

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

-and-

TUNG AIR TRANSPORT LTD., 2527366 ONTARIO INC.,
R. LESSARD TRUCKING LIMITED and 1000101395 ONTARIO INC.

Respondents

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE*
ACT, R.S.O. 1990, c. C.43, AS AMENDED**

RESPONDING APPLICATION RECORD

March 26, 2025

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AND TO:	TOYOTA INDUSTRIES COMMERCIAL FINANCE CANADA, INC. 630 – 401 The West Mall Toronto, ON M9C 5J5 <i>Secured Party</i>
AND TO:	COMPASS EQUIPMENT FINANCE INC. 475 Seaman Street Stoney Creek, ON L8E 2R2 <i>Secured Party</i>
AND TO:	GLASVAN TRAILERS INC. 1201 Aimco Blvd. Mississauga, ON L4W 1B3 <i>Secured Party</i>
AND TO:	BANK OF MONTREAL 5750 Explorer Drive, 3rd Floor Mississauga, ON L4W 0A9 <i>Secured Party</i>
	BANK OF MONTREAL 5750 Explorer Drive, 2nd Floor Mississauga, ON L4W 0A9 <i>Secured Party</i>
AND TO:	NISSAN CANADA INC. 5290 Orbitor Drive Mississauga, ON L4W 4Z5 <i>Secured Party</i>
AND TO:	LBEL INC. 5035 South Service Road Burlington, ON L7L 6M9 <i>Secured Party</i>

AND TO:	DAIMLER TRUCK FINANCIAL SERVICES CANADA CORPORATION 2680 Matheson Blvd. East, Suite 202 Mississauga, ON L4W 0A5 <i>Secured Party</i>
AND TO:	VFS CANADA INC. 238 Wellington Street East, 3rd Floor Aurora, ON L4G 1J5 <i>Secured Party</i>
AND TO:	MERCEDES-BENZ FINANCIAL 2680 Matheson Blvd. East, Suite 500 Mississauga, ON L4W 0A5 <i>Secured Party</i>
AND TO:	MERCEDES-BENZ FINANCIAL SERVICES CANADA CORPORATION 2680 Matheson Blvd. East, Suite 500 Mississauga, ON L4W 0A5 <i>Secured Party</i>
AND TO:	FINLOC 2000 INC. 11505, 1st Avenue, Suite 500 Saint-Georges, QC G5Y 7X3 <i>Secured Party</i>
AND TO:	GRAND TOURING FINANCIAL SERVICES 230 Sweetriver Blvd. Maple, ON L6A 4V3 <i>Secured Party</i>
AND TO:	THE BANK OF NOVA SCOTIA 10 Wright Boulevard Stratford, ON N5A 7X9 <i>Secured Party</i>

AND TO:	MITSUBISHI HC CAPITAL CANADA LEASING, INC. 301 – 3390 South Service Road Burlington, ON L7N 3J5 <i>Secured Party</i>
AND TO:	LITHIA CANADA LEASING, LP 101 Auto Park Circle Woodbridge, ON L4L 8R1 <i>Secured Party</i>
AND TO:	LITHIA CANADA LEASING GP, INC. 101 Auto Park Circle Woodbridge, ON L4L 8R1 <i>Secured Party</i>
AND TO:	BODKIN, A DIVISION OF BENNINGTON FINANCIAL CORP. 102 – 1465 North Service Road East Oakville, ON L6H 1A7 <i>Secured Party</i>
AND TO:	THE TORONTO-DOMINION BANK 5045 South Service Road, 4th Floor Burlington, ON L7L 5Y7 <i>Secured Party</i>
AND TO:	TD EQUIPMENT FINANCE CANADA, A DIVISION OF THE TORONTO-DOMINION BANK 5045 South Service Road, 4th Floor Burlington, ON L7L 5Y7 <i>Secured Party</i>
AND TO:	CONCENTRA BANK c/o Comm Leasing, Box 3030 Regina, SK S4P 3G8 <i>Secured Party</i>

AND TO:	COAST CAPITAL EQUIPMENT FINANCE LTD. 800 – 9900 King George Blvd. Surrey, BC V3T 0K7 <i>Secured Party</i>
AND TO:	MERIDIAN ONECAP CREDIT CORP. Suite 1500, 4710 Kingsway Burnaby, BC V5H 4M2 <i>Secured Party</i>
AND TO:	CWB NATIONAL LEASING INC. 1525 Buffalo Place Winnipeg, MB R3T 1L9 <i>Secured Party</i>
AND TO:	TD AUTO FINANCE (CANADA) INC. PO Box 4086, Station A Toronto, ON M5W 5K3 <i>Secured Party</i>
AND TO:	CANADIAN WESTERN BANK LEASING INC. 300, 606 4 Street SW Calgary, AB T2P 1T1 <i>Secured Party</i>
AND TO:	CANADIAN WESTERN BANK LEASING INC. #201, 12230 Jasper Avenue Edmonton, AB T5N 3K3 <i>Secured Party</i>
AND TO:	STOUGHTON TRAILERS CANADA CORPORATION 416 South Academy Street Stoughton, WI 53589 <i>Secured Party</i>

AND TO:	BVD CAPITAL CORPORATION 50 Delta Park Blvd. Unit #4 Brampton, ON L6T 5E8 <i>Secured Party</i>
AND TO:	PFAFF LEASING, A DIVISION OF PFAFF MOTORS INC. 101 Auto Park Circle Woodbridge, ON L4L 8R1 <i>Secured Party</i>
AND TO:	NATIONAL LEASING GROUP INC. 1525 Buffalo Place Winnipeg, MB R3T 1L9 <i>Secured Party</i>
AND TO:	DE LAGE LANDEN FINANCIAL SERVICES CANADA INC. 5046 Mainway, Unit 1 Burlington, ON L7L 5Z1 <i>Secured Party</i>
AND TO:	MILENOV, IVAN AND MILENOV, DENNIS 299 Mill Rd Unit 403 Etobicoke, ON Canada M9C 4V9 <i>Secured Party</i>
AND TO:	AULAKH, PARMJIT 1364 Whitewater Lane Mississauga, ON L5V 1L7 <i>Secured Party</i>
AND TO:	OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA 151 Yonge Street, 4 th Floor Toronto, ON M5C 2W7 Email: osbservice-bsfservice@ised-isde.gc.ca

I N D E X

**ONTARIO
SUPERIOR COURT OF JUSTICE**

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Court File No: CV-25-00738060-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N

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**AFFIDAVIT OF EKNOOR SINGH TUNG
(Affirmed March 26, 2025)**

I, EKNOOR SINGH TUNG, of the City of Brampton, in the Province of
Ontario, **AFFIRM AND SAY:**

1. I am the Vice-President of Operations at Tung Air Transport Ltd. ("**Tung Air**"). I also manage the operations of 2527366 Ontario Inc. ("**252**"), R. Lessard Trucking Limited ("**Lessard**", collectively with Tung Air and 252, the "**Credit Parties**"), and 1000101395 Ontario Inc. ("**100**") (collectively, the "**Respondents**").
2. As such, I have personal knowledge of the matters to which I herein depose. Where I do not have personal knowledge of the matters set out herein, I have advised of the source of my information and, in all such cases, believe it to be

true. Where I use “we” or “our”, I mean to refer to and state on behalf of the Respondents collectively.

3. I swear this Affidavit to assist in the Respondents’ defence to the Royal Bank of Canada (“**RBC**”) application for an Order appointing msi Spergel inc. (“**Spergel**”) as receiver of all of the assets, undertakings, and properties of the Respondents, including the real properties located at 1244 Kamato Road, Mississauga, Ontario (the “**Kamato Property**”); and, at 2260 Manning Road, Windsor, Ontario (the “**Manning Property**”, together with the Kamato Property, the “Real Properties”) (collectively with the Real Properties, the “**Property**”).

A. The Respondents

a. The Tung Air Group

4. Tung Air provides trucking and transport services that transport all sorts of goods across Canada and the United States. The Tung Air is a family-owned business that was created by my father, Sardara S. Tung in 2002.
5. Tung Air is able to facilitate various customer trucking needs, including refrigeration, warehousing, and dangerous/hazardous transport. Tung Air differentiates itself from its competitors as it boasts above-market insurance coverage over its cargo which allow for customers to transport high-value goods and/or goods with higher insurance requirements, such as dangerous and/or hazardous materials (i.e. weapons, contaminated goods, hazardous materials, etc.).
6. Tung Air has longstanding relationships with third-party logistics companies who provide transport services for Coca-Cola, Pepsico, several liquor companies, and other large multinational corporations all of whom have used Tung Air for transport throughout Canada and the United States.
7. In addition to its trucking operations, Lessard also sells various aggregates materials such as roof-stone, mulch, topsoil, and a variety of other stones. Lessard’s most regular clients are the City of Windsor, LeFarge, Walker, and

large contractors, but private customers are also permitted to purchase materials.

8. 252 is a holding company which owns and operates as landlord for the Kamato Property. The current and only tenant on the Kamato Property is Tung Air.
9. 100 is also a holding company which owns a portion of the Manning Property, with Lessard owning the other portion. 100 has no day-to-day operations.

b. Real Property Owned by the Tung Air Group

10. The Kamato Property is a 2.66 acre (115,809 sqft.) single-tenant industrial site located in the predominantly commercial district of Northeast in the northeastern quadrant of the City of Mississauga, with convenient access to Highway 401, Highway 427, Highway 410, Highway 407, and Lester B. Pearson International Airport.
11. The Kamato Property is designated as "Business Employment Designation" by the City of Mississauga, which permits a wide range of uses including but not limited to entertainment establishments; financial institutions; funeral establishments; manufacturing; Motor Vehicle Commercial; motor vehicle body repair facilities; motor vehicle rental; overnight accommodation; research and development; restaurants; secondary office; self storage facility; transportation facilities; trucking terminals; warehousing, distributing and wholesaling; waste processing stations or waste transfer stations and composting facilities; and accessory uses.
12. The most recent appraisal was conducted by Colliers International Realty Advisors Inc. ("**Colliers**") in June of 2024, and appraised with an as-is current market value of \$[REDACTED].
13. A copy of the Colliers appraisal for the Kamato Property, dated June 14, 2024, is attached as **Exhibit "A."** to this affidavit.

14. The Manning Property is a 39.40 acre industrial site located on the east side of Manning Road between Highway 42 and Little Baseline Road in Lakeshore, Ontario, near Windsor. The site is improved with a 5,960 sqft. truck repair building, 3,200 sqft. storage building, and a 1,951 sqft. residential dwelling.
15. The most recent appraisal was conducted by Colliers in June of 2024, and appraised with an as-is current market value of \$[REDACTED].
16. A copy of the Colliers appraisal for the Manning Property, dated June 18, 2024, is attached as **Exhibit "B."** to this affidavit.

B. The Security RBC Holds Exceeds the Indebtedness

a. Credit Agreements

17. The Credit Parties entered into various credit agreements with RBC, as follows:
 - a) the Credit Agreement dated May 16, 2023, as between RBC and Tung Air (the "**Tung Air Credit Agreement**");
 - b) the Credit Agreement dated May 16, 2023 (the "**252 Credit Agreement**"); and
 - c) the Credit Agreement dated May 16, 2023, as amended on June 27, 2024 (the "**Lessard Credit Agreement**").(collectively, the "**Credit Agreements**").
18. Copies of the aforementioned Credit Agreements are included in RBC's Application Record as Exhibit "E" to the affidavit of Sylvia Kovesdi, sworn March 6, 2025 (the "**Kovesdi Affidavit**").
19. Each of the Credit Parties cross-guaranteed the obligations of each of the other Credit Parties under each of the Credit Agreements, pursuant to Guarantee and Postponement of Claim agreements (collectively, the "**Cross-Guarantees**"), as follows:
 - a) Tung Air guaranteed to RBC:

- the obligations of 252 in the limited amount of \$13,597,000.00 (**"Tung Air-252 Cross-Guarantee"**); and
- the obligations of Lessard in the limited amount of \$3,630,000.00 (**"Tung Air-Lessard Cross-Guarantee"**).

b) 252 guaranteed to RBC:

- the obligations of Tung Air in the limited amount of \$3,063,000.00 (**"252-Tung Air Cross-Guarantee"**); and
- the obligations of Lessard in the limited amount of \$3,630,000.00 (**"252-Lessard Cross-Guarantee"**).

c) Lessard guaranteed to RBC:

- the obligations of Tung Air in the limited amount of \$3,063,000.00 (**"Lessard-Tung Air Cross-Guarantee"**); and
- the obligations of 252 in the limited amount of \$13,597,000.00 (**"Lessard-252 Cross-Guarantee"**).

20. Copies of the Cross-Guarantees are included in RBC's Application Record as Exhibit F to the Kovesdi Affidavit.

21. Further, 100 guaranteed the obligations of each of the Credit Parties under the Credit Agreements pursuant to Guarantee and Postponement of Claim agreements dated May 30, 2023 (collectively, the **"Guarantees"**), as follows:

- a) 100 guaranteed to RBC the obligations of Tung Air in the limited amount of \$3,063,000.00 (**"100-Tung Air Guarantee"**);
- b) 100 guaranteed to RBC the obligations of 252 in the limited amount of \$13,597,000.00 (**"100-252 Guarantee"**); and
- c) 100 guaranteed to RBC the obligations of Lessard in the limited amount of \$3,630,000.00 (**"100-Lessard Guarantee"**).

22. Copies of the Guarantees are included in RBC's Application Record as Exhibit G to the Kovesdi Affidavit.

b. The Security

23. Each of the Respondents provided various security to RBC pursuant to the Credit Agreements, including but not limited to, general security agreements in favour of RBC constituting a first ranking security interest in all present and after acquired personal property of each of the Respondents (collectively, the "**GSAs**").
24. The GSAs are included in RBC's Application Record as Exhibit H to the Kovesdi Affidavit.
25. As further security in support of the GSAs, the Respondents also provided collateral mortgages registered on the Respondents' real property, as follows:
- a) a \$18,040,000.00 collateral mortgage provided by 252 in favour of RBC, constituting a first in priority charge registered on title to the Kamato Property with PIN 13294-0034 (LT) as instrument PR4208028 (the "**Kamato Mortgage**");
 - b) a \$10,060,000.00 collateral mortgage provided by Lessard in favour of RBC, constituting a first in priority charge registered on title to the portion of the Manning Property owned by Lessard with PIN 75009-0015 (LT) as instrument CE1137095 (the "**Lessard-Manning Mortgage**"); and
 - c) a \$1,100,000.00 collateral mortgage provided by 100 in favour of RBC, constituting a first in priority charge registered on title to the portion of the Manning Property owned by 100 with PIN 75009-0016 (LT) as instrument CE1137089 (the "**100-Manning Mortgage**").
- (the Kamato Mortgage, Lessard-Manning Mortgage, and the 100-Manning Mortgage, collectively, the "**Mortgages**").

26. A copy of the Kamato Mortgage is included in RBC's Application Record as Exhibit J to the Kovesdi Affidavit.
27. A copy of each the Lessard-Manning Mortgage and 100-Manning Mortgage are included in RBC's Application Record as Exhibit K to the Kovesdi Affidavit.

c. Indebtedness to RBC

28. RBC alleges that the Credit Parties are indebted to RBC in the amounts set out below as of January 9, 2025; and, that a receivership over the Respondents is necessary to protect their Security for the indebtedness of each of the Respondents as there is a risk of their Security diminishing.
29. For instance, at paragraph 38 of the Kovesdi Affidavit sworn March 6, 2025, RBC points out that Tung Air, Lessard, and 100's exposure to the indebtedness is limited to \$17,985,256.58, such that the total indebtedness of the Respondents exceeds the amounts guaranteed.
30. However, this is misleading as it entirely neglects to include 252's exposure, and – most importantly – entirely neglects to acknowledge that each of the Credit Parties and 100 have provided the Cross-Guarantees and the Guarantees in favour of RBC, including 252.
31. As a practical matter, the Cross-Guarantees and the Guarantees operate in a manner that makes the indebtedness of any one of the Credit Parties to RBC effectively jointly and severally liable as between each of them, in addition to 100 as the secured guarantor.
32. Importantly, the indebtedness of each of the Credit Parties to RBC is secured by the Mortgages in favour of RBC that substantially exceed the Indebtedness, as follows:
 - a) Tung Air's alleged direct indebtedness as of January 9, 2025 totalling **\$1,595,068.35 ("Tung Air Indebtedness")**, is secured by:

- the Kamato Mortgage in the amount of \$18,040,000.00, by virtue of the 252-Tung Air Cross-Guarantee;
- the Lessard-Manning Mortgage in the amount of \$10,060,000.00 by virtue of the Lessard-Tung Air Cross Guarantee; and
- the 100-Manning Mortgage in the amount of \$1,100,000.00, by virtue of the 100-Tung Air Guarantee.

b) 252's alleged direct indebtedness as of January 9, 2025 totalling **\$13,643,746.94 ("252 Indebtedness")**, is secured by:

- the Kamato Mortgage in the amount of \$18,040,000.00, registered on the Kamato Property in favour of RBC;
- the Lessard-Manning Mortgage in the amount of \$10,060,000.00 by virtue of the Lessard-252 Cross Guarantee; and
- the 100-Manning Mortgage in the amount of \$1,100,000.00 by virtue of the 100-252 Guarantee.

c) Lessard's alleged direct indebtedness as of January 9, 2025 totalling **\$2,793,188.23 ("Lessard Indebtedness")**, is secured by:

- the Lessard-Manning Mortgage in the amount of \$10,060,000.00, registered on the Manning Property in favour of RBC;
- the Kamato Mortgage in the amount of \$18,040,000.00, by virtue of the 252-Lessard Cross-Guarantee; and
- the 100-Manning Mortgage in the amount of \$1,100,000.00, by virtue of the 100-Lessard Guarantee.

33. Accordingly, the Mortgages alone provide RBC with security in the aggregate amount of \$29,200,000.00, covering an aggregate amount of indebtedness alleged as of January 9, 2025 of \$18,032,003.52 (the "**Indebtedness**").

34. The Mortgages constitute \$29,200,000.00 in collateral charges over the equity of the Kamato Property and Manning Property, which have an approximate aggregate current market value of \$34,550,000.
35. There is no reason why the value of the Property, including the Real Properties, will degrade over the coming months as alleged at paragraph 50 of the Kovesdi Affidavit; and, RBC has not provided any evidence or other support for such an assertion.
36. We have no intention and can affirm that we will not be encumbering the Real Properties further in any manner whatsoever until the issues with RBC are resolved and/or they are paid out.

C. Relationship with RBC

37. We have always made our best efforts to comply with our obligations pursuant to the Credit Agreements.
38. Throughout our borrowing relationship with RBC, our accounts were managed by Sreekumar "Kumar" Nair, Director, Senior Commercial Markets, who is employed by RBC ("**Mr. Nair**").
39. Whenever our accounts under the Credit Agreement were overdrawn, or otherwise required attention, Mr. Nair would most often call us to advise us of what needed to be done to bring them back into good standing, although he sometimes emailed and/or texted myself or my father.
40. As Mr. Nair was RBC's representative for all matters relating to our accounts pursuant to the Credit Agreements, we trusted and relied upon his direction and information as being accurate and the appropriate course of action.
41. For instance, whenever Mr. Nair contacted either myself or my father to advise of an account being overdrawn, he would often give us three to four days to make the necessary deposit to the account at issue; and, we always made the deposit in the amount he instructed, without scrutiny.

42. We trusted Mr. Nair as being someone who understood what RBC required from us, our respective accounts, the Credit Agreements, and general commercial lending practices. As such, we always relied on and followed the advice and direction that Mr. Nair provided us.

a. Renewal and Refinancing of the Kamato Mortgage

43. The 252 Credit Agreement had a one-year term, and was set to end on May 17, 2024.

44. Prior to the end of the term, 252's monthly payment towards the Kamato Mortgage was largely consistent at around \$94,265.23 per month, which provided us with predictability as it pertained to cash-flow. As such, we always were able to make our payments towards the Kamato Mortgage, without issue.

45. We had received a term loan renewal agreement dated May 16, 2024 from RBC with respect to the 252 Credit Agreement in which the interest rate and payments for the Kamato Mortgage would have remained fixed, and predictable, at the same rate of \$94,265.23 per month (the "**Renewal Agreement**"), over a 12 month term. The Renewal Agreement and the terms therein are attached to this affidavit as **Exhibit "C."**

46. Importantly, the Automatic Renewal Terms set out in the Renewal Agreement noted that if we did not execute the Renewal Agreement on or before the maturity date of the 252 Credit Agreement, it would be automatically renewed as a variable rate term loan at RBC prime plus 2.00%, and that the Payment would be \$46,408.53.

47. In or around March or April of 2024, I spoke with Mr. Nair to ask whether there was any possibility of RBC providing us a further credit line in the renewal to assist with our increasing cash-flow needs on accord of an increase in business.

48. Mr. Nair advised that RBC would be unable to facilitate further credit, but I do not believe he ever put together an application for RBC's consideration to do so.
49. However, Mr. Nair advised that he could make an introduction to someone he knew as having great relationships with Canadian Western Bank ("**CWB**") and other lenders, who had "taken other companies out on better deals" and could assist Tung Air similarly.
50. As we trusted Mr. Nair's expertise and insight into RBC's lending practices, we relied on his assertion that RBC would not be willing to provide further credit. We also relied on Mr. Nair's assurances that the individual Mr. Nair was directing us to had the expertise and relationships to close a deal which would payout RBC for the 252 Mortgage, and potentially our other credit facilities, on better financial terms.
51. Mr. Nair indicated that he would set up a meeting at the Tung Air office located on the Kamato Property between myself, my father, Mr. Nair, and the individual who could facilitate refinancing.
52. Accordingly, a couple days after the aforementioned conversation, Mr. Nair attended the Tung Air office and met first, with myself and my father alone, in our boardroom. Mr. Nair indicated that he had instructed the individual he was introducing us to, Mr. Abdul Khaliq of ASK Associates ("**Mr. Khaliq**"), to meet us at the Tung Air office.
53. Prior to Mr. Khaliq arriving, Mr. Nair reiterated that Mr. Khaliq had helped "similar companies" get out of less preferable lending arrangements; and, provided assurances of Mr. Khaliq's ability to obtain better lending arrangements.
54. As Mr. Nair was our account manager with RBC, we trusted that he appreciated our unique needs, financial operations, and the Credit Agreements.

Accordingly, we trusted and relied on Mr. Nair's assurances and direction to meet with Mr. Khaliq.

55. Sometime after Mr. Nair's arrival, Mr. Khaliq attended the Tung Air office and joined myself, my father, and Mr. Nair in our boardroom. Mr. Nair made the introduction to Mr. Khaliq, who we had never met or spoken with before, and reiterated Mr. Khaliq's background and experience with obtaining commercial financing.
56. Mr. Khaliq made several representations about his experience and relationships with Schedule I banks, and advised that he had understood the nature of our current borrowing relationship with RBC and the value in the Real Properties.
57. Based upon such information, Mr. Khaliq advised that he was confident that he could secure refinancing on better terms than our arrangement with RBC.
58. Importantly, Mr. Khaliq advised that as the 252 Credit Agreement was set to mature on May 16, 2024, 252 should not enter into any further agreement with RBC on a fixed-rate basis because the penalty for breaking such agreement would be significant. Mr. Khaliq advised that he expected to "take [us] out from the RBC loan within a month or so", and any increased payments under the new terms would only be necessary for a month.
59. As Mr. Khaliq made such representations and assurances, and Mr. Nair had endorsed and directed us to Mr. Khaliq, we trusted and relied on them, and believed that Mr. Khaliq would be able to facilitate refinancing to replace RBC as promised.
60. Although Mr. Nair indicated that the payments towards the Kamato Mortgage would increase once it switched to a variable rate, he did not ever tell us what the approximate payment would be.

61. Neither my father nor I understand how payments are calculated, and so we always rely on what RBC told us, either through Mr. Nair's direction or as set out in specific documents that told us how much to pay.
62. Accordingly, based solely on reliance of Mr. Nair and Mr. Khaliq's representations and assurances, we decided to proceed with Mr. Khaliq and try to secure refinancing for the Kamato Mortgage instead of executing the Renewal Letter. My father has advised me that he directed Mr. Nair not to renew the 252 Credit Agreement, and to proceed on a variable-basis.

b. Kamato Mortgage Payments After May 2024

63. We did not have any significant problems with our cash-flow that inhibited our ability to make the necessary payments under the Credit Agreements until the 252 Credit Agreement was automatically renewed on a variable-basis.
64. The 252 Account evidences 252's regular and consistent payments towards the Kamato Mortgage from May 2023 until May 2024, following which, the payments changed as the Kamato Mortgage was switched to a variable-basis payment.
65. I have checked my records and do not believe that 252 was ever provided a copy of the terms which governed the Kamato Mortgage after the expiry of the original term of 252 Credit Agreement.
66. My father has advised that Mr. Nair came to the Tung Air office and had my father sign certain documents regarding the renewal at some point in May or June of 2024, but Mr. Nair did not give any copies to my father. I was not present for this meeting, nor received copies of any signed agreement.
67. It also does not appear that RBC has a copy of any such document, as none has been included in its Application Record.

68. Therefore, neither my father nor I ever understood how much the payments for the Kamato Mortgage would be after the expiry of the 252 Credit Agreement and the renewal on a variable-basis.
69. Accordingly, after the last payment of \$94,265.23 towards the Kamato Mortgage was deducted on May 6, 2025 from the 252 Account, we relied on Mr. Nair's instructions for making the necessary payments for the Kamato Mortgage.
70. I am advised by my father that on or about June 17, 2024, Mr. Nair directed him to deposit \$175,000.00 into the 252 Operating Account for payment of the Kamato Mortgage.
71. I am further advised by my father that between July 5 and July 29, 2024, Mr. Nair directed him to make several deposits totalling \$160,500.00 into the 252 Operating Account for payment of the Kamato Mortgage.
72. The dramatic increase in cash being attributed to the Kamato Mortgage was unexpected, unexplained, and affected our cash-flow. However, we made such deposits to the 252 Operating Account as we understood and relied on Mr. Nair's direction that such deposits were required for payments to the Kamato Mortgage.
73. On several occasions, my father and I each asked Mr. Nair about how much the monthly payments towards the Kamato Mortgage was; but, Mr. Nair never provided a clear answer.
74. After one such occasion, Mr. Nair wrote to the RBC Commercial Service Team noting that it felt like the Kamato Mortgage payments had effectively doubled from the previous monthly payments \$94,265.23 after being converted to a variable-basis, and that we sought clarification. My father was copied on this email, but I was not.

75. However, the response my father received from RBC to Mr. Nair's email did little to clear up what our payment was and how it was being calculated, as we were only provided transaction records that showed some payments of \$94,265.25; a payment which was \$92,315.43; a payment which was \$26,205.54; and another which was \$187,382.20. A copy of the aforementioned correspondence from RBC and the attachments, are attached to this affidavit as **Exhibit "D."**.
76. I was not directly involved in discussions regarding the payments to be made for the Kamato Mortgage, but my father advises me that the payments were higher because we had been switched to a variable-rate. When my father asked Mr. Nair how it was calculated, my father advises me that Mr. Nair directed my father to "Google" the rates and calculate the payments. However, my father advises me that he did not understand how to calculate the payments then, nor any time after, and relied on Mr. Nair.
77. During this time, we were working with Mr. Khaliq to obtain replacement financing for the Kamato Mortgage and/or the other credit facilities we had with RBC pursuant to the Credit Agreements. However, Mr. Khaliq kept leading us on and suggesting that commitment letters were "coming this week". Accordingly, we believed that replacement financing was to be received soon.
78. Between July 31, 2024 and October 27, 2024, we began to suffer a cash-crunch and had difficulties making payment towards the Kamato Mortgage. We had deposited a significant amount of cash into the 252 Account that far exceeded any payments we had made in the ordinary course with respect to the Kamato Mortgage prior to May 2024, and accordingly, believed that such deposits would have been sufficient.
79. During this period, my father advises that Mr. Nair instructed him to make further deposits into the 252 Account; but, it remained unclear as to how much the Kamato Mortgage payments were for any given month. The

unpredictability and lump sums being demanded by Mr. Nair caused significant stress on our cash-flow reserves, and prevented our ability to appropriately plan and predict what was required to keep our accounts in good standing.

80. On October 28, 2024, I made a deposit in the amount of \$139,225.00, which was the amount Mr. Nair's associate, Sachit Swarup ("**Sachit**"), had conveyed as being necessary to be deposited into the 252 Account in order to bring the Kamato Mortgage current. Further, he directed me to make a deposit of \$52,414 into the 03326-100-029-8) ("**Account 029-8**") for payment towards the Lessard-Manning Mortgage, which would bring it current. A copy of the correspondence is attached to this affidavit as **Exhibit "E."**
81. On November 4, 2024, Mr. Nair wrote to me to advise that the Kamato Mortgage was "now showing all up to date"; but, that the 252 Account was "negative 363K due to the payments processed to [bring] loan up to date." As such, payments had been made towards the Kamato Mortgage as of November 4, 2024, and were not 120 days delinquent as alleged by RBC. A copy of the correspondence is attached to this affidavit as **Exhibit "F."**
82. By such point in time, our accounts had been transferred to Special Loans, and RBC began returning cheques as NSF far more frequently than it had before, and with far less warning or opportunity to remedy the issues. As our accounts were no longer managed by Mr. Nair, the practices as a whole changed, which exacerbated cash-flow and operational issues.

D. Relevant History of the Tung Air Group Operations

83. Tung Air started its business in 2002, with a single truck operated by my father, Sardara S. Tung. That business grew from that single truck to as many as 70 trucks 200 trailers both owned or leased to handle the Respondents' level of business. At its height in 2022, grew to annual revenues of approximately

\$17M, with less trucks and tractors because the market was more favourable at that time.

84. In 2023, the Respondents were directly or indirectly employing more than 100 people, many of whom were single-earner families who depended upon income derived from our companies for their basic needs.
85. Until we ran into the financial slow-down that is widespread across the industry beginning in early-2023, we were widely regarded as an incredible success story.
86. Unfortunately, the combination of the industry-wide slowdown and our own success which outpaced the utility of some of our accounting systems; and, some real estate purchases which used up our excess cash-flow, we began experiencing periodic cash-flow shortages in 2024.
87. These financial struggles were exacerbated only recently beginning in February 2025 when two events significantly affected our operations.

a. Issues with Carrier Systems Inc.

88. The first was an informal arrangement that Tung Air had for parking trailers at a parking lot managed by Carrier Systems Inc ("**Carrier**"). While we had no formal lease for the use of this parking lot, we had agreed upon a reasonable monthly rent at a rate of \$31,000.00+HST/per month for use of their parking lot by up to 70 trailers (the "**Rate**").
89. As of January 2025, we began having disputes with Carrier as the parking space that had been promised to us for up to 70 trailers were being occupied by trailers not associated with Tung Air nor the Respondents; and, they were not providing security and lighting as promised. As such, we refused to continue making payments at same Rate, since the terms of our oral agreement had changed.

90. Without notice, in February of 2025, Carrier decided to seize all of the trailers we had on site, which was approximately 35 trailers at the time. Of the 35 trailers, 10 of them were loaded with client goods. Carrier refused to allow us access to the seized trailers nor to recover the client goods unless we paid them invoices amounting to over \$130,000, which had been the subject of dispute.
91. Carrier seizing these trailers impacted Tung's Air's business significantly, as clients stopped paying accounts and deductions had to be applied balances owed to Tung Air on accord of costs incurred by clients to recover their goods which were in the seized trailers.
92. Our lawyer, Ray Thapar ("**Mr. Thapar**"), sent an email to Carrier advising that they had no right to seize the trailers, and demanding that we be granted access to recover them from Carrier's parking lot. A copy of such correspondence is attached to this affidavit as **Exhibit "G."**
93. We were trying to work with RBC around the same time to avoid a receivership application and to proceed with a Monitor pursuant to the Engagement Letter. However, RBC advised on February 3, 2025 that they would not honour our agreement, and instead were proceeding with preparing materials to appoint a receiver.

b. RBC's steps to appoint a Receiver

94. By letter dated December 19, 2024 (the "**Default Letter**"), RBC advised of alleged defaults of the Credit Parties, and requested the appointment of Spergel as a monitor on behalf of RBC (the "**Monitor**"). Enclosed with this letter was a proposed engagement letter to be executed by the Respondents (the "**Engagement Letter**"). The letter asked that the Respondents execute the Engagement letter "immediately", but no specific date was provided as a deadline for execution of the Engagement Letter. A copy of the letter dated December 19, 2024, is attached to this affidavit as **Exhibit "H."**

95. Contrary to RBC's assertions made at paragraph 29 of the Kovesdi Affidavit, RBC did not establish December 27, 2024 nor January 9, 2025 as any firm deadline by which the Respondents had to execute the Engagement Letter.
96. I also note that I did not fully understand what RBC meant by enforcement proceedings. As such, I had to obtain some legal advice regarding the requests they were making.
97. I do recall having a call with Sylvia Kovesdi at some point after receiving the Engagement Letter during which she said that we could get back to her by December 27, 2024. However, this was not expressed as a deadline, nor did we consider that the offer to execute the Engagement Letter in exchange for RBC forbearing from bringing enforcement proceedings would no longer be open.
98. Following the holidays, I was referred to Howard Manis of Manis Law ("**Mr. Manis**"), and began discussions on or around January 13, 2025 to retain him for assistance with what RBC sought in the Engagement Letter. However, after retaining Mr. Manis, for reasons unrelated to this dispute, we could no longer proceed with him. However, I note that Mr. Manis never explained what the issues described in the Engagement Letter meant, including what the Monitor would do, what RBC's enforcement options were, and the consequences of the aforementioned.
99. I was then referred to Mr. Thapar, who I engaged as the Respondents' lawyer to correspond with RBC's lawyer, Steven Graff ("**Mr. Graff**") of Aird Berlis ("**RBC's Counsel**"), in late-January 2025.
100. Mr. Thapar corresponded with Mr. Graff during the last week of January 2025 and on January 31, 2025, reached an agreement with him for the appointment of the Monitor, on the basis that RBC would forbear from bringing a receivership application at that time. A copy of Mr. Thapar's correspondence to RBC's Counsel dated January 31, 2025 enclosing the executed agreement to appoint a Monitor is attached to this affidavit as **Exhibit "I."**

101. It is of note that the parties were specifically in agreement that RBC's offer for the appointment of the Monitor was an alternative to RBC taking steps for the appointment of a Receiver. As such, when I executed the Engagement Letter on or around January 31, 2025, I believed we had a formal agreement and RBC would not bring an application for receivership.
102. By the afternoon of February 3, 2025, we had not heard from RBC's Counsel as to when the Monitor would be commencing their engagement and so Mr. Thapar followed-up with RBC's Counsel to inquire about the commencement of the Monitor's process.
103. It was only in response to this follow-up email that RBC's Counsel informed us that they were no longer agreeable to proceeding with the Monitor and were instead pursuing the appointment of a Receiver. A copy of the aforementioned email exchange between Mr. Thapar and RBC's Counsel on February 3, 2025 is attached to this affidavit as **Exhibit "J."**.
104. I note that the delay in getting the Engagement Letter executed and returned to RBC was because I was trying to retain a lawyer who would explain the Engagement Letter to me, the enforcement proceedings RBC was threatening, and to understand my options in order to make an informed decision.
105. While we did not agree that this approach was fair or legal given what we felt was an enforceable agreement, RBC's decision bring a receivership application meant that I had to halt most of my day-to-day functions with the company and focus my efforts on finding alternative financing. This is what 90% of my time has been spent upon over the past 8 weeks.
106. The amount of time spent on refinancing efforts has had a deleterious effect on operations which has significantly impacted our accounts receivable.
107. However, notwithstanding these obstacles, I truly believe that we would be able to move forward if we are able to secure replacement financing. To that

extent, I have been working with an experienced commercial mortgage broker who has submitted our application to various lenders, and is optimistic about our ability to secure replacement financing. This would allow for us to pay out RBC entirely, as well as any other amounts owing by the Respondents to third parties. He has advised me that his optimism is derived from the fact that the Kamato Property and Manning Property hold significant value and equity in excess of our indebtedness.

108. We would also be willing to sell another property that was purchased in 2023 and owned by a related entity, 1000380926 Ontario Inc. We have approximately \$7 million of equity available in the Milton Property, which upon a sale, we could inject into the Credit Parties' businesses to pay-off our arrears under the Credit Agreements with RBC and/or bring any other matters in good standing. The subject property is located at 2518 Lower Base Line West, Town of Milton, Regional Municipality of Halton, and was appraised in 2023 as having a market value of \$16,660,000 (the "**Milton Property**"). Attached to this affidavit as **Exhibit "K."** is a copy of the appraisal prepared by Simon and Associates Ltd., dated April 14, 2023.
109. However, the goal remains to obtain replacement financing to pay out RBC.
110. Alternatively, RBC could bring a Power of Sale proceeding on the Kamato Property, which, together with the appointment of a Monitor would provide them with sufficient certainty to protect their loan.

c. Efforts to Improve the Companies

111. Although my father has built and developed the Respondent companies to what it has been throughout my life, the operations were sometimes driven by custom and familiarity across systems, unqualified people being hired to perform essential duties – and frankly – an old world way of looking at things.

