

The background of the entire page is a photograph of a rural landscape. In the center, there is a large, light blue wooden barn with a grey metal roof. The barn has several small windows and a larger door on the left side. To the left of the barn, there are a few tall, thin trees. To the right, there are more trees and a smaller building. The foreground is a green grassy field with a dark wooden fence running across it. The sky is a pale, hazy blue, suggesting a clear day.

# NWMO Property Value Protection Program

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Prepared for:

**Nuclear Waste Management  
Organization**

12B Clinton Street  
Teeswater, ON N0G 2S0 Canada  
Tel.: 519 392 6966

Prepared by:

**Colliers Strategy & Consulting**

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# Definitions

- i. **AACI** - Accredited Appraiser Canadian Institute.
- ii. **Adjacent Property / Adjacent Owner(s)** – Individual, group of individuals, or registered enterprises that hold legal ownership (title) over the subject Real Property. For the PVP Program, "adjacent" refers to properties that share one or more property boundaries with property owned or optioned by the Nuclear Waste Management Organization (NWMO) in the Municipalities of South Bruce or Township of Huron-Kinloss only and are located within the PVP Area.
- iii. **Administrative Process** – a set of procedural steps required to be taken as part of the submission of the claim to the PVP Program.
- iv. **Arbitration** - When a dispute cannot resolve through a Referee (at the Claim resolution step of the claim process), the matter can be referred to Arbitration. In Arbitration, an independent unbiased person (sole arbitrator) hears evidence and submissions from both the Claimant and the NWMO before issuing a final and binding decision.
- v. **Claim Frequency** – how often one can submit a claim under the PVP Program.
- vi. **Claimant** – the Owner or group of Owners making a claim under the PVP Program regarding Real Property.
- vii. **Commercial Use** – refers to all land and improvements intended for business revenue-generating purposes, whether on a permanent or a temporary basis (for example, multi-family Residential or mixed-use).
- viii. **Compensation** - describes the type and structure of compensation for a successful claim.
- ix. **Closing of the Transaction** – when the Owner(s)/seller receives the funds from the Purchaser to close the transaction and the Purchaser or its representative submits the documents to Land Titles for registration.
- x. **CRA** - Canadian Residential Appraiser.
- xi. **Deep Geological Repository/deep geological repository (DGR)** – a network of deep subsurface tunnels and placement rooms for used nuclear fuel containers designed for safe long-term containment and isolation of spent nuclear fuel.
- xii. **Host Community** – the Municipality which is an informed and willing host of the DGR within its geographical boundaries.
- xiii. **Location** – the distance from the centre point of the site or distance from the site boundary to form the covered area by the PVP Program.
- xiv. **Market Value** – The most probable price, as of a specified date, in cash, or terms equivalent to cash, or precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all condition's requisite to a fair sale, with the buyer and the seller each acting prudently, knowledgeably, at an arms length<sup>1</sup>, and for self-interest, assuming that neither is under

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<sup>1</sup> The term "at arm's length" describes a relationship where persons act independently of each other or who are not related. The term "not at arm's length" means persons acting in concert without separate interests or who are related.

Related persons are individuals who are related to each other by blood, marriage or common law partnership, or adoption. Examples of blood relatives include grandparents, parents, brothers, sisters, children, and grandchildren. Examples of persons related by spousal relationship include the grandparents of a spouse, the parents of a spouse, the brothers and sisters of a spouse, the children of a spouse, the spouse of a brother or a sister, the spouse of a child, and the

spouse of a grandchild. Generally, in determining arm's length relationships, common law partners are treated in the same way as legally married spouses. Adopted children are treated in the same way as blood-related children.

Related persons also include individuals or groups and the corporations in which they have a controlling interest. Persons related to these individuals or groups are also considered related to those corporations.

For more information on arm's length and related persons, see [Income Tax Folio S1-F5-C1](#), Related persons and dealing at arm's length.



- duress. For this document, Market Value, Fair Value or Fair Market Value, and Open Market Value are used interchangeably referring to Market Value.
- xv. **Multiple Paired Sales Analysis** – analysis of two or more comparable sales that display a difference in only one characteristic with the price amount difference reflecting the Value of the characteristic.
  - xvi. **Outer Boundaries / Outer Boundary of the Site** – refers to the Real Property boundaries of the contiguous land under contract with the NWMO.
  - xvii. **Own / Owner(s) / Property Owner(s) / Ownership of the Property** – a person, persons or another legal entity who has the legal right (title or deed) to the property.
  - xviii. **Participation** – Property Owners who meet Program criteria.
  - xix. **Program** – refers to the NWMO Property Value Protection (PVP) Program.
  - xx. **Program Elements** – the individual characteristics of the PVP Program, which, when incorporated, constitute the entire Program.
  - xxi. **Program Eligibility** – identifies Owner(s) eligible to participate in the PVP Program.
  - xxii. **Program End Date** – Program ends five (5) years after operations for Deep Geological Repository commence.
  - xxiii. **Program Participation** – property Owners who meet program criteria.
  - xxiv. **Program Review** – describes the frequency with which the Program undergoes internal review. As a result of these reviews the Program may be augmented or changed to improve outcomes.
  - xxv. **Program Scope** – where, how, and why the Program is applied, along with how the Program fits into the overall portfolio of measures geared towards addressing the Project's potential impact.
  - xxvi. **Program Start Date** – see Start Date or Site Selection Announcement.
  - xxvii. **Project** – Deep Geological Repository (DGR).
  - xxviii. **PVP** – Property Value Protection Program, also referred to as PVP Program.
  - xxix. **PVP Program** – see "PVP" above.
  - xxx. **PVP Area** – the area where the PVP Program applies, defined by the Specific Geographic Boundaries or a radius.
  - xxxi. **Purchaser** – individual, group of individuals or entity acquiring ownership in a property or an asset.
  - xxxii. **Real Property Types** – the type of properties directly affected by the Project(s).
  - xxxiii. **Agricultural** – a subset of the Commercial Real Property type, refers to all land and improvements intended for Agricultural use, whether permanent or temporary.
  - xxxiv. **Commercial** - refers to all land and improvements intended for Commercial Use, whether permanent or temporary.
  - xxxv. **Residential** – refers to all land and improvements intended for private occupancy, whether on a permanent or a temporary basis.
  - xxxvi. **Real Property** – parcel of land that may include but is not limited to fixed property, principal land, buildings, and any other improvements attached to the land.
  - xxxvii. **Right of First Refusal (ROFR)** - a contractual right to have the option to enter into a specified business transaction with an entity before which supersedes the right to elect to do so by any other entity.
  - xxxviii. **Self-identify** – refers to the Owner(s) being required to initiate the claim process by following the NWMO publicized process to participate in the PVP Program.
  - xxxix. **Site Selection Announcement** – a formal announcement on behalf of the NWMO confirming acceptance of a Host Community to host the repository. Acceptance will need to be supported by a compelling demonstration of willingness.
  - xl. **Specific Geographic Boundaries** – the PVP Program boundaries are identified by a PIN description, listing all properties eligible for the PVP Program. The boundaries are set as of the Site Selection Announcement and will remain in place irrespective of changes in local land topography over time.
  - xli. **Scope** – where, how, and why the Program is applied, along with how the Program fits into the overall portfolio of measures geared towards addressing the potential impact of the Project.

- xlii. **Start Date** – the day, month, and year when the Site Selection Announcement is made.
- xliii. **Terms of Reference or Appraisal Terms of Reference** – a document that defines all aspects of how a consultant or a team will conduct a valuation for the purposes of the PVP Program.
- xliv. **Treated as One Entity** – multiple Owners per parcel, irrespective of persons or incorporated entities, will be treated as a single entity for the purposes of this Program.
- xlv. **Unaffected Fair Market Value** – the value of the Property if the Project did not exist as AACI appraised Value of the Property following the Terms of Reference outlined in Section 9 of the PVP Program.
- xlvi. **Value** – for the purpose of the PVP Program, Value is defined exclusively as an estimate of the monetary worth of the Real Property asset, as determined by an AACI accredited appraiser in an appraisal report for the subject Property following the Terms of Reference outlined in Section 9 of this document.



# Introduction

## Project Background

Through its site selection process, the Nuclear Waste Management Organization (NWMO) has identified two potential host locations for Canada's plan in the Ignace area and South Bruce. The NWMO will continue to work with siting area communities and other stakeholders to conduct detailed site investigations to determine the suitability of the potential site to host a deep geological repository for the country's used nuclear fuel.

As the site selection process continues, the NWMO continues to work to address a series of community concerns. Specifically, the PVP program works to ensure that the needs and concerns of the community are addressed. The PVP program will come into effect should the Municipality be selected as a host community for the deep geological repository.

## NWMO Context

The Nuclear Waste Management Organization (NWMO) is responsible for the safe, long-term management of used nuclear fuel. Canada's plan, also known as Adaptive Phased Management, requires used nuclear fuel to be contained and isolated in a deep geological repository in an area with informed and willing hosts. The \$26B national environmental infrastructure project will be implemented over 175 years and has the potential to be an economic engine for the region. The NWMO intends to positively contribute to the well-being of residents and provide peace of mind when it comes to Real Property Value in the area. Because of this, and in response to

communication from the community, the NWMO will be working with the community to implement a PVP Program.

