:

The site shows signs of wear over time as it appears to be in original condition. There are no cost assessments considered within the next 3 years. Periodic maintenance is always recommended for any building system or site.

Recommendation:

No significant capital expenditures pertaining to the ingress, egress, paving, curbing, parking and landscaping are anticipated over the next three (3) years, apart from ongoing routine maintenance and repairs of the right of way. Cracks, and landscaping should always be monitored and mitigated as needed.

4.5 MECHANICAL SYSTEM

4.5.1 Major Service Providers

The following providers serve the subject property:

[redacted]

4.5.2 Utilities

Description:

The Subject Building connects to municipal water and sewer systems. Natural gas is supplied to the building from a gas main that is presumably located below adjacent municipal roadways. [redacted]

Assessment:

[redacted]

Recommendations:

No significant deficiencies associated with utility services were reported or observed. The quantity of electricity and pressure of the utilities provided are understood to be adequate for their intended use. The utility meters, where observed, appeared to be in good condition.

4.5.3 Heating, Ventilation and Air Conditioning (HVAC)

The basic identification of the type of heat generating and distribution system, and the apparent or reported age of the equipment, past material component replacements/upgrades, and the apparent level of maintenance exercised was undertaken. If heating equipment is shutdown or not operational at the time of the walk-through survey, an opinion of the condition to the extent observed is noted.

Description:

[redacted]

Assessment:

[redacted]

Recommendation:

[redacted]

Recommendation	EUL	EFF AGE	RUL	Year	Cost
4-5 ton HVAC Unit	30	27	3	Up to 3 yrs	$40,000
Total					$40,000

4.5.4 Domestic Hot Water

Description:

[redacted]

Assessment | Recommendation:

Domestic hot water heater and supply appear in good condition.

4.5.5 Plumbing

Identify and observe the material plumbing systems including piping (sanitary, storm and supply water), fixtures, domestic hot water production, and note any special or unusual plumbing systems.

Description:

The Town of Aurora provides the building with a domestic cold-water supply and sanitary/storm sewer hook-ups. The domestic water supply for the building enters through a common water meter room at the south side of the building. Where visible, the domestic water distribution piping was copper and plastic, and the sanitary waste and rainwater piping appeared to be galvanized piping.

Plumbing fixtures observed in washrooms within the building were standard commercial-grade models that were equipped with manual water valves. Sinks set within the counter tops of wood-framed cabinetry were typical.

Assessment:

[redacted]

The building's plumbing systems generally appeared to be performing as intended. There does not appear to be any existing issues related to any isolation.

Recommendation:

[redacted] the piping is expected to require periodic repair or partial replacement over the course of the evaluation period to maintain its function and reliability, to address general deficiencies as they occur, and to conduct renewal work in conjunction with future renovation activities.

4.5.6 Life Safety/Fire Protection

Observation of life safety and fire protection systems, including sprinklers and standpipes (wet or dry, or both), fire hydrants, fire alarm systems, water storage, smoke detectors, fire extinguishers, emergency lighting, stairwell pressurization, smoke evacuation, etc. was undertaken and a general visual review for compliance to the accessibility for Ontarians with Disabilities Act (OADA).

Description:

[redacted]

Assessment:

[redacted]

Recommendation:

[redacted]

4.6 ELECTRICAL SYSTEMS

An observation to identify the electrical service provided and observe the electrical distribution system including distribution panels, transformers, meters, emergency generators, general lighting systems, and other such equipment or systems was undertaken. An observation of general electrical items, such as distribution panels, type of wiring, energy management systems, emergency power, lightning protection, etc. Identify any observed or reported special or unusual electrical equipment, systems, or devices at the subject property was also viewed.

Description:

[redacted]

Assessment:

[redacted]

Recommendation:

Based on age and observations made during the assessment, the original electrical distribution equipment is functional, and no repair or replacement is required.

ELECTRICAL PHOTOGRAPHS

5.0 KNOWN VIOLATIONS OF CODE

Compliance with the Ontario Building Code and Fire Code was not reviewed as it was beyond the scope of this survey.

6.0 CONCLUSIONS AND RECOMMENDATIONS

Based on the survey of the property, conducted on March 16, 2020 the Subject Building appears to be in satisfactory condition, and competitive or comparable with competing buildings in the general area with similar age.

Based on our visual assessment the Subject Building appears to have been constructed in general accordance with standard building practices in place at the time of construction. The assessment did not reveal any evidence of major structural failures, soil erosion or differential settlement.

The opinions of costs presented in this report are based on unit rates published various industry costing services, combined with local experience and professional relationships that ACI has in the marketplace related to experts in respective fields of concern. A cost threshold of $3,000 has generally been used in reporting opinions of cost associated with the site; however, this cost threshold may have been lowered to include events that are considered "immediate" in nature, aggregate valuations, or items that should be considered. We recommend that all maintenance contracts, and reserve fund documents be reviewed in conjunction with the opinions of costs presented in this report.

- [redacted]
- [redacted]
- [redacted]
- [redacted]

The summary of all of the immediate and short term repair costs are summarized as follows:

Immediate Repairs – Events that require immediate attention (i.e., events that are recommended to occur within the next 60-90 days to prevent further deterioration to a major system or component, to prevent possible injury due to an unsafe condition, and/or to address a possible Code violation).

IMMEDIATE REPAIRS ARE ESTIMATED AT $12,000.00

(Includes brick repairs, asphalt repair hole, asphalt crack sealing, line repainting)

Regular maintenance should be conducted on the roof systems, wall systems, structural elements, interior finishes, the site and the mechanical/electrical systems to ensure that the useful life of the major components/long lived items is realized. Repair costs for the items have been included over the term of the analysis. The specific deficiencies identified during the PCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report.

Short Term Repairs – Events that require immediate attention (i.e., events that are recommended to occur within the next 3 years to prevent further deterioration to a major system or component, to prevent possible injury due to an unsafe condition, and/or to address a possible Code violation).

SHORT TERM REPAIRS ARE ESTIMATED AT $60,000.00

(includes roof covering and HVAC unit)

The following chart summarizes the overall condition rating of the subject property, it is included to assist and illustrate the level of deferred maintenance and the overall condition rating for the property and its components.