112. For instance, my father (and those involved in the trucking business) are used to discussing matters in person, coming to oral agreements, and otherwise relying on good faith and trust.
113. However, I have only been managing our operations since 2023, but have helped grow the company and am committed to improving its operations, growth, and profitability.
114. That being said, this last year has made me recognize that our systems and day-to-day operations require greater expertise and professional assistance in the areas we are not as proficient in, which will allow us to focus on the practical aspects of the business more.
115. Neither my father nor I have any financial education; and, our business has flourished thus far without having an in house lawyer or financial expert. Moreover, our previous accountants have served us poorly, and have shown themselves at times to be insufficiently qualified for the demands of our businesses in today's era.
116. On such basis, I have been making efforts to retain appropriate individuals for the following, which will drastically improve our financial and operational systems:
- a) Fractional CFO/Financial Controller services through a company called Big 5 Advisory ("**Big 5 Advisory**"); and
 - b) Accounting services through Big 5 Advisory. (collectively, the "**CFO Services**").
117. The purpose of obtaining CFO Services is to address the issues we have discovered over this past year, including with tax filings, payroll deductions, cash-flow projections and planning, and other financial services that will make our financial operations far more efficient, predictable, and profitable.

118. I attach a copy of the retainer agreements for the CFO Services with Big 5 Advisory to this affidavit as **Exhibit "L."**.
119. Ultimately, my goal is to improve the Respondents' operations, make them more profitable, and take the steps to ensure our family company remains a strong one going forward, if not better.
120. Although RBC does not want to continue the lending relationship, we are optimistic about securing replacement financing to pay out RBC for the Indebtedness and any other outstanding issues to save our companies.
121. If RBC's receivership application is granted, it will only serve to destroy the longstanding reputation of our family companies and the relationships we have worked so hard to develop over more than 20 years. Employees who have relied on us will suffer, as will their families as most are the only income-earners for their families.
122. As set out above, the Indebtedness is secured by the Mortgages which far exceed the amounts owing, and so RBC's Security is not in jeopardy, nor likely to be any time soon.
123. Further, a receiver will only dwindle the remainder of our family's assets through Spergel's fees, their counsel's fees, and the fees of RBC's counsel and ours – unnecessarily so.
124. As a personal matter, Tung Air, bears ours family name and represents the hard work and dedication of the Tung family that came from India as immigrants with nothing in their pockets, and were able to accomplish their dreams of succeeding in Canada.
125. I have been working under my father since I was 16 years old, and it has been my dream to continue on my father's work as the second-generation.

126. I was only granted the opportunity to take over the businesses relatively recently, but am doing and willing to do whatever is necessary to save the companies, and take them back into a state of prosperity.

E. Responses to the Specific Allegations of Default

a. Allegations as to Transaction Volumes

127. RBC has asserted at paragraph 32 and 44 of the Kovesdi Affidavit, and I am advised by my counsel that RBC's counsel has made submissions emphasizing RBC's belief that the Respondents' "transaction volumes have sharply dropped"; that the Respondents have opened additional accounts at other financial institutions; and, that the Respondents have diverted their business and transactions to such accounts, inferring some malevolent purpose.
128. However, the activity in the Credit Parties' accounts have remained relatively consistent, and have not sharply dropped as alleged by RBC.
129. Attached to this affidavit are the following bank statements for the Credit Parties' bank accounts, all of which have already been provided to Spergel (collectively, the "**Bank Statements**"):
- a) Tung Air accounts:
- Monthly statements from February 2024 to present for the RBC CAD\$ current account (03252-101-042) ("**Account 042**"), attached to this affidavit as **Exhibit "M."**;
 - Monthly statements from February 2024 to present for the RBC CAD\$ current account (03252-101-1922 CAD) ("**Account 1922**"), attached to this affidavit as **Exhibit "N."**;
 - Monthly statements from February 2024 to present for the RBC USD\$ current account (03252-400-9197) ("**Account 9197**"), attached to this affidavit as **Exhibit "O."**;

- Monthly statements from October 2024 to present for the RBC CAD\$ payroll account (03252-101-156-5) ("**Account 156-5**"), attached to this affidavit as **Exhibit "P."**;
- Monthly statements from October 2024 to present for the RBC CAD\$ deposit account (03252-101-510-1) ("**Account 510-1**"), attached to this affidavit as **Exhibit "Q."**; and
- Monthly statements from October 2024 to present for the RBC USD\$ deposit account (03252-400-471-9) ("**Account 471-9**"), attached to this affidavit as **Exhibit "R."**. (collectively, the "**Tung Air Accounts**").

b) 252 accounts:

- Monthly statements from February 2024 to present for the RBC CAD\$ current account (03252-104-354-6) ("**252 Account**"), attached to this affidavit as **Exhibit "S."**.

c) Lessard accounts:

- Monthly statements from February 2024 to present for the BMO CAD\$ current account (0446-1993-787) ("**BMO Account**"), attached to this affidavit as **Exhibit "T."**; and
- Monthly statements from February 2024 to present for the RBC current account (03326-100-029-8) ("**Account 029-8**"), attached to this affidavit as **Exhibit "U."**.

130. At all material times, the BMO Account was and continues to be the operating account Lessard has always used, which was always known and consented to by RBC.

131. My counsel has prepared excel spreadsheets aggregating and analyzing the activity across the Tung Air Accounts, 252 Account, and Lessard Accounts,

from February 2024 to present, which is attached to this affidavit to assist the Court as **Exhibit "V."** ("**Aggregate Analysis**").

132. As is apparent from the Aggregate Analysis of the activity contained within the Bank Statements, it becomes apparent that the bank transactions:
- a) has remained relatively consistent for all of Tung Air's accounts, except for in February 2025, when the Respondents began focusing on defending against this Application, as described above;
 - b) has remained relatively consistent for the 252 Account, which in any event was only being used for payment towards the Kamato Mortgage as 252 does not have any day-to-day operations; and
 - c) has remained relatively consistent for the BMO Account, which was the account used by Lessard for its operations throughout its relationship with RBC pursuant to the Lessard Credit Agreement, and so no changes have occurred. In any event, its transactions within that account (that RBC would not have been able to see) remained consistent.
133. While it appears that RBC may have been mistaken about a decline in transactions for the Tung Air Accounts on accord of the transaction volume declining in Account 042, Account 1922, and Account 9197 from or around October 2024 to present – the drop in transactions in these accounts is easily explained.
134. Importantly, Account 156-5, Account 510-1, and Account 471-9 (collectively, the "**New Accounts**") were opened around October 2024, upon request to Mr. Nair and with the consent of RBC for the purposes of payroll, CAD\$ deposits, and USD\$ deposits, respectively.
135. The New Accounts were specifically opened as an attempt to better control cash flow coming out of Account 042, Account 1922, and Account 9197, which

were being returned NSF and inhibiting Tung Air's ability to ensure that sufficient cash for priority payables in the accounts were available.

136. Although RBC made submissions as to the transaction volumes as justification for the extraordinary relief they are seeking, and perhaps to alarm this Court and support its efforts to appoint a receiver over the Respondents on an exigent basis – the reality is, that such belief, was mistaken.
137. Moreover, it appears that RBC's focus on this mistaken belief may have been a significant reason for RBC choosing to bring its Application, rather than complying with its agreement to forbear from doing so while Spergel acted as Monitor pursuant to the Engagement Letter; or, otherwise negotiating a forbearance agreement as it usually does in such circumstances.

b. Allegations as to Fixed Charge Coverage

138. We do not believe our Fixed Charge Coverage is less than 1.10:1 for fiscal year 2023; however, we have retained the New Accountants to assist us in our calculations.

c. Allegations as to Failures to Pay Amounts When Due

i. Tung Air

139. Although RBC alleges that Account 042 is in daily unauthorized excess, and is a negative balance of \$41,821.11 as of December 19, 2024 – we note that this is no longer the case.
140. A copy of a printout of Account 042 as of March 18, 2025, is attached to this affidavit as **Exhibit "W."**.
141. Although RBC alleges that Account 156-5 is in daily unauthorized excess, and is a negative balance of \$30,603.76 as of December 19, 2024 – we note that this is no longer the case.
142. A copy of a printout of Account 156-5 as of March 19, 2025, is attached to this affidavit as **Exhibit "X."**.

ii. 252

143. While the Respondents agree that the 252 Account has been overdrawn and is in a negative balance as at December 19, 2024, we note that this is the account from which Kamato Mortgage payments are withdrawn.
144. As previously addressed, the issues arising from the reliance on Mr. Nair and Mr. Khaliq's representations, which have been to the Respondents' detriment, has caused and contributed to the Respondents being in the negative.
145. Furthermore, the allegations made at paragraph 26 (b)(ii) of the Kovesdi Affidavit with respect to the Kamato Mortgage being delinquent for over 120 days, are inaccurate.
146. As explained by Mr. Nair in his November 4, 2024 correspondence, which has already been referred to and attached to this affidavit as Exhibit "F", the payments which put the 252 Account into the negative balance brought the Kamato Mortgage up to date.
147. Accordingly, the defaults alleged by RBC with respect to 252's accounts are being double-counted.
148. Nevertheless, 252 intends to bring all accounts in good standing from the sale of the Milton Property and/or paying out RBC through replacement financing.

iii. Lessard

149. While the Respondents agree that the current account (03252-1000298) has been overdrawn and is in a negative balance as at December 19, 2024, we note that this is the account from which Lessard credit facilities (including the Lessard-Manning Mortgage) under the Lessard Credit Agreement are withdrawn.
150. Accordingly, the defaults alleged by RBC with respect to Lessard's accounts are being double-counted.

151. Nevertheless, Lessard intends to bring all Lessard accounts in good standing from the sale of Milton Property and/or paying out RBC through replacement financing.

d. Allegations with respect to the Respondents failures to advise RBC of material events and/or breaches

152. The Respondents note, that aside from the issues described above (which the Respondents do not believe constituted material adverse changes in the financial conditions and/or breaches of any covenant or term of the Respondents), the Respondents have not suffered any such changes until February of 2025, which resulted from RBC choosing to proceed with bringing this Application.

153. Accordingly, the Respondents believe that any such material changes and/or breaches that are found to have occurred, which is not admitted but expressly denied, were caused and/or contributed to by RBC's premature and zealous actions in bringing this Application.

154. I believe that had RBC honoured the agreement we had to proceed with the Engagement Letter and forbear from bringing the Application, they would have discovered that their concerns with the transaction volumes of the Tung Air Accounts were unfounded, as is exhibited by the Aggregate Analysis.

155. Furthermore, since providing the Bank Statements to Spergel on their own accord and in an attempt to cooperate with RBC, I am advised by my counsel that Spergel appears to have discovered and concluded no issues with the transaction volumes.

e. Allegations with respect to keeping the Respondents' assets insured

156. Tung Air has maintained and has insurance coverage over its assets. Attached to this affidavit as **Exhibit "Y."** is a copy of Tung Air's Certificate of Liability Insurance.

157. 252 has maintained and has insurance coverage over its assets, which is limited to the Kamato Property. Attached to this affidavit as **Exhibit "Z."** is a copy of 252's insurance policy.

158. Contrary to RBC's allegations, Lessard has maintained and has insurance coverage over its assets. Attached to this affidavit as **Exhibit "AA."** are copies of Lessard's insurance policies.

f. Allegations with respect to the Respondents' failures to deliver necessary financial reporting packages

159. As explained above, the Respondents are in the process of getting the necessary financial reporting documents for each of the Respondents prepared by their New Accountants, with the potential assistance of the CFO Services if required.

160. As soon as the financial reporting documents are completed, which are being prepared on an urgent basis, the Respondents will provide them to RBC and/or Spergel.

161. Moreover, several of the financial documents and records requested in the Engagement Letter, and reiterated in a further information request letter from Spergel dated March 13, 2025, have already been provided to RBC through Spergel. A copy of Spergel's information request letter dated March 13, 2025 is attached to this affidavit as **Exhibit "BB."**

162. I am advised by my counsel that the Respondents have already provided a majority of the documentation requested by Spergel, which should provide RBC with the insight and information regarding the Credit Parties' businesses it seeks.

g. Other Allegations of Default

163. Tung Air and 252 acknowledges that it has taxes in arrears. However, they intend to make such payments from the sale of the Milton Property and/or from funds acquired through replacement financing.

164. Finally, Lessard acknowledges that it encumbered the Manning Property through a second-mortgage obtained through a private lender. However, Lessard only did so in an attempt to secure funds for a necessary cash-injection into the Credit Parties' accounts, in a last-ditch effort to avoid this Application.
165. However, such efforts were only done to avoid this Application. Lessard nor the other Respondents have any intention and can affirm that no further encumbrances will be made on the Real Properties until it pays out RBC for the Indebtedness with replacement financing and/or brings its accounts into good standing.


Sworn remotely by Eknoor Singh Tung,)
stated as being located in the City of)
Brampton, in the Province of Ontario,)
before me at the City of Toronto, in the)
Province of Ontario, on March 26th, 2025, in)
accordance with O. Reg 431/20,)
Administering Oath or Declaration)
Remotely.)
)

Signed by:

4888AC612BBF4D3...

KISHAN LAKHANI LSO#78038S

Commissioner for Taking Affidavits

Signed by:

435C1F166EAB4C0... 3/26/2025

EKNOOR SINGH TUNG

ROYAL BANK OF CANADA
Applicant

TUNG AIR TRANSPORT LTD. et al.
Respondents
Court File No.: CV-25-00738060-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
Proceeding commenced at TORONTO

AFFIDAVIT OF EKNOOR SINGH TUNG
(Affirmed March 26, 2025)

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Lawyers for the Respondents

**THIS IS EXHIBIT "A" REFERRED TO IN THE AFFIDAVIT OF EKNOOR
SINGH TUNG SWORN BEFORE ME ON MARCH 26, 2025**



A Commissioner for taking affidavits



Narrative Appraisal

Single-Tenant Industrial

1244 Kamato Road

Mississauga, Ontario

Effective Date: May 23, 2024

Report Date: June 14, 2024

Prepared For

Eknoor Tung
Vice-President of Operations
Tung Air Transport Ltd.

Prepared By

Scot Morris B.Comm, AACI, P.App
Senior Director, Toronto West
Valuation & Advisory Services

Our File: TOW240192-001

June 14, 2024

Tung Air Transport Ltd.
1244 Kamato Road,
Mississauga, ON L4W 1Y1

Attention: Eknoor Tung
Vice-President of Operations

Dear Mr. Tung;

Re: Appraisal of Single-Tenant Industrial
1244 Kamato Road, Mississauga, Ontario

In accordance with your request, we have carried out an analysis of the above-mentioned property in order to estimate its current market value as is. Based on our investigations, it is our opinion that the current market value as is of the fee simple interest in the Subject Property, as of May 23, 2024, is estimated to be as follows:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Current Market Value As-Is	Fee Simple	May 23, 2024	\$ [REDACTED]

The above value estimate is based on an exposure period of six months or less, assuming the basis of a transaction involving cash to the vendor and is in conjunction with the Assumptions and Limiting Conditions stated within this appraisal. Of particular note are the Extraordinary Limiting Conditions, Extraordinary Assumptions (Hypothetical Conditions) and Extraordinary Assumptions outlined within the Terms of Reference section, beginning on Page 12 herein.

This report describes the methods and approaches to value in support of the above conclusion, and contains the pertinent data gathered in our investigation of the market.

Should you have any questions, we would be pleased to discuss the valuation further.

Yours very truly,

COLLIERS INTERNATIONAL REALTY ADVISORS INC.

Scot Morris B. Comm, AACI, P. App
Senior Director, Toronto West

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Executive Summary



Single-Tenant Industrial
1244 Kamato Road
Mississauga, Ontario

Final Value Estimate
\$19,750,000

PROPERTY INFORMATION			
Property Type	Industrial / Office Warehouse	Size (SF)	25,000
Year Built	1975	Occupied (100.0%)	25,000
Quality / Condition	Average/Good / Good	District	Northeast
Site Area (acres)	2.66	Clear Height	16 Feet
Density	0.22	Cranes	No
Excess Density	No	Loading (Dock / Grade / Rail)	4 / 4 / No
Land Use/Zoning	E2 (Employment)		

VALUE CONCLUSION		VALUATION SUMMARY	
Final Value Estimate	\$ [REDACTED]	Direct Comparison Approach	\$ [REDACTED]
Effective Date	May 23, 2024	Income Approach	
Value per SF	\$ [REDACTED]	Direct Income Capitalization	\$ [REDACTED]
Going-In Capitalization Rate	[REDACTED] %		

DIRECT INCOME CAPITALIZATION		DIRECT COMPARISON APPROACH	
Market Rent	\$ [REDACTED] per SF	Concluded Unit Value/SF	\$ [REDACTED]
Stabilized Net Operating Income	\$ [REDACTED]	Initial Value	\$ [REDACTED]
Vacancy Allowance	0.00%	Adjustments	\$0
Structural / Contingency	1.00%	Adjusted Value	\$ [REDACTED]
Overall Capitalization Rate	5.00%	Value per SF	\$ [REDACTED]
Initial Value	\$ [REDACTED]		
Adjustments	\$0		
Adjusted Value	\$ [REDACTED]		
Value per SF	\$ [REDACTED]		

The Subject Property is a 25,000 SF industrial building located on a 2.66 acre site at 1244 Kamato Road, Mississauga, Ontario. The building represents average/good quality construction and was in good condition as of the effective date of the report.

The above value estimate is in conjunction with the Assumptions and Limiting Conditions stated within this appraisal. Of particular note are the Extraordinary Limiting Conditions, Extraordinary Assumptions

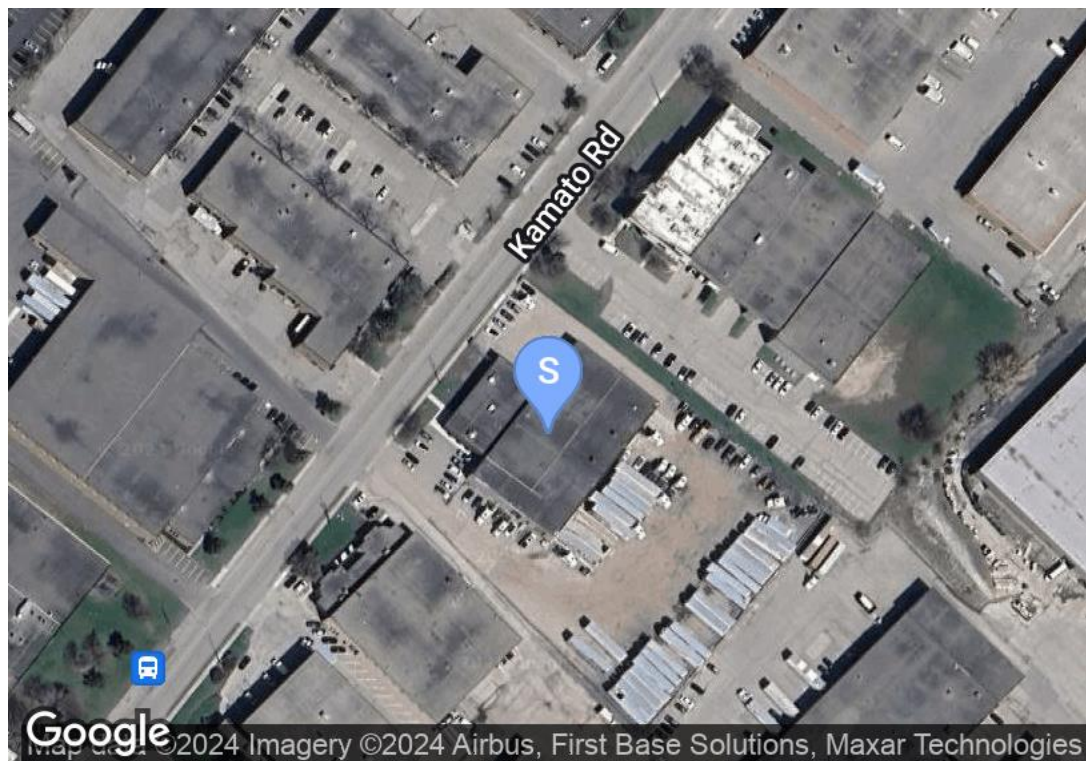
(Hypothetical Conditions) and Extraordinary Assumptions outlined within the Terms of Reference section, beginning on Page 12 herein.

STRENGTHS	WEAKNESSES
Strong location with convenient regional access Low site coverage Fenced and gated yard	Older improvements Lower clear height
OPPORTUNITIES	THREATS
Competitive industrial real estate markets due to various factors such as rapid acceleration of e-commerce, on-shoring, and low supply Stable sale prices and rental rates	Disruption from global supply chain issues High borrowing cost

General Location Map



Aerial Photograph



Photographs of Subject Property



KAMATO ROAD LOOKING SOUTH-WESTERLY



KAMATO ROAD LOOKING NORTH-EASTERLY



NORTH-WEST ELEVATION



SOUTH-WEST ELEVATION



SOUTH-EAST ELEVATION



NORTH-EAST ELEVATION

Photographs of Subject Property (continued)



SITE ENTRANCE



GATED ENTRY TO REAR YARD



YARD ALONG SOUTH-WEST ELEVATION



REAR YARD 1



REAR YARD 2



REAR YARD 3

Photographs of Subject Property (continued)



REAR YARD 4



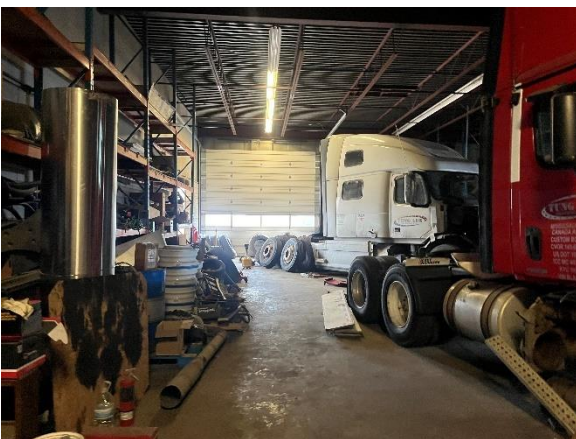
REAR YARD 5



SHOP AREA - ROOF



SHOP AREA - PIT



SHOP AREA 1



SHOP AREA 2

Photographs of Subject Property (continued)



SHOP AREA 3



SHOP AREA 4



SHOP AREA 5



SHOP AREA 6



SHOP AREA - WASHROOM



SHOP AREA 7

Photographs of Subject Property (continued)



SHOP AREA – HEATER



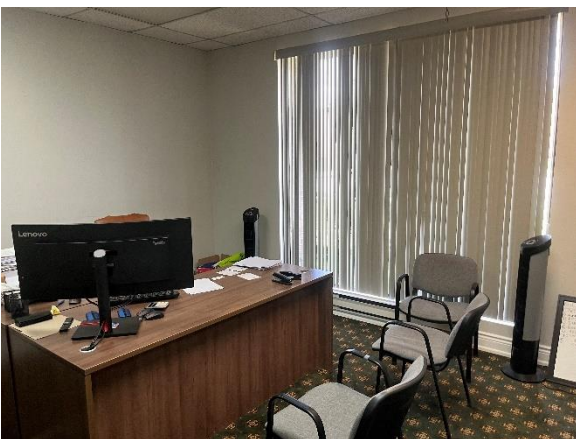
TYPICAL WASHROOM



TYPICAL OFFICE



BOARDROOM



PRIVATE OFFICE



EMPLOYEE FACILITIES

Terms of Reference

Authorized Client and User

Tung Air Transport Ltd. is the Authorized Client of this appraisal, and Tung Air Transport Ltd. is the Authorized User.

Purpose and Authorized Use of Report

The purpose of this valuation is to estimate the current market value as is of the Subject Property described.

This appraisal is provided on a confidential basis and for the sole and exclusive use by Tung Air Transport Ltd. and any other Authorized User specifically identified for first mortgage financing only, and any third party use of or reliance on this Appraisal Report or any materials prepared by Colliers International Realty Advisors Inc. (Colliers), is strictly prohibited, except to the extent that Colliers has provided prior permission in writing, such permission to be provided or withheld in Colliers' sole and exclusive discretion. In the event that Colliers has not provided said permission Tung Air Transport Ltd. shall ensure and be responsible for notifying the third party in writing that it should not rely on the Appraisal Report and any use by such third party of the Appraisal Report, or any materials prepared by Colliers shall be at its own risk and that Colliers makes no representations or warranties of any kind. Notwithstanding anything to the contrary, Colliers shall not owe any duty to any third party with respect to the Appraisal Report.

The appraisal report must be used in its entirety and any reliance on any portion of the appraisal report independent of others may lead to erroneous conclusions.

Indemnification and Limitation of Liability

Tung Air Transport Ltd. shall indemnify, defend and hold Colliers fully harmless from and against any and all claims, liabilities, damages, costs and expenses (including court costs and reasonable legal fees) resulting from or arising out of the Authorized Client's breach of the professional service agreement relating to the Appraisal Report, wrongful acts or omissions (including any failure to perform any duty imposed by law), misrepresentation, distortion or failure to provide complete and accurate information, or any unauthorized use or reliance by third parties on the Appraisal Report or any materials prepared by Colliers. Except for Tung Air Transport Ltd.'s indemnification obligations, neither party shall be liable to the other party for any special, consequential, punitive or incidental damages of any kind whatsoever. Moreover, to the maximum extent permitted by law, Colliers' total liability for any losses, claims or damages arising out of or connecting or relating to this agreement (under any applicable theory of law) shall be limited in the aggregate to the total sum of fees and costs received by Colliers from Tung Air Transport Ltd. for the applicable Subject report(s).

Property Rights

The property rights appraised are those of the Fee Simple Interest. The Fee Simple Interest refers to absolute ownership unencumbered by any other interest or estate, Subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power and escheat.

Effective Date

The effective date of this valuation is May 23, 2024.

This Appraisal Report is prepared in the context of the market conditions and other factors (including assumptions and/or materials provided by parties and sources outside of the control of Colliers Realty

Advisors Inc.) prevailing as of the effective date. Real estate markets and assets are Subject to significant volatility and change; and can be affected by numerous economic and political conditions as well as other conditions. The value contained (if any) in this Appraisal Report is made as of the effective date only and should not be relied on as of any other date without receiving prior written authorization from Colliers.

Property Inspection

The following table illustrates the Colliers professionals involved with this appraisal report, and their status with respect to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Scot Morris B.Comm, AACI, P.App	Yes	Interior/Exterior	May 23, 2024
Serguei Kaminski, AIC Candidate	No		

Market Value Definition

For the purposes of this valuation, market value is defined as:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and the seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

(The Appraisal of Real Estate, Fourth Canadian Edition, ed. Dybvig, (University of British Columbia, Real Estate Division, 2023), p. 6.1-.4)

Exposure Time

An estimate of market value is related to the concept of reasonable exposure time. Exposure time is defined as:

"The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the Effective Date of the appraisal. Exposure time is backward-looking."

(The Appraisal Institute of Canada "Canadian Uniform Standards of Professional Appraisal Practice". 2024 ed., p. 6)

Exposure Time is a retrospective function of asking price, property type, and past market conditions and encompasses not only adequate, sufficient, and reasonable time, but also adequate, sufficient and reasonable marketing effort. Exposure time is a necessary element of a market value definition but is not a prediction of a specific date of sale.

In practice, the exposure time assumes the following:

- The property was extensively marketed. Potential purchasers could inspect the property at will.
- The owner provided interested agents with any and all relevant property information.
- Negotiations of any offers to purchase were performed in a timely manner.
- The property was maintained at a physical status equivalent to its present condition.
- Market level financing was readily available.
- The seller was not under duress.

Ongoing discussions with agents familiar with the market have indicated that properties like the Subject Property typically require a marketing period of six months or less depending on a variety of factors including

its location, vacancy levels, tenant quality, size, market conditions, and motivation of the vendor/purchaser. In consideration of these factors, it is concluded that for the Subject Property to sell at the market value estimated as of the effective date of this report, an exposure period of approximately six months or less would be required.

Scope of the Valuation

This report has been written in a Narrative format and complies with the reporting requirements set forth under the Canadian Uniform Standards of Professional Appraisal Practice. As such, all relevant material is provided in this report including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses are retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the Authorized Client and for the authorized use stated.

During the course of preparing this valuation, the following was completed:

- Property inspection details are indicated previously within the Terms of Reference section of this report.
- No lease review or audit was conducted. This valuation has been prepared on the basis of summary financial and operating data provided directly to us by the Authorized Client or their designated agents, in either hard copy or electronic form or both. It is assumed that this information, and specifically that relating to the financial performance of the Subject Property described, is accurate. This assumption is critical to the value estimate contained and the authors of this report, and Colliers reserve the right to amend our estimate(s) in whole or in part should the foregoing not be the case.
- A review has been completed of available data regarding the local market.
- Verification of current land use and zoning regulations has been undertaken. Municipal and neighbourhood information, including tax information, were sourced as noted below and verified where appropriate and possible. Site area and dimensions are from information obtained from the GeoWarehouse. Should further confirmation of site size and dimensions be required, a legal survey should be commissioned.
- A review of sales and listing data on comparable properties has been undertaken. Comparable market information was obtained from our information database and local real estate professionals knowledgeable in the Mississauga real estate market. It was confirmed, when appropriate, with public information at the GeoWarehouse (Ontario Land Registry) or the parties involved when there was reason to doubt its accuracy.
- Discussions have been held with market participants where applicable.

SOURCES OF INFORMATION	
ITEM	SOURCE
Assessment / Tax Information	MPAC and the City of Mississauga Tax Rates
Zoning Information	City of Mississauga
Official Plan Information	City of Mississauga
Site Size Information	GeoWarehouse
Building Size Information	Altus Data Studio
Comparable Information	Altus Data Studio / Real Track / MLS / GeoWarehouse / Colliers Internal Database
Legal Description	GeoWarehouse
Other Property Data	Inspection / MPAC / Real Track

Colliers cannot be held liable for any errors in the information that was provided by third parties or by Eknoor Tung of Tung Air Transport Ltd.. The Appraisal Report must be used in its entirety and any reliance on any portion of the appraisal report independent of others may lead to erroneous conclusions.

Ordinary Assumptions and Limiting Conditions

This report is Subject to the Ordinary Assumptions and Limiting Conditions set forth within the Appendix to this appraisal in addition to any specific assumptions that may be stated in the body of the report. These conditions are critical to the value stated and should be thoroughly read and understood before any reliance on this report should be considered.

Extraordinary Limiting Conditions

An Extraordinary Limiting Condition refers to a necessary modification to, or exclusion of, a Standard Rule which may diminish the reliability of the report.

The following Extraordinary Limiting Conditions have been invoked within this report:

The Cost Approach has been excluded in this valuation, due to a lack of available data upon which to rely in reaching value conclusions.

No title search has been completed for this appraisal.

Extraordinary Assumptions

An Extraordinary Assumption is an assumption, directly related to a specific assignment, which, if were not assumed to be true, could materially alter the opinions or conclusions. Extraordinary Assumptions presume uncertain information about or anticipated changes in the physical, legal or economic characteristics of the Subject Property; or about: conditions external to the Subject Property such as market conditions or trends, or the integrity of data used in an analysis to be fact.

The following Extraordinary Assumptions have been invoked within this report:

We have relied on information provided to us by the Authorized client or their designated agents with respect to the status of the tenancy and their contractual rights and obligations, and financial data relating to the income and expenses associated with the Subject Property's operations, as well as the physical attributes of the Subject Property and environmental condition of the site, including any required capital expenditures. The assumptions stated are critical to the value estimate contained and the authors of this report and Colliers reserve the right to amend our estimates should any of these assumptions be altered in whole or in part.

We have not undertaken a detailed soil analysis, and as we are not qualified to comment on soil conditions, we have assumed that there are no contaminants affecting the site. However, a full environmental assessment would be required for certainty and any cost of remedy could potentially impact the reported value conclusion. The sub-soil is assumed to be similar to other lands in the area and suitable in drainage qualities and load bearing capacity to support the existing development.

With the exception of the foregoing, there have been no other Extraordinary Assumptions employed in the preparation of this appraisal or report.

Hypothetical Conditions

Hypothetical Conditions are a specific type of an Extraordinary Assumption that presumes, as fact, simulated but untrue information about physical, legal or economic characteristics of the Subject Property or external conditions, and are imposed for purposes of reasonable analysis.

The following Hypothetical Conditions (and corresponding Extraordinary Assumptions) have been invoked within this report:

As of the effective date, the Subject improvements are fully occupied by the registered owner. For the purpose of the income approach, however, it is assumed that the improvements are fully occupied by an arms' length tenant at market rent, as described herein.

Assemblage

When relevant to the assignment, CUSPAP requires that assemblage must be considered and analyzed as to the effect on value. In the instance of the Subject Property, assemblage is not considered to be a relevant factor, and therefore no analysis is deemed necessary.

Anticipated Public or Private Improvements

When relevant to the assignment, CUSPAP requires that anticipated public or private improvements must be considered and analyzed as to the effect on value. In the instance of the Subject Property, public or private improvements are not considered to be a relevant factor, and therefore no analysis is deemed necessary.

Personal Property

When relevant to the assignment, CUSPAP requires that personal property must be considered and analyzed as to the effect on value. In the instance of the Subject Property, personal property is not considered to be a relevant factor, and therefore no analysis is deemed necessary.

Property Data

Municipal Address

The Subject Property is municipally described as 1244 Kamato Road, Mississauga, Ontario.

Legal Description

The Subject Property's legal description is as follows:

P.I.N.	Legal Description
132940034	PT LT 3 CON 3 EHS TORONTO PTS 1 & 2 43R4417; S/T VS295517 MISSISSAUGA

Current Ownership

Available data indicates the following ownership information:

REGISTERED OWNER	SOURCE OF TITLE INFORMATION
2527366 ONTARIO INC.	GeoWarehouse (Ontario Land Registry)

Ownership History / Recent Activity

Ownership of the Subject Property last transferred on September 1, 2016. According to the information available, the current owner, 2527366 ONTARIO INC., acquired the Subject Property from THE L. S. STARRETT CO. OF CANADA LIMITED for the reported consideration of \$4,500,000. This transaction is understood to have occurred at arm's length. There have been no other transfers of the Subject Property within the past three years. The Subject is not currently listed for sale. As we understand it, the property has not been Subject to any agreement for sale, option or listing during the past twelve months.

Title Encumbrances

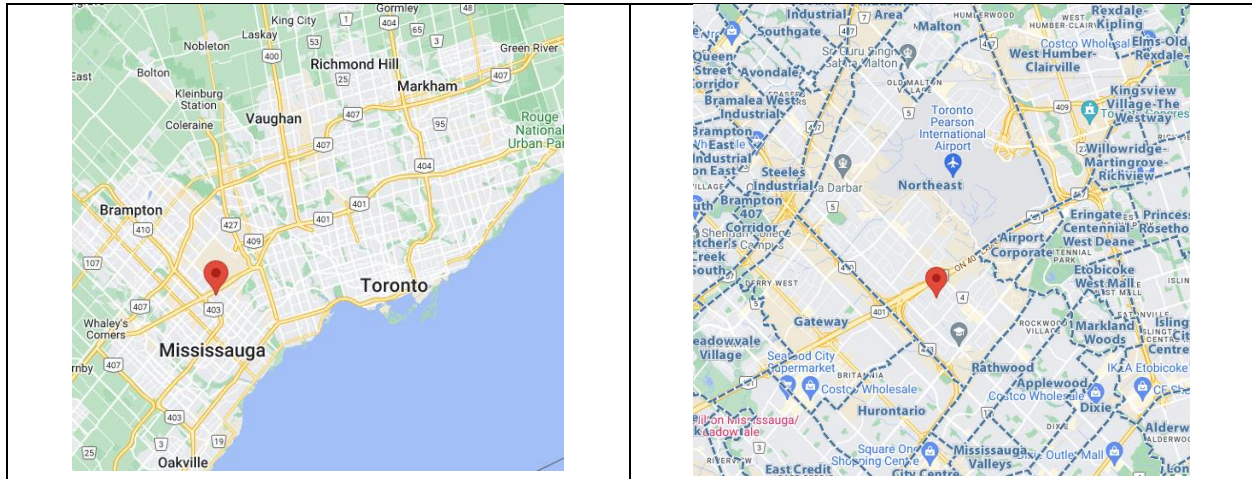
For the purposes of this analysis, the instruments registered against the title(s) to the Subject Property are assumed not to have a significant effect on the Subject Property's marketability or its market value. For greater certainty a legal opinion should be solicited for a full explanation of the effects of these encumbrances. The Subject Property has been valued as if free and clear of any financing. A copy of the Subject Property GeoWarehouse (Ontario Land Registry) Report has been included in the Appendix for further reference.

Realty Taxes / Assessment

The estimated realty tax and the current assessment information for the Subject Property is summarized as follows:

ASSESSMENT & TAXES				
ROLL NO	TOTAL 2024 ASSESSMENT	TOTAL ASSESSMENT PER SF	TOTAL ESTIMATED 2023 TAX LEVY	TOTAL TAX LEVY PER SF
2105050116220000000	\$3,759,000	\$150.36	\$77,308	\$3.09

Location Overview



The Subject property is situated in the predominantly commercial district of Northeast in the northeastern quadrant of the City of Mississauga, with convenient access to Highway 401, Highway 427, Highway 410, Highway 407 and Lester B. Pearson International Airport. The area's commercial properties consist of predominantly industrial spaces and the offices that serve them. The area is ideally placed for industrial properties because of its access to an extensive network of major highways, an international airport and a rail corridor. Overall, the area is very well connected to Downtown Toronto, the Greater Toronto Area, and Canada.