## Objective

The PVP Program aims to work with the Municipality of South Bruce to provide residents with the peace of mind that comes from knowing that their property values are protected. This protection is accomplished through the PVP Program, which guards against a more-than - typical and permanent decrease in market value caused by the NWMO project.

The PVP Program relates to Real Property only, including but not limited to fixed property, principally land, buildings and any other improvements attached to land. The PVP Program does not consider the business output generated using the items described above.

Through the PVP Program and other measures implemented since the start of the NWMO's site selection process, the NWMO is committed to continuing to build collaborative and mutually respectful relationships with residents and businesses in the area.

NWMO will develop a comprehensive strategy for disposition of the acquired lands over time should South Bruce not be selected, to ensure no negative impact on the market and property values.

## Program Review

The PVP Program described in this document will undergo a review when the deep geological repository construction phase starts, with such review being designed to evaluate its ongoing fit for the economic and Real Property landscape at that time and the then-foreseeable future. Any changes made to the PVP Program after the review will be properly communicated to the Community.



# Methodology



## Overview

Colliers was engaged by the NWMO to conduct a benchmarking analysis of various programs globally and in Canada.

The benchmarking was completed based on a review of existing PVP Programs. The analysis focused on three local context projects (City of London Landfill Community Enhancement and Mitigative Measures Program; Port Hope Property Value Protection Program; and Hydro One Networks Inc. Property Value Loss Assessment), lessons learned from Port Hope Property Value Protection Program, as well as an examination of four international studies and working papers aimed at identifying the impact of changes in conditions on land Value. In addition, the Colliers team reviewed the Real Property and economic terms in seventeen international programs focused on developing and operating a Deep Geological Repository for spent nuclear fuel in their respective countries.

The analysis aimed to synthesize the programs' elements and provide insight and understanding of the processes, implementation, and lessons learned to establish a baseline for the approach the NWMO will be taking to establish its PVP Program.

The elements identified were further broken down into three categories (Common Elements, Unique Elements and Other Considerations) as further described below.

## Benchmarked Program Elements

### Common Elements

Common elements are the elements that are present across most programs examined and form a baseline for the PVP Program, including:

1. Program Scope
2. Location
3. Impacted Real Property Types
4. Key dates
5. Program Participation
6. Compensation structure

### Unique Elements

Unique elements are the elements that are not represented across all the programs examined but are assumed to be likely to positively contribute to the overall Program should they be implemented, including:

7. Right of First Refusal (ROFR)
8. Proof required for claim submission
9. Program administration
10. Program timeline
11. Program Review

### Other Considerations

Other considerations that are outside of the PVP Program Scope related include:

12. Alternative Dispute Resolution (ADR) process



# PVP Program

The PVP Program contains several elements, as well as other considerations which create a fair and comprehensive framework to work collaboratively with the community and address concerns of property owners near the potential repository site in the Municipality of South Bruce and the Township of Huron-Kinloss. This will also work to satisfy the requirements of Principle 11 of the Municipality of South Bruce Resolution for the NWMO Site Selection Process, which states:

*"The NWMO, in consultation with the Municipality, will establish a property Value protection program to compensate property owner(s) in the event that Real Property values are adversely affected by the NWMO's site selection process and the development, construction and/or operation of the Project."*

The elements are described in detail in the subsequent pages of this document.

# 1. Program Scope

## Overview

For the purpose of the PVP Program, Program Scope focuses on defining the Loss of Value as identified within Principle 11, including Program Start Date, Program End Date, Program Review, Program Eligibility, and Claim Frequency.

### 1.1. Loss of Value

To address community concerns and provide Owner(s) with peace of mind when it comes to the Value of their Real Property, for the purpose of the PVP Program, Loss of Value is defined as:

- Measurement of the difference in Value between Fair Market Value without the influence of the Project and Fair Market Value with the influence of the Project. Where Value is defined as the total Value of all Compensation received by the Owner(s) upon closing of sales transaction in an open market.
- The PVP Program will compensate the difference between the Fair Market Value without the influence of the Project and the Fair Market Value with the influence of the Project.
- Should the Owner(s) choose to transact below Fair Market Value, the PVP Program will focus on the loss calculated only by the difference between the Fair Market Value without the influence of the Project and the Fair Market Value with the influence of the Project.

### 1.2. Program Start Date, Program End Date, and Program Review

#### 1.2.1. Program Start Date

The PVP Program will commence on the date of the Site Selection Announcement – if the Municipality of South Bruce is to be selected as the Municipal host for the Project (Program Start

Date). Claims of loss will not be considered before the PVP Program Start Date.

#### 1.2.2. Program End Date

The Program End Date is five (5) years after operations at the deep geological repository commence.

#### 1.2.3. Program Review

The PVP Program will be reviewed when the deep geological repository construction phase starts. At that review, the PVP Program will undergo an examination to determine whether its design is suitable to meet its objectives based on the economic and Real Property landscape at that time.

### 1.3. Program Eligibility

All Owners in the PVP Area qualify to participate in the Program; therefore, the PVP Program has the following eligibility criteria:

- The Real Property must be located within the PVP Area as defined in Figure 1 (see Location section for more details);
- The Claimant must be the Owner(s) of the Real Property that is being sold;
- The Claimant must have owned the Real Property before the Program Start Date (that is prior to and on the day of the Site Selection Announcement);
- All Owners of the property registered on the title must sign the claim form, which will be a single joint claim;
- Claims shall be limited to one claim per Real Property, and the Claimant must not have any ongoing or previous claims under the PVP Program for the Real Property for which the claim is submitted;

- The sale of the Real Property must have occurred after Program Start Date and before the Program End Date; and
- The transaction must have been arm's length<sup>2</sup>.

#### 1.4. Claim Frequency

The PVP Program will be available for a one-time claim following the Site Selection Announcement if South Bruce is selected (Program Start Date), and up to 5 years after operations of the Deep Geological Repository commence (Program End Date) by the Owner(s) who owned the Real Property prior to and on the day of the Program Start Date (Site Selection Announcement detailed in Section 1.2.1 Program Start Date).

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<sup>2</sup> The term "at arm's length" describes a relationship where persons act independently of each other or who are not related. The term "not at arm's length" means persons acting in concert without separate interests or who are related.

Related persons are individuals who are related to each other by blood, marriage or common law partnership, or adoption. Examples of blood relatives include grandparents, parents, brothers, sisters, children, and grandchildren. Examples of persons related by spousal relationship include the grandparents of a spouse, the parents of a spouse, the brothers and sisters of a spouse, the children of a spouse, the spouse of a brother or a sister, the spouse of a child, and the spouse of a grandchild. Generally, in determining arm's length

relationships, common law partners are treated in the same way as legally married spouses. Adopted children are treated in the same way as blood-related children.

Related persons also include individuals or groups and the corporations in which they have a controlling interest. Persons related to these individuals or groups are also considered related to those corporations.

For more information on arm's length and related persons, see [Income Tax Folio S1-F5-C1](#), Related persons and dealing at arm's length.

## 2. Participation and Real Property Types

### 2.1. Program Participation

All Real Property Types (Residential, Commercial, and Agricultural) that meet the criteria set out in the Program Scope are eligible to participate (by making a claim as set out herein) in the PVP Program.

To participate in the Program, the Owner(s) must have owned the respective Real Property prior to and on the day that the Site Selection Announcement – that the Municipality of South Bruce is becoming a Host Community for the Deep Geological Repository (DGR) site – is made:

- All Owners registered on title to the property must sign the claim form as a single joint claim;
- All Owners of a Real Property for which a claim is made will be Treated as One Entity; and
- Owner(s) will need to Self-identify and come forward to submit a claim under the PVP Program.

### 2.2. Impacted Real Property Types

All Real Property Types (Residential, Commercial, and Agricultural), including but not limited to fixed property, principally land, buildings and any other improvements attached to the land, are eligible for the PVP Program if the Real Property and its Owner(s) meet other Program criteria.

The Program does not consider the Commercial enterprise output generated using Real Property described above as part of the Program.