CONDITION INDEX:

This table sets the ratings used by the consultant to represent the general condition of building assets.

Rating	Status	Definition of rating/condition of building asset
5	Excellent	• no defects, in as new condition and appearance
4	Good	• minor defects or defects that do not unduly impact on operation • superficial wear and tear • some deterioration to finishes, major maintenance not required
3	Fair	• average condition or worn finishes require maintenance • significant defects are evident • services are functional but need attention • deferred maintenance work exists
2	Poor	• major defects and/or potential structural or safety concerns • badly deteriorated or inferior appearance • components fail frequently
1	Very poor	• building or component has failed and not operational • not viable to remain in use • unfit for occupancy or normal use • environmental/contamination/pollution issues exist

[redacted]

CONDITION ASSESSMENT PRIORITY RANKING SCALE:

This table sets the rankings to be used to provide an indication of recommended maintenance schedule.

Priority Ranking	Definition
4	Works needed to: • meet related statutory obligation and due diligence requirements • ensure the health and safety of building occupants and users • prevent serious disruption of building activities and/or may incur higher costs if not addressed within 1 year.
3	Works that: • affect the operational capacity of the building • are likely to lead to serious deterioration and therefore higher future repair costs if not addressed between 1 to 2 years.
2	Works that: • have minimal effect on the operational capacity of the building but are desirable to maintain the quality of the building • are likely to require rectification within 3 years.
1	Works that: • can be safely and economically deferred beyond 3 years and reassessed at a future date.

[redacted]

BASIC COSTS GUIDE:

This table ranks indicative cost levels for preliminary budgeting and decision making.

Ranking	Cost Component	Trades
5	Greater than $5000	May require single trades (i.e. Full repaint, or multiple trades) Recommend obtain quotes to confirm accurate cost over opinions
4	$1000 - $2500	May require multiple trades to carry out full repairs and rectification. (i.e. Roof leak requiring plumber) Recommend obtaining quotes before proceeding
3	$500 - $1000	Generally, only requires single trade (i.e. Fencing), but may require additional trades to 'fit-off'. (i.e., Hot water system)
2	$250 - $500	Generally, only requires single trade. (i.e. Fence Repair)
1	$0 - $250	Generally, only requires single trade. (i.e. Broken Aerial)

7.0 LIMITING CONDITIONS

Exclusive Use

This report, including its information and opinions, has been prepared for the exclusive and sole use of [redacted] Manager, Facilities Management Town of Aurora (the "Client").

Reliance

Information provided by Appraisers Canada Inc. (ACI) is intended for Client use only. ACI will not provide results or information to any party unless disclosure by ACI is required by law. Any use by a third party of reports or documents authored by ACI or any reliance by a third party on or decisions made by a third party based on the findings described in said documents, is the sole responsibility of such third parties.

ACI accepts no responsibility or liability for damages suffered by any third party as a result of decisions made or actions conducted. No other warranties are implied or expressed.

Opinions of Costs

Any opinions of costs expressed in this report are partially based on consultation with industry-recognized publications on costs for materials and labor. While ACI uses information available, combined with our judgment and past experience, the specific rationale and conditions forming the basis of contractors' bids, material or equipment pricing are beyond our knowledge and control. ACI can therefore not be held responsible if the final costs which may vary from these opinions of costs.

As well, any opinions of costs are intended for budgeting purposes only. The scope of work and the actual costs of the work recommended can only be determined after a detailed examination of the site element in question, understanding of the site restrictions, understanding of the effects on the ongoing operations of the site/building, definition of the construction schedule, and preparation of tender documents.

Opinions of costs presented in this report are also based on information received during interviews with site representatives, operations and/or maintenance staff. ACI cannot be held responsible for incorrect information received during the interview process. Should additional information become available with respect to the condition of the building and/or site elements, ACI requests that this information be brought to our attention so that ACI may reassess the conclusions presented herein.

Physical Limitations to Scope

In accordance with the proposed scope of work, no physical or destructive testing or design calculations were conducted on any of the components of the buildings. Assessment of the original or existing building design, or detection or comment upon concealed structural deficiencies and any buried/concealed utilities or components are outside the scope of work. Similarly, the assessment of any Post Tension reinforcing is not included in the scope of work. Determination of compliance with any Codes is beyond the scope of this Work. There was no access available to the roof at time of walk though survey.

Assessments

As indicated above the personnel conducting the building assessment, where applicable, have performed a non-specialist review of the building and all associated finishes and related systems including the mechanical and electrical (including fire alarm and life safety) systems, Site features, etc. The personnel conducting the assessment are knowledgeable of building systems and construction, but not technical specialists in each of these fields. The intent of the comments made on these systems are for the sole purpose of identifying areas where it has been. observed a noteworthy condition which will lead to a likely significant expenditure during the term of the assignment and/or where it would recommend that the Client consider a further, more detailed investigation. The assessment is based, in part, on information provided by others. Unless specifically noted, it has been assumed that this information was correct and was relied upon in developing the conclusions.

Standard of Care

The assessment outlined in this report generally captured conditions that existed at the time of the site visit. The opinions and recommendations presented in this report are rendered in accordance with generally accepted professional standards for like services under like circumstances for similar locales. The opinions and recommendations are not to be construed as a warranty or guarantee regarding existing or future physical conditions or regarding compliance of systems/components and procedures/operations with the various regulating codes, standards, regulations, ordinances, etc.

Appraisers Canada INC.