District Boundaries

- | | | |
|-------|---|--|
| North | • | Derry Road East and Airport Road |
| South | • | Highway 410, Eastgate Parkway and Highway 401 |
| East | • | Etobicoke Creek and Highway 427 |
| West | • | Highway 410 and the boarder of the industrial area roughly parallel to Highway 407 |

Adjacent Districts

- | | | |
|-------|---|--|
| North | • | Malton – Residential, Parkway Belt Industrial Area – Industrial, and Brampton 407 Corridor – Transit |
| South | • | Airport Corporate – Commercial, Rathwood – Residential, and Hurontario – Residential |
| East | • | West Humber-Clairville (City of Toronto) – Commercial |
| West | • | Gateway – Commercial and Brampton 407 Corridor – Transit |

Major Arterials & Access

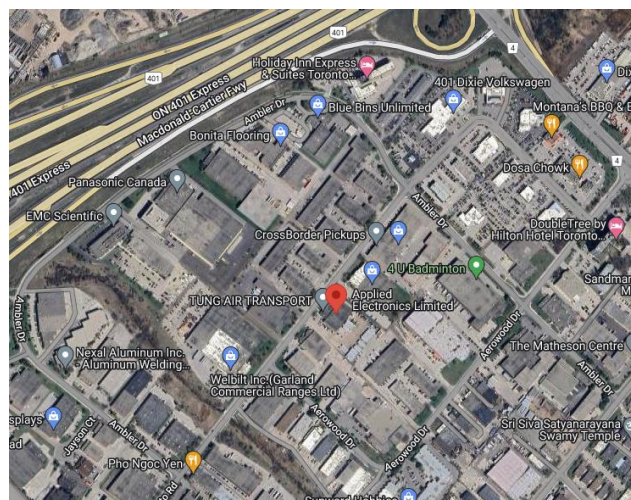
- | | | |
|----------|---|--|
| Access | • | Access to the neighborhood is considered to be excellent, with multiple arterial roadways, proximity to major highways and access to public transit. |
| Highways | • | The area is in close proximity to Highway 401, Highway 427, Highway 410, and Highway 407. Highway 401 provides east-west transit across the Greater Toronto Area. Highway 427 provides north-south transit from the Gardiner Expressway to the south to Highway 401 to the north. Highway 410 provides north-south transit from Highway 401 to the south to Hurontario Street to the north. Highway 407, a major toll highway, provides east-west transit across the Greater Toronto Area. |

- Arterials
- Major area arterials include Tomken Road, Dixie Road, Airport Road, Goreway Road, Bramalea Road, Torbram Road, Courtneypark Drive East, Eglinton Avenue East, and Derry Road East.
- Transit
- The area contains direct access to both the GO Transit Kitchener Line via the Malton GO Station and the UP Express via the Pearson UP Express Station. The GO Transit Kitchener Line provides service between the City of Kitchener and Downtown Toronto via Union Station. The UP Express provides service between Lester B. Pearson International Airport and Downtown Toronto via Union Station. The area is also served by bus routes along:
 - Goreway Drive (Route 107);
 - Derry Road East (Routes 42, 104 & BT115);
 - Airport Road (Routes 7, BT52BD & BT115);
 - Torbram Road (Route BT14);
 - Bramalea Road (Routes BT115 & BT15);
 - Dixie Road (Routes 5 & BT18);
 - Courtneypark Drive East (Routes 57 & BT18);
 - Tomken Road (Route 51);
 - Highway 401 (Route 108);
 - Eglinton Avenue East (Routes 35, 87 & 7); and,
 - Eastgate Parkway (Route 109).

Summary

The Subject property is located in the Region of Peel, the City of Mississauga, and the district of Northeast, approximately twenty-one kilometers west of the City of Toronto central business district. The Subject is exceptionally well situated for vehicular and transit access and is situated in close proximity to four major highways, a GO Transit Line, the UP Express, an international airport, and multiple bus routes.

The Subject's immediate area can be defined by Highway 401 to the north, Dixie Road to the east, Aerowood Drive to the south, and open space to the west. The area includes predominantly employment uses located in two and single storey, single- and multi-tenant industrial buildings of the age and construction quality similar to the Subject. The area is surrounded by similar employment uses on all sides. The area is not serviced by public transit.



Site Description



Site Description

The site comprises a total area of 2.66 acres (115,809 square feet). The site is generally rectangular in its configuration, as shown on the site plan above. Overall access to the property is considered to be average. The site enjoys average/good exposure characteristics. The site has been developed to a Site Coverage Ratio of 21.59%. The site has no excess density. The site is fully serviced. The site's topography is generally level and at street grade with adjacent roadways and properties.

Street Improvements / Frontage

Street improvements for the Subject Property are as outlined below:

Street Improvements	Frontage	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetslights	Center Lane	Gutters
Kamato Road	260 Feet	Two-Way	Two-Lane	Connector Street	✓	✓	✓	✓	✓

Soil Conditions

We have not undertaken a detailed soil analysis, and as we are not qualified to comment on soil conditions, we have assumed that there are no contaminants affecting the site. However, a full environmental assessment would be required for certainty, and any cost of remedy could potentially impact the value conclusions contained herein. The sub-soil is assumed to be similar to other lands in the area and suitable in drainage qualities and load bearing capacity to support the existing development.

Summary

The site provides average access and average/good exposure characteristics, and no adverse influences are visually apparent.

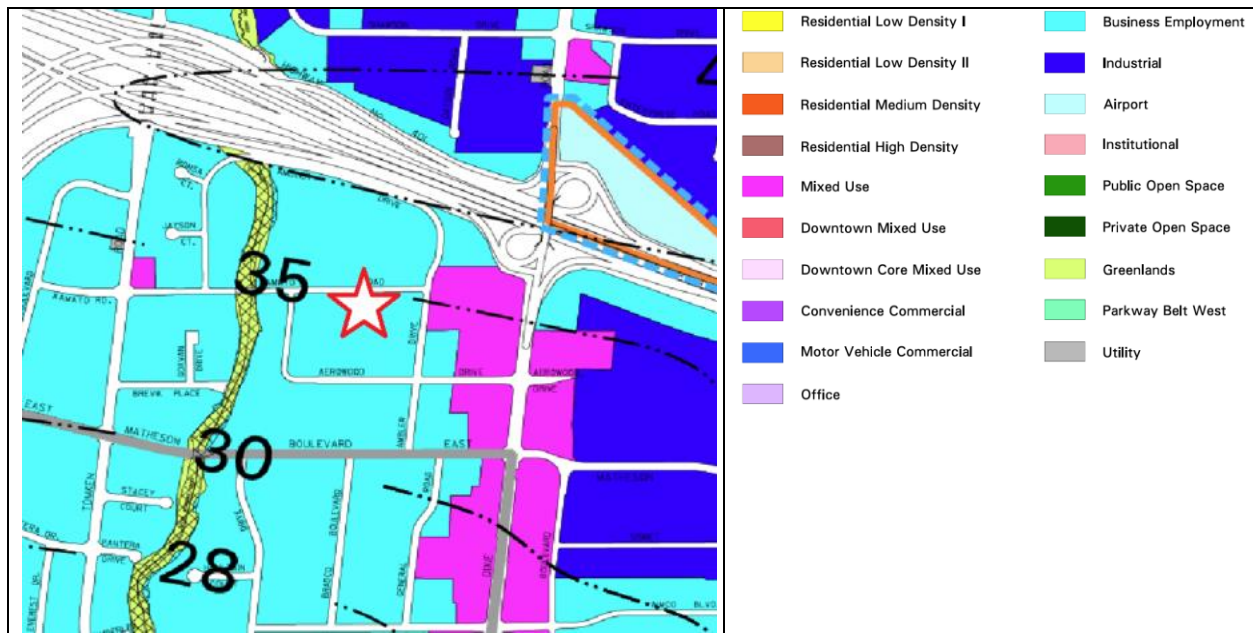
Land Use Controls

The City of Mississauga Official Plan

The Municipal Official Plan is a policy document that provides direction for planning and development activities. It is intended to co-ordinate the effects of change and future development in the best long-term interests of the Municipality and the Region. The intentions of the Official Plan are implemented through creation of Zoning By-laws and other local regulations. The City of Mississauga Official Plan designates the Subject property as:

- **Business Employment**

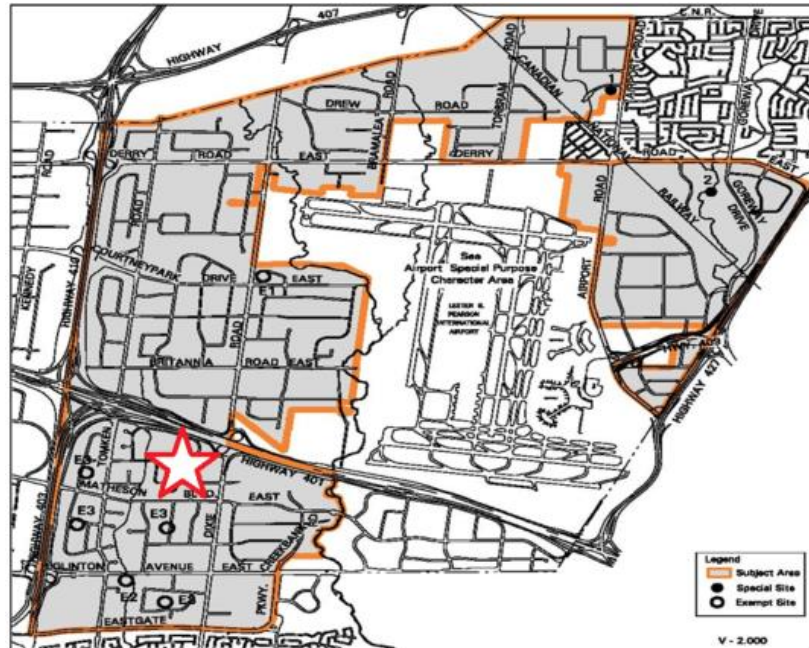
City of Mississauga Official Plan Land Use Map Excerpt



Source: City of Mississauga

The Business Employment Designation permits a wide range of uses including but not limited to adult entertainment establishment; financial institution; funeral establishment; manufacturing; Motor Vehicle Commercial; motor vehicle body repair facilities; motor vehicle rental; overnight accommodation; research and development; restaurant; secondary office; self storage facility; transportation facilities; trucking terminals; warehousing, distributing and wholesaling; waste processing stations or waste transfer stations and composting facilities; and accessory uses.

The Subject property is also located in within the Northeast Employment Area.



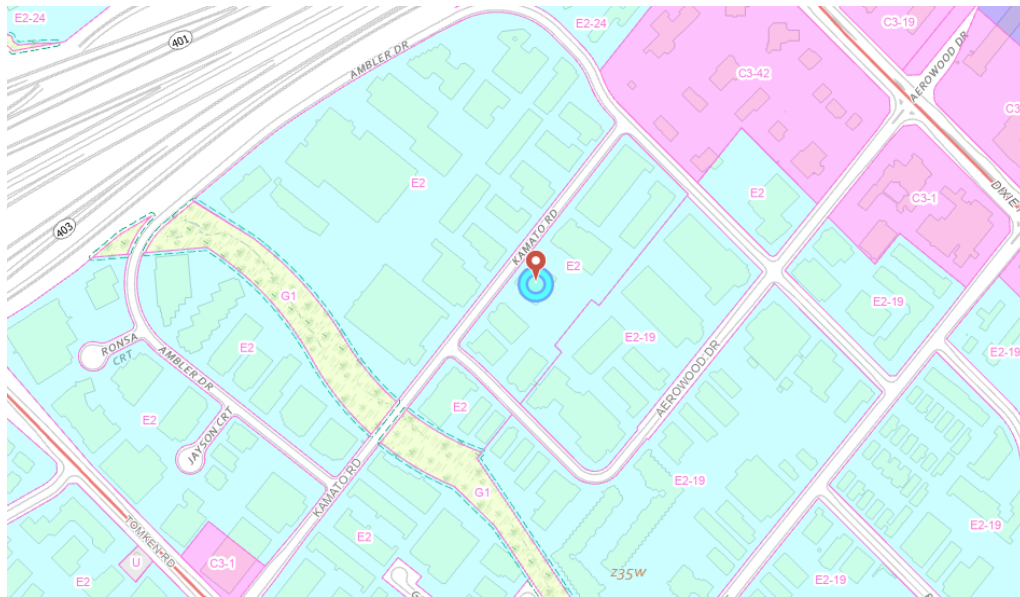
Within the Northeast Employment Area, notwithstanding the Mixed Use and Business Employment policies of this Plan, existing industrial operations which have extensive outdoor processing or storage areas will be permitted to continue and expand in accordance with the policies of this Plan.

Zoning

Zoning bylaws typically establish ranges of permitted and discretionary uses, in addition to development restrictions including such factors as maximum building heights, allowable densities, setback requirements, parking and loading limitations, signage restrictions and other items.

According to the City of Mississauga Zoning By-law 0225-2007, the property is currently zoned E2 - Employment. An excerpt from the zoning bylaw is included in the appendices to this report.

City of Mississauga Zoning Map Excerpt



Source: City of Mississauga

A zoning summary and a listing of pertinent zoning requirements are presented below:

ZONING SUMMARY	
Municipality Governing Zoning	City of Mississauga
Zoning Bylaw Number	0225-2007
Current Zoning	Employment (E2)
Permitted Uses	See Addendum for a full list of permitted uses
Current Use	Trucking operation
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely
Conforming Use	The existing improvements represent a conforming use within this zone
Minimum Yard Setbacks	
Front (Meters)	7.5
Rear (Meters)	7.5
Side (Meters)	7.5
Maximum Building Height	N/A

Source: City of Mississauga

Land Use Controls Conclusions

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of analysis presented correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. Please note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

Based on our interpretation of the applicable land use/zoning bylaw, the property use appears to reflect a legally permitted conforming use. However, the authors are not technically qualified to confirm zoning compliance, and for greater certainty in this regard, written confirmation from the municipality and/or a qualified legal opinion should be obtained.

Description of the Improvements



Comments

The Subject Property is a 25,000 SF industrial building located on a 2.66 acre site at 1244 Kamato Road, Mississauga, Ontario. The building represents average/good quality construction and was in good condition as of the effective date of the report. The Subject's improvements include approximately 5,000 SF of front office and a rear shop area with four truck level and four drive-in doors, and an industrial clear height of approximately 16 feet. The property is in good overall condition and free from any visible deferred maintenance that would significantly impact the property's market value or its marketability. However, no building condition reports were provided to the writer. It is assumed for the purposes of this report that all mechanical equipment is in adequate working condition, has been maintained in a professional manner, and that no atypical capital expenses are required.

Property Description / Industrial Features

Property Type / Subtype	Industrial / Office Warehouse
Tenancy Type	Single-Tenant
Building Size (SF)	25,000
Year Built	1975
Floor Area Ratio	0.22
Site Coverage Ratio	0.22
Clear Height	16 Feet
Dock Doors	4
Grade Doors	4
Rail Doors	No
Cranes	The building is not equipped with cranes.

Building Construction

Foundation	Slab on grade
Superstructure	Steel frame / concrete block
Floor Structure	Slab on grade
Exterior Walls	Stucco / brick / metal cladding
Windows / Doors	Typical industrial
Roof	The roof was not inspected. No leaks were observed/reported.
Heating / Cooling	Office HVAC/Warehouse unit heaters
Lighting	Fluorescent
Electrical	Assumed adequate (600 volt 600 amp service)
Interior Finishing	Specific to each user - typical office/truck service facility
Life Safety / Security	No sprinklers
Overall Quality	Average/Good
Overall Condition	Good
Design and Functionality	Good
Parking	The Subject property has on-site parking.
Actual Age	49 years
Effective Age	25 years
Economic Life	50 years
Remaining Economic Life	25 years

Valuation

Highest and Best Use

The principle of highest and best use is fundamental to the concept of value in real estate. Highest and best use, in general, may be defined as follows:

“The reasonably probable use of real property, that is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value.”

(The Appraisal Institute of Canada "Canadian Uniform Standards of Professional Appraisal Practice". 2024 ed., p. 8)

Legal Permissibility

The current use is permitted within the applicable zoning and/or land use bylaw requirements affecting the property. There are no known private or other restrictions negatively impacting use of the property. Therefore, the current use is legally permissible.

Physical Possibility

The site is of a sufficient size, configuration, and topography to accommodate the property's present use as improved in an efficient and functional manner. Therefore, the current use is physically possible.

Financial Feasibility

As improved, the property provides a sufficient return (and/or enduring benefit in the case of an owner/occupied property) that the property as presently improved is considered to be financially feasible.

Maximum Productivity

Of the various legally permissible, physically possible, and financially feasible uses available, the current use represents the maximum productivity of the property.

As Vacant Conclusion

The improvements to the property contribute positively and substantially to the overall value of the property such that the value of the site as though vacant is significantly lower than the value of the property as though improved. As such, a thorough examination of the highest and best use of the property as vacant has not been completed. It is our considered and professional opinion that the highest and best use of the land as though vacant is as a development site for a property similar to that which exists at present.

As Improved Conclusion

Based on the foregoing, the highest and best use of the property is considered to be a continuation of its current use. This opinion of the property's highest and best use forms the basis of our valuation.

Valuation Methodology

Traditionally, there are three accepted methods of valuing real property:

- Cost Approach;
- Direct Comparison Approach; and
- Income Approach.

The selection of a relevant methodology depends upon the nature and characteristics of the real estate under consideration. Please refer to the Appendix for a detailed description of each of the three traditional methods of valuing real property.

Selection of Relevant Methodology

Although the property is currently owner occupied, it is of a type which could also feasibly be purchased by an investor. Accordingly, the Income Approach is deemed applicable, and has been utilized herein. The Overall Income Capitalization technique is used in this analysis, based on its predominant usage by purchasers of properties similar to the Subject. The Discounted Cash Flow technique is not typically relied upon by purchasers of this type of property, and therefore has not been used in this analysis.

The Direct Comparison Approach reflects the actions of prudent purchasers in the valuation of owner-occupied properties. Accordingly, the Direct Comparison Approach is deemed applicable, and has been utilized herein.

The Cost Approach has limited applicability due to the age of the improvements and lack of market-based data to support an estimate of accrued depreciation. Accordingly, the Cost Approach has not been utilized herein.

Direct Comparison Approach

The Direct Comparison Approach examines the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the Subject Property on the basis of time and such features as location, size and quality of improvements, design features and income generating potential of the property.

Given that the Subject Property has been deemed to have potential purchase appeal to owner-users, it is considered appropriate to undertake the Direct Comparison Approach based upon sale transactions pertaining to comparable properties acquired by end users. In this regard, the transactions summarized and analysed in the table on the following page are considered to be suitably comparable to the Subject Property with respect to the characteristics below, and to therefore provide a reasonable and reliable indication of value.

Further details of these transactions can be found in the Appendix section located at the end of this report.

In valuing the property, each of the transactions has been compared to the Subject. The basis for comparison included the consideration of the following:

- Property Rights Conveyed
- Financing Terms
- Conditions of Sale
- Market Conditions (Transaction Date and Status)
- Physical Characteristics
- Economic Characteristics

Industrial Transactions & Analysis										
	ADDRESS	PROPERTY TYPE	YEAR BUILT	SALE DATE	SALE PRICE	SALE PRICE PER SF	BUILDING AREA (SF)	CONDITION	SITE AREA (ACRES)	SITE COVERAGE
	150 Glidden Road, Brampton, ON	Industrial	1973	April 26, 2024	\$24,000,000	\$605	39,660	Average	4.17	22%
	The site is located north of Steeles Avenue East, west of Highway 410. The property is improved with a single storey single-tenant industrial building constructed circa 1973. The building includes eight drive-in doors, one truck level door, an industrial clear height estimated at 21.5 feet (24 feet as per MPAC), and approximately 3,660 SF of office. At the time of sale the property was reported to be occupied by a tenant - Total Pallet Solutions.									
	2375 Lucknow Drive, Mississauga, ON	Industrial	1987	March 26, 2024	\$19,200,000	\$950	20,210	Average/ Good	3.79	11%
	The site is located north of Derry Road East, west of Torbram Road. The Index comprises three parcel of land including a corner parcel municipally known as 7099 Fir Tree Drive. The property is improved with a two storey single-tenant industrial building constructed circa 1987. The building includes approximately 5,280 SF (26%) of office over two floors, five drive-in and 10 truck level doors, and an industrial clear height of approximately 20 feet. At the time of sale the property was vacant, to be occupied by the purchaser.									
	2210 Drew Road, Mississauga, ON	Industrial	1986	January 23, 2024	\$11,832,320	\$640	18,486	Average/ Good	1.00	43%
	The property is improved with a single storey, single tenant industrial building. The building contains a total gross floor area of 18,486 square feet, including approximately 2,062 square feet of office space on one floor. The building is serviced by three truck level doors and one drive-in door. The property is serviced by surface parking spaces and has a coverage ratio of approximately 43%. At the time of sale, the building was fully occupied by the purchaser, Creighton Rock Drill Ltd.									
	11 Blair Drive, Brampton, ON	Industrial	1969	December 29, 2023	\$30,100,000	\$717	42,000	Average	6.03	16%
	The site is located north of Steeles Avenue East, east of Goreway Drive. The property is improved with a single storey, multi-tenant industrial building that can be also utilized as a single-tenant facility. The building was constructed between 1969-2010, with full roof replacement circa 2018. The building contains approximately 5,184 SF of office, 16 truck level and two drive-in doors, and industrial clear height of approximately 16-20 feet. The property was reported (2020) to include two coolers, one freezer, and on-site fuel pump. At the time of sale, the building was fully occupied with the tenancy characterized by predominantly national businesses. Some of the building's main tenants include Autobahn Group of Companies, ASL Global Logistics, and GN Truck Sales.									
	35-37 Hale Road, Brampton, ON	Industrial	1974	November 24, 2023	\$7,200,000	\$703	10,237	Average	1.178	20%
	The Index pertains to a single storey, low site coverage single tenant industrial building, built circa 1974. The building provides 1,536 SF (approximately 15%) office area, four drive-in doors, an industrial clear height of 14'6", and the M2 - Industrial Two - zoning. At the time of sale the building was leased to two arm's length tenants (originally, one unit was to be owner occupied, and another unit was leased). The Index was reported sold conditionally as of August 10, 2023. The Index was listed on MLS for the reported amount of \$7,950,000 or \$777/SF.									



COMPARABLE KEY

COMP	DISTANCE	ADDRESS	SALE DATE	SALE PRICE	\$/SF
Subject		1244 Kamato Road, Mississauga, ON	-	-	\$790
No. 1	8.5 km	150 Glidden Road, Brampton, ON	4/26/2024	\$24,000,000	\$605
No. 2	6.0 km	2375 Lucknow Drive, Mississauga, ON	3/26/2024	\$19,200,000	\$950
No. 3	6.1 km	2210 Drew Road, Mississauga, ON	1/23/2024	\$11,832,320	\$640
No. 4	8.7 km	11 Blair Drive, Brampton, ON	12/29/2023	\$30,100,000	\$717
No. 5	8.1 km	35-37 Hale Road, Brampton, ON	11/24/2023	\$7,200,000	\$703

Analysis

In completing the Direct Comparison Approach, we have analyzed sales of industrial properties between 10,000 SF and 50,000 SF than occurred in the Brampton, Mississauga, Vaughan, and Etobicoke industrial markets between June 2023 and the effective date of this report. A special focus was on the properties with low site coverage (10% to 25%).

We have selected 5 transactions which were considered to be reasonably similar to the Subject Property. The selected transactions pertain to activity that occurred between November 2023 and April 2024. The properties vary in size from 10,237 square feet to 42,000 square feet. These transactions represent capital investments that range from a low \$7,200,000 to a high of \$30,100,000. The unit prices per square foot indicated by these transactions vary **from a low of \$605 to a high of \$950**.

In considering the value of the Subject Property we have considered the following key attributes.

- The Subject Property is a 25,000 SF industrial building located on a 2.66 acre site at 1244 Kamato Road, Mississauga, Ontario. The building represents average/good quality construction and was in good condition (extensively renovated including roof and HVAC) as of the effective date of the report.
- The building includes approximately 5,280 SF (26%) of front office over two floors, and a rear industrial component with four truck level doors, four drive-in doors, two services bays with pits, and an industrial clear height of approximately 16 feet.
- The site coverage is approximately 22%.
- The Subject is fully fenced and gated; the yard is fully drained, partially asphalt-paved, and partially graveled.
- The property has a strong location with convenient regional access, average / good street exposure, and average site access with one ingress / egress point from Kamato Road.
- The site is zoned E2 – Employment – a designation that permits a wide range of uses including such highly sought-after use as truck terminal.
- In general, the market for industrial property has remained strong in recent months although interest rates and borrowing costs remain elevated.
- Inflationary pressures continue due to a number of factors such as increased government spending during and post pandemic, household savings, and disruption to global supply chains.

Comparable **Transaction No. 1** located at 150 Glidden Road, Brampton, ON transacted on April 26, 2024 for **\$605 per square foot**. The comparable demonstrates a slightly inferior overall location appeal, thus a small upward adjustment has been applied. The comparable offered an inferior age / condition relative to the Subject thus an upward adjustment is applied. The comparable is notably larger than the Subject, thus an upward adjustment is required to account for diminishing returns to scale. This index is considered to be similar to the Subject in terms of site coverage therefore no adjustment is required. The property rights of the comparable was deemed to be inferior to the Subject (the Leased Fee properties generally trade at a lower unit price than the Fee Simple properties), we have thus applied an upward adjustment. In terms of market conditions, no adjustment is considered warranted given the market has remained stable. Overall, the Subject property should achieve a sales price per square foot higher than \$605 indicated by this sale.

Comparable **Transaction No. 2** located at 2375 Lucknow Drive, Mississauga, ON transacted on March 26, 2024 for **\$950 per square foot**. In terms of location, this index would be considered similar to the Subject; thus, no adjustment is warranted for location. This index is considered to be similar to the Subject in terms of age and condition therefore no adjustment is required. This property is smaller than the Subject property, thus a downward adjustment is applied. Relative to the Subject, the site coverage was considered to be superior to the Subject thus a significant downward adjustment was applied. This index is considered to be similar to the Subject in terms of property rights therefore no adjustment is required. In terms of market conditions, no adjustment is considered warranted given the market has remained stable. Overall, the Subject property should achieve a sales price per square foot lower than \$950 indicated by this sale.

Comparable **Transaction No. 3** located at 2210 Drew Road, Mississauga, ON transacted on January 23, 2024 for **\$640 per square foot**. In terms of location, this index would be considered similar to the Subject; thus, no adjustment is warranted for location. This index is considered to be similar to the Subject in terms of age and condition therefore no adjustment is required. A downward adjustment has been applied to account for the smaller size of the comparable. Relative to the Subject, the site coverage was considered to be notably inferior to the Subject thus a significant upward adjustment was applied. This index is considered to be similar to the Subject in terms of property rights therefore no adjustment is required. The

market for commercial real estate has improved since this sale occurred, as such an upward adjustment has been applied. Overall, the Subject property should achieve a sales price per square foot higher than \$640 indicated by this sale.

Comparable **Transaction No. 4** located at 11 Blair Drive, Brampton, ON transacted on December 29, 2023 for **\$717 per square foot**. Relative to the Subject, the comparable offered a somewhat inferior location appeal, thus a slight upward adjustment was applied. An upward adjustment is required to account for the inferior age / condition of the comparable. This property demonstrated a larger square footage than the Subject, thus an upward adjustment has been applied to account for diminishing returns to scale. Relative to the Subject, the site coverage was considered to be superior to the Subject thus a downward adjustment was applied. The property rights of the comparable was deemed to be inferior to the Subject, we have thus applied an upward adjustment. Since this sale occurred, market conditions have improved, thus an upward adjustment was applied. Overall, the Subject property should achieve a sales price per square foot higher than \$717 indicated by this sale.

Comparable **Transaction No. 5** located at 35-37 Hale Road, Brampton, ON transacted on November 24, 2023 for **\$703 per square foot**. The comparable has a slightly inferior location relative to the Subject, a small upward adjustment was been applied to account for this. Relative to the Subject, the comparable had an inferior age / condition, thus an upward adjustment was applied. The sale price per square foot required a notable downward adjustment to account for its smaller size relative to the Subject. This index is considered to be similar to the Subject in terms of site coverage therefore no adjustment is required. The property rights of the comparable was deemed to be inferior to the Subject, we have thus applied an upward adjustment. This comparable has also been adjusted upward to account for improvement in the market since the sale occurred. Overall, the Subject property should achieve a sales price per square foot higher than \$703 indicated by this sale.

As noted above, index No.2 was adjusted downward and indices No.1, No.3, No.4, and No.5 were adjusted upward. In consideration of the sale indices reviewed and the accompanying analysis, we are of the professional opinion that an appropriate stabilized unit value range for the Subject Property would be between \$770 per square foot and \$810 per square foot.

Applying the concluded values per square foot we establish the following estimate of value via the Direct Comparison Approach:

VALUE MATRIX - DIRECT COMPARISON		
SIZE	\$/SF	VALUE ⁽¹⁾
25,000 SF	\$770	\$19,250,000
25,000 SF	\$790	\$19,750,000
25,000 SF	\$810	\$20,250,000

(1) Round to nearest \$50,000

Summary

Selecting the mid-point of the matrix, the Direct Comparison Approach indicates an estimated value of \$[REDACTED] (rounded) as of the effective date of this valuation.

The above value estimate is in conjunction with the Assumptions and Limiting Conditions stated within this appraisal. Of particular note are the Extraordinary Limiting Conditions, Extraordinary Assumptions (Hypothetical Conditions) and Extraordinary Assumptions outlined within the Terms of Reference section, beginning on Page 12 herein.

Income Approach

The Subject Property appeals as an owner user property, though may also appeal to a potential investor if leased. The Income Approach is an appropriate secondary valuation method for the Subject Property as some purchasers may considered it on the basis of its ability to produce income.

The Income Approach is based on the premise that properties are purchased for their income producing potential. It considers both the annual return on the invested principal and the return of the invested principal. This valuation technique entails careful consideration of contract rents currently in place, projected market rents, other income sources, vacancy allowances, and projected expenses associated with the efficient operation and management of the property. The relationship of these income estimates to property value, either as a single stream or a series of projected streams, is the essence of the income approach. The two fundamental techniques utilized within the Income Approach include the Overall Income Capitalization and Discounted Cash Flow Techniques. The Overall Income Capitalization method has been used in this analysis.

Overall Income Capitalization

The Overall Income Capitalization Technique analyzes the relationship of current projected stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

Tenancy Summary and Leasing Profile

Area Measurement

The total Gross Leasable Area of the Subject Property, based on information provided by Altus Data Studio, is approximately 25,000 square feet.

Occupancy

The Subject Property is currently owner occupied with no lease in place. Given this, in order to facilitate the income approach, we have assumed the building is fully occupied by an arm's length single tenant at market rent.

Tenant Profile

For purposes of this report, the tenant is assumed to offer a strong covenant and to be fully vetted for potential non-payment of rent.

Leasing Practice/Status

The lease is assumed to be for a standard five-year (60 month) term. The premises are assumed to be leased on a fully net basis, with the landlord able to fully recover all realty taxes and operating expenses.

Market Lease Survey

In order to establish an appropriate market rental rate to apply to the Subject, a lease survey has been conducted. The results of this survey are summarized following.

Market Rent Survey



Index Type	Address	Lease Date	Size	Net Rent PSF	Op Cost PSF	Gross Rent PSF
Single-Tenant w/ 28% site coverage	5299 Maingate Drive, Mississauga, ON	04/17/24	10,315	\$28.50	\$5.42	\$33.92
Single-Tenant w/ 21% site coverage	5502 Timberlea Boulevard, Mississauga, ON	02/12/24	11,453	\$24.00	NA	NA
Single-Tenant w/ 39% site coverage	275 Export Boulevard, Mississauga, ON	Listing	26,000	\$19.75	\$3.50	\$23.25
Multi-Tenant	6601 Kitimat Road, Mississauga, ON	Listing	18,695	\$20.95	\$5.78	\$26.73
Multi-Tenant	1325 Aimco Boulevard, 2, Mississauga, ON	03/06/24	22,237	\$22.22	\$5.01	\$27.23
Single-Tenant w/ 41% site coverage	426 Watline Avenue, Mississauga, ON	03/22/24	32,172	\$19.50	\$3.50	\$23.00

Market Rent Analysis

The Subject Property is a 25,000 SF industrial building located on a 2.66-acre site at 1244 Kamato Road, Mississauga, Ontario. The building represents average/good quality construction and was in good condition (extensively renovated including roof and HVAC) as of the effective date of the report. The building includes approximately 5,280 SF (26%) of front office over two floors, and a rear industrial component with four truck level doors, four drive-in doors, two services bays with pits, and an industrial clear height of approximately 16 feet. The site coverage is approximately 22%. The Subject is fully fenced and gated; the yard is fully drained, partially asphalt-paved, and partially graveled. The property has a strong location with convenient regional access, average / good street exposure, and average site access with one ingress / egress point from Kamato Road. The site is zoned E2 – Employment – a designation that permits a wide range of uses including such highly sought-after use as truck terminal.

Industrial rental rates are heavily influenced by numerous factors including but not limited to building size, location, site coverage, ceiling heights, loading doors and percentage of office finish. Certain building

attributes may be in high demand in one location but not in demand at all in others. Many users place significant value on ceiling heights and truck level loading doors, though others would place more emphasis on low site coverage such that they can use the site for parking and storage. Further, proximity to major transportation routes generally has a positive impact on the achievable rental rate.

The included rental comparables demonstrates a range in **net rental rates from \$19.50/SF to \$28.50/SF** and ranged in size from 10,315 SF to 32,172 SF. The comparables are considered to be reasonably similar to the Subject Property and demonstrate a range in rental rates for which the Subject Property would be expected to achieve. Further, in addition to the above noted rental survey we have spoken with brokers active in this market as well as reviewed internal files for previously concluded market rental rates. Index No. 1 is deemed to be most comparable to the Subject property due to its location, trucking yard condition, and site access. In conclusion, a market rental rate of **\$28.00 per square foot on a fully net basis** was selected as reasonable for the Subject Property given its various attributes.

Revenue Analysis

Projected Base Rent

Assuming that the building is fully occupied for a five-year term with a net rental rate of \$28.00 per square foot, base rental revenue is projected to be **\$700,000** in Year One.

Recovery Revenue

The leasing within the Subject Property is assumed to be on a fully net basis. Year One Recovery Revenue has been estimated on a stabilized basis at **\$135,000** or \$5.40 per square foot.

Total Potential Gross Income

Adding all the sources of revenue described above results in a stabilized Year One Potential Gross Income forecast of **\$835,000**.

General Vacancy

A vacancy allowance is not intended to reflect the actual vacancy at the date of valuation; rather it is a provision to account for the potential of lost rent and/or recoveries on a stabilized basis over the longer term holding of the asset. As the Subject property is a single-tenant property assumed to be occupied at a market lease rate, no vacancy allowance has been included in our income forecast. It is noted that in such situation's investors consider the vacancy risk within their yield selection.

Effective Gross Income

Deducting the Vacancy Allowance above from the Potential Gross Income forecast results in a Year One Effective Gross Income estimate of **\$835,000**.

Expense Analysis

Operating Expense Summary

Operating expenses have been projected based on an available operating cost information pertaining to the Subject as well as in house data on typical operating costs for a building of this size and style.

Contingency/Structural Allowance

In addition to operating expenses, investors typically include an allowance for structural repairs or other non-recoverable expenses for the purpose of valuation. In this respect, a Contingency Allowance equal to

1.00% of the Effective Gross Income has been deducted within our Pro Forma Income Projection. In Year One this allowance has been forecast at **\$8,350**.

Total Expenses

We have projected the operating costs at \$5.73 per square foot inclusive of property taxes. The noted operating costs are considered reasonable based on a review of internal files of actual operating costs for other similar type buildings. Our total estimated operating expenses equates to **\$143,350** per annum.

Net Operating Income

Based on the foregoing, Year One Net Operating Income is projected at **\$691,650**.

Pro Forma Income Statement

Based on the foregoing, a Pro Forma Income Statement for the Subject Property is presented below.

PRO FORMA INCOME STATEMENT			
Base Rental Revenue	\$28.00		\$700,000
Recoveries	\$5.40		\$135,000
POTENTIAL GROSS INCOME			\$835,000
Less: Vacancy / Collection Loss Allowance ¹ @	0.00%	PGI	\$0
EFFECTIVE GROSS INCOME			\$835,000
EXPENSES	\$/SF		TOTAL
Operating Expenses	-\$2.31		(\$57,692)
Taxes	-\$3.09		(\$77,308)
Contingency / Structural Allowance @	1.00%	EGI	(\$8,350)
TOTAL EXPENSES			(\$143,350)
NET OPERATING INCOME			\$691,650

(1) Less excluded tenants where applicable.