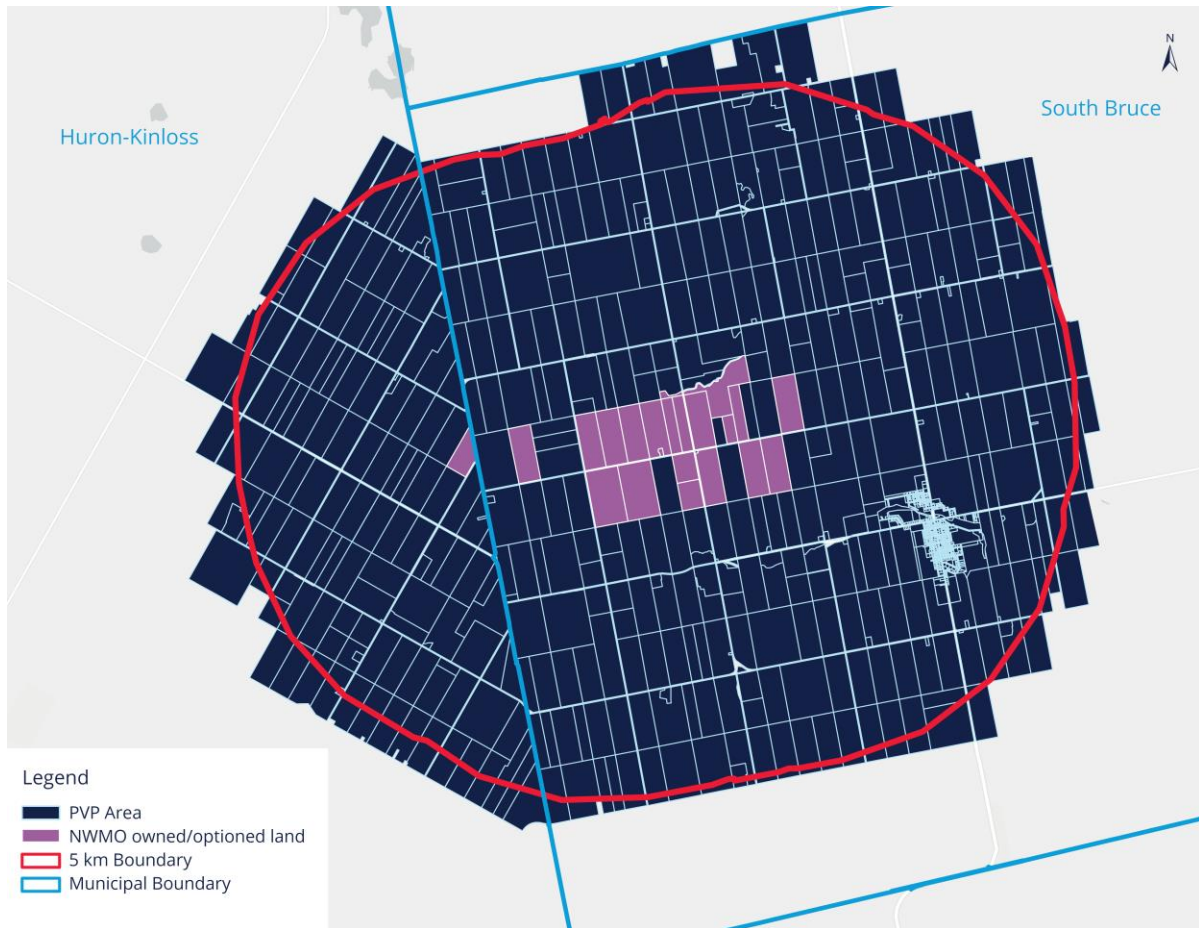


### 3. Location

Based on the benchmarking and the possible impact on the real estate market, the following area has been established to be covered by the PVP Program called PVP Area, as identified in Figure 1:

- PVP Area will be defined by a radius from the outer (property line) boundaries of the Project site;
  - The PVP Area will be set at the start of the Program (Site Selection Announcement);
  - The PVP Area is set at five (5) kilometres from the outer (property line) boundary of the Project site and ultimately defined by the specific property boundaries, which includes all Real Property where the five (5) kilometre radius touches (fully or partially);
  - If the radius partially contacts the Real Property, the entire Real Property parcel will be considered for Participation in the PVP Program, subject to the Owner(s) ability to meet other Program criteria defined in this document;
  - Irrespective of the five (5) kilometre radius covering the property, in its entirety or partially, the entire property will be considered as part of the PVP Area and subsequently meet the Location requirement of the PVP Program;
  - Should the Owner(s) property in the future be further split or in other ways divided, physically or legally, the PVP Area will remain as defined at Program Start Date based on the PVP Area map;
  - Should the Owner(s) property in the future be consolidated or in other ways combined, physically or legally, the PVP Area will remain as defined at Program Start Date based on the PVP Area map; and
- All properties within the PVP Area are subject to the same Participation criteria and Administrative Process.

Figure 1 - The map below depicts the general geographic Location of the properties within the PVP Area with red line highlighting a 5 km radius from potential DGR location.



## 4. Compensation

### 4.1. Compensation methodology

#### Overview

In real estate transactions, it is common that there is a positive or negative Value difference between transaction Value and the appraised Value of a property. If the transaction Value reflects common market trends and dynamics, transaction Value will be utilized in determining the compensation amount.

The Compensation section describes and provides examples of Compensation for impact to Real Property that will be evaluated and calculated should the Claimant be successful in its claim. Depending on the scenario which applies to the specific claim, the Claimant who qualifies under the Program may receive Compensation for the following<sup>3</sup>:

The difference between:

**Fair Market Value without the influence of the Project**, to be verified by an AACI appraisal

and

**Fair Market Value with the influence of the Project**, to be verified by an AACI appraisal **or Value of valid open market transaction**, should the transaction be within fair market range (downward variance of 5% of appraised with the Project value)

The following sections describe each one of the scenarios.

#### 4.1.1. Scenarios 1, 3 and 4: transaction within range or above Market Value

Should the Owner(s) transact within or above the fair Market Value range (downward variance of 5% of appraised with the Project Value) of the Real Property, the PVP Program will consider the Open market transaction of property to calculate the compensation against the fair Market Value of the Real Property without the Project.

#### 4.1.2. Scenario 2: transaction below Market Value

Should the Owner(s) choose to transact below the fair Market Value range (more than 5% downward variance of appraised with the Project Value) of the Real Property, the PVP Program will only compensate for the difference between the fair Market Value of the Real Property without the Project and the fair Market Value of the Real Property with the Project.

### 4.2. Calculating Compensation

The Compensation variables are defined as:

- A. Fair Market Value without the influence of the Project, to be verified by an AACI appraisal
- B. Open market transaction of property
- C. Fair Market Value with the influence of the Project, to be verified by an AACI appraisal

Therefore, estimated PVP Program Compensation would be calculated as follows:

**Scenarios 1, 3 and 4:**  $A - B = \text{PVP Compensation}$

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<sup>3</sup> Should the Owner(s) be entitled to compensation, when presenting a compensation offer NWMO will identify the

scenario that applies to the Owner(s) claim. Identifying in the process how the compensation amount was calculated.

## Scenario 2: A - C = PVP Compensation

Below are specific examples for each scenario.

### 4.3. Compensation Outcome Examples

**Scenario 1:** transaction is below fair Market Value with the influence of the Project, but within fair market range (downward variance of 5% of appraised with the Project Value).

In Scenario 1, the Owner(s) sells the property in the open market for \$960,000.00 (B), and the appraiser representing the Owner(s) values the property without the Project at \$1,200,000.00 (A). The fair Market Value with the influence of the Project is valued at \$1,000,000.00 (C). Therefore, the Value at which the Owner(s) sold the property is within the fair market range (downward variance of 5% of appraised with the Project Value), and the Owner(s) sales price will be used as the reference point for the calculation of Compensation.

#### Scenario 1: illustration

##### Inputs:

- A. Fair Market Value without the influence of the Project, to be verified by an AACI appraisal: \$1,200,000.00
- B. Open market transaction of property: \$960,000.00
- C. Fair Market Value with the influence of the Project, to be verified by an AACI appraisal: \$1,000,000.00

##### Formula applied:

**A - B = PVP Compensation**

##### Outcome:

$\$1,200,000.00 - \$960,000.00 = \$240,000.00$

Payment to be made = \$240,000.00

**Scenario 2:** below fair market range (more than the downward variance of 5% of appraised with the Project Value).

In Scenario 2, the Owner(s) sells the property in the open market for \$500,000.00 (B), and the appraiser representing the Owner(s) values the property without the Project at \$1,200,000.00 (A). The fair Market Value with the influence of the Project is valued at \$1,000,000.00 (C). Therefore, the Value at which the Owner(s) sold the property is below the fair market range (more than 5% downward variance of appraised with the Project Value), and the fair Market Value with the influence of the Project (C) will be used as the reference point for the calculation of Compensation.

#### Scenario 2: illustration

##### Inputs:

- A. Fair Market Value without the influence of the Project, to be verified by an AACI appraisal: \$1,200,000.00
- B. Open market transaction of property: \$500,000.00
- C. Fair Market Value with the influence of the Project, to be verified by an AACI appraisal: \$1,000,000.00

##### Formula applied:

**A - C = PVP Compensation**

##### Outcome:

$\$1,200,000.00 - \$1,000,000.00 = \$200,000.00$

Payment to be made = \$200,000.00

**Scenario 3:** above fair Market Value with the influence of the Project.

In Scenario 3, the Owner(s) sells the property in the open market for \$1,100,000.00 (B), and the appraiser representing the Owner(s) values the property without the Project at \$1,200,000.00 (A). The fair Market Value with the influence of the Project is valued at \$1,000,000.00 (C). Therefore, the Value at which the Owner(s) sold the property is above the fair Market Value with the influence of the Project, and the Owner(s) sales price will be used as the reference point for the calculation of Compensation.

#### Scenario 3: illustration

##### Inputs:

- A. Fair Market Value without the influence of the Project, to be verified by an AACI appraisal: \$1,200,000.00
- B. Open market transaction of property: \$1,100,000.00
- C. Fair Market Value with the influence of the Project, to be verified by an AACI appraisal: \$1,000,000.00

##### Formula applied:

$$A - B = \text{PVP Compensation}$$

##### Outcome:

$$\$1,200,000.00 - \$1,100,000.00 = \$100,000.00$$

$$\text{Payment to be made} = \$100,000.00$$

**Scenario 4:** above fair Market Value without the influence of the Project.

In Scenario 4, the Owner(s) sells the property in the open market for \$1,300,000.00 (B), and the appraiser representing the Owner(s) values the property without the Project at \$1,200,000.00 (A). The fair Market Value with the influence of the Project is valued at \$1,000,000.00 (C). Therefore, the Value at which the Owner(s) sold the property is above fair Market Value without the influence of the Project; therefore, no Compensation is due.