REAL ESTATE APPRAISERS & ADVISORY SERVICES

Property Condition Assessment Report Of an Improved Commercial Property

Located at:

15171 Yonge Street
Aurora, Ontario

Prepared for (Client):
[redacted] **Manager**
Facilities Management
Town of Aurora,
Community Services Dept.
229 Industrial Parkway North,
Aurora, Ontario L4G 4C4

File Number:
[redacted]

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Appraisers Canada INC.
REAL ESTATE APPRAISERS & ADVISORY SERVICES

March 31, 2020

Town of Aurora, Community Services Department (client) Tel: [redacted]
229 Industrial Parkway North,
Aurora, Ontario L4G 4C4 e-mail: [redacted]
Attention: [redacted] Manager Facilities Management

Dear Sir:

RE .....Property Condition Assessment ("PCA")

Address.....15171 Yonge Street, Aurora, Ontario

Type.....Commercial/Retail Office Building

Effective Date .....March 16th, 2020

In accordance with your authorization, I have completed a PCA for the above referenced property. This report is prepared generally in accordance with the Canadian Uniform Standards of Appraisal Practice (CUSPAP) and in accordance with ASTM International - American Society for Materials and Testing (ASTM 2018-15) Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process.

The purpose of the assessment is to provide an objective, independent, unbiased professional opinion of the potential immediate and short-term repair costs associated with the subject property, if applicable. The primary objective is to visually examine and evaluate the present condition of the property elements and building

The intended use of the report will be to provide [redacted] Manager, Facilities Management for the Town of Aurora, identification of observed physical condition of the subject property related to a possible acquisition of the subject property. Unauthorized use of the data, analyses, and conclusions presented in this report is strictly prohibited.

This report complies with the Consulting reporting requirements set forth in (CUSPAP). The information contained within the report is specific to the needs of the client and for the stated intended use. Appraisers Canada Inc. (ACI) and the author of this report are not responsible for unauthorized use of this report.

The conclusions stated in this report have been completed without any environmental impact study being ordered or made. Full compliance with applicable environmental regulations and laws is assumed unless otherwise stated, defined and considered in our report. No legal survey, engineering reports, soil analysis,

geological studies, or chemical hazard inspections have been ordered or made in conjunction with our report. Accordingly, no responsibility is assumed concerning these matters, or other technical or engineering techniques, which would be required to discover any inherent or hidden condition in the subject property.

Unless otherwise stated in this report, the existence of hazardous substances including, without limitation, asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or the abutting lands, or other environmental conditions, were not called to the attention of, nor did the author become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The author, however, is not qualified to test for, detect, investigate, or otherwise ascertain such substances or conditions and assumes no responsibility relative to the possible presence of such. Further, it is beyond the scope of the report to address the matter of any costs that might be associated with the detection, removal, correction or treatment in the event such substances exist on the subject or adjacent lands. No requests have been given to retain experts or other qualified persons to ascertain the possible existence of such materials, as such engineering fact finding is not part of the author's mandate and no funds have been provided for such an undertaking. If the presence of substances or environmental conditions affect the property, then the estimates, which is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto, would be subject to revision. No responsibility is assumed for any such conditions or for any expertise or knowledge required to discover them. It is respectfully suggested that the client retain appropriate experts or qualified persons to address such matters.

This report has been prepared on the assumption that the property complies with all requirements of the authorities having jurisdiction over environmental matters. The estimates reported may not reflect the actual or true costs of the deferred items, should the property be found to be contaminated.

We collect personal information to better serve our clients, for security reasons and to provide clients and potential clients with information about our services. We may retain any personal information provided for as long as necessary to provide our services and respect our obligations to governmental agencies and other third parties. The information will remain confidential to Appraisers Canada Inc., to businesses working for us, and to any organization that acquires part or all our business, provided that they agree to comply with our privacy policy. By accepting this report, you are agreeing to maintain the confidentiality and privacy of any personal information contained herein and to comply in all material respects with the contents of our Privacy Policy. If you wish to see a copy of our Privacy Policy, or have privacy questions or concerns, please contact our Privacy Policy Administrator, Appraisers Canada Inc. by phoning (800) 665-1114 or by e-mail to admin@appraiserscanada.com

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We trust that you will find the details of this Report relevant to your decisions. Should you have any further questions, please do not hesitate to contact the writer.

Yours very truly,

Appraisers Canada INC.

[redacted]

/gr

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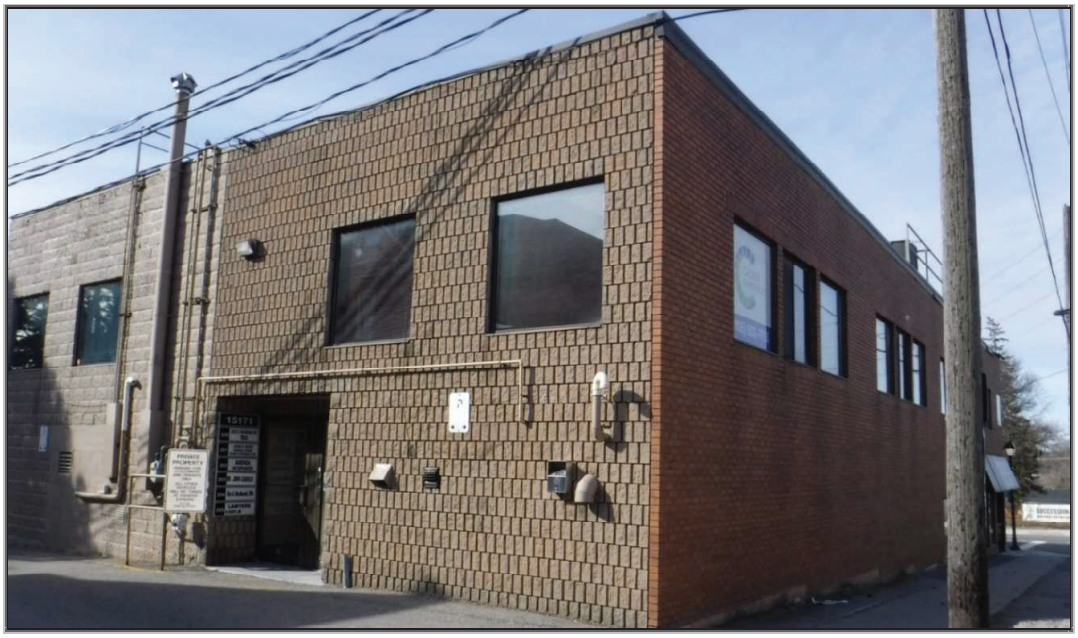
SUBJECT PROPERTY PHOTOGRAPH