Investment Analysis

Investment Alternatives

Following are current investment yields with respect to various alternative investments.

INVESTMENT ALTERNATIVES											
Gov't. Yields		Office REIT's		Industrial REIT's		Retail REIT's		Apartment REIT's		Diversified REIT's	
BOC OR	5.00%	Allied	10.40%	DREAM	5.40%	RioCan	6.30%	CAP	3.20%	Morguard	4.50%
GOC 5yr	3.63%	DREAM	5.50%	Granite	4.70%	First Capita	5.70%	Killam	3.90%	H&R	6.30%
GOC 10yr	3.56%					Smart	8.10%	Boardwalk	2.00%	Artis	9.20%

Source: Bank of Canada, BMO Capital Markets as at May 15, 2024

Investment Parameters

Following are the results of the most recent commercial real estate return surveys, as expressed by overall capitalization rates and discount rates.

Q4 2023 INVESTMENT PARAMETERS - TORONTO		
Investment Type	Overall Capitalization Rates	Discount Rates
Industrial		
Class 'A'	4.75% - 5.25%	5.50% - 7.50%
Class 'B'	5.00% - 6.00%	5.50% - 8.00%
Downtown Office		
Class 'A'	5.50% - 6.25%	6.50% - 8.00%
Class 'B'	5.50% - 6.75%	5.80% - 8.30%*
Suburban Office		
Class 'A'	6.50% - 7.50%	6.80% - 8.50%*
Class 'B'	7.00% - 7.75%	7.30% - 8.50%*
Retail		
Regional/Power	5.50% - 6.75%	6.00% - 7.00%
Grocery/Community	5.50% - 6.50%	7.50% - 8.30%*
Neighbourhood/Strip	5.50% - 6.50%	6.00% - 7.00%*
Multi-Residential		
High-Rise	3.75% - 4.50%	
Low-Rise	3.50% - 4.75%	

* These IRR's are not updated every quarter. Figures shown are the most recent, but not necessarily current.

Source: Colliers International Realty Advisors (OCR), Altus InSite (IRR)

Comparable Transactions

The task of determining an appropriate overall capitalization rate is best served through an analysis of current market activity. Generally, properties like the Subject are owner occupied thus there is a reduced level of available data with regard to sales of similar buildings which were sold with a tenant in place for which a capitalization rate could be established. Given this, we have selected several sales of investment properties with somewhat similar attributes to the Subject. The following sales demonstrate a reasonable range in capitalization rates for which the Subject Property would be expected to achieve if it were sold with a tenant in place as per our projections. The sales are not intended to support the value of the Subject Property on a per square foot basis, but only provide an indication of typical return expectations for

commercial investment properties in the Subject market. The following sales provide a reasonable range for which the Subject Property would be expected to fall:



Industrial Investment Transactions & Analysis						
	Transaction One	Transaction Two	Transaction Three	Transaction Four	Transaction Five	Transaction Six
Property Type	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial
Address	5715 McAdam Road	910 Mid-Way Boulevard	3161 Wolfedale Road	30 Royal Group Crescent	5 Intermodal Drive	7521 Tranmere Drive
	Mississauga, ON	Mississauga, ON	Mississauga, ON	Vaughan, ON	Brampton, ON	Mississauga, ON
Sale Date	3/15/2024	2/29/2024	2/13/2024	10/13/2023	10/3/2023	7/25/2023
Transaction Price	\$5,555,000	\$42,000,000	\$8,900,000	\$81,125,000	\$62,600,000	\$40,500,000
Transaction Price Per SF	\$505	\$244	\$270	\$280	\$316	\$472
Analysis Price	\$5,555,000	\$42,000,000	\$8,900,000	\$81,125,000	\$62,600,000	\$40,500,000
Analysis Price Per SF	\$505	\$244	\$270	\$280	\$316	\$472
Size (SF)	11,000	172,235	32,981	289,687	198,026	85,873
Cap Rate	5.09%	6.36%	4.18%	6.25%	5.50%	4.70%
Overall Comparability	Sli. Inferior	Inferior	Superior	Inferior	Inferior	Superior

Capitalization rates tend to vary between properties depending to some extent on such factors as location, size and type of development, quality and condition of improvements, and amenities provided. Combining all of these features with considerations of leasing history and trends, strength of tenancy and income security, the overall capitalization rate tends generally to reflect the perceived quality and durability of the property's income earning capacity.

Properties with a strong rental history and stable tenancy with the perceived potential for increases in revenues tend to trade at comparatively low overall capitalization rates as compared to properties which

have a history of vacancy, poor tenant covenants, physical and/or locational challenges, or other forms of perceived instability.

The included sales demonstrate a reasonable range in capitalization rates for which the Subject Property would be expected to achieve if it were sold with a tenant in place as per our projections. The sales are not intended to support the value of the Subject Property on a per square foot basis, but only provide an indication of typical return expectations for commercial investment properties in the Subject market.

The included sales occurred between July 2023 and March 2024 and represent total investments ranging from \$5,555,000 to \$81,125,000. The overall capitalization rates of these sales range **from a low of 4.18% to a high of 6.36%**. These transactions vary in terms of investment characteristics, size, quality and condition of improvements but are considered to provide a reasonable range from which to conclude a capitalization rate for the Subject Property. In determining a capitalization rate, we have considered the quality of improvements, their location and the assumed income stability and durability provided by a good quality tenant (assumed). We have also considered that in case of vacancy, there would be limited risk to the investor since the property could be sold for a similar value as though it was fully leased.

The investment market has experienced challenges over the past 12-18 months due to a rapid rise in interest rates and borrowing costs spurred by elevated inflationary pressures. The industrial market has remained competitive and the most attractive investment asset class however capitalization rates have increased substantially over this period. The fundamentals of the industrial market are still strong due to a number of factors such as a continued shift to e-commerce, on-shoring post pandemic, and low vacancy. Ultimately sale prices have continued to rise, and rental rates have risen dramatically although both have stabilized in recent months.

All things considered, a capitalization near the middle of the demonstrated range is considered applicable to the Subject.

Overall Income Capitalization

On the basis of our Revenue and Expense Analysis, the Stabilized Net Operating Income for the forthcoming 12 months has previously been projected in the amount of **\$691,650**.

Taking into consideration the investment characteristics of the property including its location, size, building quality and security of income, and as measured against the back-drop of the current investment climate for properties such as the Subject, it is our opinion that an overall capitalization rate in the range between 4.75% and 5.25% would be appropriate. Applying such rates to the projected Year One net operating income results in the following estimated value range, adjusted for holding and lease up costs and capital expenses, if required.

VALUE MATRIX - DIRECT OVERALL CAPITALIZATION		
OCR	STABILIZED NOI	VALUE ⁽¹⁾
4.75%	\$691,650	\$14,550,000
5.00%	\$691,650	\$13,850,000
5.25%	\$691,650	\$13,150,000

(1) Rounded to nearest \$50,000

Adjustments to Value

In the instance of the Subject Property, no adjustments to value are required.

Summary

Selecting the mid-point of the range, the foregoing analysis indicates an estimated value by way of Overall Income Capitalization of **\$13,500,000** (rounded) as of the effective date of this valuation.

The above value estimate is in conjunction with the Assumptions and Limiting Conditions stated within this appraisal. Of particular note are the Extraordinary Limiting Conditions, Extraordinary Assumptions (Hypothetical Conditions) and Extraordinary Assumptions outlined within the Terms of Reference section, beginning on Page 12 herein.

Reconciliation and Final Estimate of Value

The Subject Property is a 25,000 SF industrial building located on a 2.66 acre site at 1244 Kamato Road, Mississauga, Ontario. The building represents average/good quality construction and was in good condition as of the effective date of the report. The approaches used in this valuation provide the following values:

VALUATION SUMMARY	
VALUATION INDICES	CURRENT MARKET VALUE AS-IS
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	MAY 23, 2024
DIRECT COMPARISON APPROACH	
Direct Comparison	\$19,750,000
Direct Comparison \$/SF	\$790/SF
INCOME APPROACH	
Overall Income Capitalization	\$13,850,000
Overall Income Capitalization \$/SF	\$554/SF
NOI	\$691,650
NOI \$/SF	\$27.67/SF
Capitalization Rate	5.00%
FINAL VALUE CONCLUSION	
FINAL VALUE	\$ [REDACTED]
\$/SF	\$790/SF
Implied Capitalization Rate	3.50%

As the Subject property appeals as an owner user property, our primary approach to value was the Direct Comparison Approach. The Direct Comparison Approach is the approach typically utilized by purchasers of owner user assets in the Subject market thus has been relied upon as our primary approach to value.

The Income Approach was also included within our analysis. Though the Subject property appeals primarily as an owner user asset it could also be leased to a tenant and sold to an investor thus the inclusion of the Income Approach is considered reasonable. The Income Approach considers the property based on its ability to generate income and was completed as a secondary approach.

Based on the foregoing, and with most weight applied to the Direct Comparison Approach it is our opinion that the current market value as is of the fee simple interest in the property, Subject to the assumptions set forth, and as at May 23, 2024, was:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Current Market Value As-Is	Fee Simple	May 23, 2024	\$ [REDACTED]

The above value estimate is based on an exposure period of six months or less, assuming the basis of a transaction involving cash to the vendor and is in conjunction with the Assumptions and Limiting Conditions stated within this appraisal. Of particular note are the Extraordinary Limiting Conditions, Extraordinary Assumptions (Hypothetical Conditions) and Extraordinary Assumptions outlined within the Terms of Reference section, beginning on Page 12 herein.

Certification

Single-Tenant Industrial 1244 Kamato Road, Mississauga, Ontario L4W 1Y1

P.I.N.

132940034

Legal Description
PT LT 3 CON 3 EHS TORONTO PTS 1 & 2 43R4417; S/T VS295517
MISSISSAUGA

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

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions and conclusions are limited only by the reported Assumptions and Limiting conditions and are my impartial and unbiased professional analyses, opinions, and conclusions;
- I have no past, present or prospective interest in the property that is the Subject of this report and no personal and/or professional interest or conflict with respect to the parties involved with this assignment;
- I have no bias with respect to the property that is the Subject of this report or to the parties involved with this assignment;
- My engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, a conclusion favoring the client, or the occurrence of a subsequent event;
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP);
- I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP;
- Professional assistance was provided by Serguei Kaminski, AIC Candidate, which included gathering, analyzing and reporting regional, local area, zoning, and tax information, confirming some of the comparable data, and assisting with portions of the valuation analysis;
- As of the date of this report the undersigned has fulfilled the requirements of The Appraisal Institute of Canada's Continuing Professional Development Program;
- I am a member in good standing of the Appraisal Institute of Canada;
- I am licensed to practice in the Province of **Ontario**.

Information pertaining to inspection of the Subject property is as follows:

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Scot Morris B.Comm, AACI, P.App	Yes	Interior/Exterior	May 23, 2024
Serguei Kaminski, AIC Candidate	No		

Final Estimate of Value

Based upon the data, analyses and conclusions contained herein, the current market value as is of the Fee Simple interest in the property described herein, as at May 23, 2024, is estimated to be as follows:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Current Market Value As-Is	Fee Simple	May 23, 2024	\$ [REDACTED]

The above value estimate is based on an exposure period of six months or less, assuming the basis of a transaction involving cash to the vendor, and is Subject to the Extraordinary Assumptions, Hypothetical Conditions and Extraordinary Limiting Conditions as detailed within the Terms of Reference section of this report, in addition to the Ordinary Assumptions and Limiting Conditions contained in the Addenda. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained herein.

Appraiser



Scot Morris B.Comm, AACI, P.App

Date: June 12, 2024

AIC Membership No. 908038

NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.

Appendices

Appendix A	Ordinary Assumptions and Limiting Conditions
Appendix B	Definitions
Appendix C	Market Overview
Appendix D	GeoWarehouse Report
Appendix E	Land Use Controls
Appendix F	Capitalization Rate Comparable Sales
Appendix G	Direct Comparison Comparable Sales

Appendix A

Ordinary Assumptions and Limiting Conditions

Ordinary Assumptions and Limiting Conditions

The certification that appears in this appraisal report is Subject to compliance with the Personal Information Protection and Electronic Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP"), and the following conditions:

- 1) This report has been prepared at the request of **Eknoor Tung** of Tung Air Transport Ltd. (the Authorized Client) for the purpose of providing an estimate of the market value of **1244 Kamato Road, Mississauga, Ontario** (the Subject Property) and for the specific use referred to. It is not reasonable for any party other than the person or those to whom this report is addressed to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other party will rely on it for any other purpose. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all authorized users is assumed.
- 2) This report has been prepared at the request of **Eknoor Tung** of Tung Air Transport Ltd. and for the exclusive (and confidential) use of the recipient as named and for the specific purpose and function as stated. Written consent from the authors must be obtained before any part of the appraisal report can be used for any use by anyone except the client and other authorized users identified in the report. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee.
- 3) All copyright is reserved to the author and this report is considered confidential by the author and **Eknoor Tung** of Tung Air Transport Ltd.. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference. Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.
- 4) The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the PIPEDA.
- 5) This appraisal report, its content and all attachments/addendums and their content are the property of the appraiser. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy,

manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.

- 6) The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the authorized use.
- 7) This report is completed on the basis that testimony or appearance in court or at any administrative proceeding concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and for preparation and for any appearances that may be required, and the provision of appropriate additional compensation.
- 8) The estimated market value of the real estate that is the Subject of this appraisal pertains to the value of the **fee simple interest** in the real property. The property rights appraised exclude mineral rights, if any.
- 9) The concept of market value presumes reasonable exposure. The exposure period is the estimated length of time the asset being valued would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of valuation. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. The reasonable exposure period is a function not only of time and effort but will depend on the type of asset being valued, the state of the market at the date of valuation and the level at which the asset is priced. (The estimated length of the exposure period needed to achieve the estimated market value is set forth in the Letter of Transmittal, prefacing this report).
- 10) The analyses set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. However, these data are not guaranteed for accuracy. Unless otherwise stated, we did not verify client-supplied information, which we believed to be correct. Certain information has been accepted at face value, especially if there was no reason to doubt its accuracy. Other empirical data required interpretative analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate.
- 11) The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No title search has been performed, and the appraiser assumes that the title is good and marketable and free and clear of all value influencing encumbrances, encroachments, restrictions or covenants, including leases, unless otherwise noted in this report, and that there are no pledges, charges, liens or special assessments outstanding against the property other than as stated and described. The property is appraised on the basis of it being under responsible ownership. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
- 12) The property has been valued on the basis that there are no outstanding liabilities except as expressly noted, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the Subject Property or any portion thereof.

- 13) The property has been valued on the basis that there is no action, suit, proceeding or investigation pending or threatened against the real estate or affecting the titular owners of the property, at law or in equity or before or by any federal, provincial or municipal department, commission, board, bureau, agency or instrumentality which may adversely influence the value of the real estate appraised.
- 14) The legal description of the property and the area of the site were obtained from the GeoWarehouse. No survey of the property has been made. Any plans and sketches contained in this report show approximate dimensions only and are included solely to aid the recipient in visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
- 15) The property has been valued on the basis that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all Government regulations and requirements of law, including all zoning, land use classification, building codes, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto, and that if it doesn't comply, any such non-compliance may affect market value. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be certain requirements of law preventing occupancy of the real estate as described in this report. However, such circumstances have not been accounted for in the appraisal process).
- 16) The term "inspection" refers to observation and reporting of the general material finishing and conditions seen for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only, in accordance with the CUSPAP.
- 17) The opinions of value and other conclusions contained assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The appraiser has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The appraiser has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this physical inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the appraiser.
- 18) The author of this report is not qualified to comment on environmental issues (including, without limitation any chemical or biological issues) that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government, or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.
- 19) Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighboring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in

completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.

- 20) Investigations have been undertaken in respect of matters which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency with respect to the Subject Property's compliance with all applicable regulations, unless such investigations are expressly represented to have been made in this report. Assumptions have been made that the Subject Property is in compliance with all such regulations. The Subject Property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
- 21) The interpretation of any leases and other contractual agreements, pertaining to the operation and ownership of the property, as expressed, is solely the opinion of the author and should not be construed as a legal interpretation. Further, any summaries of such contractual agreements are presented for the sole purpose of giving the reader an overview of the salient facts thereof.
- 22) The estimated market value of the property does not necessarily represent the value of the underlying shares of the entity owning the property, if the asset is so held, as the value of the shares could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations or any other atypical benefits which may influence the ordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise therefrom, have been described and measured in this report.
- 23) Should title to the real estate presently be held (or changed to a holding) by a partnership, in a joint venture, through a Co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership. For the purposes of our valuation, we have not made any adjustment for the value of a fractional interest.
- 24) In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the freehold or fee simple interest in the real estate, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.
- 25) Unless otherwise noted, the estimated market value of the property referred to is predicated upon the condition that it would be sold on a cash basis to the vendor Subject to any contractual agreements and encumbrances as noted in this report as-is and where-is, without any contingent agreements or caveats. Other financial arrangements, good or cumbersome, may affect the price at which this property might sell in the open market.
- 26) Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed, as of the effective date of this appraisal, cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.
- 27) The value expressed is in Canadian dollars.

- 28) This report is only valid if it bears the original or password secured digital signature(s) of the author(s). If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.
- 29) These Ordinary Assumptions and Limiting Conditions shall be read with all changes in number and gender as may be appropriate or required by the context or by the particulars of this mandate.
- 30) Where the authorized use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

Appendix B

Definitions

Definitions

Property Interests

- Fee Simple**
 - Absolute ownership unencumbered by any other interest or estate, Subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power and escheat.
- Leased Fee Interest**
 - The ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.
- Leasehold Interest**
 - The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

General Definitions

Adjusted or Stabilized Overall Capitalization Rate is usually derived from transactions with excessive vacancy levels or contract rents over/under market levels. In such cases, net operating income is “normalized” to market levels and the price adjusted to reflect expected costs required to achieve the projected net operating income.

The Cost Approach to value is based upon the economic principle of substitution, which holds that the value of a property should not be more than the amount by which one can obtain, by purchase of a site and construction of a building without undue delay, a property of equal desirability and utility.

Direct or Overall Capitalization refers to the process of converting a single year’s income with a rate or factor into an indication of value.

The Direct Comparison Approach examines the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the Subject Property on the basis of time and such features as location, size and quality of improvements, design features and income generating potential of the property.

Discount Rate is a yield rate used to convert future payments or receipts into a present value.

Discounted Cash Flow Technique offers an opportunity to account for the anticipated growth or decline in income over the term of a prescribed holding period. More particularly, the value of the property is equivalent to the discounted value of future benefits. These benefits represent the annual cash flows (positive or negative) over a given period of time, plus the net proceeds from the hypothetical sale at the end of the investment horizon.

Two rates must be selected for an application of the DCF process:

- the internal rate of return or discount rate used to discount the projected receivables;
- an overall capitalization rate used in estimating reversionary value of the asset.

The selection of the discount rate or the internal rate of return is based on comparing the Subject Property to other real estate opportunities as well as other forms of investments. Some of the more common benchmarks in the selection of the discount rate are the current yields on long term bonds and mortgage interest rates.

Effective Date - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada defines “Effective Date)” (The Appraisal Institute of Canada, Canadian Uniform Standards of Professional Appraisal Practice, 2024 ed. Page 6) as:

“The date at which the analyses, opinions, and conclusions in an Assignment apply. The Effective Date may be different from the Inspection date and/or the Report date.”

Exposure Time - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada defines “Exposure Time” (The Appraisal Institute of Canada, Canadian Uniform Standards of Professional Appraisal Practice, 2024 ed. Page 6) as:

“The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the Effective Date of the appraisal. Exposure time is backward-looking.”

Fair Value (International Financial Reporting Standards) – IFRS 13 defines “Fair Value” as:

“The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

Highest and Best Use - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada defines “Highest and Best Use” (The Appraisal Institute of Canada, Canadian Uniform Standards of Professional Appraisal Practice, 2024 ed. Page 8) as:

“The reasonably probable use of Real Property, that is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value.”

The Income Approach to value is utilized to estimate real estate value of income-producing or investment properties.

Internal Rate of Return is the yield rate that is earned or expected over the period of ownership. It applies to all expected benefits including the proceeds of sale at the end of the holding period. The IRR is the Rate of Discount that makes the net present value of an investment equal zero.

Market Value - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada defines “Market Value” (The Appraisal of Real Estate, Fourth Canadian Edition, ed. Dybvig, (University of British Columbia, Real Estate Division, 2023), p. 6.1-.4) as:

“The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and the seller each acting prudently,

knowledgeably, and for self-interest, and assuming that neither is under undue duress.”

Marketing Time - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada defines “Marketing Time” (The Appraisal Institute of Canada, Canadian Uniform Standards of Professional Appraisal Practice, 2024 ed. Page 10) as:

“Marketing Time is an opinion on the amount of time it might take to sell a property interest in Real Estate at the concluded estimate of Market Value during the period immediately after the Effective Date of an appraisal. Marketing Time is forward-looking and predictive.”

Net Operating Income is the actual or anticipated net income remaining after all operating expenses are deducted from effective gross income before debt service and depreciation. Net Operating Income is usually calculated for the current fiscal year or the forthcoming year.

Overall Capitalization Rate is an income rate that reflects the relationship between a single year’s net operating income expectancy and the total property price. The Overall Capitalization Rate converts net operating income into an indication of a property’s overall value.

A Yield Rate is applied to a series of individual incomes to obtain a present value of each.

Appendix C

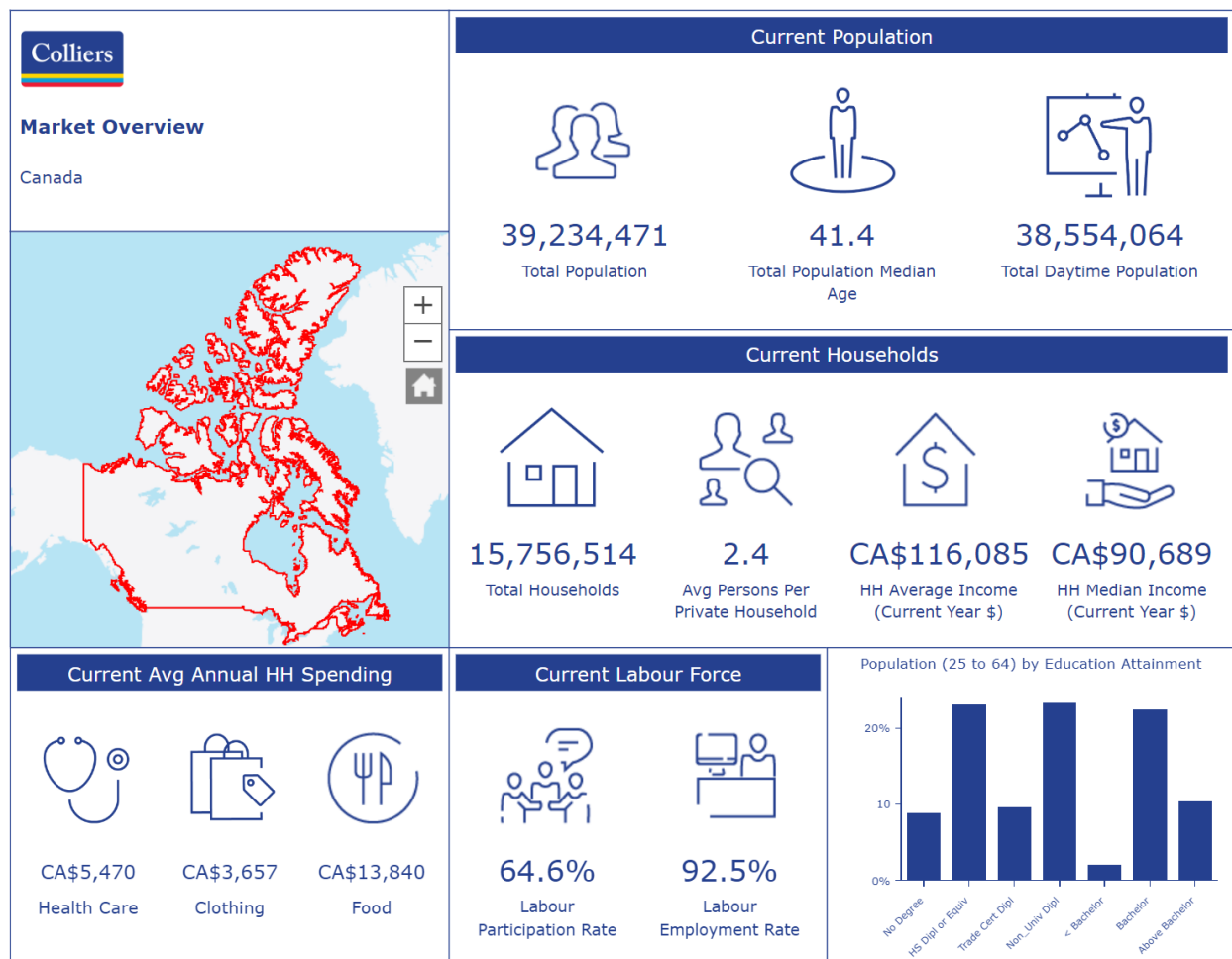
Market Overview

Economic Overview – Canada

Canada has the world's 39th largest population and the world's second largest land mass. The country's population is dispersed among 10 provinces and 3 territories with nearly 90% of its people living within 160 kilometers of the United States border. Canada consistently receives a top fifteen Human Development Index ranking and a top twenty ranking for GDP (nominal) per capita.

Canada's economy consistently receives a top twelve world ranking. International trade makes up a large part of Canada's economy, with the United States as its largest trading partner followed by the European Union and China. Key Canadian exports include petroleum, automobiles and auto parts, precious metals, machinery including computers, wood, electrical machinery, aircraft and spacecraft, pharmaceuticals, and aluminum. More recently, Canada's high knowledge industries of manufacturing, business services, engineering and computer and management services have received a top ten global knowledge economy ranking from the World Bank Institute.

Following is a demographic summary for the Country of Canada.



Following is a summary of featured insights prepared by the Oxford Economics in their May 2024 Canada Economic Forecast.

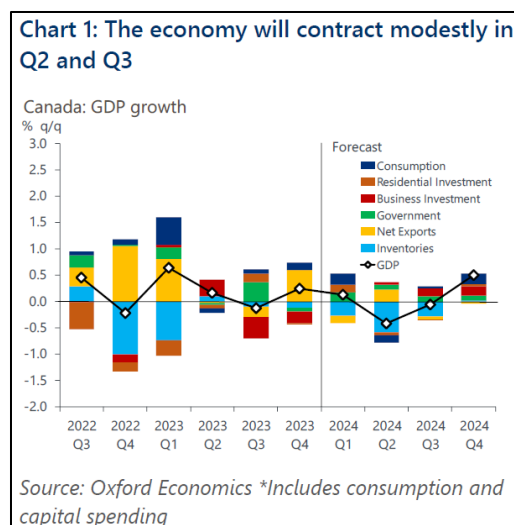
A shallower and shorter recession is now in the cards.

- The economy likely grew slightly in Q1, but we still expect it will contract modestly in Q2 and Q3 this year, one quarter shorter than last month. The shallow downturn reflects the enduring impact of mortgage renewals at higher rates on consumers, as well as weakening new homebuilding, muted business investment, and much slower inventory accumulation. We now forecast the economy will grow 0.1% this year, up 0.4ppts from last month, and then grow 2% in 2025, unchanged from last month.
- A stronger Q1 GDP growth estimate reflects broad-based gains in domestic demand, including stronger government spending as the 2024 Federal Budget showed less restraint than expected. Although the federal budget will lift GDP slightly this year, our analysis suggests that it will not be enough to prevent a shallow recession this year.
- Headline CPI inflation edged up 0.1ppt to 2.9% y/y in March, mainly due to higher gasoline prices. We revised our forecast for average CPI inflation a tick higher to 2.7% this year and 2.2% in 2025 to reflect stronger fiscal stimulus and a tobacco tax hike in the 2024 federal budget, increased property taxes and higher world oil prices. As a result, we now expect headline inflation to only return to target around mid-2025, half a year later than last month.
- The Bank of Canada (BoC) continued to hold its key policy rate at 5% in April, but it needs to see a “sustained easing in core inflation” to begin rate cuts. We still expect the BoC to begin cutting rates at its upcoming meeting on June 5, gradually taking the policy rate down by 75bps to 4.25% in December 2024.
- April's surprisingly robust 90,000 job gain and still-solid 4.7% y/y wage growth, alongside stronger-than-anticipated stimulus in the recent federal and provincial government budgets, present a growing risk that the BoC could delay rate cuts until later this year. If the economy avoids the modest recession we forecast, inflation will likely be higher and could prompt the Bank to hold rates higher for longer, or possibly resume hiking later this year.

Forecast Overview

Recent Developments

- Economic momentum waned in February and March. The economy grew 0.2% m/m in February, two ticks lower than StatCan's preliminary estimate, after a 0.1ppt downwardly revised 0.5% m/m rise in January. February's GDP growth was supported by a 0.2% m/m rise in services output, led by gains in transportation and warehousing, while goods production was essentially unchanged.
- StatCan's advance estimate shows no growth in March, which suggests the economy expanded by 0.6% q/q in Q1 2024, but monthly industry GDP figures are prone to revisions, especially when quarterly expenditure GDP data are released. We see downside risk to this estimate.

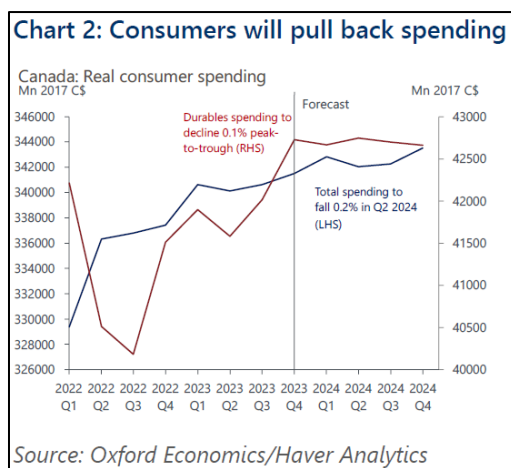


- The Bank of Canada's (BoC) summary of deliberations reveals that there was a consensus to hold the policy rate at 5% in April. Governing Council members need to see a "sustained easing in core inflation" to begin rate cuts. Although Council members have "different views" regarding when "sustained easing" will be achieved, the BoC still expects inflation to return to its 2% target by late 2025.
- The unemployment rate held steady at 6.1% in April, as a surprisingly strong 90,000 job gain was fully offset by continued rapid immigration-led labor supply growth. Job growth in April was dominated by the private sector, but new jobs were mostly part-time positions, which tend to rise during periods of weak economic activity.

Short-Term Outlook

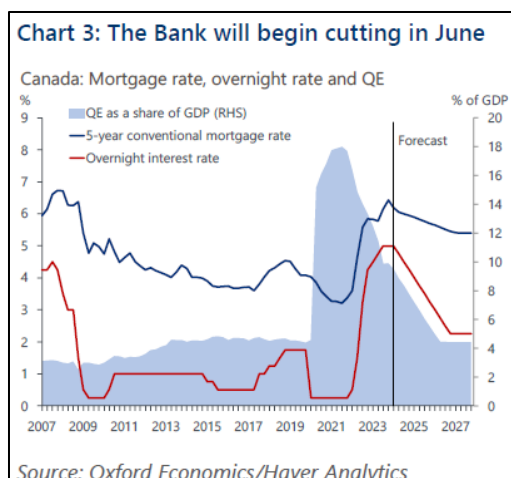
- We now anticipate GDP rose 0.1% q/q in Q1 2024, compared to a 0.1% q/q decline last month. The upward revision largely reflects broad-based strength in domestic demand, including stronger government spending as the 2024 Federal Budget showed little restraint.
- We still expect consumption to contract modestly in Q2 and remain weak throughout 2024, as the enduring impact of mortgage renewals at higher interest rates weighs on households. Moreover, muted business capital spending, weaker new housing investment, and a slowdown in inventory accumulation will help push the economy into a modest recession this year. GDP is now expected to contract 0.5% peak to trough from Q2 to Q3, 0.2ppts shallower and one quarter shorter than last month's forecast.
- We anticipate a modest recovery will emerge in Q4 as interest rates ease in Canada and abroad, economic sentiment improves, and federal and provincial budget measures support growth. Consumers will slowly start to increase outlays as hiring resumes and real incomes grow, while business investment should pick up with returning demand and stronger profits. An improvement in housing starts will take hold later this year as mortgage rates ease and government efforts help boost housing supply.
- Overall, we upgraded our 2024 GDP growth forecast by 0.4ppts to a 0.1% expansion, up from a 0.3% contraction last month. This mainly reflects stronger Q1 GDP growth and a

shallower recession due to higher government spending in the 2024 federal and provincial budgets. The Canadian economy is still forecast to grow at a moderate 2% pace in 2025, unchanged from our previous view.

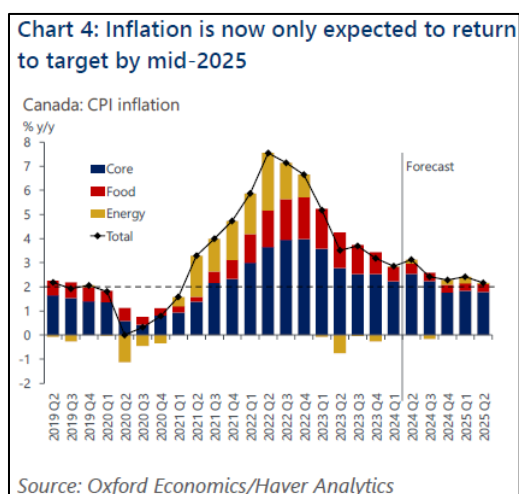


Key Drive of Our Short-Term Forecast

- BoC rate cuts will begin in June...ahead of the Fed. We expect the BoC will remain on hold at 5% until June before gradually lowering the policy rate to 4.25% by the end of 2024. However, we now anticipate the first rate cut by the US Federal Reserve to occur one quarter later in Q3.
- Accordingly, we now anticipate a temporarily weaker Canadian dollar in Q2 and Q3, reflecting the narrower interest rate differential between Canada and the US. We forecast the exchange rate will depreciate from its current level of around 1.36 CAD/USD to 1.39 CAD/USD by the end of Q3. However, we do not expect this weakness to be sustained, and the loonie should return to the 1.35 CAD/USD range by mid-2025.
- Still, the stronger-than-anticipated stimulus in the latest federal and provincial government budgets, April's jobs surprise, and still-solid wage growth present a growing risk that the BoC could delay rate cuts until later this year. There is a low probability that the BoC could resume hiking rates if the economy and inflation remain resilient.



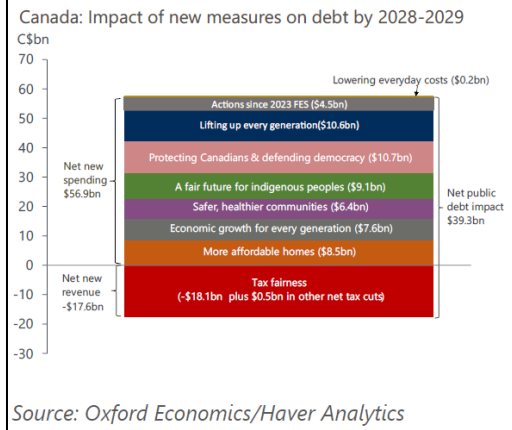
- Inflation will only return to target by mid-2025. Headline CPI inflation edged up to 2.9% y/y in March, from 2.8% y/y in February, driven by higher gasoline prices amid elevated crude oil prices due to ongoing geopolitical tensions and OPEC+ production cuts.
- We revised our world oil price forecast higher since last month, adding to inflationary pressures. Our modelling suggests that the 2024 federal budget will lift average annual CPI inflation by 0.1ppt this year, mainly reflecting the impact of increased tobacco and vaping excise duties. The additional fiscal stimulus in the budget will raise inflation by another 0.1ppt in 2025. Moreover, property tax hikes will hit headline CPI in October.
- Overall, we revised our average annual CPI inflation forecast up by 0.1ppt to 2.7% this year and by 0.1ppt to 2.2% in 2025. We now expect inflation will return to target by mid-2025, a half year later than last month.



- 2024's federal budget to give the economy a modest boost. The federal budget showed less restraint than expected, introducing new spending on defense, social safety, reconciliation, and housing. These are only partly supported by new revenues, sourced primarily from higher capital gains taxes for wealthy individuals, corporations, and trusts. Our analysis finds that the new

measures will not be enough to prevent a recession this year, however, they will add 0.2ppts to annual average GDP growth.