#### Scenario 4: illustration

##### Inputs:

- A. Fair Market Value without the influence of the Project, to be verified by an AACI appraisal: \$1,200,000.00
- B. Open market transaction of property: \$1,300,000.00
- C. Fair Market Value with the influence of the Project, to be verified by an AACI appraisal: \$1,000,000.00

##### Formula applied:

$$A - B = \text{PVP Compensation}$$

##### Outcome:

$$\$1,200,000.00 - \$1,300,000.00 = -\$100,000.00$$

$$\text{Payment to be made} = \$0.00$$

Should the Fair Market Value with the influence of the Project, to be verified by an AACI appraisal (C) or Open market transaction of property (B) be higher than Fair Market Value without the influence of the Project, to be verified by an AACI appraisal (A) then there is no loss in Value that justifies a claim.



#### 4.4. Reimbursable expenses

The NWMO understands that the Owner(s) will incur costs associated with submission of a claim. While the Claimant will be responsible for the costs associated with submitting a claim, costs associated with professional services fees may be subject to reimbursement at later stages of the claim process. Cost reimbursement is subject to reaching a resolution of the claim and is established at a maximum of \$10,000 CDN, for the duration of the process, including costs associated with Referee should the process reach that stage.

The PVP Program is designed to work collaboratively with the community and protect Owner(s) within the PVP Area against Loss of Value for Real Property, therefore, should the Claimant be successful in their claim and demonstrate a Loss of Value, the following expenses would qualify for reimbursement under the PVP Program:

- a. A "without Project appraisal" of the property provided by the Claimant as part of a claim submission (i.e., Value of property without the Project).
- b. If applicable, the Claimant's portion of the costs for hiring a Referee (See Section 6.4.5 Claim resolution) where the Claimant is responsible for half of the cost of the Referee process. The Referee will be contracted by the NWMO, from a pre-qualified list of candidates created in coordination with the Municipality of South Bruce, with an agreement for costs to be shared by the Claimant and the NWMO. The Claimant will be responsible for the **full** cost of other Claimant's expenses incurred relating to the Referee process.
- c. If applicable, the Claimant's portion of the costs for the Arbitration (See Section 6.4.5 Claim resolution) where the Claimant is responsible for half of the Arbitration cost,

however, the Claimant should be aware that the Arbitrator has the discretion to make a costs award in the Arbitration, considering the relative success of the parties in the Arbitration.

## 5. Key dates

There are several key dates and timelines considered with the Program, which are further detailed below:

### 5.1. Site Selection Announcement

When the NWMO publicly announces which Municipality and Indigenous communities have been selected as the Host Community for Deep Geological Repository.

The date of the announcement is to be determined and serves as the trigger for the PVP Program to take place if the DGR is to be located in the Municipality of South Bruce.

### 5.2. Property ownership

The Claimant must be the Owner of the Real Property at the time of sale, and the Real Property must have been owned by the Claimant prior to and on the Program Start Date as defined in the "Program Scope" section of this document.

### 5.3. Closing of the Transaction

When the sale transaction for the Real Property has closed, and ownership of the property is transferred to the buyer.

***The sale of the property must take place after the Site Selection Announcement.***

### 5.4. Claim submission

The Owner(s) has six (6) months from the day ownership of the property is transferred to the buyer (Closing of the Transaction) to submit a claim to the PVP Program, including all supporting documentation and a copy of an AACI appraisal of the property Value without the Project.

If the Owner(s) does not submit a claim dated within six (6) months of closing the transaction, then there shall be no further opportunity to file a Claim for the Property in question. The property will not qualify for future claims under the PVP Program.

## 6. Program administration and documentation required

The section below describes the process for filing a claim, the documentation required, and what to expect during each step of the PVP Program claim process. During the claim process the NWMO will make itself available to answer any questions related to the program and documentation required for each stage of the process.

### 6.1. Filing a claim

- The claim must be filed within six (6) months of the Closing of the Transaction;
- The Claimant cannot have filed a previous PVP claim on the Real Property; and
- All documentation supporting the claim must be filed and received by the NWMO, within the required timeline of six (6) months from the Closing of the Transaction, through the online portal provided by the NWMO or by mail (with the documents to be post-marked by not later than the last day within the 6-month period to file a Claim) as described in section 6.4 Process and timeline details.

### 6.2. Documentation required to support the claim

To prove loss of Value, the property Claimant will be required to provide the following:

- Listing information for the Real Property for which a claim is being submitted;
- Agreement of Purchase and Sale (APS) for the Real Property for which a claim is being submitted (Series 100 OREA Form);
- Transfer documents (deed) for the Real Property for which a claim is being submitted;

- Complete the detailed property questionnaire as part of the claim application form, detailing lot size, improvements, property composition and other property related information; and
- Provide an appraisal of Fair Market Value without the influence of the Project. In preparing an appraisal that identifies property Value without the influence of the Project, the appraiser must follow the Terms of Reference for the PVP Program as described in Section nine (9) of this document.

The Claimant will be responsible for obtaining an appraisal of Value without the Project completed by an AACI accredited appraiser at the time of the claim. The appraisal will follow the Appraisal Institute of Canada Uniform Standard of Professional Practice (CUSPAP) and the Terms of Reference identified in the Administration section of this PVP Program.

Any appraisers acting on behalf of the Claimant for this process will be required to follow the CUSPAP standards and Terms of Reference and use Multiple Paired Sales Analysis for the appraisal.

The definition of appraisal Terms of Reference and the use of Multiple Paired Sales Analysis provides Claimant and the NWMO with a common and impartial approach and the ability to compare how the outcome of the appraisal was determined should the two appraisers arrive at varying conclusions.

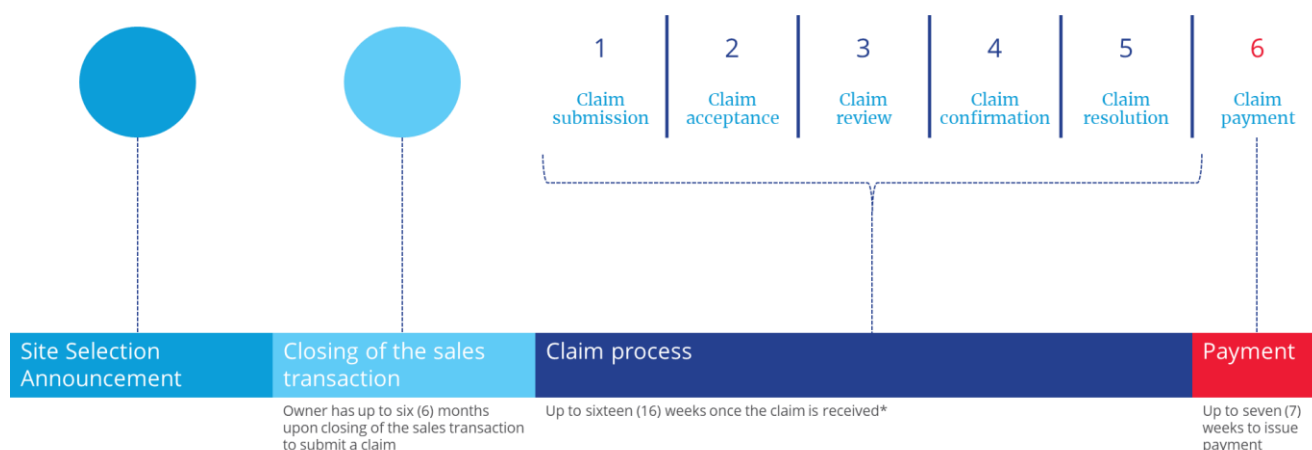
The Claimant and the NWMO (both parties) will incur costs, with the NWMO providing reasonable reimbursement to the Claimant for professional fees incurred should all parties reach an agreement on a resolution. The total

reimbursement amount is subject to a maximum limit as identified in [Section 4.4 Reimbursable expenses](#).

## 6.3. Process and timeline

To expedite the process and make clear the steps and deadlines, Section 6.3.1 below provides a summary of the estimated timelines associated with processing a claim. The timelines are for general reference and communication to the Claimant.

### 6.3.1. Process and timeline summary



\* Excluding time for claim dispute resolution – Referee or Arbitration

The table below provides an overview and summary of the six (6) decision steps involved in the PVP Program, highlighting Claimant and the NWMO responsibilities at each step. A full description of the activities involved in each of the six (6) steps is detailed further in Section 6.4, titled "Process and timeline details," and should be a reference for Program specifics.

Step	Step summary	Duration	Items to note
1 <b>Claim submission</b>	Owner(s) is required to submit claim documents, including claim details and an appraisal of the property without the Project.	Owner(s) has up to six (6) months following transaction closing to submit a Claim to be eligible for the Program.	Owner(s) is responsible for the costs of the appraisal and claim submission. These costs may be subject to reimbursement (see Section 4.4 for details)
2 <b>Claim acceptance</b>	The NWMO will review the claim for its completeness and notify the Claimant of the next steps and timelines.	The NWMO has up to two (2) weeks following receipt of a complete submission through the portal or by mail to notify the Claimant of the next steps and timelines.	