1.0 EXECUTIVE SUMMARY

Appraisers Canada Inc. ("ACI") was retained by [redacted] Manager, Facilities Management Town of Aurora (Client) to conduct a Property Condition Assessment of the property referred to as 15171 Yonge Street, ("subject property"), in the Town of Aurora, Ontario. As discussed with the client, this report was to provide an opinion of overall physical condition of the subject building based on a *non-intrusive* basis. This scope of work did NOT include any specialist review of items regarding any of the components such as mechanical/electrical systems, structural components, etc. This may be recommended for a property the age of the subject once the results of this report are completed. ACI was advised by the client that the intended use of this report was to assist in the possible decision to acquire the subject property. The site visit was completed on March 16, 2020. All areas of subject property were accessible at the time of the site visit, except the roof. A roofing expert should be retained if further investigation is required. The owner advised that [redacted] has been the roofing company to maintain the roof. Attempts were made to contact with no response provided.

THE SITE

The subject site appears to be a rectangular shape having a frontage of approximately 54.87 feet located along Yonge Street by a depth of approximately 115.09 feet along Mosley street and containing a total area of approximately 8,035 square feet. The site is fully serviced and connected to municipal services. The site is gently sloping away from the building, where the front and rear of the site has runoff that is directed toward the street. No landscaping was evident other than a rear retaining wall made of concrete interlock panels. Municipal storm water drains are located on the street and on the property to the south which is under the same ownership. The site is fully paved with asphalt at the rear of the building. Parking is available along the rear lot line of property.

THE BUILDING

According to public records the original structure was built in approximately 1957 and reconstructed with additions to in approximately 1982 and contains ground floor retail and second floor offices. The subject property, according to public records, comprises of approximately 10,537 square feet with ground floor being retail space of approximately 5,500 square feet and the second floor being offices of approximately 5,037 square feet.

The subject building appears to be in average condition, commensurate with its age, and in comparable standing to other similar commercial properties in the area. Based on our visual observation the building appears to have been constructed in general accordance with standard building practices in place at the time of construction. The observations did not reveal any visual evidence of major structural failures, soil erosion or differential settlement. This was all revealed via visual observation and walk through.

Specifically, the subject building is constructed with a solid masonry building with slab on grade. The superstructure of the building is solid masonry walls with brick veneer facade.

ROOF STRUCTURE AND COVERING

Based on our interview with the owner, the tar and gravel roof is assumed to be in average condition, [redacted]

In our experiences and based on cost manuals and age life cycle tables, the physical life of a built-up tar and gravel roof is approx. 25 to 40 years. The roof was not accessible at time of inspection, however, based on our inspection and observation from interior, major leaks from roof were not found. Based on our experiences, no immediate replacement of the roof is evident however given its age and proper maintenance, its life cycle, while extended, is likely to require replacement [redacted]

DEFINITIONS

Immediate Repairs – Events that require immediate attention (i.e., events that are recommended to occur within the next 60-90 days to prevent further deterioration to a major system or component, to prevent possible injury due to an unsafe condition, and/or to address a possible Code violation).

Short Term Repairs – Events that require immediate attention (i.e., events that are recommended to occur within the next 3 years to prevent further deterioration to a major system or component, to prevent possible injury due to an unsafe condition, and/or to address a possible Code violation).

OPINIONS OF PROBABLE COST

The opinions of costs presented in this report are based on unit rates published by various industry costing services, combined with local experience and professional relationships that ACI has in the marketplace related to experts in respective fields of concern. A cost threshold of $3,000 has generally been used in reporting opinions of cost associated with the property; however, this cost threshold may have been lowered to include events that are considered "immediate" in nature, aggregate valuations, or items that should be considered. We recommend that all maintenance contracts, and reserve fund documents be reviewed in conjunction with the opinions of costs presented in this report.

Of note, recommendations, repairs for items in this report are exclusive of HST

2.0 INTRODUCTION

ACI was retained by [redacted] Manager, Facilities Management, Town of Aurora to conduct a Property Condition Assessment of the property referred to as 15171 Yonge Street, Aurora, Ontario (including exterior of building, roof and site). As discussed with the client, this report is to provide an opinion of overall physical condition of the subject building and elements. This service was through visual observation with consultation without Roofing and HVAC specialists. At the time of the site visit all areas of subject property that were accessible were viewed. The entire building was viewed from both interior improvement and outside excluding a walk of the roof.

3.0 SCOPE AND PROCEDURE

The scope of this report included interview with one of the owners, [redacted], and a site visual observation (without any intrusive testing or demolition of finishes to observe hidden areas) of the following:

- building envelope system
- structural elements
- interior finishes, both common areas and individual tenant units
- site features
- mechanical systems
- electrical systems
- plumbing systems
- life safety/fire protection

The review of the property was based on a walk-through and visual observation of the accessible components of the site and building. The interior and exterior wall finishes, and floor and ceiling finishes of the Subject Building were visually observed to check their condition and to identify physical deficiencies. The assessment did not include an intrusive investigation of roof surfaces, wall assemblies, ceiling cavities, or any other enclosures/assemblies. No intrusive tests were conducted, and no samples of building materials were collected to substantiate observations made, or for any other reason. The non-specialist visual review of mechanical, electrical, vertical transportation, and life safety/fire protection systems at the property included discussions with the site representatives. A visual walk-through assessment of these systems was conducted to determine the type of systems present, age, and aesthetic condition. No physical tests were conducted. We also did not contact the Town of Aurora to determine if

code requirements have been met or building permits were obtained prior to construction of any interior development.

The following is a summary of the scope of work that will be considered.

- A visual observation of the property to assess the condition of the major elements
- Review of general documentation on the repair/maintenance history of the elements, if available
- Cursory review of previous reports pertaining to the Subject Building, if made available by the Site Representative
- Interviews and discussions with on-Site personnel regarding the repair/maintenance conducted on the Subject Building
- Documentation of observed existing deficiencies observed within the various elements
- Photographic documentation of various components and observed deficiencies; and
- Compilation of findings in a formal written report including observed deficiencies, together with a list of recommendations for repair/replacement with associated estimated costs for both immediate and short term

The report provides:

- A basic description of each of the various major components of the Subject Building;
- A list of deficiencies noted with respect to the components examined; and
- Recommendations and cost estimates for the corrections recommended.