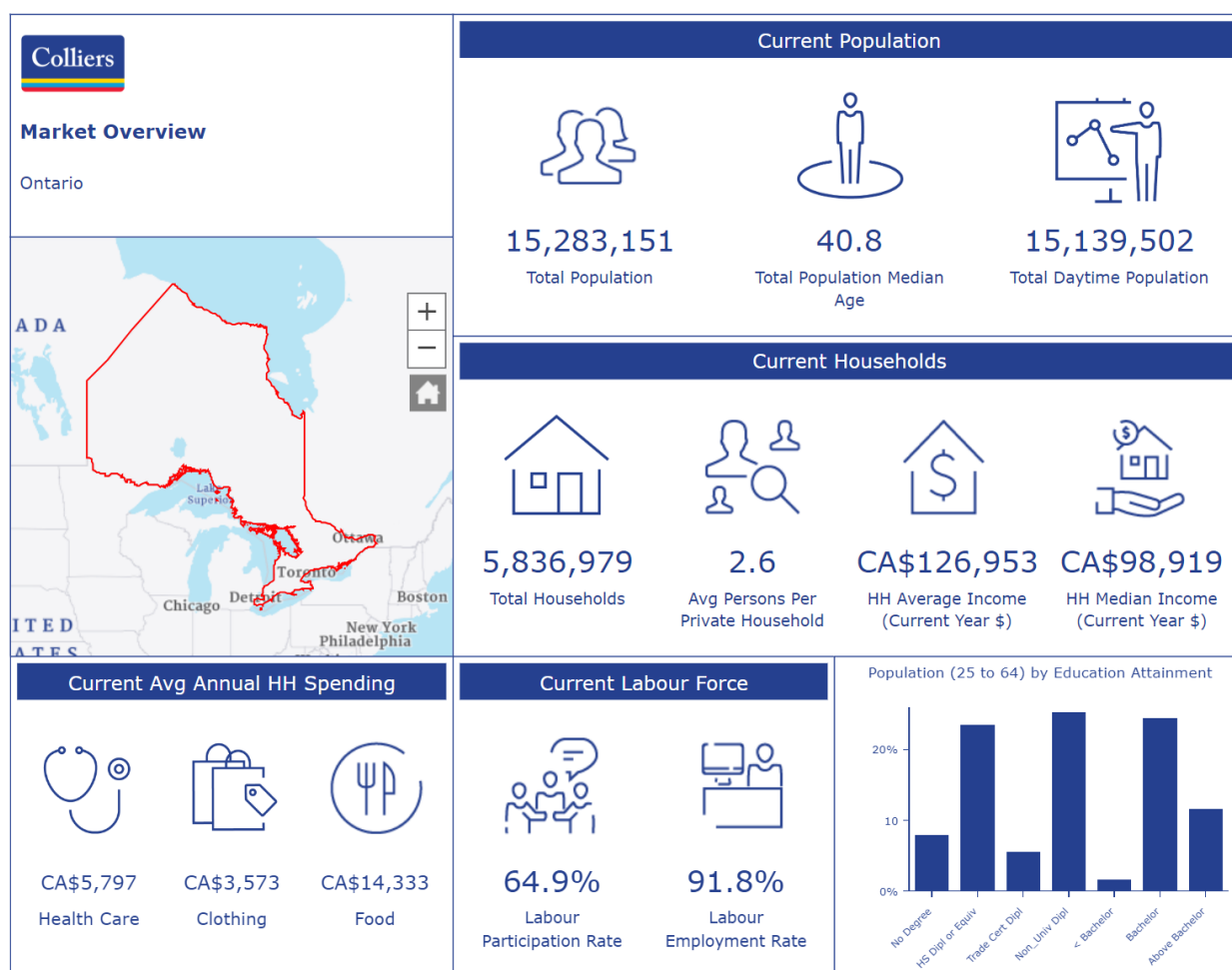
Chart 5: Net new expenditure totals C\$56.9bn over the next five years



Economic Overview – Ontario

The Province of Ontario is Canada's most populous province and home to the nation's capital, Ottawa, as well as the nation's largest city, Toronto. Besides having 40% of Canada's population, Ontario has the most culturally diverse population in Canada. The great majority of Ontario's population and arable land is located in the south. In contrast, the larger, northern part of Ontario is sparsely populated.

Ontario generates 39% of Canada's GDP and forms Canada's largest economy. The province's economy is led by its service sector, manufacturing, agriculture, mining, and forestry industries. Nearly 50% of Canada's high tech, financial services and other knowledge intensive industries are employed in Ontario. Meanwhile, Ontario is Canada's manufacturing powerhouse, shipping more than \$258 billion of automobiles, information and communications technologies, biotech, pharmaceuticals, and medical devices. In addition, the province's mining industry is among the top 10 producers in the world for nickel and platinum and a significant producer of gold, copper, zinc, cobalt, and silver.



Mississauga Market Overview

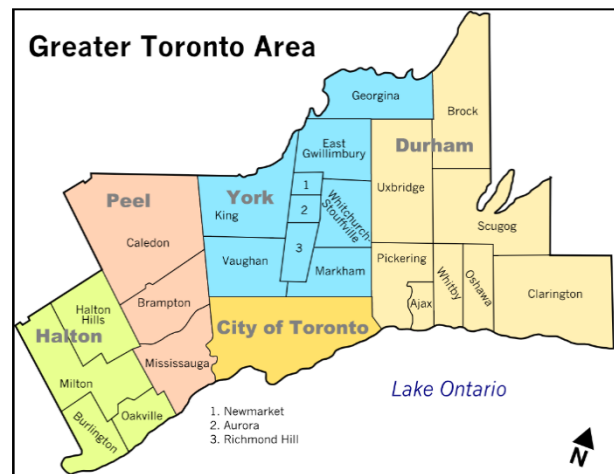
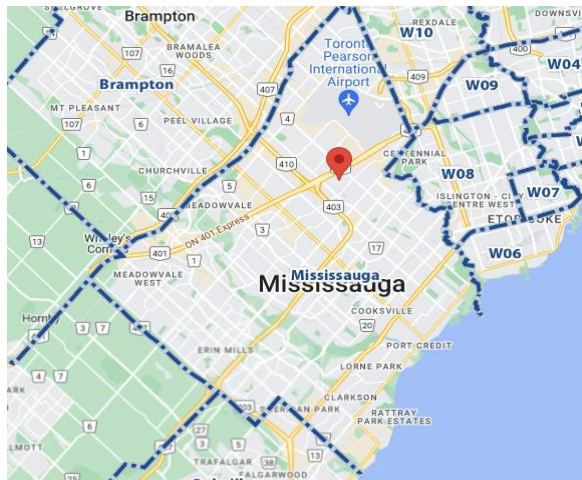
Overview

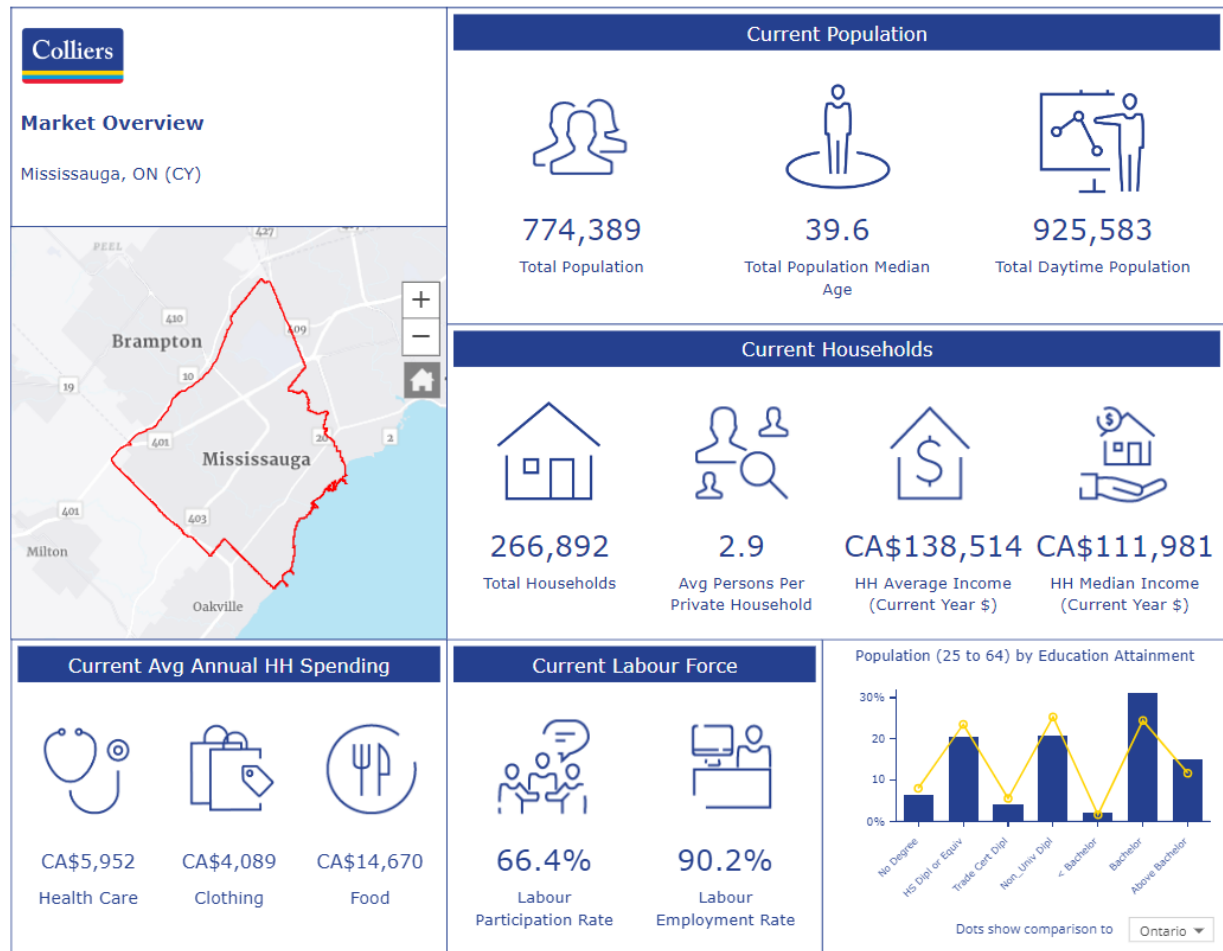
Mississauga is the sixth largest city in Canada located in the Regional Municipality of Peel. It lies on the shores of Lake Ontario in the western part of the Greater Toronto Area. Mississauga is 30 kilometers west of Toronto and 50 kilometers north of Hamilton. Mississauga is very well served by an excellent transportation network. Pearson International Airport is located in the city. Highway 401 runs east-west in the northern part of the city and Highway 403 runs north-south. Queen Elizabeth Way runs south out of the city and lead to Hamilton.

Initially developed as a suburb of Toronto, Mississauga's growth is attributed to its proximity to that city. It is the largest suburb in Anglo-America by population. In recent decades, the city has attracted a multicultural population and has plans for developing its downtown core. Mississauga is a fast growing and multicultural city with about 52.4% of the population are members of a visible minority



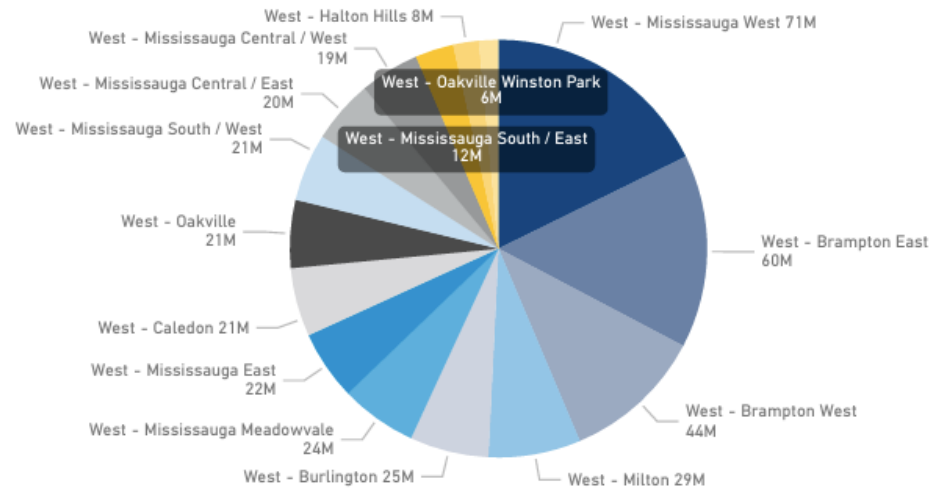
City Maps



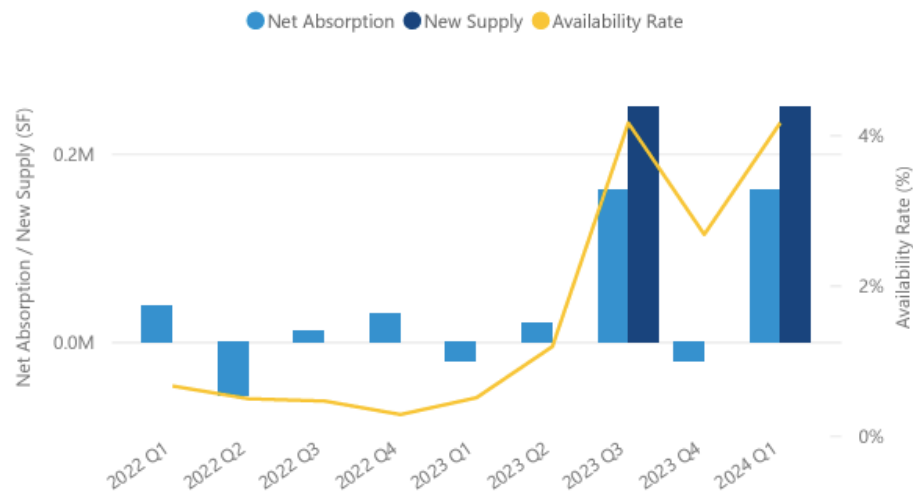


Mississauga Central / East Industrial Market Dashboard Q1 2024

Market Inventory



Historical Overview

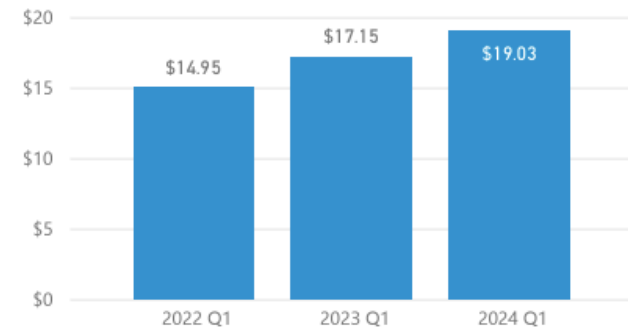


Market Snapshot

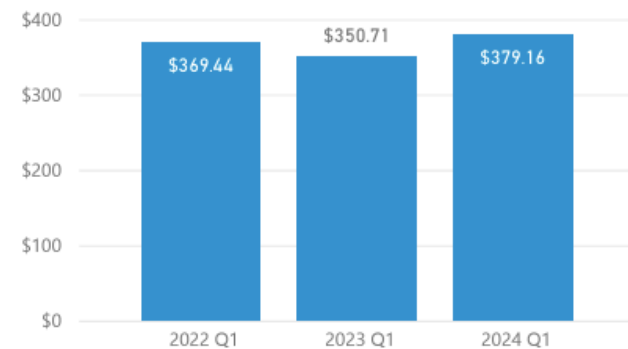
	2023 Q4	2024 Q1
Total Inventory (SF)	19,490,722	19,740,722
Availability Rate	2.7%	4.2%
Total Available (SF)	519,333	820,624
Net Absorption (SF)	-20,428	161,013
Under Construction (SF)	250,000	0
New Supply (SF)	0	250,000
Asking Net Rent (\$PSF)*	\$19.05	\$19.03

*weighted average

Weighted Average Net Rent (\$PSF)



Average Sale Price (\$PSF)



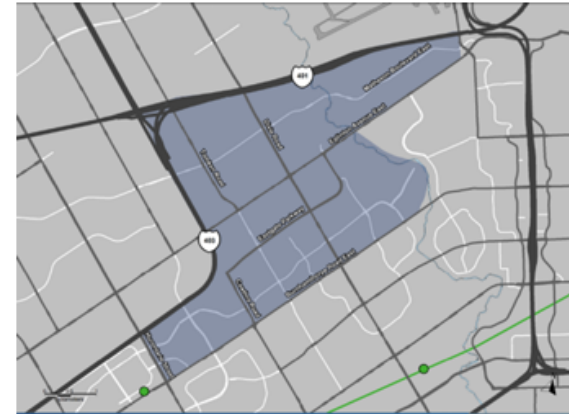
Notable Lease Transaction

Address	Tenant	Lease Type	Area (SF)	Average Rate (\$PSF)
1325 Aimco Boulevard	Smash Badminton	Head/Direct Lease	22,237	22.44
5200 Dixie Road		Head/Direct Lease	16,048	
5502 Timberlea Boulevard		Head/Direct Lease	11,453	

Notable Sales Transaction

Address	Purchaser	Area (SF)	Sale Price	Sale Price (\$PSF)
---------	-----------	-----------	------------	--------------------

Map



Appendix D

GeoWarehouse Report

Property Details

GeoWarehouse Address:

1244 KAMATO RD
MISSISSAUGA
L4W1Y1

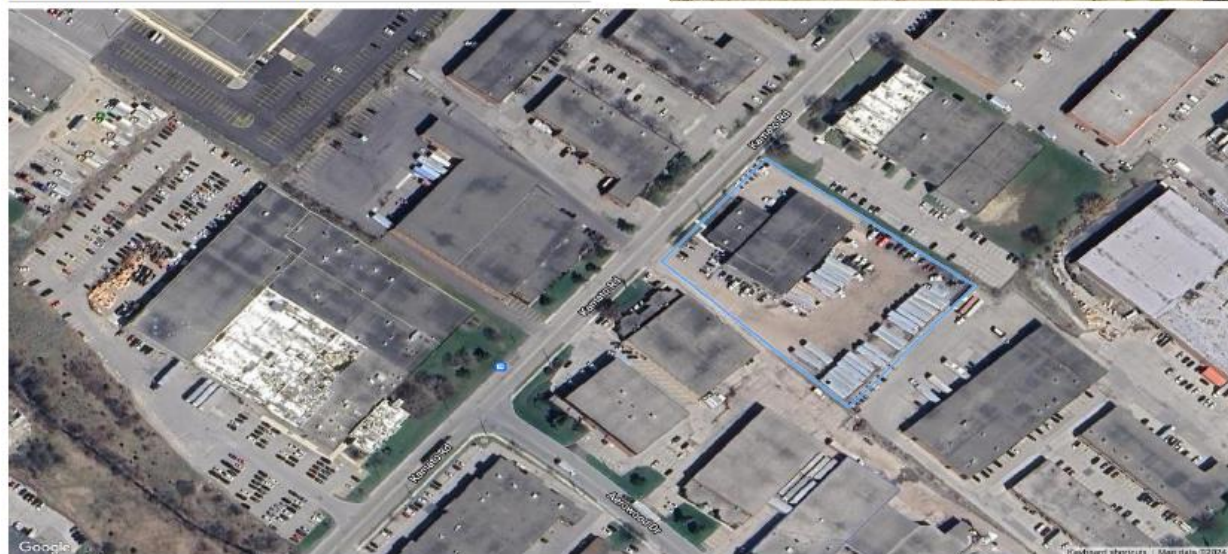
PIN: 132940034

Land Registry Office: PEEL (43)

Land Registry Status: Active

Registration Type: Certified (Land Titles)

Ownership Type: Freehold



Ownership

Owner Name:

2527366 ONTARIO INC.

Legal Description

PT LT 3 CON 3 EHS TORONTO PTS 1 & 2 43R4417 ; S/T VS295517 MISSISSAUGA

Lot Size

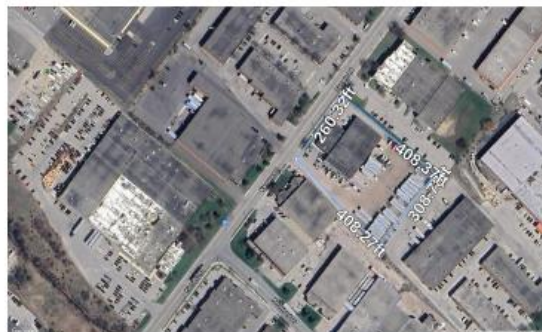
Area: 115808.8 sq.ft (2.659 ac)

Perimeter: 1384.51 ft.

Measurements: 260.32ft. x 408.27ft. x 308.78ft. x 408.37ft.

Lot Measurement Accuracy : LOW

These lot boundaries may have been adjusted to fit within the overall parcel fabric and should only be considered to be estimates.



Assessment Information

ARN

210505011622000

Frontage: 260.0 ft.

Depth: 397.78 ft.

Site Area: 2.66A

Based On: Jan 1, 2016

Description: Standard industrial properties not specifically identified by other industrial Property Codes

Property Code: 520

Current Assessment: \$3,759,000

Sales History

Sale Date	Sale Amount	Type	Party To	Notes
Sep 01, 2016	\$4,500,000	Transfer	2527366 ONTARIO INC.;	
Dec 09, 1977	\$2	Transfer	THE L. S. STARRETT CO. OF CANADA LIMITED;	

Appendix E

Land Use Controls

Column	A	B	C	D
Line 1.0	ZONES	E1 Employment in Nodes	E2 Employment	E3 Industrial
PERMITTED USES				
2.0	EMPLOYMENT			
2.1	OFFICE			
2.1.1	Medical Office	✓	✓	✓
2.1.2	Office	✓	✓	✓
2.2	BUSINESS ACTIVITIES			
2.2.1	Broadcasting/Communication Facility		✓	✓
2.2.2	Manufacturing Facility	✓	✓	✓
2.2.3	Science and Technology Facility	✓	✓	✓
2.2.4	Transportation Facility		<i>deleted by 0190-2014</i>	✓
2.2.5	Truck Terminal		✓	✓
2.2.6	Warehouse/Distribution Facility	✓	✓	✓
2.2.7	Wholesaling Facility		✓	✓
2.2.8	Waste Processing Station		✓ (0)	✓ (0)
2.2.9	Waste Transfer Station		✓ (0)	✓ (0)
2.2.10	Composting Facility		✓ (0)	✓ (0)
2.2.11	Power Generating Facility			✓
2.2.12	Outdoor Storage/Outdoor Display			✓
2.2.13	Self Storage Facility		✓	✓
2.2.14	Contractor Service Shop		✓	✓
2.2.15	Contractor's Yard			✓
2.2.16	Vehicle Pound Facility			✓
2.2.17	Medicinal Product Manufacturing Facility	✓ (0)	✓ (0)	✓ (0)
2.2.18	Medicinal Product Manufacturing Facility - Restricted	✓	✓	✓
2.2.19	Plant-Based Manufacturing Facility	✓ (0)	✓ (0)	✓ (0)
2.3	COMMERCIAL			
2.3.1	Restaurant		✓ (0)	✓ (0)
2.3.2	Convenience Restaurant		✓ (0.0)	✓ (0)
2.3.3	Take-out Restaurant		✓ (0)	✓ (0)
2.3.4	Commercial School	✓	✓	✓

Column	A	B	C	D
Line 1.0	ZONES	E1 Employment in Nodes	E2 Employment	E3 Industrial
Table 8.2.1 continued from previous page				
2.3.5	Financial Institution	✓ (10)	✓ (20)	✓ (10)
2.3.6	Veterinary Clinic	✓	✓	✓
2.3.7	Animal Care Establishment		✓	✓
2.4	MOTOR VEHICLE SERVICE			
2.4.1	Motor Vehicle Body Repair Facility			✓
2.4.2	Motor Vehicle Body Repair Facility - Commercial Motor Vehicle			✓
2.4.3	Motor Vehicle Repair Facility - Commercial Motor Vehicle		<i>deleted by 0379-2009</i>	✓
2.4.4	Motor Vehicle Repair Facility - Restricted		✓	✓
2.4.5	Motor Vehicle Rental Facility		✓	✓
2.4.6	Motor Vehicle Wash Facility - Commercial Motor Vehicle		<i>deleted by 0379-2009</i>	✓
2.4.7	Motor Vehicle Wash Facility - Restricted		✓	✓
2.4.8	Gas Bar		✓ (100)(10)	✓ (110)(10)
2.4.9	Motor Vehicle Service Station		✓ (20)	✓
2.4.10	Motor Vehicle Sales, Leasing and/or Rental Facility - Commercial Motor Vehicles		✓ (10)	✓ (1)
2.5	HOSPITALITY			
2.5.1	Banquet Hall/Conference Centre/ Convention Centre	✓	✓	✓
2.5.2	Night Club		✓ (100)	✓ (110)
2.5.3	Overnight Accommodation	✓	✓	✓
2.6	OTHER			
2.6.1	Adult Video Store		✓ (10)	✓ (1)
2.6.2	Adult Entertainment Establishment		✓ (10)	✓ (1)
2.6.3	Animal Boarding Establishment		✓ (10)	✓ (1)
2.6.4	Active Recreational Use	✓	✓	✓
2.6.5	Body-Rub Establishment		✓ (10)	✓ (1)
2.6.6	<i>deleted by 0111-2019/LPAT Order 2021 March 09</i>			
2.6.7	Truck Fuel Dispensing Facility		✓	✓
2.6.8	Entertainment Establishment	✓	✓	✓
2.6.9	Recreational Establishment	✓	✓	✓
2.6.10	Funeral Establishment		✓ (10)	✓ (1)
2.6.11	Private Club		✓	✓
2.6.12	Repair Establishment		✓	✓
2.6.13	Parking Lot		✓	✓
2.6.14	University/College	✓	✓	✓
2.6.15	Courier/Messenger Service	✓	✓	✓
ZONE REGULATIONS				
3.0	MINIMUM LOT FRONTAGE	30.0 m	30.0 m ⁽¹⁶⁾	30.0 m ⁽¹⁶⁾
4.0	MAXIMUM FLOOR SPACE INDEX - NON-RESIDENTIAL - OFFICES AND/OR MEDICAL OFFICES	n/a	1.0	0.5

Column	A	B	C	D
Line 1.0	ZONES	E1 Employment in Nodes	E2 Employment	E3 Industrial
Table 8.2.1 continued from previous page				
5.0	MINIMUM FRONT YARD	4.5 m ^(B)	7.5 m ^{(B)(10)}	7.5 m ^{(B)(10)}
5.1	Where the opposite side of the street on which the lot fronts is a Residential Zone	n/a	30.0 m ⁽¹⁰⁾	30.0 m ⁽¹⁰⁾
6.0	MAXIMUM SETBACK			
6.1	<i>deleted by 0121-2020 L.PAT Order 2021 March 11</i>			
6.2	<i>deleted by 0121-2020 L.PAT Order 2021 March 11</i>			
6.3	<i>deleted by 0121-2020 L.PAT Order 2021 March 11</i>			
7.0	MINIMUM EXTERIOR SIDE YARD	4.5 m ^(B)	7.5 m ^{(B)(10)}	7.5 m ^{(B)(10)}
7.1	Where the opposite side of the street on which the lot fronts is a Residential Zone	n/a	15.0 m ⁽¹⁰⁾	15.0 m ⁽¹⁰⁾
8.0	<i>deleted by 0191-2009 CMB Order 2010 May 05</i>			
9.0	MINIMUM INTERIOR SIDE YARD			
9.1	Lot with a lot frontage less than or equal to 75.0 m	4.5 m ^(B)	the greater of 10% of the frontage of lot, or 4.5 m ^{(B)(10)}	the greater of 10% of the frontage of lot, or 4.5 m ^{(B)(10)}
9.2	Lot with a lot frontage greater than 75.0 m	4.5 m ^(B)	7.5 m ^{(B)(10)}	7.5 m ^{(B)(10)}
9.3	Yard abutting a Residential Zone	4.5 m ^(B)	15.0 m ⁽¹⁰⁾	15.0 m ⁽¹⁰⁾
10.0	MINIMUM REAR YARD	4.5 m ^(B)	7.5 m ^{(B)(10)}	7.5 m ^{(B)(10)}
10.1	Yard abutting a Residential Zone	4.5 m ^(B)	15.0 m ⁽¹⁰⁾	15.0 m ⁽¹⁰⁾
11.0	MINIMUM HEIGHT	n/a	n/a	n/a
12.0	MINIMUM LANDSCAPED BUFFER			
12.1	Minimum depth of a landscaped buffer measured from a lot line that abuts a Residential Zone	7.0 m ⁽¹¹⁾	7.0 m ⁽¹¹⁾	7.0 m ⁽¹¹⁾
12.2	Minimum depth of a landscaped buffer measured from a lot line that is a street line	4.5 m ⁽¹¹⁾	4.5 m ⁽¹¹⁾	4.5 m ⁽¹¹⁾
12.3	Minimum depth of a landscaped buffer measured from a lot line where the lot line abuts an Institutional, Office, Commercial, Downtown Core, Parkway Belt, or Buffer Zone, or any combination of zones thereof	3.0 m ⁽¹¹⁾	3.0 m ⁽¹¹⁾	3.0 m ⁽¹¹⁾
12.4	Minimum depth of a landscaped buffer measured from a lot line that abuts an Employment, Utility or Airport Zone, or any combination of zones thereof	0.0 m ⁽¹¹⁾	0.0 m ⁽¹¹⁾	0.0 m ⁽¹¹⁾
12.5	Minimum depth of a landscaped buffer measured from any other lot line	4.5 m ⁽¹¹⁾	4.5 m ⁽¹¹⁾	4.5 m ⁽¹¹⁾

Column	A	B	C	D
Line 1.0	ZONES	E1 Employment in Nodes	E2 Employment	E3 Industrial
Table 8.2.1 continued from previous page				
13.0	<i>deleted by 0121-2020/LPAT Order 2021 March 11</i>			
14.0	<i>deleted by 0121-2020/LPAT Order 2021 March 11</i>			

- NOTES:
- (1) See also Article 2.1.2.1 of this By-law.
 - (2) See also Table 2.1.2.2.3 of this By-law.
 - (3) See also Table 2.1.2.2.1 of this By-law.
 - (4) See also Table 2.1.2.2.2 of this By-law.
 - (5) See also Subsection 2.1.17 of this By-law.
 - (6) *deleted by 0121-2020/LPAT Order 2021 March 11*
 - (7) See Article 8.2.1.1 of this By-law.
 - (8) See Article 8.2.1.2 of this By-law.
 - (9) See also Subsection 8.1.10 of this By-law
 - (10) See Table 8.1.10.1 of this By-law.
 - (11) See also Subsection 2.1.25.
 - (12) See Article 8.2.1.3 of this By-law.
 - (13) See also Subsection 2.1.29 of this By-law.
 - (14) See also Article 8.1.1.1 of this By-law.

- 8.2.1.1 For properties zoned E2 or E3, an **interior side yard** is not required where an **interior side lot line** abuts a railway right-of-way that includes a spur line. *(0018-2021)*
- 8.2.1.2 For properties zoned E2 or E3, a **rear yard** is not required where a **rear lot line** abuts a railway right-of-way that includes a spur line. *(0018-2021)*
- 8.2.1.3 For properties zoned E1, a one **storey** free-standing **building** or **structure** used for a **financial institution** shall not be permitted within 100.0 m of Hurontario Street. *(0191-2009/CMB Order 2010 May 05), (0018-2021)*

Appendix F

Capitalization Rate Comparable Sales

COMPARABLE 1: Multi-Tenant Flex Industrial

5715 McAdam Road, Mississauga, ON



LOCATION / SITE INFORMATION

Address	5715 McAdam Road
City, Province	Mississauga, ON
Legal Description	Long legal exists
Site Size	0.7 Acres (28,804 SF)
Location	Average
Access	Average
Zoning	E2-96 - Employment

SALE INFORMATION

Purchaser	Mentis Holdings Incorporated (HKC Construction)
Vendor	1740827 Ontario Incorporated
Transaction Date	March 15, 2024
Transaction Status	Recorded
Transaction Price	\$5,555,000
Analysis Price	\$5,555,000
Recording Number	None Noted
Rights Transferred	Leased Fee
Financing	Loan from Bank
Conditions of Sale	Arm's Length

IMPROVEMENTS INFORMATION

Property Type	Industrial
Sub-Type	Flex
Building Structure	Brick/Block/Frame
Design / Layout	Good
Quality	Good
Condition	Average/Good
Building Size (SF)	11,000
Year Built	1981
% Office	90.0%
Site Coverage Ratio	38.2%
Loading Docks	2
Clear Height (ft)	20

OPERATING INCOME

	TOTAL	PER SF
Gross Income	N/Av	N/Av
Vacancy & Credit Loss @ N/Av	N/Av	N/Av
Effective Gross Income	N/Av	N/Av
Expenses	N/Av	N/Av
Contingency	N/Av	N/Av
Net Operating income	\$282,480	25.68
Occupancy at Sale	88.0%	
Expenses % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price Per SF	\$505
Capitalization Rate	5.09%

REMARKS

Sale of a multi-tenant industrial property. The property is improved with one single storey industrial building. The building contains approximately 9,900 square feet of office space on one floor, one unused truck level door that can be reactivated, one drive-in door, and an industrial clear height of approximately 20 feet. At the time of sale, 9,650 SF was leased by GroupQuest Benefits Resources Inc. (office tenant) until April 30, 2024. Tenant has two further rights of renewal for two years each. Renewal options are at Fair Market Value. Balance of building was industrial space occupied by Streamline Contracting. GroupQuest has been a long-term tenant of the building and in May 2022 signed a further extension of its lease. They were paying \$28.50 gross PSF per year.

COMPARABLE 2: Single Tenant Industrial

910 Mid-Way Boulevard, Mississauga, ON



LOCATION / SITE INFORMATION

Address	910 Mid-Way Boulevard
City, Province	Mississauga, ON
Legal Description	Long legal exists
Site Size	9.4 Acres (409,464 SF)
Topography	Level
Location	Good
Access	Good
Zoning	E2 - Employment Industrial

SALE INFORMATION

Purchaser	ITD Real Estate Holdings Inc.
Vendor	Greycan 2 Properties GP, Inc.
Transaction Date	February 29, 2024
Transaction Status	Recorded
Transaction Price	\$42,000,000
Analysis Price	\$42,000,000
Rights Transferred	Leased Fee
Financing	Loan from Bank
Conditions of Sale	Arm's Length

IMPROVEMENTS INFORMATION

Property Type	Industrial
Sub-Type	Warehouse
Building Structure	Brick/Steel
Design / Layout	Good
Quality	Average
Condition	Average
Building Size (SF)	172,235
Year Built	1985
% Office	10.4%
Site Coverage Ratio	39.9%
Loading Docks	27
Clear Height (ft)	21

OPERATING INCOME

	TOTAL	PER SF
Gross Income	\$3,315,524	19.25
Vacancy & Credit Loss @ 0.0%	\$0	0.00
Effective Gross Income	\$3,315,524	19.25
Expenses	(\$596,148)	(3.46)
Contingency	(\$49,733)	(0.29)
Net Operating income	\$2,669,643	15.50
Occupancy at Sale	100.0%	
Expenses % of GI / EGI	19%	19%

ANALYSIS INFORMATION

Price Per SF	\$244
Capitalization Rate	6.36%

REMARKS

The City of Mississauga Official Plan designates the property Industrial. The property is improved with a two storey, single tenant industrial building. The building contains a total gross floor area of 172,235 square feet, including approximately 17,900 square feet of office space on two floors. The building is serviced by 17 truck level doors and ten drive-in doors. The property has a coverage ratio of approximately 40% and there is surface parking available. At the time of sale, the building was fully occupied by Ontario Flower Growers Co-Operative Ltd. The current lease in place is set to expire in December 2028 with no further options to renew.

COMPARABLE 3: Single-Tenant Industrial

3161 Wolfedale Road, Mississauga, ON



LOCATION / SITE INFORMATION

Address	3161 Wolfedale Road
City, Province	Mississauga, ON
Legal Description	Long legal exists
Site Size	1.6 Acres (70,218 SF)
Location	Good
Access	Good
Zoning	E2-133 - Employment

SALE INFORMATION

Purchaser	1000663747 Ontario Incorporated
Vendor	SAA Holdings Incorporated (Prog-Die Tool & Stamping)
Transaction Date	February 13, 2024
Transaction Status	Recorded
Transaction Price	\$8,900,000
Analysis Price	\$8,900,000
Recording Number	None Noted
Rights Transferred	Leased Fee
Financing	All Cash
Conditions of Sale	Arm's Length

IMPROVEMENTS INFORMATION

Property Type	Industrial
Sub-Type	Warehouse
Building Structure	Concrete/Block
Design / Layout	Good
Quality	Good
Condition	Good
Building Size (SF)	32,981
Year Built	1970
% Office	8.5%
Site Coverage Ratio	47.0%
Loading Docks	3
Clear Height (ft)	19-24

OPERATING INCOME

	<u>TOTAL</u>	<u>PER SF</u>
Gross Income	N/Av	N/Av
Vacancy & Credit Loss @ N/Av	N/Av	N/Av
Effective Gross Income	N/Av	N/Av
Expenses	N/Av	N/Av
Contingency	N/Av	N/Av
Net Operating income	\$372,000	11.28
Occupancy at Sale	100.0%	
Expenses % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price Per SF	\$270
Capitalization Rate	4.18%

REMARKS

The property is improved with a single storey, single-tenant industrial building. The building contains a total gross floor area of 32,981 square feet, including approximately 2,816 square feet of office space. The index is serviced by one truck level door and two grade level doors. At the time of sale, the building was fully occupied by Wolfedale Tool and Stamping Incorporated. Industry professionals familiar with this transaction indicated that the property was on the market for approximately one and a half months. The asking price for the property was \$9,990,000 prior to selling for \$8,900,000.