Step	Step summary	Duration	Items to note
3 <b>Claim review</b>	An AACI appraiser (engaged by the NWMO) will review the claim documentation provided, including the appraisal of the property without the Project.	The NWMO has up to eight (8) weeks to review the claim and provide the Claimant with the results of the Claim review.	
4 <b>Claim confirmation</b>	If the claim is successful, the NWMO will make an offer of Compensation to the Claimant.	The Claimant has up to and including thirty (30) <b>calendar</b> days from the date that an offer of Compensation is provided to it to accept or reject the offer of Compensation.	
5 <b>Claim resolution</b>	If the Claimant rejects the offer, the claim will undergo secondary internal review. If agreement is not reached, claim can be referred to an AACI accredited appraiser (Referee) for examination and comment. Should the Claimant disagree with the Referee's findings, the claim can be referred to Arbitration.	The NWMO has up to two (2) weeks for internal review; and no set timeline for Referee review or Arbitration.	Claimant is responsible for half of the cost of the Claim resolution - Referee process; and half the costs for Arbitration. These costs may be subject to reimbursement (see Section 4.4 for details)
6 <b>Claim payment</b>	Should the Claimant accept the NWMO loss Compensation offer at any time in the process described above, then the process goes to the payment stage.	The NWMO has up to seven (7) weeks to issue Compensation payment	
<b>Claim Process total duration</b> Up to 23 weeks once the claim is received, excluding claim dispute resolution – Referee or Arbitration.			

## 6.4. Process and timeline details

### 6.4.1. Claim submission

Upon closing the transaction, the Real Property Owner(s) will have up to six (6) months to collect information required for submission of the claim, including obtaining an appraisal without the Project and providing property details as part of the claim submission form. The claim will be submitted through a secure online portal.

Individuals will also have an opportunity to submit copies of the documents by mail, with the package(s) containing the Claim documents to be post-marked no later than the last day of the 6-month period following the Closing of the Transaction for the property for which the claim is submitted. All mail claims should be addressed to:

Attention:

#### **Property Value Protection Program**

Receiver's address identified as:  
**NWMO - PVP Claims Processing**  
**12B Clinton Street**  
**Teeswater, ON N0G 2S0**  
**PO Box 570**  
**Canada**

If the Owner(s) do not submit a claim dated (or post-marked) within six (6) months following the Closing of the Transaction, the Owner is not longer eligible to file a claim under the Program for that Property.

**Duration:** *up to six (6) months following the transaction closing for the Owner(s) to submit a claim and be eligible for the Program.*

### Documents to be submitted by the Claimant

- *Listing information for the Real Property;*
- *Copy of Agreement of Purchase and Sale (APS);*
- *Copy of Transfer documents (deed) for the Real Property;*
- *Provide an appraisal of Fair Market Value without the influence of the Project; and*
- *Completed and signed Property questionnaire and claim application form.*

### Anticipated Claimant expenses

*Expenses associated with obtaining copies of transactional documents described above and the appraisal of Fair Market Value without the influence of the Project.*

### 6.4.2. Claim acceptance

Once the claim is submitted through a secure online portal or by mail, as described in Section 6.4.1, the NWMO team will verify if all required documents have been received.

If documents are missing or are not eligible, the Claimant will be notified and asked to rectify the error.

The Claimant will have thirty (30) calendar days from the date of the letter provided by the NWMO identifying errors in claim submission to rectify all errors identified to the Claimant.

Note that given the timelines of submission, if the property Owner(s) does not submit the documents required within a reasonable timeframe, they may be required to submit a new appraisal of the subject property as there is potential that the Claimant's Appraisal may be outside the estimated appraisal exposure period (typically 6 to 9 months) and may not be valid, and the Claimant, at the NWMO's sole discretion, may be asked to provide a new appraisal of the property without the Project as per Section 6.4.1 Claim submission.

Once all documentation is determined to be valid and complete, the claim will be reviewed, and the Claimant will be notified of the next steps and associated timelines. The NWMO has up to two (2) weeks following receipt of a complete submission, through the portal or by mail, to notify the Claimant of the next steps and timelines.

*Note: during this step, the Claimant will be responsible for the costs associated with submitting a claim. Please refer to Section [4.4, titled "Reimbursable expenses"](#) under the Compensation heading of this document for more details.*

**Duration:** *The NWMO has up to two (2) weeks following receipt of a complete submission through the portal or by mail to notify the Claimant of the next steps and timelines.*

#### **Documents to be submitted by the Claimant**

*None*

#### **Anticipated Claimant expenses**

*None*

### **6.4.3. Claim review**

Utilizing an AACI accredited Appraiser, the NWMO will validate the sale transaction's fair Market Value and the appraised fair Market Value without the influence of the Project submitted by the Claimant as part of the claim.

Based on the result of this review, the NWMO will decide on the need to obtain an additional appraisal by an AACI accredited appraiser to Value the property with and without the Project. If decided that no additional appraisal is necessary, the transaction Value will be used as the base for calculating the Compensation. This additional appraisal obtained by the NWMO for the subject property described in the claim will provide the NWMO with additional information relevant to the subject property as well as

market conditions for when the transaction was closed, and the claim was filed.

The NWMO has up to eight (8) weeks to review the claim and provide the Claimant with the results of the claim review.

**Duration:** *The NWMO has up to eight (8) weeks to review the claim and provide the Claimant with the results of the Claim review.*

#### **Documents to be submitted by the Claimant**

*None*

#### **Anticipated Claimant expenses**

*None*

### **6.4.4. Claim confirmation**

Based on the findings of the Claim Review, the NWMO will present the findings and any associated loss Compensation offer, if applicable, to the Claimant.

At this point, the Claimant will have the option of accepting or rejecting the NWMO's loss Compensation offer. Should the Claimant reject the NWMO's loss Compensation offer, the claim process can be referred to Claim resolution.

The Claimant has up to thirty (30) **calendar** days to accept or reject the NWMO's loss Compensation offer.

Should the NWMO not receive communication from the Claimant within and including thirty (30) **calendar** days, then the NWMO will close the claim, and the Claimant will be required to resubmit the claim restarting the process at [Claim submission described in Section 6.4.1 above.](#)

**Duration:** *The Claimant has up to and including thirty (30) calendar days to accept or reject the offer of Compensation.*

## Documents to be submitted by the Claimant

*Response accepting or rejecting the NWMO loss Compensation offer.*

## Anticipated Claimant expenses

*None*

### 6.4.5. Claim dispute resolution

**Duration:** *no set timeline for claim dispute resolution.*

#### 6.4.5.1. Claim dispute resolution – Referee

Should the Claimant reject the NWMO's loss Compensation offer, the NWMO will conduct a secondary internal review of the documentation provided and obtained to date.

Should the reviewed loss Compensation offer provided to the Claimant after the NWMO secondary internal review not be deemed reasonable by the Claimant, the Claimant can trigger the Claim dispute resolution - **Referee** - step of the process.

The Claimant has up to thirty (30) **calendar** days to accept or reject the NWMO's secondary internal review findings and request the Claim dispute resolution - Referee process.

Should the NWMO not receive communication from the Claimant within and including thirty (30) calendar days, the NWMO will close the claim. The Claimant will be required to resubmit the claim if they still wish to proceed, restarting the process at Claim submission described in Section 6.4.1 above.

During the Claim dispute resolution - Referee step of the process, the Claimant chooses a third-party independent AACI accredited appraiser (single individual) to serve as a "Referee" from a pre-qualified list of candidates created in coordination with the Municipality of South Bruce.

The pre-qualified list of candidates provides expedited access to a group of individuals familiar with the valuation methods used during the PVP claim process, are accessible, and have experience in quantifying losses. The group of candidates is positioned to provide a sound opinion on the quality of the application of the Terms of Reference used to Value the loss under the PVP claim process and the Value obtained through the application of the set Terms of Reference.

After the Referee is selected by Claimant, the Referee will be contracted by the NWMO, but with an agreement for costs to be shared between the NWMO and Claimant.

The Referee will review the entire process and provide an opinion regarding the Claimant and the NWMO appraisal findings.

At this point, the Claimant will have the option of accepting or rejecting the Referee's findings. Should the Claimant choose to reject Referee's findings, the claim process can move to an Arbitration process (section 6.4.5.2 Claim resolution – Arbitration below, provides further detail on the Arbitration process).

The Claimant has up to thirty (30) **calendar** days to accept or reject Referee's findings and request the Arbitration process.

Should the NWMO not receive communication from the Claimant within and including thirty (30) calendar days, the NWMO will close the claim. The Claimant will be required to resubmit the claim if they still wish to proceed, restarting the process at Claim submission described in Section 6.4.1 above.

*Note: each, the Claimant and the NWMO, will carry individual costs associated with the Referee (CRA or AACI accredited appraiser) processes of the Claim resolution process. Please refer to section 4.4, titled*

*"Reimbursable expenses" under the Compensation heading of this document for more details.*

Should the Claimant and the NWMO reach an agreement on the findings of the Referee process, it is determined that a payment is to be issued from the NWMO to the Claimant as part of the claim. The NWMO will commence the claim payment process and provide payment to the Claimant.

**Duration:** *no set timeline for Referee review.*

### **Documents to be submitted by the Claimant**

*None*

### **Anticipated Claimant expenses**

- *Half of the cost of obtaining the Referee from a pre-qualified list of candidates to conduct a review of Real Property appraisal submitted by the Claimant and the NWMO.*
- *Full costs of Claimant's other expenses associated with the Claim resolution process, outside of the cost associated with obtaining the Referee.*
- *Note that the costs may be subject to reimbursement; please refer to Section 4.4 titled "Reimbursable expenses" under the Compensation heading of this document for more details.*

#### **6.4.5.2. Claim dispute resolution – Arbitration**

Should the Claimant choose to reject Referee's findings, the Claimant will have the option to proceed to the next stage, the Claim dispute resolution – Arbitration process. During the Claim resolution – Arbitration process, the Claimant selects a third-party independent single professional Arbitrator from a pre-qualified list of candidates provided by the NWMO in consultation with the Municipality of South Bruce.