Cost estimates provided in this report are preliminary and provided only as an indication of the order of magnitude of the remedial work. These values have been arrived at by determining a representative quantity from the visual observations made at the time of our site visit and by applying current market value unit costs to such quantities and/or a reasonable lump sum allowance for the work. More precise cost estimates would require more detailed investigation to define the scope of work. They are not intended to warrant that the final costs will not exceed these amounts or that all costs are covered. The estimates assume the work is performed at one time and do not include costs for potential de-mobilization and re-mobilization if repairs/replacement are spread out over the term of analysis. All costs are identified in Canadian Dollars, and do not include consulting fees or applicable taxes.

The opinions of cost are based on unit rates published by various industry costing services and other costing sources combined with local experience gained by Appraisers Canada Inc., inclusive of the consultation of professionals in the various industries of mechanical, electrical and structural maintenance and repair. The costs are inclusive of "soft" costs such as contractor overhead and & profit, ancillary demolition/repairs, contingency allowance and consulting fees (i.e., design, inspection, testing, etc.), where these are applicable. The quantities associated with each event have been roughly estimated during the "walk-through" site visit and do not represent exact measurements or quantities.

4.0 SYSTEM DESCRIPTION

4.1 SITE AND BUILDING INFORMATION

Site Address:	15171 Yonge Street, Aurora, Ontario
Site Type:	Office and Retail Building
Existing Land Use Type:	Commercial
Primary On-Site Activity:	Commercial

[redacted]

AERIAL PHOTO OF SUBJECT PROPERTY (HISTORICAL CIRCA 2007)

AERIAL PHOTO OF SUBJECT PROPERTY (CURRENT CIRCA 2019)

[redacted]

4.2 STRUCTURAL FRAME AND BUILDING ENVELOPE

Observations of the building's exterior generally are limited to vantage points that are on-grade or from readily accessible balconies or rooftops was undertaken.

4.2.1 Roofing

Identify and observe drainage for evidence and/or the need for the material roof systems (exposed membrane and flashings) including, parapets, slope, material repairs, evidence of significant ponding, or evidence of roof leaks. Inquire as to the age of the material roofing system(s)

Description:

It is reported by the owner that the building has a flat tar and gravel roof and a membrane. The roofing assemblies are understood to include steel and wood joists and steel and wood decking and was not visible from interior area. The scope of the work did not include destructive testing.

Storm water directly runoff from the roof because of the slope of the roof, and discharges through the building's exterior drainpipes and onto paved surfaces.

Assessment:

A roof top inspection is not applied at time of inspection due to the safety and access issues. However, based on our inspection from the interior observation and aerial GIS mapping the roof was original condition, [redacted] to the owner had some remedial work done in 2016. In our experiences and based on cost manuals, the physical life of a tar and gravel roof is 25 to 40 years. Although there was no leaking into the building from visual observation from the interior of the premises at time of inspection due to the weather, based on the foregoing, the roof of the building is in average condition but reaching end of its economic life cycle.

[redacted]

Recommendation | Conclusion:

[redacted] In our opinion, the existing roof would not be replaced immediately, but costings have been included due to the short term time frame.

Recommendation	EUL	EFF AGE	RUL	Year	Cost
Roof Covering	40	30	Up to 5	Up to 3	$30,000
Total					$30,000

4.2.2 Exterior Walls

Description:

The exterior walls comprise an architectural block and brick veneer around the entire building, with a solid masonry at the front and north side of the building. [redacted]

Assessment:

Exterior cladding assemblies are predominantly original to the construction of the building's respective sections. There is no evidence of cracks on the foundation walls or building. The wall, window, and door system of the building were generally noted to be in serviceable condition at the time of inspection. However, the lower 3 or 4 brick rows require cleaning, sealing and some parging due to salt deterioration. Exterior windows and storefronts were noted to be original to the building's development in 1982.

The cladding assemblies were noted to be in overall good condition, with only minor deficiencies observed as noted.

Recommendation:

The lower 3 or 4 brick rows require cleaning, sealing and some cement parging due to salt deterioration

Always monitor the building envelope and exterior through inspection and observations. Further investigation is recommended by either a structural company or any professional expert to repair or replace the affected areas.

Recommendation	EUL	EFF AGE	RUL	Year	Cost
Brick Deterioration	40	20	20	Immediate	$2,000
Total					$2,000

4.2.3 Foundation and Building Frame

Description:

[redacted]

Assessment:

There was no issue based on a non-intrusive visual observation. No cracks in slab on grade or uneven concrete were evident in the subject building.

Recommendation:

None

4.2.4 Insulation

Description:

Subject property is assumed to have insulation. It is assumed insulation was installed when the building was improved. The building was improved/renovated approximately 38 years ago.

Assessment:

The picture is from the furnace area showing minimal insulation. The insulation in the furnace area is minimal the rest of the building is assumed to be in average condition.

Recommendation:

Add additional insulation

[redacted]

Recommendation	EUL	EFF AGE	RUL	Year	Cost
Add insulation	N/A	N/A	N/A	Immediate	$3,000
Total					$3,000

4.3 INTERIOR FINISHES

An observation of typical common areas including, but not limited to, lobbies, corridors, assembly areas, and restrooms. Identify and observe typical finishes, that is, flooring, ceilings, walls, etc., and material building amenities or special features was undertaken.

Description:

[redacted] Subject building also contains multiple washrooms which are in average condition, no noteworthy issues were found during inspection.