COMPARABLE 4: Single Tenant Industrial

30 Royal Group Crescent, Vaughan, ON



LOCATION / SITE INFORMATION

Address	30 Royal Group Crescent
City, Province	Vaughan, ON
Legal Description	Long legal exists
Site Size	10.2 Acres (445,313 SF)
Topography	Level
Location	Good
Access	Good
Zoning	EM2 - General Employment

SALE INFORMATION

Purchaser	Dream Summit Industrial (30 Royal Group Crescent) Inc.
Vendor	OMERS Realty Corporation
Transaction Date	October 13, 2023
Transaction Status	Recorded
Transaction Price	\$81,125,000
Analysis Price	\$81,125,000
Rights Transferred	Leased Fee
Financing	All Cash
Conditions of Sale	Arm's Length

IMPROVEMENTS INFORMATION

Property Type	Industrial
Sub-Type	Warehouse
Building Structure	Glass/Steel
Design / Layout	Good
Quality	Average
Condition	Average
Building Size (SF)	289,687
Year Built	1999
% Office	5.0%
Site Coverage Ratio	65.1%
Loading Docks	16
Clear Height (ft)	28

OPERATING INCOME

	TOTAL	PER SF
Gross Income	N/Av	N/Av
Vacancy & Credit Loss @ N/Av	N/Av	N/Av
Effective Gross Income	N/Av	N/Av
Expenses	N/Av	N/Av
Contingency	N/Av	N/Av
Net Operating income	\$5,069,523	17.50
Occupancy at Sale	100.0%	
Expenses % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price Per SF	\$280
Capitalization Rate	6.25%

REMARKS

The City of Vaughan Official Plan designates the property General Employment. The property is improved with a single storey, multi tenant industrial building. The building contains a total gross floor area of 289,687 square feet, including approximately 14,484 square feet of office space. The building is serviced by 16 truck level doors. The property is serviced by surface parking spaces and has a coverage ratio of approximately 65%. At the time of sale the building was fully occupied by Vision Dominion Extrusions.

The subject property is part of the Oxford Properties - Dream Industrial REIT Industrial Portfolio 2023, which consists of two properties in the City of Vaughan. The portfolio was purchased for \$120,700,000 and contains a gross leasable area of approximately 442,931 square feet, representing an aggregate price per square foot of \$273.

COMPARABLE 5: Two Industrial Buildings

5 Intermodal Drive, Brampton, ON



LOCATION / SITE INFORMATION

Address	5 Intermodal Drive
City, Province	Brampton, ON
Legal Description	Long legal exists
Site Size	10.9 Acres (473,192 SF)
Topography	Generally Level
Location	Good
Access	Good
Zoning	M1 - Industrial

SALE INFORMATION

Purchaser	GIC (as to an undivided 90% interest) & Dream Industrial REIT (as to an undivided 10% interest)
Vendor	GWL Realty Advisors
Transaction Date	October 3, 2023
Transaction Status	Recorded
Transaction Price	\$62,600,000
Analysis Price	\$62,600,000
Rights Transferred	Leased Fee
Financing	Undisclosed
Conditions of Sale	Arm's Length

IMPROVEMENTS INFORMATION

Property Type	Industrial
Sub-Type	Warehouse
Building Structure	Concrete
Design / Layout	Good
Quality	Good
Condition	Good
Building Size (SF)	198,026
Year Built	1989
% Office	13.9%
Site Coverage Ratio	41.8%
Loading Docks	25
Clear Height (ft)	24

OPERATING INCOME

	TOTAL	PER SF
Gross Income	N/Av	N/Av
Vacancy & Credit Loss @ N/Av	N/Av	N/Av
Effective Gross Income	N/Av	N/Av
Expenses	N/Av	N/Av
Contingency	N/Av	N/Av
Net Operating income	\$3,443,000	17.39
Occupancy at Sale	100.0%	
Expenses % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price Per SF	\$316
Capitalization Rate	5.50%

REMARKS

The Index Property features two industrial buildings: 1 Woodslea Road and 5 Intermodal Drive.

1 Woodslea: Single tenant, 110,148 SF GFA, 14,319 SF of office, built in 1989, 12 truck doors and 2 drive-in doors

5 Intermodal: Multi tenant, 87,878 SF GFA, 13,182 SF of office, 621 SF mezzanine, built in 2004, 10 truck level doors and 1 drive-in door.

At the time of sale, the buildings were fully occupied. 1 Woodslea Road was occupied by Atlantic Packaging Products and 5 Intermodal Drive was occupied by Embassy Ingredients.

The weighted average lease term for the existing tenants is 4.1 years with in-place rents 10% below market rates.

COMPARABLE 6: Single-Tenant Industrial

7521 Tranmere Drive, Mississauga, ON



LOCATION / SITE INFORMATION

Address	7521 Tranmere Drive
City, Province	Mississauga, ON
Legal Description	PCL 54-55-1, SEC M276
Site Size	6.8 Acres (296,339 SF)
Topography	Generally Level
Location	Good/Excellent
Access	Average/Good
Zoning	E3 - Industrial

SALE INFORMATION

Purchaser	1000072474 Ontario Inc.
Vendor	KS 7521 Tranmere Inc.
Transaction Date	July 25, 2023
Transaction Status	Recorded
Transaction Price	\$40,500,000
Analysis Price	\$40,500,000
Rights Transferred	Leased Fee
Financing	Undisclosed
Conditions of Sale	Arm's Length

IMPROVEMENTS INFORMATION

Property Type	Industrial
Sub-Type	Industrial
Building Structure	Concrete
Design / Layout	Average
Quality	Average/Good
Condition	Average
Building Size (SF)	85,873
Year Built	1986
% Office	5.0%
Site Coverage Ratio	29.0%
Loading Docks	6
Clear Height (ft)	22

OPERATING INCOME

	<u>TOTAL</u>	<u>PER SF</u>
Gross Income	N/Av	N/Av
Vacancy & Credit Loss @ N/Av	N/Av	N/Av
Effective Gross Income	N/Av	N/Av
Expenses	N/Av	N/Av
Contingency	N/Av	N/Av
Net Operating income	\$1,903,500	22.17
Occupancy at Sale	100.0%	
Expenses % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price Per SF	\$472
Capitalization Rate	4.70%

REMARKS

The site is located north of Derry Road East, west of Bramalea Road. The property is improved with a single storey, single tenant industrial building. The building includes approximately 4,294 SF of office, ten truck level and two drive-in doors, and an industrial clear height of approximately 20 feet. Recent (2022) renovations include new asphalt, roof, LED lighting, white boxed warehouse. At the time of sale, the building was fully occupied by PECO Pallet.

Appendix G

Direct Comparison Comparable Sales

COMPARABLE 1: Single-Tenant Industrial

150 Glidden Road, Brampton, ON, Brampton, ON



LOCATION / SITE INFORMATION

Address	150 Glidden Road, Brampton, ON
City, Province	Brampton, ON
Legal Description	Long legal exists
Site Size	4.2 Acres (181,645 SF)
Location	Average
Access	Average
Zoning	M2 - Industrial Two

SALE INFORMATION

Purchaser	2725947 Ontario Ltd.
Vendor	King Hamilton Investments Inc.
Transaction Date	April 26, 2024
Transaction Status	Recorded
Transaction Price	\$24,000,000
Analysis Price	\$24,000,000
Rights Transferred	Leased Fee
Financing	Undisclosed
Conditions of Sale	Arm's Length

IMPROVEMENTS INFORMATION

Property Type	Industrial
Sub-Type	Industrial Manufacturing
Building Size (SF)	39,660
Year Built	1973
% Office	9.2%
Site Coverage Ratio	21.8%
Loading Docks	9
Clear Height (ft)	21.5

OPERATING INCOME

	TOTAL	PER SF
Gross Income	N/Av	N/Av
Net Operating income	N/Av	N/Av
Occupancy at Sale	100.0%	
Expenses % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price Per SF	\$605
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REMARKS

The site is located north of Steeles Avenue East, west of Highway 410. The property is improved with a single storey single-tenant industrial building constructed circa 1973. The building includes eight drive-in doors, one truck level door, an industrial clear height estimated at 21.5 feet (24 feet as per MPAC), and approximately 3,660 SF of office. At the time of sale the property was reported to be occupied by a tenant - Total Pallet Solutions.

COMPARABLE 2: Single-Tenant Industrial

2375 Lucknow Drive, Mississauga, ON, Mississauga, ON



LOCATION / SITE INFORMATION

Address	2375 Lucknow Drive, Mississauga, ON
City, Province	Mississauga, ON
Legal Description	Long legal exists
Site Size	3.8 Acres (165,092 SF)
Location	Average
Access	Average
Zoning	E2 - Employment

SALE INFORMATION

Purchaser	Rhythm Properties Inc.
Vendor	2515878 Ontario Limited
Transaction Date	March 26, 2024
Transaction Status	Recorded
Transaction Price	\$19,200,000
Analysis Price	\$19,200,000
Rights Transferred	Fee Simple
Financing	Undisclosed
Conditions of Sale	Arm's Length

IMPROVEMENTS INFORMATION

Property Type	Industrial
Sub-Type	Storage Yard
Building Size (SF)	20,210
Year Built	1987
% Office	26.1%
Site Coverage Ratio	10.6%
Loading Docks	15
Clear Height (ft)	20

OPERATING INCOME

	<u>TOTAL</u>	<u>PER SF</u>
Gross Income	N/Av	N/Av
Net Operating income	N/Av	N/Av
Occupancy at Sale	0.0%	
Expenses % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price Per SF	\$950
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REMARKS

The site is located north of Derry Road East, west of Torbram Road. The Index comprises three parcel of land including a corner parcel municipally known as 7099 Fir Tree Drive. The property is improved with a two storey single-tenant industrial building constructed circa 1987. The building includes approximately 5,280 SF (26%) of office over two floors, five drive-in and 10 truck level doors, and an industrial clear height of approximately 20 feet. At the time of sale the property was vacant, to be occupied by the purchaser.

COMPARABLE 3: Single Tenant Industrial

2210 Drew Road, Mississauga, ON, Mississauga, ON



LOCATION / SITE INFORMATION

Address	2210 Drew Road, Mississauga, ON
City, Province	Mississauga, ON
Legal Description	Long legal exists
Site Size	1.0 Acres (43,486 SF)
Location	Average
Access	Average
Zoning	E3 - Industrial

SALE INFORMATION

Purchaser	Creighton Rock Drill Ltd. (Creighton Brothers Holdings Inc.)
Vendor	LaSalle Investment Management (GTA W21 Inc.)
Transaction Date	January 23, 2024
Transaction Status	Recorded
Transaction Price	\$11,832,320
Analysis Price	\$11,832,320
Rights Transferred	Fee Simple
Financing	Loan from Bank
Conditions of Sale	Arm's Length

IMPROVEMENTS INFORMATION

Property Type	Industrial
Sub-Type	Industrial
Building Size (SF)	18,486
Year Built	1986
% Office	11.2%
Site Coverage Ratio	42.5%
Loading Docks	4
Clear Height (ft)	18

OPERATING INCOME

	<u>TOTAL</u>	<u>PER SF</u>
Gross Income	N/Av	N/Av
Net Operating income	N/Av	N/Av
Occupancy at Sale	100.0%	
Expenses % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price Per SF	\$640
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REMARKS

The property is improved with a single storey, single tenant industrial building. The building contains a total gross floor area of 18,486 square feet, including approximately 2,062 square feet of office space on one floor. The building is serviced by three truck level doors and one drive-in door. The property is serviced by surface parking spaces and has a coverage ratio of approximately 43%. At the time of sale, the building was fully occupied by the purchaser, Creighton Rock Drill Ltd.

COMPARABLE 4: Multi-Tenant Industrial with Surplus Land

11 Blair Drive, Brampton, ON, Brampton, ON



LOCATION / SITE INFORMATION

Address	11 Blair Drive, Brampton, ON
City, Province	Brampton, ON
Legal Description	PT BLK A PL 676 CHINGUACOUSY PT 1, RD187 ; BRAMPTON
Site Size	6.0 Acres (262,666 SF)
Topography	Level
Location	Good
Access	Average/Good
Zoning	M2-168 - Industrial Two

SALE INFORMATION

Purchaser	1000730336 Ontario Inc.
Vendor	2783723 Ontario Ltd.
Transaction Date	December 29, 2023
Transaction Status	Recorded
Transaction Price	\$30,100,000
Analysis Price	\$30,100,000
Rights Transferred	Leased Fee
Financing	Undisclosed
Conditions of Sale	Arm's Length

IMPROVEMENTS INFORMATION

Property Type	Industrial
Sub-Type	Industrial
Building Size (SF)	42,000
Year Built	1969
% Office	12.3%
Site Coverage Ratio	16.0%
Loading Docks	18

OPERATING INCOME

	TOTAL	PER SF
Gross Income	N/Av	N/Av
Net Operating income	N/Av	N/Av
Occupancy at Sale	100.0%	
Expenses % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price Per SF	\$717
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REMARKS

The site is located north of Steeles Avenue East, east of Goreway Drive. The property is improved with a single storey, multi-tenant industrial building that can be also utilized as a single-tenant facility. The building was constructed between 1969-2010, with full roof replacement circa 2018. The building contains approximately 5,184 SF of office, 16 truck level and two drive-in doors, and industrial clear height of approximately 16-20 feet. The property was reported (2020) to include two coolers, one freezer, and on-site fuel pump. At the time of sale, the building was fully occupied with the tenancy characterized by predominantly national businesses. Some of the building's main tenants include Autobahn Group of Companies, ASL Global Logistics, and GN Truck Sales.

COMPARABLE 5: Low SCR Single-Tenant Industrial

35-37 Hale Road, Brampton, ON, Brampton, ON



LOCATION / SITE INFORMATION

Address	35-37 Hale Road, Brampton, ON
City, Province	Brampton, ON
Legal Description	Long legal exists
Site Size	1.2 Acres (51,333 SF)
Location	Average
Access	Average
Zoning	M2 - Industrial Two

SALE INFORMATION

Purchaser	35 Hale Investments Incorporated (All Truck Lube & Wash)
Vendor	Marianne Vardon; John Harold Richard; Donald Norman Graff
Transaction Date	November 24, 2023
Transaction Status	Recorded
Transaction Price	\$7,200,000
Analysis Price	\$7,200,000
Recording Number	None Noted
Rights Transferred	Leased Fee
Financing	Undisclosed
Conditions of Sale	Arm's Length

IMPROVEMENTS INFORMATION

Property Type	Industrial
Sub-Type	Light Industrial
Building Size (SF)	10,237
Year Built	1974
% Office	15.0%
Site Coverage Ratio	19.9%
Loading Docks	4

OPERATING INCOME

	<u>TOTAL</u>	<u>PER SF</u>
Gross Income	N/Av	N/Av
Net Operating income	N/Av	N/Av
Occupancy at Sale	100.0%	
Expenses % of GI / EGI	N/Av	N/Av

ANALYSIS INFORMATION

Price Per SF	\$703
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REMARKS

The Index pertains to a single storey, low site coverage single tenant industrial building, built circa 1974. The building provides 1,536 SF (approximately 15%) office area, four drive-in doors, an industrial clear height of 14'6", and the M2 - Industrial Two - zoning. At the time of sale the building was leased to two arm's length tenants (originally, one unit was to be owner occupied, and another unit was leased). The Index was reported sold conditionally as of August 10, 2023. The The Index was listed on MLS for the reported amount of \$7,950,000 or \$777/SF.

**THIS IS EXHIBIT "B" REFERRED TO IN THE AFFIDAVIT OF EKNOOR
SINGH TUNG SWORN BEFORE ME ON MARCH 26, 2025**



A Commissioner for taking affidavits



Current Narrative Appraisal

Industrial Land

2260 Manning Road

Lakeshore, Ontario

Effective Date: May 24, 2024

Report Date: June 18, 2024

Prepared For

Eknoor Tung

Vice-President of Operations

Tung Air Transport Ltd.

Prepared By

Scot Morris B.Comm, AACI, P.App

Senior Director, Toronto West

Valuation & Advisory Services

Our File: TOW240192-003

June 18, 2024

Tung Air Transport Ltd.
1244 Kamato Road,
Mississauga, ON L4W 1Y1

Attention: Eknoor Tung
Vice-President of Operations

Dear Mr. Tung;

Re: Appraisal of Industrial Land
2260 Manning Road, Lakeshore, Ontario

In accordance with your request, we have inspected the above property and have carried out an Appraisal in order to estimate its current market value as is as at May 24, 2024. Based on our analysis, the current market value as is of the Fee Simple estate of the Subject Property, as of May 24, 2024 is estimated to be:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Current Market Value As-Is	Fee Simple	May 24, 2024	\$[REDACTED]

The above value estimate is based on an exposure period of six months or less, assuming the basis of a transaction involving cash to the vendor, and is Subject to the Extraordinary Assumptions, Hypothetical Conditions, Extraordinary Limiting Conditions as detailed beginning on **Page 14** herein, in addition to the Ordinary Assumptions and Limiting Conditions contained in the Addenda. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained herein.

This report describes the methods and approaches to value in support of the final conclusions and contains the pertinent data gathered in our investigation of the market.

Should you have any questions, we would be pleased to discuss the valuation further.

Yours very truly,

COLLIERS INTERNATIONAL REALTY ADVISORS INC.

Scot Morris B. Comm, AACI, P. App
Senior Director, Toronto West

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Executive Summary



PROPERTY INFORMATION

Property Name	Industrial Land
Address	2260 Manning Road
Nearest Major Intersection	Manning Road and Highway 42
Purpose	Current Market Value As Is
Authorized Use	First Mortgage Financing
Property Type	Land
Rights Appraised	Fee Simple
Effective Date	May 24, 2024
Site Area	Approximately 39.401 Acres (1,716,304 SF)
Access	The Subject has a point of ingress/egress from Manning Road.
Services	Rural services are assumed to be available to the Subject (municipal hydro, well water, septic). For the purposes of this report it has been assumed that there is adequate capacity for full services to be provided to a development of the Subject.
Land Use Controls	
Official Plan	Agricultural Designation
Zoning	A and A-5 (Agriculture and Agriculture with Exception 5)
Highest And Best Use	As further detailed herein, the Highest and Best Use of the Subject Property is a transportation use development.

VALUATION CONCLUSIONS

Direct Comparison Approach	
Rate Per Acre	\$375,000
Acres	39.401
Value Estimate (Rounded)	\$ [REDACTED]
Adjustment to Value	\$0
Adjusted Value (Rounded)	\$ [REDACTED]

The above value estimate is based on an exposure period of six months or less, assuming the basis of a transaction involving cash to the vendor, and is Subject to the Extraordinary Assumptions, Hypothetical Conditions and Extraordinary Limiting Conditions as detailed beginning on **Page 14** herein, in addition to the Ordinary Assumptions and Limiting Conditions contained in the Addenda. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained herein.

Direct Comparison Sales

Index No.	Property Address City, Province	Site Area (Acre) Official Plan Zoning	Sale Date Analysis Price Analysis Price / Acre
1	266 Patillo Rd Lake Shore, ON	3.153 Employment Designation M1 - General Employment	19-Jan-24 \$1,600,000 \$507,453
2	2415 Division Road Windsor, ON	5.119 Mixed Use Centre / Industrial MD1.2-Manufacturing District (Light Industrial with Limited Commercial	27-Oct-23 \$1,838,850 \$359,221
3	2525 Central Avenue Windsor, ON	7.350 Business Park MD1.4 - Manufacturing District (Business Park)	28-Jul-23 \$3,700,000 \$503,401
4	Lots 9-12 High Tech Drive Lakeshore, ON	14.080 Employment M1 - General Industrial	29-Jun-23 \$6,990,000 \$496,449
5	2400 Banwell Road Windsor, ON	46.120 Future Development A - Agricultural	5-Jan-23 \$11,250,000 \$243,929

Assignment Background

The Subject Property represents a 39.40 acre site located east side of Manning Road between Highway 42 and Little Baseline Road. The Subject Property is comprised of two land parcels, which is improved with truck repair building, storage building, and a residential dwelling. Please refer to the following map for an outline of the Subject Property.



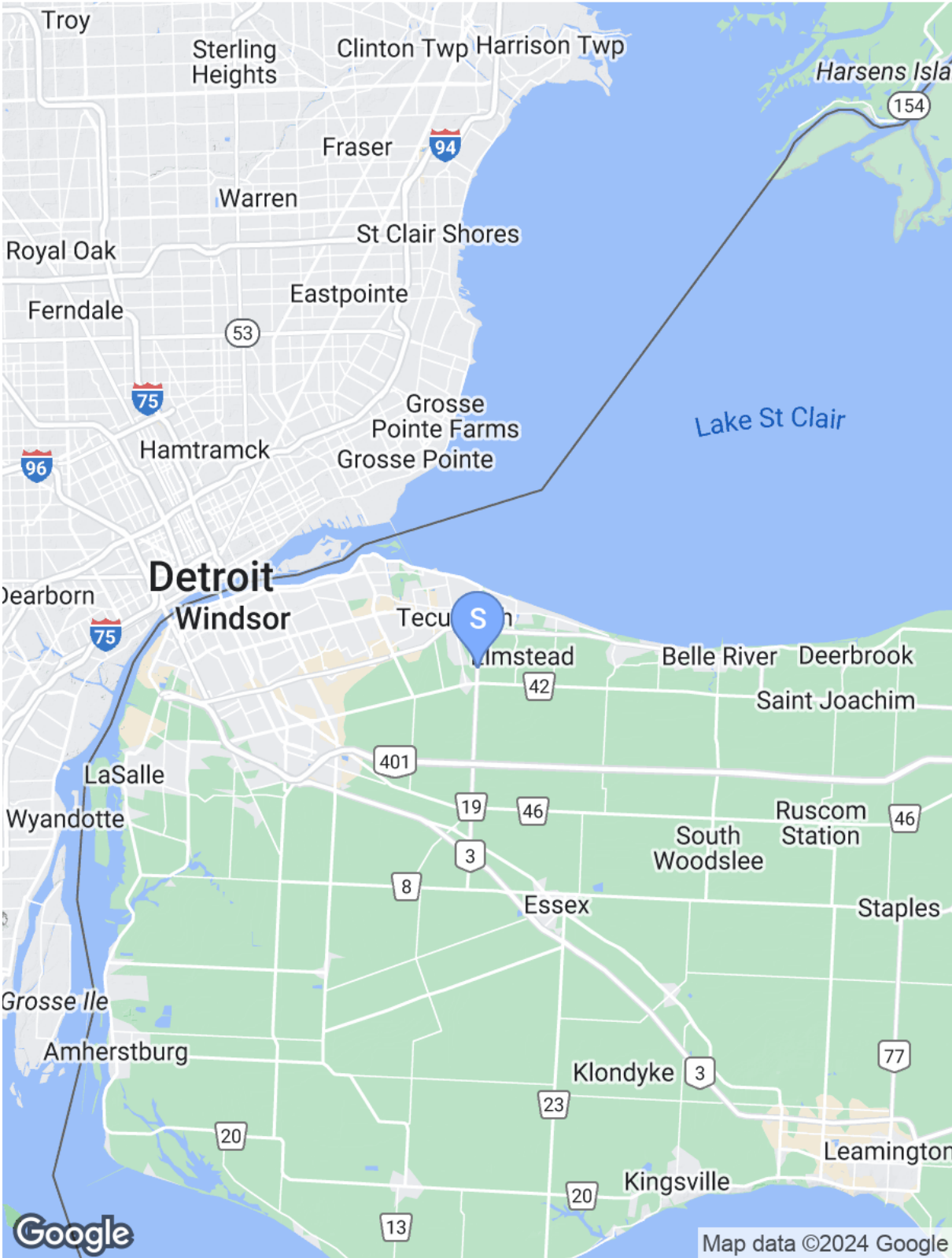
The Subject is designated as 'Agricultural Designation' in the Town of Lakeshore Official Plan, and zoned 'A and A-5 - Agriculture and Agriculture with Exception 5' (approximately 37.21 acres) under the Town of Lakeshore Zoning by-law 2-2012. Exception 5 permits limited industrial uses. Due to this Exception, the site's utility is deemed to be higher than utility of agricultural land, and, due to the Agriculture designation, lower than the utility of an industrial site.

The site is improved with a 5,960 SF truck repair shop, a 3,200 SF storage building, and a 1,951 SF residential dwelling. The site coverage is approximately 1%; consequently, it is deemed that the value of the property is predominantly in land.

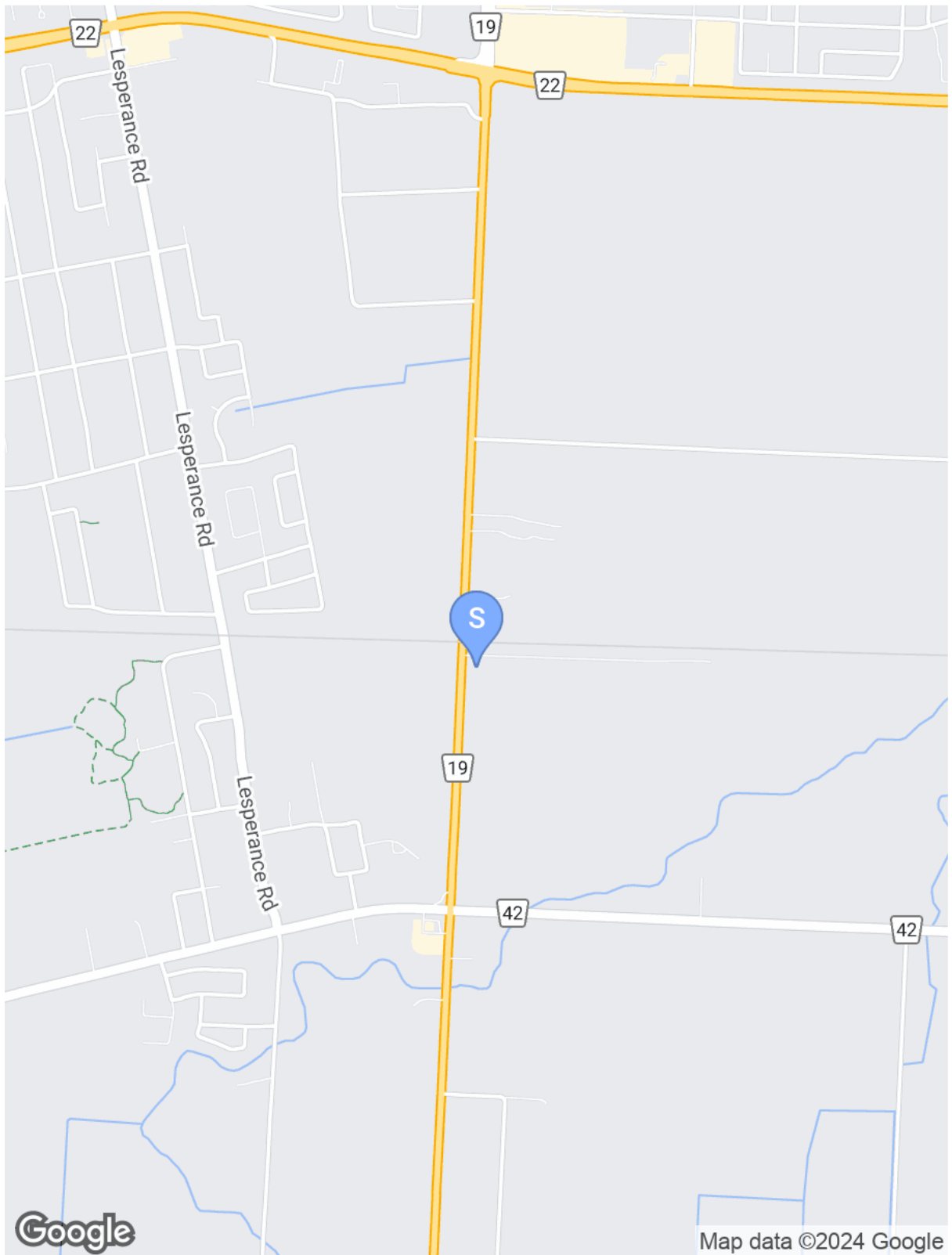
There have been no development applications submitted to permit the development of the Subject Property.

Should any other than the existing land use be considered for the Subject site, an Official Plan Amendment and Zoning By-law Amendment are likely to be required in order to permit any proposed new use or development.

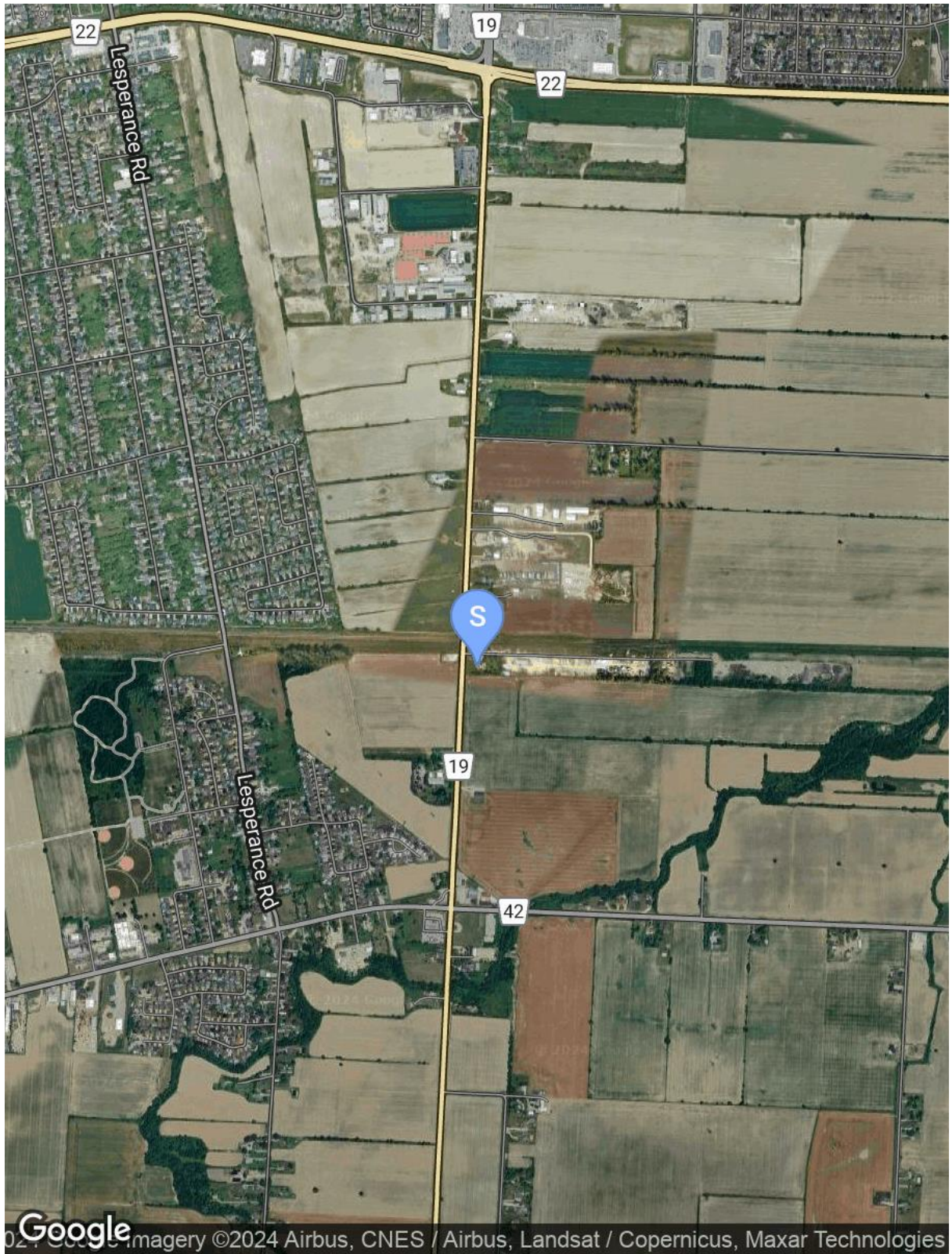
Regional Map



Location Map



Aerial Map



Photographs of Subject Property



SITE 1



SITE 2

Photographs of Subject Property (continued)



SITE 3



SITE 4

Photographs of Subject Property



MANNING ROAD LOOKING SOUTHERLY



MANNING ROAD LOOKING NORTHERLY



SITE ENTRANCE



IMPROVEMENTS – RESIDENTIAL DWELLING



IMPROVEMENTS – TRUCK REPAIR BUILDING



TRUCK REPAIR SHOP - INTERIOR

Photographs of Subject Property



TRUCK REPAIR SHOP - ROOF



TRUCK REPAIR SHOP 2



TRUCK REPAIR BUILDING – OFFICE



TRUCK REPAIR BUILDING – EMPLOYEE
FACILITIES



STORAGE BUILDING



STORAGE BUILDING - INTERIOR

Terms of Reference

Authorized Client and User

Tung Air Transport Ltd. is the Authorized Client of this appraisal, and Tung Air Transport Ltd. is the Authorized User.

Purpose and Authorized Use of Report

The purpose of this valuation is to estimate the current market value as is of the Subject Property described.

This appraisal is provided on a confidential basis and for the sole and exclusive use by Tung Air Transport Ltd. and any other Authorized User specifically identified for first mortgage financing only, and any third party use of or reliance on this Appraisal Report or any materials prepared by Colliers International Realty Advisors Inc. (Colliers), is strictly prohibited, except to the extent that Colliers has provided prior permission in writing, such permission to be provided or withheld in Colliers' sole and exclusive discretion. In the event that Colliers has not provided said permission Tung Air Transport Ltd. shall ensure and be responsible for notifying the third party in writing that it should not rely on the Appraisal Report and any use by such third party of the Appraisal Report or any materials prepared by Colliers shall be at its own risk and that Colliers makes no representations or warranties of any kind. Notwithstanding anything to the contrary, Colliers shall not owe any duty to any third party with respect to the Appraisal Report.

Land value is Subjective and includes many influencing factors including service availability, land entitlements, restricted development areas and other planning, heritage and built form restrictions. The value conclusion contained is predicated upon information sourced from municipal agents, brokers and developers in the market and is Subject to Extraordinary Assumptions, Hypothetical Conditions and Extraordinary Limiting Conditions as detailed beginning on **Page 14** herein. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained herein.

The appraisal report must be used in its entirety and any reliance on any portion of the appraisal report independent of others may lead to erroneous conclusions.

Indemnification and Limitation of Liability

Tung Air Transport Ltd. shall indemnify, defend and hold Colliers fully harmless from and against any and all claims, liabilities, damages, costs and expenses (including court costs and reasonable legal fees) resulting from or arising out of the Authorized Client's breach of the professional service agreement relating to the Appraisal Report, wrongful acts or omissions (including any failure to perform any duty imposed by law), misrepresentation, distortion or failure to provide complete and accurate information, or any unauthorized use or reliance by third parties on the Appraisal Report or any materials prepared by Colliers. Except for Tung Air Transport Ltd.'s indemnification obligations, neither party shall be liable to the other party for any special, consequential, punitive or incidental damages of any kind whatsoever. Moreover, to the maximum extent permitted by law, Colliers' total liability for any losses, claims or damages arising out of or connecting or relating to this agreement (under any applicable theory of law) shall be limited in the aggregate to the total sum of fees and costs received by Colliers from Tung Air Transport Ltd. for the applicable Subject report(s).

Property Rights

The property rights appraised are those of the Fee Simple Interest. The Fee Simple Interest refers to absolute ownership unencumbered by any other interest or estate, Subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power and escheat.

Effective Date

The effective date of this valuation is May 24, 2024.

This Appraisal Report is prepared in the context of the market conditions and other factors (including assumptions and/or materials provided by parties and sources outside of the control of Colliers) prevailing as of the effective date. Real estate markets and assets are Subject to significant volatility and change; and can be affected by numerous economic and political conditions as well as other conditions. The value contained (if any) in this Appraisal Report is made as of the effective date only and should not be relied on as of any other date without receiving prior written authorization from Colliers.

Property Inspection

The following table illustrates the Colliers professionals involved with this appraisal report, and their status with respect to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Scot Morris B.Comm, AACI, P.App	No		
Serguei Kaminski, AIC Candidate	Yes	Interior/Exterior	May 24, 2024

Market Value Definition

For the purposes of this valuation, market value is defined as:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and the seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress."

(The Appraisal of Real Estate, Fourth Canadian Edition, ed. Dybvig, (University of British Columbia, Real Estate Division, 2023), p. 6.1-.4)

Exposure Time

An estimate of market value is related to the concept of reasonable exposure time. Exposure time is defined as:

"The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the Effective Date of the appraisal. Exposure time is backward-looking."

(The Appraisal Institute of Canada "Canadian Uniform Standards of Professional Appraisal Practice". 2024 ed., p. 6)

Exposure Time is a retrospective function of asking price, property type, and past market conditions and encompasses not only adequate, sufficient and reasonable time, but also adequate, sufficient and reasonable marketing effort. Exposure time is a necessary element of a market value definition but is not a prediction of a specific date of sale.

In practice, the exposure time assumes the following:

- The property was extensively marketed. Potential purchasers could inspect the property at will.
- The owner provided interested agents with any and all relevant property information.
- Negotiations of any offers to purchase were performed in a timely manner.
- The property was maintained at a physical status equivalent to its present condition.
- Market level financing was readily available.
- The seller was not under duress.