The pre-qualified list of candidates provides expedited access to a group of professional

arbitrators who have been pre-qualified based on their experience in arbitrating over Real Property and Real Property-related loss of Value matters.

The Claimant has up to thirty (30) **calendar** days to decide whether they wish to proceed to the Claim resolution - Arbitration process and to select a third-party independent single professional Arbitrator from a pre-qualified list of candidates provided by the NWMO.

After the Arbitrator is selected by Claimant, the Claimant and NWMO shall jointly appoint the Arbitrator who shall have authority to make a final and binding decision in respect of the Claim. The Claimant and NWMO shall share the costs of the Arbitration, however, the Arbitrator shall have the power to award costs to the successful party in the Arbitration at his or her discretion, as set out in section 8 - Arbitration.

Should the NWMO not receive communication from the Claimant within and including thirty (30) calendar days, then the NWMO will close the claim, and the Claimant will be required to resubmit the claim restarting the process at Claim submission described in Section 6.4.1 above.

*Note: each, the Claimant and the NWMO, will carry individual costs associated with the Arbitration processes of the Claim resolution process. Please refer to section 4.4, titled "Reimbursable expenses" under the Compensation heading of this document for more details.*

If the Arbitrator determines that a payment is to be issued from the NWMO to the Claimant as part of the claim, the NWMO will commence the claim payment process and provide payment to the Claimant.

**Duration:** *no set timeline for Arbitration.*



## **Documents to be submitted by the Claimant**

*Subject to the Arbitration procedure as further described in Section 8.*

## **Anticipated Claimant expenses**

- *Half of the cost of obtaining the Arbitrator from a pre-qualified list of candidates to conduct the arbitration process.*
- *Full costs of Claimant's other expenses associated with the Arbitration process, outside of the cost associated with obtaining the Arbitrator.*
- *Note that the costs may be subject to reimbursement; please refer to section 4.4 titled "Reimbursable expenses" under the Compensation heading of this document for more details.*

### **6.4.6. Claim payment**

Should an agreement of claim amount be reached at any time in the process described above. If applicable, the NWMO will issue a Compensation payment.

**Duration:** *The NWMO has up to seven (7) weeks to issue Compensation payment*

## **Documents to be submitted by the Claimant**

*Provide back to the NWMO confirmation of offer acceptance and payment for the claim.*

## **Anticipated Claimant expenses**

*None*

## 7. Adjacent properties

### 7.1. Additional PVP Program details for Adjacent Owners

#### 7.1.1. Adjacent Property Scope

This section of the Program applies exclusively to the property Owners adjacent to the NWMO's owned and optioned properties, and need to adhere to all the following conditions:

- The Real Property must be located within the PVP Area as defined on Figure 3 (see Location section for more details);
- The subject property must share one or more property boundaries with property owned or optioned by the NWMO;
- The Claimant must be the Owner(s) of the Real Property that is being sold;
- The Real Property must have been owned by the Claimant before and on the Program Start Date as defined in the "Program Scope" section of this document;
- All Owners of the property registered on the title must sign the claim form as a single joint claim; and
- Claims shall be limited to one claim per Real Property, and the Claimant will have no ongoing or previous claims under the PVP Program for the Real Property for which the claim is submitted.

#### 7.1.2. Adjacent Property Participation and Real Property type

All Real Property Types, including but not limited to fixed property, principal land and buildings, and any other improvements attached to the land, are welcome to participate in the PVP Adjacent Property Program, given the Real Property and its Owner(s) meet other Program criteria.

#### 7.1.3. Adjacent Property Location

PVP Adjacent Property Program is exclusive to properties adjacent to the NWMO owned or optioned land that must share one or more property boundaries with property owned or optioned by the NWMO in the Municipality of South Bruce or the Township of Huron-Kinloss by Program Start Date.

The Adjacent properties will be identified, and eligible parcels will be published by the NWMO, creating an eligible **Adjacent Property List** at the Program start. The eligible properties will be determined by PIN and mapped at the Program start. The current mapping of the adjacent properties is included in Figure 3.

Should the NWMO acquire any further lands after the Program Start Date from the Owner(s) eligible to participate in the PVP Adjacent Property Program, no changes in Adjacent Property List will be made; such acquisition will not create newly Adjacent properties.

After the Program start, if the Adjacent Property is sold to a new Owner, the property will not be considered for future PVP Program claims or mechanism presented under the PVP Adjacent Property Program.

Under the PVP Adjacent Property Program, the total acreage of Adjacent Property which shares one or more boundaries with the property owned or optioned by the NWMO in the Municipality of South Bruce and/or Township of Huron-Kinloss will not increase beyond the total acreage identified within the Adjacent Property List at the Program start.

Should the Adjacent Property be further split or in other ways divided, physically or legally, the Adjacent Property List will be updated to

exclusively include properties that remain adjacent to land owned or optioned by the NWMO.

Should the Adjacent Property be consolidated or in other ways combined, physically or legally, the Adjacent Property List will not be updated and will exclusively include only the part of the newly formed property and the corresponding boundaries, which are reflected in the Adjacent Property List formulated at Program start.

Should the NWMO be able to acquire the subject property, the NWMO will only acquire the portion of the property that correlates with the Adjacent Property List. The Owner will bear any costs related to the subdivision of the property to its original boundaries defined at the Program start to complete the transaction process for the adjacent lands.

#### **7.1.4. Adjacent Property Compensation**

PVP Adjacent Property Program grants no additional Compensation under the PVP Program. The purpose of the PVP Adjacent Property Program is to provide the Owner(s) with peace of mind should the adjacent Owner(s) not be able to either sell their property at fair Market Value with or without the influence of the Project, whichever is higher, or they do not want to sell their property on the open market. The Owner may still proceed with an open market sale and claim through the PVP Program if they prefer.

***PVP Adjacent Property Program provides adjacent Owners with a mechanism for the NWMO to become the buyer of Owner(s) property if the Owner(s) cannot sell the property in an open market.***

The program Compensation is based on the following - the NWMO will pay the higher of:

***Fair Market Value without the influence of the Project***

or

***Fair Market Value with the influence of the Project***

PVP Adjacent Property Program does not include relocation costs or any other premium above and beyond the appraised fair Market Value of the subject property with or without the influence of the Project.

#### **7.1.5. Adjacent Property key dates**

##### **7.1.5.1. Program Start Date**

The PVP Program will commence after the Site Selection Announcement – if the Municipality of South Bruce is to be selected as the Municipal host for the Project (Program Start Date). Claims of loss will not be considered before the PVP Program Start Date.

##### **7.1.5.2. Adjacent Property end date**

PVP Adjacent Property Program will expire twenty-four (24) months after the Program Start Date.

After twenty-four (24) months of the PVP Adjacent Property Program Start Date, the Adjacent Owner(s) who has not submitted a claim under PVP Adjacent Property Program will be eligible to participate and submit a claim through the PVP Program, equivalent to all other Owners who fall within the PVP Area (see Section 3 for more details on the PVP Area).

The Adjacent Owner(s) has until the end of the twenty-four (24) months period while PVP Adjacent Property Program is operational to provide notice to the NWMO that it wishes the NWMO to purchase the adjacent Owner's property at fair Market Value with or without the influence of the Project, whichever is higher.

After PVP Adjacent Property Program End Date, all the adjacent Owner(s) notices received within the twenty-four (24) months period, while PVP Adjacent Property Program is operational, will be processed, and the Owner(s) will have up to thirty (30) days from the time the Owner(s) receives an offer from the NWMO, to accept or reject the offer. Should the Owner(s) reject the offer under the PVP Adjacent Property Program of the PVP Program, the Owner(s) will be eligible to participate and submit a claim for potential loss in Value through the PVP Program, equivalent to all other Owners who fall within the PVP Area.

If the Owner(s) accepts the offer, the Owner(s) will no longer be eligible to participate in the PVP Program or make any other claim for the Property for which an offer was accepted.

The only change taking place after the twenty-four (24) months period is that the NWMO will no longer provide a mechanism for the NWMO to serve as a potential buyer for the adjacent properties.

#### 7.1.5.3. Program Review

Program Review does not apply to the PVP Adjacent Property Program, as PVP Adjacent Property Program expires twenty-four (24) months after the Program Start Date and before deep geological repository construction phase starts.

## 7.2. Adjacent Property process

7.2.1. Upon Site Selection Announcement and the start of the PVP Program, the NWMO will identify properties that are adjacent to properties owned or optioned by the NWMO.

7.2.2. The NWMO will compile the **Adjacent Property List**, indicating properties that qualify under the PVP Adjacent Property Program.

7.2.3. The NWMO will communicate the PVP Program and PVP Adjacent Property Program details.

7.2.4. When the NWMO receives a notice, it will conduct an appraisal of the subject property.

7.2.5. Upon completion of the appraisal of the property, the NWMO will present an offer letter to the Owner(s) identifying the appraised fair Market Value of the subject property, with or without the influence of the Project, whichever is higher, as being the offer price. See Compensation Section 7.1.4. above for details. The Owner will be able to sell the property to the NWMO at the Value indicated on the NWMO offer letter at any time before the Program End Date for the PVP Adjacent Property Program.