Assessment:

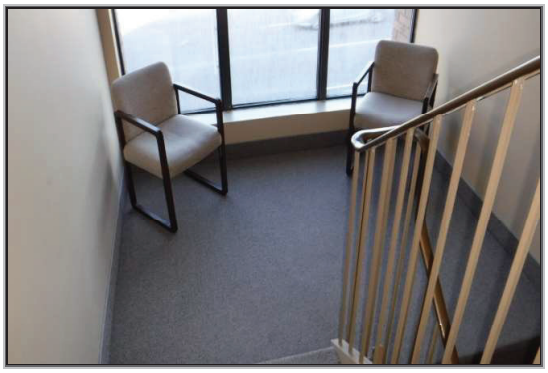
The office area and bathrooms are in average condition and provide typical functions. All the interior finishing would generally be completed by any prospective tenant. Therefore, while the improvements are deemed to be acceptable for the current tenants, they most likely would be changed if a tenant vacates the premises.

Recommendation:

None.

INTERIOR PHOTOGRAPHS

[redacted]



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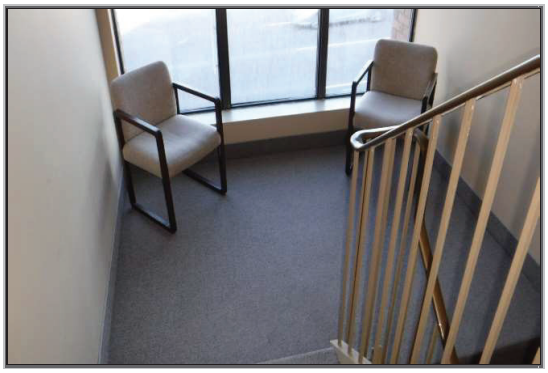
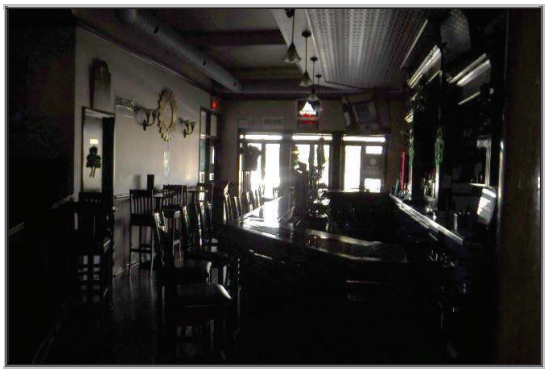


INTERIOR PHOTOGRAPHS

[redacted]



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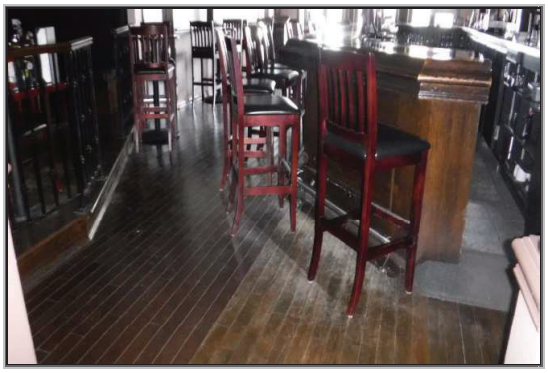


[redacted]

INTERIOR PHOTOGRAPHS

4.4 SITE FEATURES

4.4.1 Topography

An observation of the general topography and any unusual or problematic features or conditions was undertaken.

Description:

The topography of the site is level to adjacent ground and street. The subject site provides gently slope away from building to drain water. Surface drainage is directed to catch basins via slopes that are built into the parking lot pavement surfaces, both front and rear, and onto the municipal drains on street.

Assessment:

No significant deficiencies or deterioration associated with the site topography was observed or reported during the site visit.

Recommendation:

No significant capital expenditures pertaining to the site topography are anticipated over the next three (3) years, apart from ongoing routine maintenance and repairs.

4.4.2 Storm Water Drainage

An observation of the storm water collection and drainage system and note the presence of on-site surface waters, and retention or detention basins was undertaken.

Description:

Paved driveway and parking area on the subject site is sloped to direct storm water runoff towards catch basins that are located on the rear parking area to the property, and they are reported to connect with the municipal storm sewer system. As mentioned in Roof section, the storm water runoff from slope roof surface is lead to the surface ground and drain to municipal drainage.

Assessment:

No significant major ponding or erosion was noted during the assessment. The storm water system appeared to provide adequate runoff drainage, and no evidence of storm water runoff from adjacent properties was noted. However, there was no rainfall at time of inspection to confirm appropriate drainage.

Recommendation:

No significant capital expenditures pertaining to the site topography are anticipated over the next three (3) years, apart from ongoing routine maintenance and repairs. Cracks, loose pavement, concrete walks, proper drainage should always be monitored and mitigated.

4.4.3 Paving, Curbing, Parking, Landscaping

An observation of the material paving and curbing systems. Identify the types of parking, that is, garage, surface, subsurface, etc., the number and types of parking and loading spaces, and any reported parking inadequacies. Note the source of the information relating to the number and types of parking and loading spaces. sidewalks, plazas, patios, landscaping (trees, shrubs, lawns, fences, retaining walls, and material site appurtenances (irrigation systems, fountains, lighting, signage, ponds, etc.) was undertaken.

Description:

Surface-level, paved parking areas on the property are located along the easterly lot line. The parking areas have painted lines to delineate parking stalls. Also, there was no handicap parking. The site is landscaped minimally with a concrete interlock retaining wall along the east lot line.

Assessment:

The site shows signs of wear over time as it appears to be in original condition. There are no cost assessments considered within the next 3 years. Periodic maintenance is always recommended for any building system or site. Handicap parking should be provided and maximum parking efficiency is always a priority. It is not considered a cost within this report.

Recommendation:

No significant capital expenditures pertaining to the paving, curbing, parking and landscaping are anticipated over the next three (3) years, apart from ongoing routine maintenance and repairs. Cracks, and landscaping should always be monitored and mitigated as needed.

4.4.4 Ingress and Egress

An observation of the major means of ingress and egress was undertaken.

Description:

Surface-level, paved parking areas at the property are located along the easterly lot line. The parking areas have painted lines to delineate parking stalls. Also, there was no handicap parking. The site is landscaped minimally with a concrete interlock retaining wall along the east lot line. The only vehicular access point is off the side street known as Mosley Street.