Ongoing discussions with agents familiar with the market have indicated that properties like the Subject Property typically require a marketing period of six months or less depending on a variety of factors including its location, vacancy levels, tenant quality, size, market conditions, and motivation of the vendor/purchaser. In consideration of these factors, it is concluded that for the Subject Property to sell at the market value estimated as of the effective date of this report, an exposure period of approximately six months or less would be required.

Scope of the Valuation

This report has been written in a Narrative format and complies with the reporting requirements set forth under the Canadian Uniform Standards of Professional Appraisal Practice. As such, all relevant material is provided in this report including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses are retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the Authorized Client and for the authorized use stated.

During the course of preparing this valuation, the following was completed:

- An inspection of the Subject Property and the surrounding area.
- A search of title was not conducted for the limited purpose of confirming past and present ownership. Mortgages registered on title, if any, have not been examined. Investigation with respect to Subject title, encumbrances, and rights-of-way, which may or may not be registered on title have not been investigated, unless expressly noted herein. It is assumed that the Subject Property is not Subject to unusual encumbrances or rights-of-way that would materially or adversely impact the market value of the property.
- Existing mortgage financing was not reviewed. The valuation herein assumed the Subject Property is free and clear of mortgage financing.
- A review of available data regarding local market conditions, local development trends, and prevailing land use development patterns.
- Verification of current land use and zoning regulations has been undertaken with reference to publicly available land use documents.
- Municipal and neighbourhood information, including tax information, were sourced as noted below and verified where appropriate and possible.
- Site area and dimensions are from information obtained from GeoWarehouse. Should further confirmation of site size and dimensions be required, a legal survey should be commissioned.
- A review of sales and listing data on comparable properties has been undertaken. Comparable market information was obtained from our information database and local real estate professionals knowledgeable in the Lakeshore real estate market. It was confirmed, when appropriate, with public information retrieved from GeoWarehouse or the parties involved when there was reason to doubt its accuracy.
- Discussions have been held with market participants where applicable.

SOURCES OF INFORMATION

ITEM	SOURCE
Assessment / Tax Information	MPAC and the Town of Lakeshore Tax Rates
Zoning Information	Town of Lakeshore
Official Plan Information	Town of Lakeshore
Site Size Information	GeoWarehouse
Building Size Information	Client
Demographics	Hydra (Colliers Internal Database)
Comparable Information	Real Track / MPAC / GeoWarehouse / Colliers Internal Database
Legal Description	GeoWarehouse
Other Property Data	Inspection / Client

Ordinary Assumptions and Limiting Conditions

This report is Subject to the Ordinary Assumptions and Limiting Conditions set forth within the Appendix to this appraisal in addition to any specific assumptions that may be stated in the body of the report. These conditions are critical to the value stated and should be thoroughly read and understood before any reliance on this report should be considered.

Extraordinary Limiting Conditions

An Extraordinary Limiting Condition refers to a necessary modification to, or exclusion of, a Standard Rule which may diminish the reliability of the report.

The following Extraordinary Limiting Conditions were invoked within this report:

The Cost Approach and the Income Approach have been excluded in this valuation, due to the nature of the Subject property (land).

No title search has been completed for this appraisal.

Extraordinary Assumptions and Hypothetical Conditions

Hypothetical Conditions are a specific type of an Extraordinary Assumption that presumes, as fact, simulated but untrue information about physical, legal, or economic characteristics of the Subject property or external conditions, and are imposed for purposes of reasonable analysis. An Extraordinary Assumption is an assumption, directly related to a specific assignment, which, if were not assumed to be true, could materially alter the opinions or conclusions. Extraordinary Assumptions presume uncertain information about or anticipated changes in the physical, legal or economic characteristics of the Subject property; or about: conditions external to the Subject property such as market conditions or trends, or the integrity of data used in an analysis to be fact.

The following Extraordinary Assumptions and corresponding Hypothetical Conditions (if necessary) were invoked within this report:

It is assumed, for the purposes of this report that the Subject Property is not Subject to any encumbrances or rights of way that would materially affect the impact of the marketability or market value of the Subject property.

We have relied on information provided to us by the Authorized client or their designated agents with respect to the status of the tenancy and their contractual rights and obligations, and financial data relating to the

income and expenses associated with the Subject Property's operations, as well as the physical attributes of the Subject Property and environmental condition of the site, including any required capital expenditures. The assumptions stated are critical to the value estimate contained and the authors of this report and Colliers reserve the right to amend our estimates should any of these assumptions be altered in whole or in part.

We have not undertaken a detailed soil analysis, and as we are not qualified to comment on soil conditions, we have assumed that there are no contaminants affecting the site. However, a full environmental assessment would be required for certainty and any cost of remedy could potentially impact the reported value conclusion. The sub-soil is assumed to be similar to other lands in the area and suitable in drainage qualities and load bearing capacity to support the existing development.

Assemblage

When relevant to the assignment, CUSPAP requires that assemblage must be considered and analyzed as to the effect on value. In the Subject instance, assemblage is not considered to be a relevant factor, and therefore no analysis is deemed necessary.

Anticipated Public or Private Improvements

When relevant to the assignment, CUSPAP requires that anticipated public or private improvements must be considered and analyzed as to the effect on value. In the Subject instance, public or private improvements are not considered to be a relevant factor, and therefore no analysis is deemed necessary.

Personal Property

When relevant to the assignment, CUSPAP requires that personal property must be considered and analyzed as to the effect on value. In the Subject instance, personal property is not considered to be a relevant factor, and therefore no analysis is deemed necessary.

Property Data

Municipal Address

The Subject Property is municipally described as 2260 Manning Road, Lakeshore, Ontario.

Legal Description

The Subject Property's legal description is as follows:

P.I.N.	Legal Description
750090015	PT LT 8 CON WEST OF RIVER PECHE MAIDSTONE AS IN R481206, R1059338; S/T R1059338; S/T MB20419, MB20420; LAKESHORE
750090016	PT LT 8 CON WEST OF RIVER PECHE MAIDSTONE AS IN R383753, EXCEPT R481206; LAKESHORE

Current Ownership

Available data indicates the following ownership information:

REGISTERED OWNER	SOURCE OF TITLE INFORMATION
R. LESSARD TRUCKING LIMITED; 1000101395 ONTARIO INC.	GeoWarehouse (Ontario Land Registry)

Ownership History

Parcel	Address	Sale Date	Sale Amount	Vendor	Purchaser
750090015	2260 Manning Road	September 2, 1988	\$100,000	R. LESSARD TRUCKING LIMITED	R. LESSARD TRUCKING LTD.
750090016	2260 Manning Road	April 7, 2022	\$1,000,000	LESSARD, LOUELLA M.; LESSARD, RICHARD	1000101395 ONTARIO INC.

There have been no other transfers of the Subject Property within the past three years.

Current Contracts – Recent Activity

The Subject is not currently listed for sale.

Title Encumbrances

For the purposes of this analysis, the instruments registered against the title(s) to the property are assumed not to have a significant effect on the property's marketability or its market value. For greater certainty a legal opinion should be solicited for a full explanation of the effects of these encumbrances. The Subject Property has been valued as if free and clear of any financing. A copy of the GeoWarehouse report has been included in the Appendix for further reference.

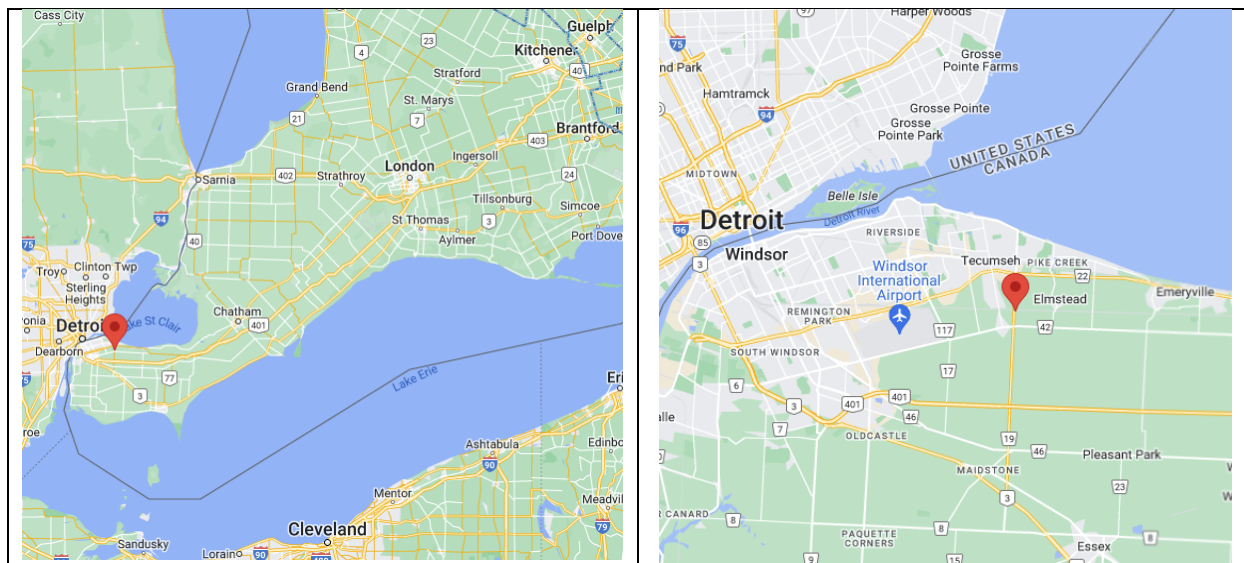
Realty Taxes / Assessment

The Subject Property assessment details are summarized as follows according to data provided by MPAC and the Town of Lakeshore Tax Rates.

ASSESSMENT & TAXES				
ROLL NO	TOTAL 2024 ASSESSMENT	TOTAL ASSESSMENT PER ACRE	TOTAL 2024 TAX LEVY	TOTAL TAX LEVY PER ACRE
3751220000031000000	\$534,000	\$14,350	\$1,837	\$49
3751220000032000000	\$283,000	\$129,306	\$974	\$445
TOTAL	\$817,000	\$20,736	\$2,811	\$71

It is assumed that the site will be reassessed upon redevelopment.

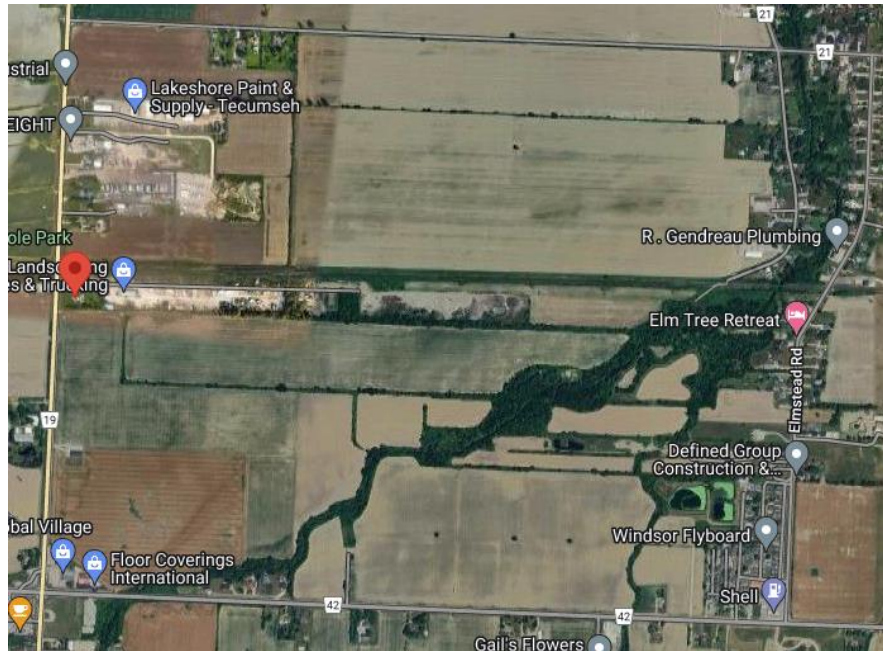
Location Overview



Lakeshore is a municipality on Lake St. Clair, in Essex County, Ontario, Canada. It was incorporated in 1999 by amalgamating the Town of Belle River with the townships of Maidstone, Rochester, Tilbury North, and Tilbury West. It is the largest and the most populous municipality within Essex County. However, it is part of the Windsor census metropolitan area. The Municipality of Lakeshore comprises the communities of Belle River, Comber, Deerbrook, Elmstead, Emeryville, Haycroft, Lighthouse Cove, North Woodslee, Pike Creek, Pleasant Park, Puce, Ruscom Station, South Woodslee, St. Joachim, Stoney Point, and Strangfield, as well as the far eastern section of Tecumseh.

Although incorporated as a town, the vast majority of Lakeshore is rural, being made up of cleared farmland predominantly used for the cultivation of cash crops such as soybeans and winter wheat. The major transportation arteries through Lakeshore, including Highway 401, the Tecumseh Road, and County Roads 22, 42 and 46, all follow an east–west parallel toward Windsor and Detroit in the west and toward Chatham-Kent in the east. The only significant exception is Highway 77, which connects Leamington to Highway 401 via Staples.

The Subject's immediate area can be defined by Manning Road to the west, Little Baseline Road to the north, Elmstead Road to the east, and Highway 42 to the south. The area includes unimproved agricultural and open space uses, some unimproved employment uses located immediately to the north of the rail line. A portion of the area along the east side of Manning Road north of the Subject is designated as Urban Reserve. Low density residential uses are located in the easterly portion of the Subject's immediate area along Elmstead Road and W Pike Creek Road. The area is not serviced by public transit.



Site Description



Site Area	Approximately 39.401 Acres (1,716,304 SF)
Improvements	The Subject site is improved with a truck repair building, storage building, and a residential dwelling.
Frontage	Approximately 273 feet of frontage along Manning Road.
Configuration	The site is generally rectangular in its configuration, as shown on the site plan above.
Topography	The site is generally level with street frontage and adjoining properties.
Services	Rural services are assumed to be available to the Subject (municipal hydro, well water, septic). For the purposes of this report, it has been assumed that there is adequate capacity for full services to be provided to a development of the Subject.
Access	The Subject has a point of ingress/egress from Manning Road.
Soil Conditions	We have not undertaken a detailed soil analysis, and as we are not qualified to comment on soil conditions, we have assumed that there are no contaminants affecting the site. However, a full environmental assessment would be required for certainty and any cost of remedy could potentially impact the reported value herein. The sub-soil is assumed to be similar to other lands in the area and suitable in drainage qualities and load bearing capacity to support the existing development.
Conclusion	The site is located in the Town of Lakeshore in close proximity to arterial routes with average access characteristics. The Subject has a topography, shape and configuration which will likely permit development.

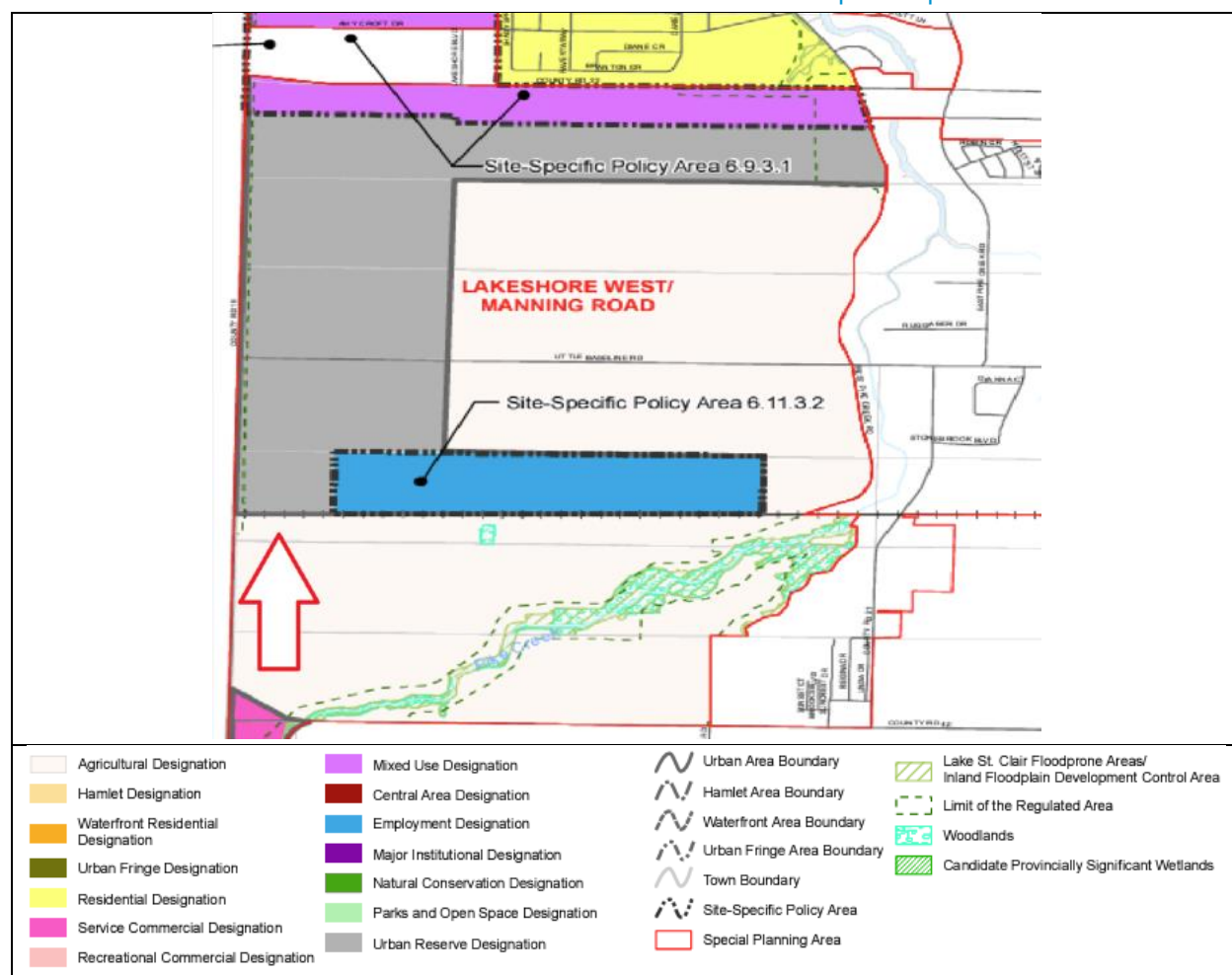
Land Use Controls

The Town of Lakeshore Official Plan

The Municipal Official Plan is a policy document that provides direction for planning and development activities. It is intended to co-ordinate the effects of change and future development in the best long-term interests of the Municipality and the Region. The intentions of the Official Plan are implemented through creation of Zoning By-laws and other local regulations. The Town of Lakeshore Official Plan designates the Subject property as:

- **Agricultural Designation**

Town of Lakeshore Official Plan Land Use Map Excerpt



Source: Town of Lakeshore

The majority of land within the Town is designated Agricultural Designation and consists entirely of prime agricultural lands. The Provincial Policy Statement requires that these lands be protected for agricultural uses unless appropriate justification is provided for alternative uses.

The primary use of land will be for agricultural uses, agriculturally-related uses and secondary agricultural uses including: the growing of crops, including nursery and horticultural crops; raising of livestock; raising

of other animals for food, fur or fibre, including poultry and fish; aquaculture; apiaries; agro-forestry; maple syrup production; and associated on-farm buildings and structures, including accommodation for full-time farm labour when the size and nature of the operation requires additional employment; conservation uses; resource extraction, resource-based, and compatible uses.

A single residential dwelling will be permitted per lot. A secondary farm residence may be permitted when the size and nature of the operation requires additional employment, and provided the secondary farm residence is on the same lot, is accessory to the main farm operation, is used for full time farm help, and servicing is adequate. The accommodation of seasonal or temporary farm help may include the use of bunkhouses or mobile homes.

Permitted uses include those secondary to the principal use of the property, including but not limited to: small-scale home occupations, small-scale home industries, and those uses which add value to farm produce which may include such uses as the processing, preserving, storing and packaging of the farm's produce on the farm property.

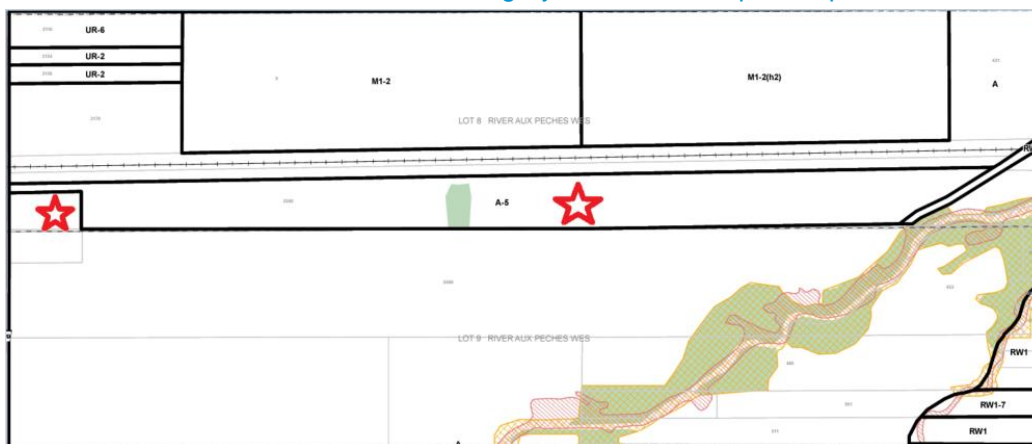
Agriculture related commercial and industrial uses directly related to, and supportive of an agricultural operation are permitted, provided the following policies are considered: the agriculture related commercial or industrial operation is of a small scale and cannot reasonably be located in a non-agricultural designation and is required in close proximity to the farm operation; the agriculture related commercial or industrial use will not require large volumes of water nor generate large volumes of effluent and will be serviced with appropriate water supply and sewage treatment facilities; the agriculture related commercial and industrial uses will be located and designed to minimize potential adverse impacts including noise, visual, odours, and air emissions.

Permitted uses also include greenhouse farms, small-scale home occupations, sales outlets for agricultural products produced on the farm, small home occupations conducted from the main residence and normally limited to the occupants of the property, bed and breakfast establishments; and farm vacation enterprises, mushroom operations, new livestock facilities and the expansion of existing livestock facilities, existing mobile home parks, the extraction of aggregate, mineral or petroleum resources, and uses accessory to any of the permitted uses in the Agricultural Designation.

Zoning

Zoning bylaws typically establish ranges of permitted and discretionary uses, in addition to development restrictions including such factors as maximum building heights, allowable densities, setback requirements, parking and loading limitations, signage restrictions and other items.

Town of Lakeshore Zoning By-law 2-2012 Map Excerpt



Source: Town of Lakeshore

According to the Town of Lakeshore Zoning By-law 2-2012, the property is currently zoned A and A-5 - Agriculture and Agriculture with Exception 5. An excerpt from the zoning bylaw is included in the appendices to this report.

ZONING SUMMARY

Municipality Governing Zoning	Town of Lakeshore
Zoning Bylaw Number	2-2012
Current Zoning	Agriculture and Agriculture with Exception 5 (A and A-5)
Permitted Uses	See Addendum for a full list of permitted uses
Current Use	Establishment for the production, storage and sale of commercial aggregate or aggregate related material
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely

ZONING REQUIREMENTS

Conforming Use	The existing improvements represent a conforming use within this zone
Minimum Yard Setbacks	
Front (Meters)	15
Rear (Meters)	15
Side (Meters)	3.0 Meters (Interior) / 6.0 Meters (Exterior)
Maximum Building Height	10.5 Meters

Source: Town of Lakeshore

Land Use Controls Conclusions

The Subject is designated as 'Agricultural Designation' in the Town of Lakeshore Official Plan, and zoned 'A and A-5 – Agriculture and Agriculture with Exception 5' under the Town of Lakeshore Zoning by-law 2-2012.

Valuation

Highest and Best Use

The principle of highest and best use is fundamental to the concept of value in real estate. Highest and best use, in general, may be defined as follows:

“The reasonably probable use of real property, that is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value.”

(The Appraisal Institute of Canada "Canadian Uniform Standards of Professional Appraisal Practice". 2024 ed., p. 8)

The aforementioned characteristics are considered sequentially. The tests of legal permissibility and physical possibility must be applied before the remaining tests. See the **Appendix** for a more detailed definition of each of the four characteristics. The following analysis contributes to our conclusions of highest and best use.

As Vacant Analysis

Legal Permissibility

The Subject is designated as Agricultural Designation in the Town of Lakeshore Official Plan, and zoned A and A-5 – Agriculture and Agriculture with Exception 5 under the Town of Lakeshore Zoning by-law 2-2012. The Agriculture designation permits predominantly agricultural uses; Exception 5 permits an asphalt plant and uses accessory to the asphalt plant including but not restricted to the production, storage and sale of asphalt and a truck and transport terminal; a portable cement mixing establishment; an establishment for the production, storage and sale of commercial aggregate or aggregate related material; an establishment for the sale and repair of trucks or heavy equipment; warehousing; manufacturing facilities for bricks or concrete products; a nursery and garden supply center; tradesman's shops and contractor's yards; and uses accessory to the foregoing permitted uses.

Physical Possibility

Regarding physical characteristics, the Subject site is generally rectangular in shape and has generally level topography with average access and average exposure. Physical and locational features appear supportive of a limited range of agricultural and employment potential options for the site's highest and best use as-vacant.

Financial Feasibility

Our observations of current market conditions for development at the Subject property's location suggest that development of the site with a limited range of agricultural and employment uses would be feasible.

Maximum Productivity

Of the various legally permissible, physically possible, and financially feasible uses available, the maximum productivity of the property would be achieved with agricultural and limited employment uses.

Highest and Best Use as if Vacant

Upon examination of the factors mentioned above and careful consideration of the relevant factors including the Subject Property location, site characteristics, land use controls and the condition of the real estate

market, the highest and best use of the Subject Property, as if vacant, is considered to be agricultural and limited employment uses.

Highest and Best Use as Improved

The Subject is improved with truck repair building, storage building, and a residential dwelling as at the effective date of this appraisal. The Highest and Best Use of the Subject as Improved is for agricultural and limited employment uses.

Valuation Methodology

Traditionally, there are three accepted methods of valuing real property:

- Cost Approach;
- Direct Comparison Approach; and
- Income Approach.

The selection of a relevant methodology depends upon the nature and characteristics of the real estate under consideration. The Subject Property is a vacant land parcel as such we have outlined the applicable land valuation techniques below:

The **Direct Comparison Approach** is based upon the premise that a prudent purchaser would not pay more for a property than what it would cost to acquire a suitable alternative property and that the market value of a property can be estimated by comparing sales, offers, and listings of properties which have similar characteristics to the property being appraised.

The **Abstraction Method** of valuing land is premised upon the Principal of Contribution. This method is premised on the assumption that within each category and type of real estate, there exists a typical ratio of land value to total property value. By knowing what this ratio is from data compiled from areas where land and building values are available and applying it to the sales information regarding improved properties in a built-up area, an estimate of land value can be abstracted. The reliability of this method is diminished because it does not take into explicit consideration such relevant criteria as building age or quality of construction.

A method of land valuation similar to the Abstraction Method but which implicitly recognizes differences in building age and quality of construction is the **Extraction Method**. This method deducts the estimated depreciated reproduction or replacement cost of the improvements of an improved property for which the total property value is known to arrive at an estimate of land value as if vacant.

When valuing larger parcels for which the highest and best use is the parcel's subdivision into smaller sites, and for which sales information regarding similar larger sites is insufficient to undertake a Direct Comparison Approach, the **Subdivision Development Method** may be employed. In applying this method, the first step is to establish market values for the smaller sites as though subdivided, the length of the development period, and an appropriate absorption period. The second step is to determine the costs required to create and market the subdivided parcels which includes engineering and construction costs associated with the site preparation, roadways, sidewalks and servicing; carrying costs such as insurance and taxes; and marketing costs. These costs are then deducted from the projected gross revenue of the lots to arrive at an estimate of the net proceeds which, once discounted at an applicable rate to account for the risk associated with the time required to complete such a development, are indicative of the present market value of the larger, un-subdivided site.

Another method that may be employed in the absence of adequate comparable information is the **Land Residual Technique**. In this method the net income generated from the property is established. From this is deducted a reasonable return on and recapture of capital invested in the improvements. The residual income is considered to be ascribed from the land. This income is then capitalized at an appropriate rate to arrive at an estimate of land value. An important assumption required in the application of this method is

that the site is developed to its highest and best use such that the income from land and improvements are of the same type and sources.

A similar method as the Land Residual Technique is **Ground Rent Capitalization**. Undertaking this method of site valuation requires the analysis of ground rents prevalent in the market and in consideration of the characteristics of the site being appraised. From the analysis, a gross income is established from which any requisite expenses or anticipated losses are deducted to arrive at a net operating income. This net operating income is then capitalized at an applicable rate to arrive at an estimate of the vacant site.

All of the above noted methods are derived from the three traditional approaches to value noted above.

Selection of Relevant Methodology

The primary valuation methodology for lands such as the Subject is the Direct Comparison Approach thus it will be completed and relied upon in our report. The Direct Comparison Approach involves the analysis of sales of similar land parcels. The other land valuation techniques are not appropriate in this case. Only the Direct Comparison Approach will be completed and relied upon in our report. The Cost Approach is not considered applicable in the valuation of lands such as the Subject site. The Income Approach is also not considered appropriate in the valuation of development lands where no lease is in place.

Valuation Methodology

As previously discussed herein, we have been instructed by the client to estimate the market value of the proposed development Subject to the following parameters: valuation based on gross acreage, and valuation on an As Is basis including existing improvements.

Direct Comparison Approach

The Direct Comparison Approach is based on the Principle of Substitution, which maintains that a prudent purchaser would not pay more for a property than the cost to purchase a suitable alternative property, which exhibits similar physical characteristics, tenancy, location, etc. Within this approach, the property being valued is compared to properties that have sold recently or are currently listed and are considered to be relatively similar to the Subject Property. Typically, a unit of comparison (i.e. sale price per square foot, sale price per acre) is used to facilitate the analysis. In the case of properties similar to the Subject Property, the sale price per acre is used in our analysis.

The transactions summarized and analyzed in the table on the following pages are considered to be suitably comparable to the Subject Property with respect to the characteristics below and therefore provide a reasonable and reliable indication of value.

As one sale is not necessarily indicative of market value, an appraiser examines a number of market transactions. When properly reconciled, trends emerge, leading to the estimate of market value of the property being appraised.

In valuing the Subject Property, comparison was made to each of the indexed sales. The basis for comparison included the consideration of the following:

Property Rights Conveyed

- When real property rights are sold, they may be the sole Subject of the contract or the contract may include other rights. In the sales comparison analysis, it is pertinent that the property rights of the comparable sale be similar to the property rights of the Subject Property.

Financing Terms

- The transaction price of one property may differ from that of a similar property due to different financing arrangements. Financing arrangements may include existing mortgages at favorable interest rates or paying cash to a lender so that a mortgage with a below-market interest rate could be offered.

Conditions of Sale

- Adjustments for conditions of sale usually reflect the motivations of the purchaser and vendor. In some cases, the conditions of sale significantly affect transaction prices. Sales that reflect unusual situations, require an appropriate adjustment for motivation or sale condition. For example, power-of-sale conditions involve a certain degree of urgency on part of the lender - leading to a somewhat lower sale price than what would otherwise be expected.

Market Conditions (Time)

- When market conditions are changing, it may be necessary to adjust prices to reflect the time difference between the date of sale of a comparable property and the effective date of valuation.

Location

- An adjustment for location within a market area may be required when the locational characteristics of a comparable property differ from those of the Subject Property. Excessive locational differences

may disqualify a property from use as a comparable. Although no location is inherently desirable or undesirable, the market recognizes that one location maybe better than, similar to, or worse than another.

Development Timing

- An adjustment for the anticipated time to development may be required when the site requires demolition, official plan amendments, zoning amendments, and site plan approval. The time required to prepare the site for development may affect the sale price. For example a development with a 10-15 year development time horizon would sell at a lower unit rate than a development with a 3-5 year development time horizon, all else being equal.

Physical Characteristics

- Adjustments may be required for characteristics such as size, frontage, shape and configuration.

Use

- Adjustments may be required for differences between the highest and best use of the comparable sales and the Subject Property. These differences are typically identified by differences in official plan designations and zoning and the probability of an amendment.

Density

- An adjustment may be required to consider the differences in the permitted and/or likely achievable density.

The Appraisal Institute of Canada recommends the use of "paired sales analysis" in the derivation of adjustments. This involves locating two very similar sales that sell in a similar time period. If the two sales differ in only one key feature, then the difference in sale price can be used as the "market indicator" for the adjustment for that feature. In practice, this concept usually only applies to newer homes in a subdivision. Commercial and industrial properties tend to be more unique and therefore, it is not always possible to find paired sales to derive adjustments. In the absence of paired sales, it is the appraisers' experience and judgment (based on observation), which is used for adjustments.

In order to establish reasonably achievable rates for the Subject, we have conducted a search of the Subject's area as well as other comparable markets area within the Essex County for transactions of development sites featuring comparable sizes, land use controls, locations and development risk. Our search yielded five sales, which are considered to provide a reasonable indication of rates for development sites similar to the Subject property. The map and comparable sale sheets included on the following pages detail the five comparable property sales we have identified and considered for analysis, followed by an overview of each comparable sale property.

Direct Comparison

The table following summarizes the unadjusted unit rates for the comparable sale properties.

Land Transactions & Analysis						
Industrial Land						
	Subject	Transaction One	Transaction Two	Transaction Three	Transaction Four	Transaction Five
Address	2260 Manning Road	266 Patillo Rd	2415 Division Road	2525 Central Avenue	Lots 9-12 High Tech Drive	2400 Banwell Road
City, Province	Lakeshore, ON	Lake Shore, ON	Windsor, ON	Windsor, ON	Lakeshore, ON	Windsor, ON
PIN	750090015, 750090016	750070178	15603016	13560603	750070404, 750070405	752400292
Transaction Price		\$1,600,000	\$1,838,850	\$3,700,000	\$6,990,000	\$11,250,000
Transaction Price per Acre		\$507,453	\$359,221	\$503,401	\$496,449	\$243,929
Transactional Characteristics						
Transaction Status		Recorded	Recorded	Recorded	Recorded	Recorded
Transaction Date		1/19/2024	10/27/2023	7/28/2023	6/29/2023	1/5/2023
Property Rights Conveyed		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing		Undisclosed	Undisclosed	Undisclosed	Undisclosed	Undisclosed
Conditions of Sales		Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Market Conditions		Similar	Similar	Similar	Similar	Similar
Motivation		Neutral	Neutral	Neutral	Neutral	Neutral
Site Characteristics						
Site Size (Acre)	39.401	3.153	5.119	7.350	14.080	46.120
Site Configuration	Generally Rectangular	Generally Rectangular	Generally Rectangular	Rectangular	Rectangular	Generally Rectangular
Corner Parcel	No	No	No	No	No	No
Location	Average/Good	Similar	Superior	Superior	Similar	Similar
Official Plan	Agricultural Designation	Employment Designation	Mixed Use Centre / Industrial	Business Park	Employment	Future Development
Zoning	A and A-5 - Agriculture and Agriculture with Exception 5	M1 - General Employment	MD1.2-Manufacturing District (Light Industrial with Limited Commercial	MD1.4 - Manufacturing District (Business Park)	M1 - General Industrial	A - Agricultural
Surface Condition	Gravel / Greenfield	Greenfield	Gravel / Greenfield	Greenfield	Greenfield	Greenfield
Improvements	5,960 SF truck repair shop, 3,200 SF storage, 1,951 SF residential dwelling	None	None	None	None	None
Overall Adjustment		Downward	Upward	Downward	Downward	Upward
Overall Comparability		Superior	Inferior	Superior	Superior	Inferior
Conclusion (per Acre)		Lower Than	Higher Than	Lower Than	Lower Than	Higher Than
		\$507,453	\$359,221	\$503,401	\$496,449	\$243,929

Comparable Sales Map



COMPARABLE 1: 266 Patillo Rd, Lake Shore, ON



TRANSACTION SUMMARY

Vendor	ROCK Developments
Purchaser	6233317 Canada Inc.
Registered Date	1/19/2024
Status	Recorded
PIN	750070178
Sale Price	\$1,600,000
Site Area (Developable Acre)	3.153
Sale Price per Developable Acre	\$507,453

SITE DESCRIPTION

Address	266 Patillo Rd
Configuration	Generally Rectangular
Topography	Generally Level

LAND USE PLANNING

Official Plan Designation	Employment Designation
Underlying Zoning	M1 - General Employment

GENERAL COMMENTS

ROCK Developments sold this 3.15 AC plot of land to a private individual for a recorded consideration of \$1,600,000.00 or \$507,936.51 per acre in this transaction. At the time of sale, the property unimproved.

The Township of Lakeshore has zoned the property as M1 (General Employment), which permits various industrial uses.