7.2.6. The Owner(s) may choose to trigger another property appraisal to understand the current fair Market Value. All appraisals of the subject property outside of the initial appraisal will be conducted at the sole expense of the Owner(s) and subject to Section 9 of the PVP Program – Appraisal Terms of Reference. The Compensation will be determined based on details provided in Section 7.1.4. above.

7.2.6.1. For the subsequent appraisal of the subject property, the Owner(s) will be required to choose from a list of third-party independent AACI accredited Appraisers provided by the NWMO to conduct the appraisal of the subject property.

7.2.6.2. The pre-qualified list of candidates provides expedited access to a group of individuals familiar with the valuation methods used during the PVP claim process, are accessible, and have experience in appraising the type of property and Project impact. The candidates are positioned to effectively

apply the Terms of Reference used to Value Real Property under the PVP Program.

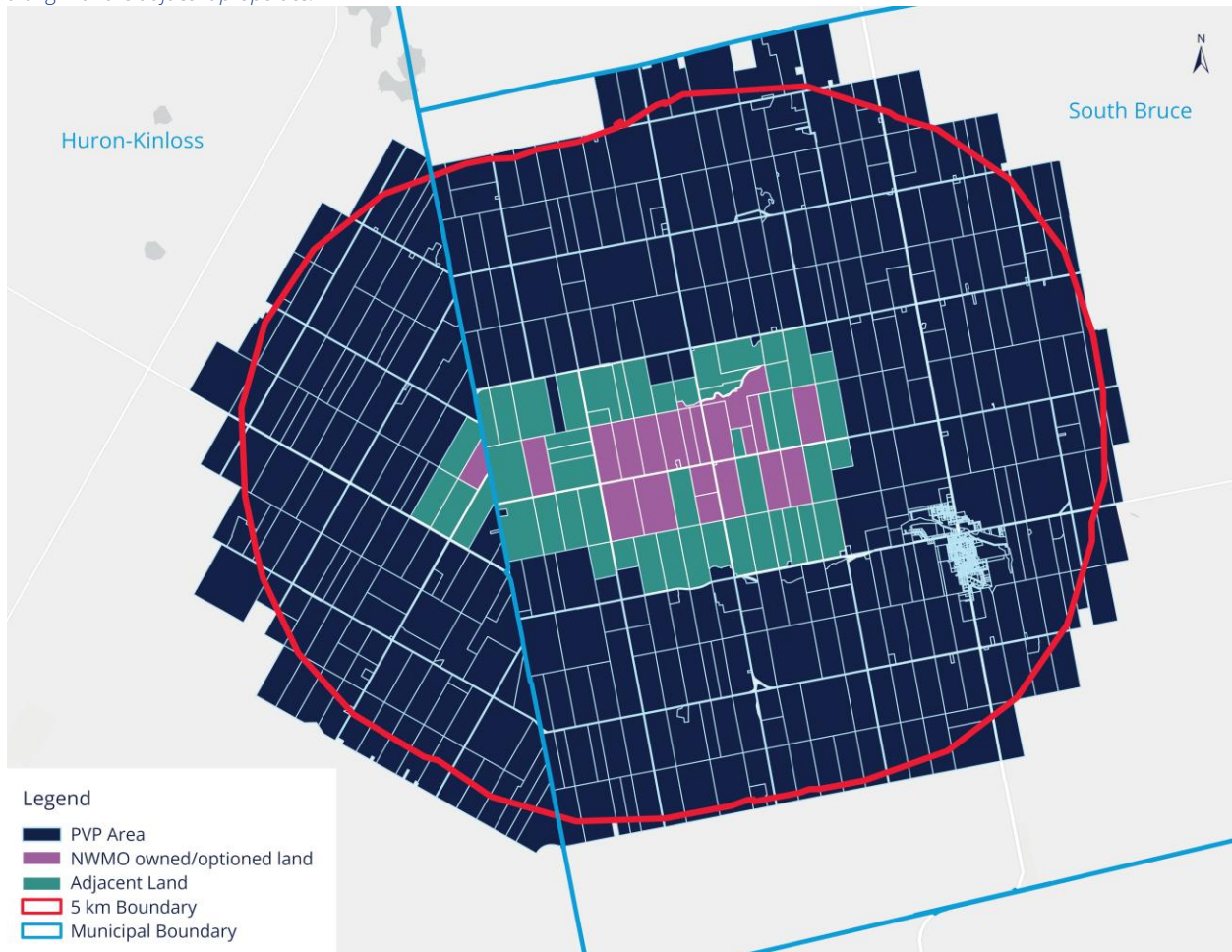
7.2.7. The Owner(s) subsequent appraisal(s) is/are subject to the Terms of Reference defined in Section 9 of this document.

7.2.8. The Owner(s) can accept the offer from the NWMO to acquire the subject property at any time during the twenty-four (24) months period while PVP Adjacent Property Program is operational. This decision by the Owner is at their sole discretion but is subject to the conditions described in the PVP Adjacent Property Program.

7.2.9. During the twenty-four (24) months that the PVP Adjacent Property Program is operational, should the Adjacent Owner(s) choose to sell its property to another party, other than the NWMO, the Owner(s) will be able to file a claim of loss in Value under the PVP Program.

7.2.10. The Owner(s) who qualifies under the PVP Adjacent Property Program but did not participate in the PVP Adjacent Property Program will be able to continue to participate in the PVP Program and file a claim of loss in Value under the PVP Program.

Figure 2 - The map below depicts 5 km (red line) radius overlayed onto the PVP Area and highlights the NWMO owned and optioned land, along with the adjacent properties.





## 8. Arbitration

### 8.1. Introduction

The purpose of this section is to provide information about Arbitration. Under the PVP Program, the Claimant has the option to refer a Claim to Arbitration if there is no resolution reached using an appraiser Referee ([see Claim resolution step of the claim process for more details](#)). The Arbitration will result in a final and binding decision in respect of a Claim that is not subject to appeal by either Claimant or the NWMO. The Claimant agrees that by participating in the PVP Program, it may refer a Claim to Arbitration to be finally resolved if all other steps in the PVP Program have been exhausted without resolution, and the Claimant will not commence any claim in court in relation to a Claim under the PVP Program.

### 8.2. Arbitration overview

When a dispute is not resolved through a Referee (the Claim resolution step of the claim process), the matter can be referred to Arbitration. In Arbitration, an independent unbiased person (sole arbitrator) hears evidence and submissions from both the Claimant and the NWMO before issuing a final and binding decision on a Claim.

### 8.3. Overview of the Arbitration procedure for the PVP Program

Should the Claimant reject the NWMO's loss Compensation offer based on findings of the Referee ([see Claim resolution step of the claim process for more details](#)), in this stage of the process, the Claimant can choose to proceed with the arbitration process. The Claimant chooses a third-party independent single professional arbitrator to arbitrate over the Claim from a pre-qualified list of candidates

provided by the NWMO in consultation with the Municipality of South Bruce.

The place of the arbitration will be South Bruce unless the Claimant and the NWMO agree otherwise. The Arbitrator may direct the Arbitration to proceed virtually. The Arbitration shall be conducted in accordance with the process set out in this section 8 with a view to achieving just, speedy, and cost-effective determination of the Claim.

Within 30 days of the Claimant's referral of the Claim to arbitration, the Claimant and the NWMO shall each deliver an appraisal report that complies with the Appraisal Terms of Reference set out in section 9. The appraisal report may be the same appraisal report that was delivered during the Referee process or a new appraisal report, provided that the appraiser acknowledges that it is his or her duty to provide opinion evidence in the Arbitration that is fair, objective and non-partisan.

The Arbitrator's decision shall be based solely on consideration of the appraisal reports and the submissions of each party. There will be no document production in the Arbitration. The Arbitration hearing will be comprised of cross-examinations of each appraiser and oral submissions. The Arbitrator may issue procedural directions as required with a view to achieving a just, speedy, and cost-effective determination of the Claim. The Arbitrator shall render his or her decision within 30 days of the conclusion of the Arbitration hearing. The Arbitrator has the discretion to make a costs award in the Arbitration, taking into account the relative success of the parties in the Arbitration.

## **Documents to be submitted by the Claimant**

*Subject to conditions of the Arbitration process.*

### **Anticipated Claimant expenses**

- *Half of the cost of the fees of an Arbitrator from a pre-qualified list of candidates to conduct the arbitration process.*
- *Other Claimant's costs are associated with the Arbitration process.*
- *Note that the costs may be subject to reimbursement; please refer to section 4.4 titled "Reimbursable expenses" under the Compensation heading of this document for more details.*

## 9. Appraisal Terms of Reference

### 9.1. Overview

As per the conditions of **Section 6.5.1, Claim submission**, the appraiser will complete without the Project appraisal for the subject property as outlined herein.

### 9.2. Date of Appraisal

As directed by the Claimant, the appraiser will estimate the "Unaffected Fair Market Value" of the subject property, based on its highest and best use as on the date of the sale. This will be determined by using the Direct Comparison Method using Multiple Paired Sales Analysis. Comparable sales utilized in the analysis will provide sufficient support for the conclusion made within the report: format and methodology.