Assessment:

The site shows signs of wear over time as it appears to be in original condition. There are no cost assessments considered within the next 3 years. Periodic maintenance is always recommended for any building system or site.

Recommendation:

No significant capital expenditures pertaining to the ingress, egress, paving, curbing, parking and landscaping are anticipated over the next three (3) years, apart from ongoing routine maintenance and repairs. Cracks, and landscaping should always be monitored and mitigated as needed

SITE PHOTOGRAPHS

4.5 MECHANICAL SYSTEM

4.5.1 Major Service Providers

The following providers serve the subject property:

[redacted]

4.5.2 Utilities

Description:

The Subject Building connects to municipal water and sewer systems. Natural gas is supplied to the building from a gas main that is presumably located below adjacent municipal roadways. [redacted]

Assessment:

[redacted]

Recommendations:

No significant deficiencies associated with utility services were reported or observed. The quantity of electricity and pressure of the utilities provided are understood to be adequate for their intended use. The utility meters, where observed, appeared to be in good condition.

4.5.3 Heating, Ventilation and Air Conditioning (HVAC)

The basic identification of the type of heat generating and distribution system, and the apparent or reported age of the equipment, past material component replacements/upgrades, and the apparent level of maintenance exercised was undertaken.

Description:

[redacted]

Assessment:

[redacted]

Recommendation:

[redacted]

Recommendation	EUL	EFF AGE	RUL	Year	Cost
Forced air gas fired furnace	25	22	3	Immediate	$10,000
Total					$10,000

HVAC PHOTOGRAPHS

[redacted]

4.5.4 Domestic Hot Water

Description:

[redacted]

Assessment | Recommendation:

Domestic hot water heater and supply appear in good condition.

4.5.5 Plumbing

Identify and observe the material plumbing systems including piping (sanitary, storm and supply water), fixtures, domestic hot water production, and note any special or unusual plumbing systems.

Description:

The Town of Aurora provides the building with a domestic cold-water supply and sanitary/storm sewer hook-ups. The domestic water supply for the building enters through a common water meter room at the south side of the building. Where visible, the domestic water distribution piping was copper and plastic, and the sanitary waste and rainwater piping appeared to be galvanized piping.

Plumbing fixtures observed in washrooms within the building were standard commercial-grade models that were equipped with manual water valves. Sinks set within the counter tops of wood-framed cabinetry were typical.

Assessment:

[redacted]

The building's plumbing systems generally appeared to be performing as intended. There does not appear to be any existing issues related to any isolation.

Recommendation:

[redacted] the piping is expected to require periodic repair or partial replacement over the course of the evaluation period to maintain its function and reliability, to address general deficiencies as they occur, and to conduct renewal work in conjunction with future renovation activities.

4.5.6 Life Safety/Fire Protection

Observation of life safety and fire protection systems, including sprinklers and standpipes (wet or dry, or both), fire hydrants, fire alarm systems, water storage, smoke detectors, fire extinguishers, emergency lighting, stairwell pressurization, smoke evacuation, etc. was undertaken and a general visual review for compliance to the accessibility for Ontarians with Disabilities Act (OADA).

Description:

[redacted]

Assessment:

[redacted]

Recommendation:

[redacted]

4.6 ELECTRICAL SYSTEMS

An observation to identify the electrical service provided and observe the electrical distribution system including distribution panels, transformers, meters, emergency generators, general lighting systems, and other such equipment or systems was undertaken. An observation of general electrical items, such as distribution panels, type of wiring, energy management systems, emergency power, lightning protection, etc. Identify any observed or reported special or unusual electrical equipment, systems, or devices at the subject property was also viewed.

Description:

[redacted]

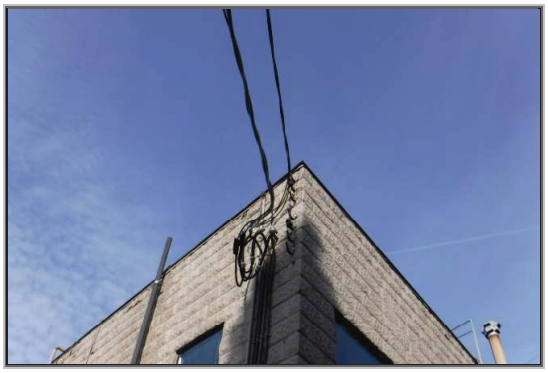
Assessment:

[redacted]

Recommendation:

[redacted]

PLUMBING AND ELECTRICAL PHOTOGRAPHS



[redacted]

[redacted]

[redacted]

5.0 KNOWN VIOLATIONS OF CODE

Compliance with the Ontario Building Code and Fire Code was not reviewed as it was beyond the scope of this survey.

6.0 CONCLUSIONS AND RECOMMENDATIONS

Based on the survey of the property, conducted on March 16, 2020 the Subject Building appears to be in satisfactory condition, and competitive or comparable with competing buildings in the general area with similar age.

Based on our visual assessment the Subject Building appears to have been constructed in general accordance with standard building practices in place at the time of construction. The assessment did not reveal any evidence of major structural failures, soil erosion or differential settlement.

The opinions of costs presented in this report are based on unit rates published various industry costing services, combined with local experience and professional relationships that ACI has in the marketplace related to experts in respective fields of concern. A cost threshold of $3,000 has generally been used in reporting opinions of cost associated with the site; however, this cost threshold may have been lowered to include events that are considered "immediate" in nature, aggregate valuations, or items that should be considered. We recommend that all maintenance contracts, and reserve fund documents be reviewed in conjunction with the opinions of costs presented in this report.

- [redacted]
- [redacted]
- [redacted]
- [redacted]

The summary of all of the immediate and short term repair costs are summarized as follows:

Immediate Repairs – Events that require immediate attention (i.e., events that are recommended to occur within the next 60-90 days to prevent further deterioration to a major system or component, to prevent possible injury due to an unsafe condition, and/or to address a possible Code violation).

IMMEDIATE REPAIRS ARE ESTIMATED AT $15,000.00
(Includes ground floor furnace, brick deterioration and insulation)

Regular maintenance should be conducted on the roof systems, wall systems, structural elements, interior finishes, the site and the mechanical/electrical systems to ensure that the useful life of the major components/long lived items is realized. Repair costs for the items have been included over the term of the analysis. The specific deficiencies identified during the PCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report.

Short Term Repairs – Events that require immediate attention (i.e., events that are recommended to occur within the next 3 years to prevent further deterioration to a major system or component, to prevent possible injury due to an unsafe condition, and/or to address a possible Code violation).

SHORT TERM REPAIRS ARE ESTIMATED AT $30,000.00
(includes roof covering)

The following chart summarizes the overall condition rating of the subject property, it is included to assist and illustrate the level of deferred maintenance and the overall condition rating for the property and its components.

CONDITION INDEX:

This table sets the ratings used by the consultant to represent the general condition of building assets.

Rating	Status	Definition of rating/condition of building asset
5	Excellent	• no defects, in as new condition and appearance
4	Good	• minor defects or defects that do not unduly impact on operation • superficial wear and tear • some deterioration to finishes, major maintenance not required
3	Fair	• average condition or worn finishes require maintenance • significant defects are evident • services are functional but need attention • deferred maintenance work exists
2	Poor	• major defects and/or potential structural or safety concerns • badly deteriorated or inferior appearance • components fail frequently
1	Very poor	• building or component has failed and not operational • not viable to remain in use • unfit for occupancy or normal use • environmental/contamination/pollution issues exist

[redacted]

CONDITION ASSESSMENT PRIORITY RANKING SCALE:

This table sets the rankings to be used to provide an indication of recommended maintenance schedule.

Priority Ranking	Definition
4	Works needed to: • meet related statutory obligation and due diligence requirements • ensure the health and safety of building occupants and users • prevent serious disruption of building activities and/or may incur higher costs if not addressed within 1 year.
3	Works that: • affect the operational capacity of the building • are likely to lead to serious deterioration and therefore higher future repair costs if not addressed between 1 to 2 years.
2	Works that: • have minimal effect on the operational capacity of the building but are desirable to maintain the quality of the building • are likely to require rectification within 3 years.
1	Works that: • can be safely and economically deferred beyond 3 years and reassessed at a future date.

[redacted]

BASIC COSTS GUIDE:

This table ranks indicative cost levels for preliminary budgeting and decision making.

Ranking	Cost Component	Trades
5	Greater than $5000	May require single trades (i.e. Full repaint, or multiple trades) Recommend obtain quotes to confirm accurate cost over opinions
4	$1000 - $2500	May require multiple trades to carry out full repairs and rectification. (i.e. Roof leak requiring plumber) Recommend obtaining quotes before proceeding
3	$500 - $1000	Generally, only requires single trade (i.e. Fencing), but may require additional trades to 'fit-off'. (i.e., Hot water system)
2	$250 - $500	Generally, only requires single trade. (i.e. Fence Repair)
1	$0 - $250	Generally, only requires single trade. (ie. Broken Aerial)

[redacted]

7.0 LIMITING CONDITIONS

Exclusive Use

This report, including its information and opinions, has been prepared for the exclusive and sole use of [redacted] Facilities Management Town of Aurora (the "Client").

Reliance

Information provided by Appraisers Canada Inc. (ACI) is intended for Client use only. ACI will not provide results or information to any party unless disclosure by ACI is required by law. Any use by a third party of reports or documents authored by ACI or any reliance by a third party on or decisions made by a third party based on the findings described in said documents, is the sole responsibility of such third parties.

ACI accepts no responsibility or liability for damages suffered by any third party as a result of decisions made or actions conducted. No other warranties are implied or expressed.

Opinions of Costs

Any opinions of costs expressed in this report are partially based on consultation with industry-recognized publications on costs for materials and labor. While ACI uses information available, combined with our judgment and past experience, the specific rationale and conditions forming the basis of contractors' bids, material or equipment pricing are beyond our knowledge and control. ACI can therefore not be held responsible if the final costs which may vary from these opinions of costs.

As well, any opinions of costs are intended for budgeting purposes only. The scope of work and the actual costs of the work recommended can only be determined after a detailed examination of the site element in question, understanding of the site restrictions, understanding of the effects on the ongoing operations of the site/building, definition of the construction schedule, and preparation of tender documents.

Opinions of costs presented in this report are also based on information received during interviews with site representatives, operations and/or maintenance staff. ACI cannot be held responsible for incorrect information received during the interview process. Should additional information become available with respect to the condition of the building and/or site elements, ACI requests that this information be brought to our attention so that ACI may reassess the conclusions presented herein.

Physical Limitations to Scope

In accordance with the proposed scope of work, no physical or destructive testing or design calculations were conducted on any of the components of the buildings. Assessment of the original or existing building design, or detection or comment upon concealed structural deficiencies and any buried/concealed utilities or components are outside the scope of work. Similarly, the assessment of any Post Tension reinforcing is not included in the scope of work. Determination of compliance with any Codes is beyond the scope of this Work. There was no access available to the roof at time of walk though survey.

Assessments

As indicated above the personnel conducting the building assessment, where applicable, have performed a non-specialist review of the building and all associated finishes and related systems including the mechanical and electrical (including fire alarm and life safety) systems, Site features, etc. The personnel conducting the assessment are knowledgeable of building systems and construction, but not technical specialists in each of these fields. The intent of the comments made on these systems are for the sole purpose of identifying areas where it has been. observed a noteworthy condition which will lead to a likely significant expenditure during the term of the assignment and/or where it would recommend that the Client consider a further, more detailed investigation. The assessment is based, in part, on information provided by others. Unless specifically noted, it has been assumed that this information was correct and was relied upon in developing the conclusions.

Standard of Care

The assessment outlined in this report generally captured conditions that existed at the time of the site visit. The opinions and recommendations presented in this report are rendered in accordance with generally accepted professional standards for like services under like circumstances for similar locales. The opinions and recommendations are not to be construed as a warranty or guarantee regarding existing or future physical conditions or regarding compliance of systems/components and procedures/operations with the various regulating codes, standards, regulations, ordinances, etc.