9.2.1. The appraisal shall be conveyed in narrative report format and must follow the version of the Appraisal Institute of Canada's "Uniform Standard of Professional Appraisal Practice" (CUSPAP) applicable as of the date of the appraisal report.

9.2.2. The subject property is to be appraised in a fee simple as if free and clear of all encumbrances.

9.2.3. In accordance with the CUSPAP standard, any easements, encroachments, restrictions, leases, or covenants that the appraiser is aware of and would in any way affect the valuation shall be expressly noted in the appraisal document.

9.2.4. Standard Limiting Conditions and Assumptions to which the appraisal is subject, the appraiser shall include any Hypothetical Conditions, Extraordinary Assumptions and Extraordinary Limiting

Conditions to which the appraisal is subject.

9.2.5. The appraiser must provide commentary and reason in support of any Hypothetical condition and extraordinary assumption made within the report.

9.2.6. A minimum of three (3) to six (6) comparable properties must be used in the appraisal report.

9.2.7. The comparable sale properties will be selected from the Municipality in which the subject property is located, the County of Bruce.

9.2.8. The appraisal is required to include an adjustment grid for all selected comparable sale properties and will include an explanation of any Location-related adjustments. The appraisal report must include an estimate of the number of days after listing that the property should sell within, assuming competitive pricing was utilized throughout.

9.2.9. Adjustments for adverse influences unrelated to the Project must be evident and explained in the appraisal report.

### 9.3. Requirements

9.3.1. Appraisal Opinion – In addition to compliance with CUSPAP, any Appraisal Opinion of Value using the Direct Comparison Approach must include:

9.3.1.1. That all adjustments are given a numeric dollar Value;

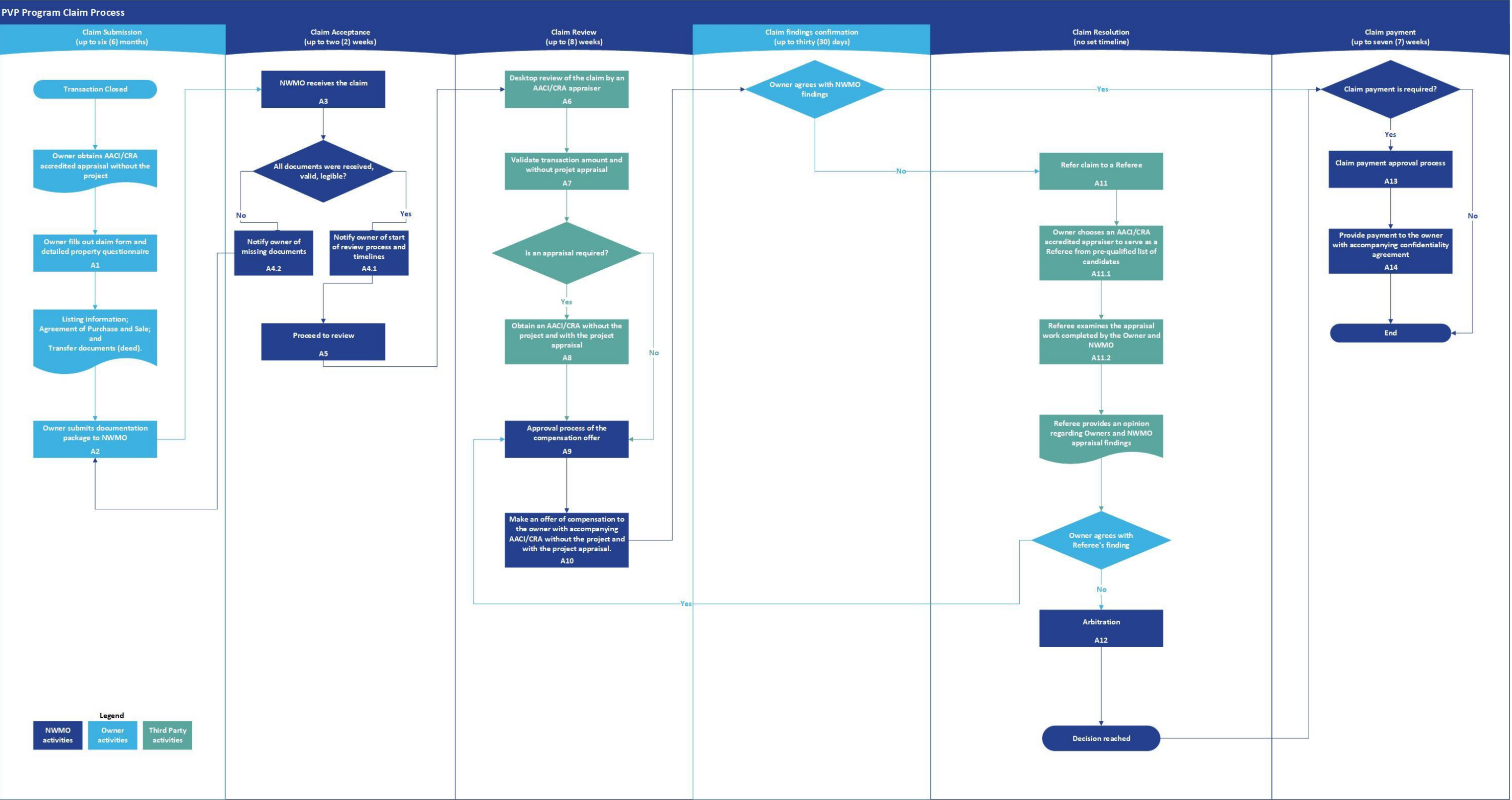
9.3.1.2. That all objective adjustments are based on market data; and

9.3.1.3. All significant differences between the Claimant's property and the comparable properties shall be adjusted using quantitative adjustments based on market data.

- 9.3.2. Adjustments should be quantitative and require reasoning in support of the adjustment as outlined in the adjustment grid.
- 9.3.3. If qualitative adjustments are deemed necessary, adequate background documentation must be provided to support/justify the qualitative adjustments.
- 9.3.4. The appraiser hereby confirms, and the appraisal report shall include a statement confirming, that the appraiser:
- i. has not appraised the property previously for another client within the last 36 months; and
  - ii. has no known potential conflict of interest with respect to the appraisal.
- 9.3.5. The final appraisal report must be signed or co-signed by a CRA or AACI accredited appraiser.

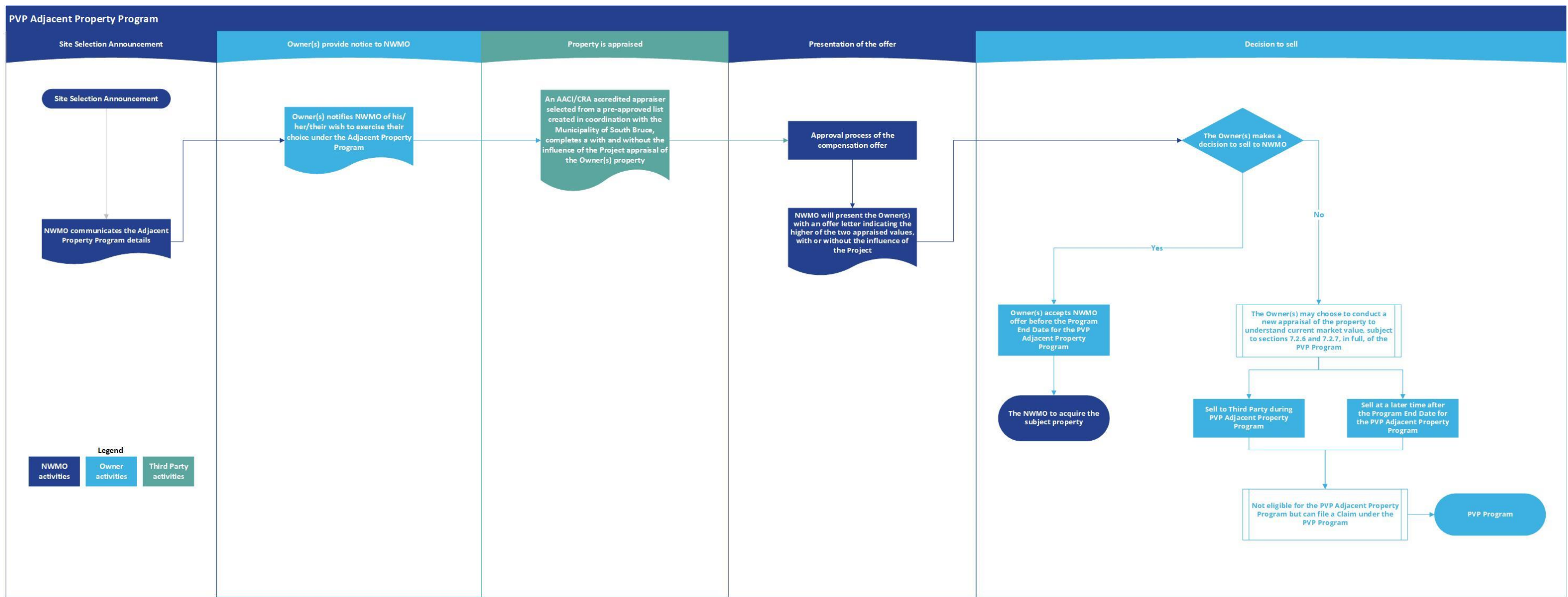
# Appendix

# Appendix 1 – PVP Claim Process





# Appendix 1 – PVP Adjacent Property Program





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