COMPARABLE 2: 2415 Division Road, Windsor, ON



TRANSACTION SUMMARY

Vendor	Chani & Dhot Holding Inc.
Purchaser	391568 ONTARIO INC.
Registered Date	10/27/2023
Status	Recorded
PIN	15603016
Sale Price	\$1,838,850
Site Area (Developable Acre)	5.119
Sale Price per Developable Acre	\$359,221

SITE DESCRIPTION

Address	2415 Division Road
Configuration	Generally Rectangular
Topography	Generally Level

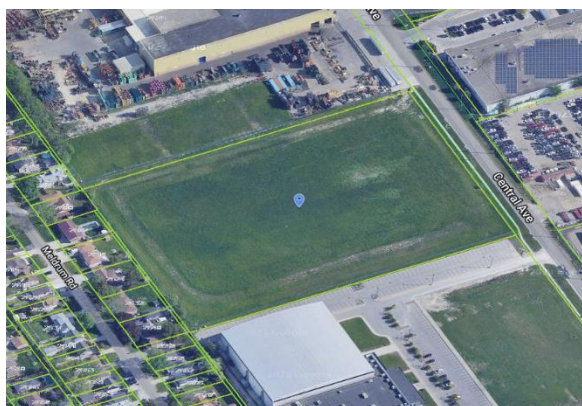
LAND USE PLANNING

Official Plan Designation	Mixed Use Centre / Industrial
Underlying Zoning	MD1.2-Manufacturing District (Light Industrial with Limited Commercial

GENERAL COMMENTS

The site is located on the south side of Division Road just east of Walker Road. The City of Windsor Official Plan designates the Index as Mixed Use Centre (approximately 30% of the area) and Industrial. The property is zoned MD1.2 - Light Industrial with Limited Commercial. The Index was severed from a larger parcel. The property has a generally rectangular (slightly irregular at the south end) configuration, gravel / greenfield surface, and one ingress / egress point from Division Road. At the time of sale the property was vacant and unimproved.

COMPARABLE 3: 2525 Central Avenue, Windsor, ON



TRANSACTION SUMMARY

Vendor	Jarf Holdings Ltd. Kidomat Canada Ltd. 997075 Ontario Ltd.
Purchaser	1000596366 Ontario Ltd.
Registered Date	7/28/2023
Status	Recorded
PIN	13560603
Sale Price	\$3,700,000
Site Area (Developable Acre)	7.350
Sale Price per Developable Acre	\$503,401

SITE DESCRIPTION

Address	2525 Central Avenue
Configuration	Rectangular
Topography	Generally Level

LAND USE PLANNING

Official Plan Designation	Business Park
Secondary Plan Designation	None
Underlying Zoning	MD1.4 - Manufacturing District (Business Park)

GENERAL COMMENTS

The site is located on the west side of Central Avenue, north of Plymouth Drive, adjacent to low-density residential uses to the west. The City of Windsor Official Plan designates the Index as Business Park. The property is zoned MD1.4 - Business Park designation that does not permit outdoor storage. Special provision S(1)73 permits the existing stamping or forging plant to the north of the Index (the property is assumed to be severed from a larger parcel). The Index is a rectangular parcel in greenfield condition, and is vacant and unimproved.

COMPARABLE 4: Lots 9-12 High Tech Drive, Lakeshore, ON



TRANSACTION SUMMARY

Vendor	Undisclosed
Purchaser	CAN ART ALUMINUM EXTRUSION CANADA INC.
Registered Date	6/29/2023
Status	Recorded
Recording Number	None noted
PIN	750070404, 750070405
Sale Price	\$6,990,000
Site Area (Developable Acre)	14.080
Sale Price per Developable Acre	\$496,449

SITE DESCRIPTION

Address	Lots 9-12 High Tech Drive
Configuration	Rectangular
Topography	Generally Level

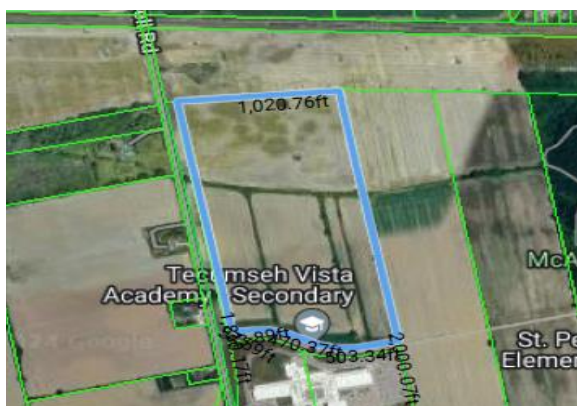
LAND USE PLANNING

Official Plan Designation	Employment
Underlying Zoning	M1 - General Industrial

GENERAL COMMENTS

The Index is located in the new high tech industrial park area in lakeshore, south of the EC Row Expressway just off Patillo Road. The new 66.9 acre industrial park will have a new L-shaped road with entrances from Patillo Road and Little Baseline Road. The proposed name of the new roadway is High Tech Drive. The area will have new fully serviced industrial lots. Lots can be combined together. The owner of the property was reported to be in the final stages of plan of sub-division approval with the municipality of Lakeshore and County of Essex. The 66.9 acres are already zoned M1 industrial with many permitted uses.

COMPARABLE 5: 2400 Banwell Road, Windsor, ON



TRANSACTION SUMMARY

Vendor	Undisclosed
Purchaser	1000044993 ONTARIO INC.
Registered Date	1/5/2023
Status	Recorded
Recording Number	None noted
PIN	752400292
Sale Price	\$11,250,000
Site Area (Developable Acre)	46.120
Sale Price per Developable Acre	\$243,929

SITE DESCRIPTION

Address	2400 Banwell Road
Configuration	Generally Rectangular
Topography	Generally Level

LAND USE PLANNING

Official Plan Designation	Future Development
Underlying Zoning	A - Agricultural

GENERAL COMMENTS

The site is located on the east side of Banwell Road just north of Tecumseh Vista Academy. The Official Plan designates the Index as Future Development - a designation designed to provide suitable locations for additional residential, commercial, employment, recreational and institutional land uses in the Oldcastle and Tecumseh Hamlet settlement areas. The site is zoned Agricultural. The property represents a generally rectangular, slightly irregular in its southerly portion, parcel of land in greenfield condition without any existing ingress /egress points.

Direct Comparison Sales Analysis

The Subject Property represents a 39.40 acre site located east side of Manning Road between Highway 42 and Little Baseline Road. The Subject Property is comprised of two land parcels, which is improved with a 5,960 SF truck repair shop, a 3,200 SF storage building, and a 1,951 SF residential dwelling. The site coverage is approximately 1%; consequently, it is deemed that the value of the property is predominantly in land. The site has a generally rectangular configuration, surface in gravel and greenfield condition, one ingress / egress point from Manning Road, and a convenient access to Highway 401.

The Subject is designated as 'Agricultural Designation' in the Town of Lakeshore Official Plan, and zoned 'A and A-5 - Agriculture and Agriculture with Exception 5' (approximately 37.21 acres) under the Town of Lakeshore Zoning by-law 2-2012. Exception 5 permits limited industrial uses. Due to this Exception, the site's utility is deemed to be higher than utility of agricultural land, and, due to the Agriculture designation, lower than the utility of an industrial site.

Should any other than the existing land use be considered for the Subject site, an Official Plan Amendment and Zoning By-law Amendment are likely to be required in order to permit any proposed new use or development.

In completing the Direct Comparison Approach, we have analyzed sales of agricultural land with improvements, unimproved industrial lands, and future development lands that occurred in the Essex County markets between January 2023 and the effective date of this report.

The following table summarizes the unadjusted unit rates for the comparable properties:

Index No.	Address	\$ / Developable Acre
1	266 Patillo Rd, Lake Shore, ON	\$507,453
2	2415 Division Road, Windsor, ON	\$359,221
3	2525 Central Avenue, Windsor, ON	\$503,401
4	Lots 9-12 High Tech Drive, Lakeshore, ON	\$496,449
5	2400 Banwell Road, Windsor, ON	\$243,929

The sales have been reduced to a similar unit of comparison, namely price per acre. The comparable sales provide unadjusted unit rates **from \$243,929 to \$507,453 per acre** and range in size from 3.153 to 46.120 acres. The properties sold between January 2023 and January 2024. The following is an analysis of the adjustments we have considered for each of the comparable sale properties.

Index No. 1 is the sale of a 3.153 acre site located at 266 Patillo Rd, Lake Shore. It sold for \$1,600,000 (**\$507,453 per acre**) on January 19, 2024. The sale property:

- Has no improvements and is in greenfield condition.

As a result, upward adjustments are required for physical characteristics and improvements. However, the sale property:

- Has a notably smaller size, industrial zoning.

As a result, downward adjustments are required for size and use / planning status. Overall, we would expect the Subject Property unit pricing to be less than this comparable sale.

Index No. 2 is the sale of a 5.119 acre site located at 2415 Division Road, Windsor. It sold for \$1,838,850 (**\$359,221 per acre**) on October 27, 2023. The sale property:

- No improvements, partial commercial designation (slightly inferior land use), and a concrete structure in the middle of the site.

As a result, upward adjustments are required for use / planning status and improvements. However, the sale property:

- Is located in the City of Windsor and is notably smaller.

As a result, downward adjustments are required for location and size. Overall, we would expect the Subject Property unit pricing to be slightly greater than this comparable sale.

Index No. 3 is the sale of a 7.350 acre site located at 2525 Central Avenue, Windsor. It sold for \$3,700,000 (**\$503,401 per acre**) on July 28, 2023. The sale property:

- Has no improvements and is in greenfield condition.

As a result, upward adjustments are required for physical characteristics and improvements. However, the sale property:

- Is located in the City of Windsor, is smaller, has industrial zoning.

As a result, downward adjustments are required for location, size, and use / planning status. Overall, we would expect the Subject Property unit pricing to be less than this comparable sale.

Index No. 4 is the sale of a 14.080 acre site located at Lots 9-12 High Tech Drive, Lakeshore. It sold for \$6,990,000 (**\$496,449 per acre**) on June 29, 2023. The sale property:

- Has no improvements and is in greenfield condition.

As a result, upward adjustments are required for physical characteristics and improvements. However, the sale property:

- Is smaller than the Subject, zoned industrial, and an active development application has been reported.

As a result, downward adjustments are required for size and use / planning status. Overall, we would expect the Subject Property unit pricing to be less than this comparable sale.

Index No. 5 is the sale of a 46.120 acre site located at 2400 Banwell Road, Windsor. It sold for \$11,250,000 (**\$243,929 per acre**) on January 5, 2023. This sale property:

- Is larger than the Subject, in greenfield condition, has no improvements and agricultural zoning. The Index was sold over a year ago.

As a result, upward adjustments are required for size, physical characteristics, use / planning status, and improvements.

No downward adjustments are required. Overall, we would expect the Subject Property unit pricing to be notably greater than this comparable sale.

The table following provides a summary of our adjustments to the comparable sale properties.

Index No.	Unadjusted \$ / Developable Acre	Financing	Time	Location	Size	Physical Characteristics	Use / Planning Status	Improvements	Overall Adjustment
1	\$507,453	↔	↔	↔	↓	↑	↓	↑	↓
2	\$359,221	↔	↔	↓	↓	↔	↑	↑	↑
3	\$503,401	↔	↔	↓	↓	↑	↓	↑	↓
4	\$496,449	↔	↔	↔	↓	↑	↓	↑	↓
5	\$243,929	↔	↔	↔	↑	↑	↑	↑	↑

Based on the analysis, and in consideration of the characteristics of the Subject property including its location, size, land use status, physical characteristics, and use/planning status, it is our opinion that an appropriate unit value for the Subject would be higher than Index Nos. 2 and 5 and lower than Index Nos. 1, 3 and 4.

Direct Comparison Approach Conclusion

The Direct Comparison Approach, which is the most common technique used to value land, is the preferred method when sales of comparable properties are available. Before adjustments, the five comparable sale properties range from \$243,929 per acre to \$507,453 per acre.

The Subject Property represents a 39.40-acre site located east side of Manning Road between Highway 42 and Little Baseline Road. The Subject Property is comprised of two land parcels, which is improved with a 5,960 SF truck repair shop, a 3,200 SF storage building, and a 1,951 SF residential dwelling. The site coverage is approximately 1%; consequently, it is deemed that the value of the property is predominantly in land. The site has a generally rectangular configuration, surface in gravel and greenfield condition, one ingress / egress point from Manning Road, and a convenient access to Highway 401.

The Subject is designated as 'Agricultural Designation' in the Town of Lakeshore Official Plan, and zoned 'A (approximately 2.19 acres) and A-5 - Agriculture and Agriculture with Exception 5' (approximately 37.21 acres) under the Town of Lakeshore Zoning by-law 2-2012. Exception 5 permits limited industrial uses. Due to this Exception, the site's utility is deemed to be higher than utility of agricultural land, and, due to the Agriculture designation, lower than the utility of an industrial site. Should any other than the existing land use be considered for the Subject site, an Official Plan Amendment and Zoning By-law Amendment are likely to be required in order to permit any proposed new use or development.

Overall, we are of the opinion that an appropriate unit value for the Subject would be higher than Index Nos. 2 and 5 and lower than Index Nos. 1, 3 and 4.

Based on our preceding analysis, it is our opinion that an appropriate unit value for the Subject Property would lie within the range between \$350,000 and \$400,000 per acre. Applying these unit values yields a range in value estimates as noted below.

VALUE MATRIX - LAND VALUATION		
SIZE (ACRE)	VALUE PER ACRE	VALUE ⁽¹⁾
39.401	\$350,000	\$13,800,000
39.401	\$375,000	\$14,800,000
39.401	\$400,000	\$15,750,000

(1) Rounded to nearest \$50,000

Summary

Based upon all of the foregoing analysis, and selecting the mid-point of the above range, the current market value as is of the Subject Property, as at May 24, 2024 is concluded to be \$[REDACTED].

The above value estimate is based on an exposure period of six months or less, assuming the basis of a transaction involving cash to the vendor, and is Subject to the Extraordinary Assumptions, Hypothetical Conditions and Extraordinary Limiting Conditions as detailed beginning on **Page 14** herein, in addition to the Ordinary Assumptions and Limiting Conditions contained in the Addenda. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained herein.

Final Estimate of Value

For land, the most reliable and applicable method of valuation is the Direct Comparison Approach based on a selected unit of measurement, in this case, a price per acre. The Income Approach and Cost Approach are not deemed to be relevant and therefore have not been utilized within the report.

Based on the foregoing market analysis, it is our opinion that the current market value as is of the fee simple interest in the property, Subject to the assumptions set forth, and as at May 24, 2024, was:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Current Market Value As-Is	Fee Simple	May 24, 2024	\$[REDACTED]

The above value estimate is based on an exposure period of six months or less, assuming the basis of a transaction involving cash to the vendor, and is Subject to the Extraordinary Assumptions, Hypothetical Conditions and Extraordinary Limiting Conditions as detailed beginning on **Page 14** herein, in addition to the Ordinary Assumptions and Limiting Conditions contained in the Addenda. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained herein.

Certification

Industrial Land 2260 Manning Road, Lakeshore, Ontario N8N 2L9

P.I.N.	Legal Description
750090015	PT LT 8 CON WEST OF RIVER PECHE MAIDSTONE AS IN R481206, R1059338; S/T R1059338; S/T MB20419, MB20420; LAKESHORE
750090016	PT LT 8 CON WEST OF RIVER PECHE MAIDSTONE AS IN R383753, EXCEPT R481206; LAKESHORE

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

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions and conclusions are limited only by the reported Assumptions and Limiting conditions and are my impartial and unbiased professional analyses, opinions and conclusions;
- I have no past, present or prospective interest in the property that is the Subject of this report and no personal and/or professional interest or conflict with respect to the parties involved with this assignment;
- I have no bias with respect to the property that is the Subject of this report or to the parties involved with this assignment;
- My engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, a conclusion favoring the client, or the occurrence of a subsequent event;
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP);
- I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP;
- Professional assistance was provided by Serguei Kaminski, AIC Candidate, which included gathering, analyzing and reporting regional, local area, zoning, and tax information, confirming some of the comparable data, and assisting with portions of the valuation analysis;
- As of the date of this report the undersigned has fulfilled the requirements of The Appraisal Institute of Canada's Continuing Professional Development Program;
- I am a member in good standing of the Appraisal Institute of Canada;
- I am licensed to practice in the Province of **Ontario**.

Information pertaining to inspection of the Subject property is as follows:

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Scot Morris B.Comm, AACI, P.App	No		
Serguei Kaminski, AIC Candidate	Yes	Interior/Exterior	May 24, 2024

Final Estimate of Value

Based upon the data, analyses and conclusions contained herein, the current market value as is of the Fee Simple interest in the property described herein, as at May 24, 2024, is estimated to be as follows:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Current Market Value As-Is	Fee Simple	May 24, 2024	\$[REDACTED]

The above value estimate is based on an exposure period of six months or less, assuming the basis of a transaction involving cash to the vendor, and is Subject to the Extraordinary Assumptions, Hypothetical Conditions and Extraordinary Limiting Conditions as detailed beginning on **Page 14** herein, in addition to the Ordinary Assumptions and Limiting Conditions contained in the Addenda. Any alterations to either the information provided or the assumptions in this report may have a material impact on the value contained herein.

Appraiser



Scot Morris B.Comm, AACI, P.App

Date: June 14, 2024

AIC Membership No. 908038

NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.

Appendices

Appendix A	Ordinary Assumptions and Limiting Conditions
Appendix B	Definitions
Appendix C	Market Overview
Appendix D	GeoWarehouse Report
Appendix E	Land Use Controls
Appendix F	Comparable Sales

Appendix A

Ordinary Assumptions and Limiting Conditions

Ordinary Assumptions and Limiting Conditions

The certification that appears in this appraisal report is Subject to compliance with the Personal Information Protection and Electronic Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP"), and the following conditions:

- 1) This report has been prepared at the request of **Eknoor Tung** of Tung Air Transport Ltd. (the Authorized Client) for the purpose of providing an estimate of the market value of **2260 Manning Road, Lakeshore, Ontario** (the Subject Property) and for the specific use referred to. It is not reasonable for any party other than the person or those to whom this report is addressed to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other party will rely on it for any other purpose. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all authorized users is assumed.
- 2) This report has been prepared at the request of **Eknoor Tung** of Tung Air Transport Ltd. and for the exclusive (and confidential) use of the recipient as named and for the specific purpose and function as stated. Written consent from the authors must be obtained before any part of the appraisal report can be used for any use by anyone except the client and other authorized users identified in the report. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee.
- 3) All copyright is reserved to the author and this report is considered confidential by the author and **Eknoor Tung** of Tung Air Transport Ltd.. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference. Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.
- 4) The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the PIPEDA.
- 5) This appraisal report, its content and all attachments/addendums and their content are the property of the appraiser. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.

- 6) The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the authorized use.
- 7) This report is completed on the basis that testimony or appearance in court or at any administrative proceeding concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and for preparation and for any appearances that may be required, and the provision of appropriate additional compensation.
- 8) The estimated market value of the real estate that is the Subject of this appraisal pertains to the value of the **fee simple interest** in the real property. The property rights appraised exclude mineral rights, if any.
- 9) The concept of market value presumes reasonable exposure. The exposure period is the estimated length of time the asset being valued would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of valuation. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. The reasonable exposure period is a function not only of time and effort but will depend on the type of asset being valued, the state of the market at the date of valuation and the level at which the asset is priced. (The estimated length of the exposure period needed to achieve the estimated market value is set forth in the Letter of Transmittal, prefacing this report).
- 10) The analyses set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. However, these data are not guaranteed for accuracy. Unless otherwise stated, we did not verify client-supplied information, which we believed to be correct. Certain information has been accepted at face value, especially if there was no reason to doubt its accuracy. Other empirical data required interpretative analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate.
- 11) The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No title search has been performed, and the appraiser assumes that the title is good and marketable and free and clear of all value influencing encumbrances, encroachments, restrictions or covenants, including leases, unless otherwise noted in this report, and that there are no pledges, charges, liens or special assessments outstanding against the property other than as stated and described. The property is appraised on the basis of it being under responsible ownership. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
- 12) The property has been valued on the basis that there are no outstanding liabilities except as expressly noted, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the Subject Property or any portion thereof.
- 13) The property has been valued on the basis that there is no action, suit, proceeding or investigation pending or threatened against the real estate or affecting the titular owners of the property, at law or in

equity or before or by any federal, provincial or municipal department, commission, board, bureau, agency or instrumentality which may adversely influence the value of the real estate appraised.

- 14) The legal description of the property and the area of the site were obtained from the GeoWarehouse. No survey of the property has been made. Any plans and sketches contained in this report show approximate dimensions only and are included solely to aid the recipient in visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
- 15) The property has been valued on the basis that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all Government regulations and requirements of law, including all zoning, land use classification, building codes, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto, and that if it doesn't comply, any such non-compliance may affect market value. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be certain requirements of law preventing occupancy of the real estate as described in this report. However, such circumstances have not been accounted for in the appraisal process).
- 16) The term "inspection" refers to observation and reporting of the general material finishing and conditions seen for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only, in accordance with the CUSPAP.
- 17) The opinions of value and other conclusions contained assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The appraiser has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The appraiser has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this physical inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the appraiser.
- 18) The author of this report is not qualified to comment on environmental issues (including, without limitation any chemical or biological issues) that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government, or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.
- 19) Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighboring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications

of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.

- 20) Investigations have been undertaken in respect of matters which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency with respect to the Subject property's compliance with all applicable regulations, unless such investigations are expressly represented to have been made in this report. Assumptions have been made that the Subject property is in compliance with all such regulations. The Subject Property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
- 21) The interpretation of any leases and other contractual agreements, pertaining to the operation and ownership of the property, as expressed, is solely the opinion of the author and should not be construed as a legal interpretation. Further, any summaries of such contractual agreements are presented for the sole purpose of giving the reader an overview of the salient facts thereof.
- 22) The estimated market value of the property does not necessarily represent the value of the underlying shares of the entity owning the property, if the asset is so held, as the value of the shares could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary financing, rental or income guarantees, special tax considerations or any other atypical benefits which may influence the ordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise therefrom, have been described and measured in this report.
- 23) Should title to the real estate presently be held (or changed to a holding) by a partnership, in a joint venture, through a Co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership. For the purposes of our valuation, we have not made any adjustment for the value of a fractional interest.
- 24) In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the freehold or fee simple interest in the real estate, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.
- 25) Unless otherwise noted, the estimated market value of the property referred to is predicated upon the condition that it would be sold on a cash basis to the vendor Subject to any contractual agreements and encumbrances as noted in this report as-is and where-is, without any contingent agreements or caveats. Other financial arrangements, good or cumbersome, may affect the price at which this property might sell in the open market.
- 26) Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed, as of the effective date of this appraisal, cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.
- 27) The value expressed is in Canadian dollars.
- 28) This report is only valid if it bears the original or password secured digital signature(s) of the author(s). If transmitted electronically, this report will have been digitally signed and secured with personal

passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.

- 29) These Ordinary Assumptions and Limiting Conditions shall be read with all changes in number and gender as may be appropriate or required by the context or by the particulars of this mandate.
- 30) Where the authorized use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

Appendix B

Definitions

Definitions

Property Interests

- Fee Simple***
 - Absolute ownership unencumbered by any other interest or estate, Subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power and escheat.
- Leased Fee Interest***
 - The ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.
- Leasehold Interest***
 - The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

General Definitions

Adjusted or Stabilized Overall Capitalization Rate is usually derived from transactions with excessive vacancy levels or contract rents over/under market levels. In such cases, net operating income is “normalized” to market levels and the price adjusted to reflect expected costs required to achieve the projected net operating income.

The Cost Approach to value is based upon the economic principle of substitution, which holds that the value of a property should not be more than the amount by which one can obtain, by purchase of a site and construction of a building without undue delay, a property of equal desirability and utility.

Direct or Overall Capitalization refers to the process of converting a single year’s income with a rate or factor into an indication of value.

The Direct Comparison Approach examines the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the Subject Property on the basis of time and such features as location, size and quality of improvements, design features and income generating potential of the property.

Discount Rate is a yield rate used to convert future payments or receipts into a present value.

Discounted Cash Flow Technique offers an opportunity to account for the anticipated growth or decline in income over the term of a prescribed holding period. More particularly, the value of the property is equivalent to the discounted value of future benefits. These benefits represent the annual cash flows (positive or negative) over a given period of time, plus the net proceeds from the hypothetical sale at the end of the investment horizon.

Two rates must be selected for an application of the DCF process:

- the internal rate of return or discount rate used to discount the projected receivables;
- an overall capitalization rate used in estimating reversionary value of the asset.

The selection of the discount rate or the internal rate of return is based on comparing the Subject Property to other real estate opportunities as well as other forms of investments. Some of the more common benchmarks in the selection of the discount rate are the current yields on long term bonds and mortgage interest rates.

Effective Date - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada defines “Effective Date)” (The Appraisal Institute of Canada, Canadian Uniform Standards of Professional Appraisal Practice, 2024 ed. Page 6) as:

“The date at which the analyses, opinions, and conclusions in an Assignment apply. The Effective Date may be different from the Inspection date and/or the Report date.”

Exposure Time - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada defines “Exposure Time” (The Appraisal Institute of Canada, Canadian Uniform Standards of Professional Appraisal Practice, 2024 ed. Page 6) as:

“The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the Effective Date of the appraisal. Exposure time is backward-looking.”

Fair Value (International Financial Reporting Standards) – IFRS 13 defines “Fair Value” as:

“The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

Highest and Best Use - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada defines “Highest and Best Use” (The Appraisal Institute of Canada, Canadian Uniform Standards of Professional Appraisal Practice, 2024 ed. Page 8) as:

“The reasonably probable use of Real Property, that is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value.”

The Income Approach to value is utilized to estimate real estate value of income-producing or investment properties.

Internal Rate of Return is the yield rate that is earned or expected over the period of ownership. It applies to all expected benefits including the proceeds of sale at the end of the holding period. The IRR is the Rate of Discount that makes the net present value of an investment equal zero.

Market Value - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada defines “Market Value” (The Appraisal of Real Estate, Fourth Canadian Edition, ed. Dybvig, (University of British Columbia, Real Estate Division, 2023), p. 6.1-.4) as:

“The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and the seller each acting prudently,

knowledgeably, and for self-interest, and assuming that neither is under undue duress.”

Marketing Time - The Canadian Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute of Canada defines “Marketing Time” (The Appraisal Institute of Canada, Canadian Uniform Standards of Professional Appraisal Practice, 2024 ed. Page 10) as:

“Marketing Time is an opinion on the amount of time it might take to sell a property interest in Real Estate at the concluded estimate of Market Value during the period immediately after the Effective Date of an appraisal. Marketing Time is forward-looking and predictive.”

Net Operating Income is the actual or anticipated net income remaining after all operating expenses are deducted from effective gross income before debt service and depreciation. Net Operating Income is usually calculated for the current fiscal year or the forthcoming year.

Overall Capitalization Rate is an income rate that reflects the relationship between a single year’s net operating income expectancy and the total property price. The Overall Capitalization Rate converts net operating income into an indication of a property’s overall value.

A Yield Rate is applied to a series of individual incomes to obtain a present value of each.

Appendix C

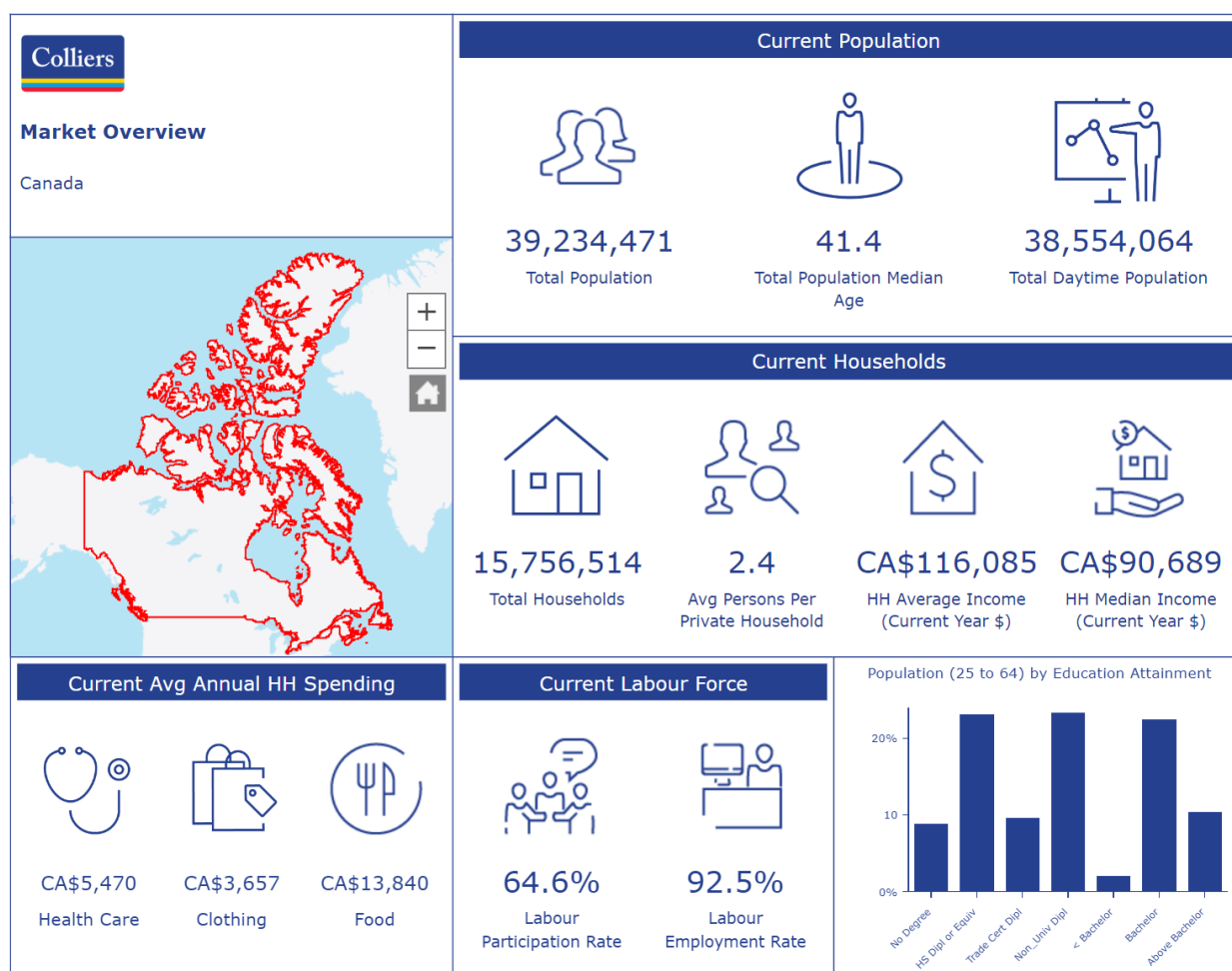
Market Overview

Economic Overview – Canada

Canada has the world's 39th largest population and the world's second largest land mass. The country's population is dispersed among 10 provinces and 3 territories with nearly 90% of its people living within 160 kilometers of the United States border. Canada consistently receives a top fifteen Human Development Index ranking and a top twenty ranking for GDP (nominal) per capita.

Canada's economy consistently receives a top twelve world ranking. International trade makes up a large part of Canada's economy, with the United States as its largest trading partner followed by the European Union and China. Key Canadian exports include petroleum, automobiles and auto parts, precious metals, machinery including computers, wood, electrical machinery, aircraft and spacecraft, pharmaceuticals and aluminum. More recently, Canada's high knowledge industries of manufacturing, business services, engineering and computer and management services have received a top ten global knowledge economy ranking from the World Bank Institute.

Following is a demographic summary for the Country of Canada.



Following is a summary of featured insights prepared by the Oxford Economics in their April 2024 Canada Economic Forecast.

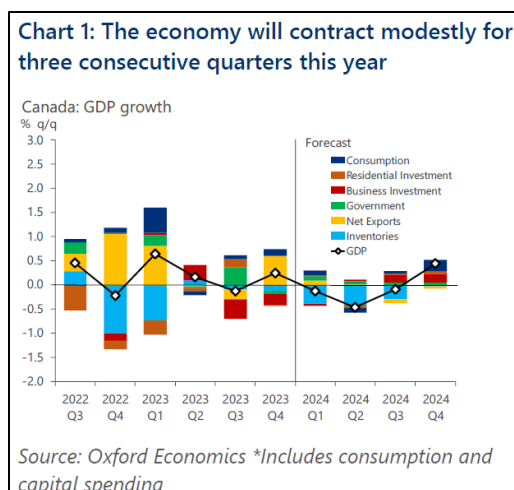
A modest but more prolonged downturn still seems likely

- Growth in Q1 was likely only slightly negative, but we now expect the Canadian economy will contract moderately from Q1 to Q3 this year, one quarter longer than our forecast last month. This reflects a more prolonged impact from mortgage renewals on consumers, weaker new home building, modest advances in business investment, and a sharper slowdown in the rate of inventory building. We maintain our forecasts of a 0.3% GDP contraction for this year and a muted rebound to 2% growth for 2025.
- As borrowers continue to renew mortgages at higher rates, we forecast total mortgage payments will increase by another 6% this year and 18% by the end of 2027. Low- to medium-income indebted households will bear the brunt of the mortgage payment shock, forcing them to cut discretionary spending and, in dire cases, sell their homes. This will weigh on aggregate household outlays given that the group accounts for almost half of total consumption. Weaker consumption is a main driver of our recession forecast but deleveraging may also lie ahead.
- Headline CPI inflation edged up to 2.9% y/y in March, slightly slower than we expected and still below the top of the Bank of Canada's 1%-3% target range. We revised up our forecast for 2024 average inflation slightly to reflect higher recent global Brent crude oil prices. But we still expect declining global oil prices from Q2 and growing slack from Canada's economic downturn will lower headline CPI inflation to the 2% target by year-end.
- We're not surprised that the Bank of Canada continued to hold its key policy rate at 5% in April. However, the Bank has turned more bullish on the economy while maintaining its expectation that inflation will return to its 2% target by late 2025. We still think the Bank will keep its policy rate steady at 5% until June. From then, it will gradually ease to 4.25% by the end of this year.
- That said, the Bank of Canada remains concerned about upside risks to the inflation outlook. If the Canadian economy avoids the moderate downturn we forecast and performs as well as the Bank now expects, this will likely result in higher inflation and could prompt a delay to the easing, holding the policy rates higher-for-longer or possibly resuming hikes later this year.

Forecast Overview

Recent Developments

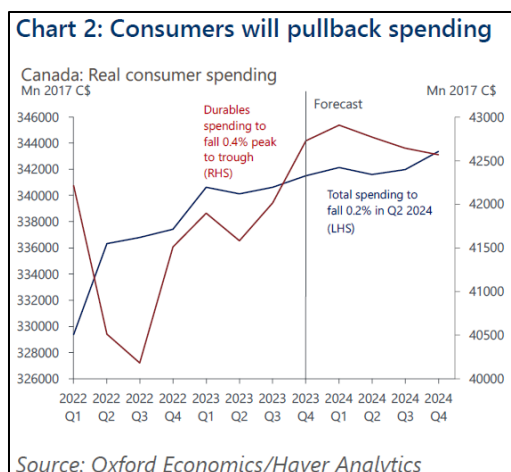
- The Canadian economy rebounded by 0.6% m/m in January after declining by 0.1% m/m in December. The pickup in January was led by a 0.7% m/m increase in services output, as well as a 0.2% m/m rise in goods production. Services output was supported by the end of a public sector strike in Quebec. The rebound in goods production mainly reflected a 3.2% m/m increase in utilities as cold temperatures in western Canada increased power generation.
- StatCan's advance estimate indicates GDP grew by 0.4% m/m in February. On the surface, this suggests that Q1 growth may be stronger than the moderate contraction we forecast, but monthly GDP industry figures are prone to revisions, especially from swings in inventories, and have recently suggested stronger growth than the quarterly GDP expenditure data.



- The Bank of Canada (BoC) continued to hold its policy rate at 5% in April, where it has remained since July 2023. But the BoC's view on the economy has turned even more bullish than its soft-landing forecast in January. Yet, the bank still expects inflation will return to its 2% target by late 2025.
- The economy lost 2,200 jobs in March, as 1,600 fewer part-time jobs and 700 fewer full-time positions were recorded. Alongside strong, population-led labor supply growth, the unemployment rate rose by 0.3ppts to 6.1%, its highest level since January 2022.

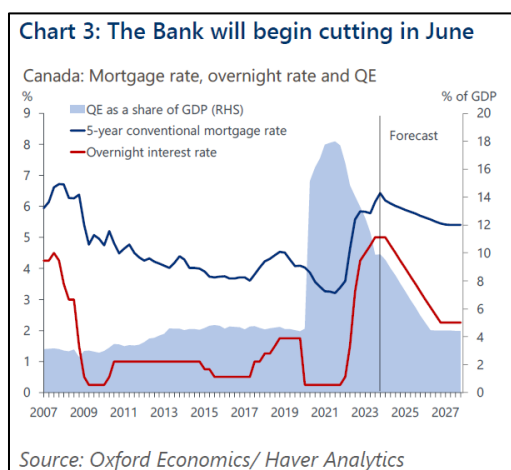
Short-Term Outlook

- Despite surprisingly strong GDP by industry figures in recent months, we continue to expect the economy will contract moderately this year. We still forecast a 0.7% peak-to-trough decline in GDP, but the downturn will now last from Q1 to Q3 – one quarter longer than last month's forecast. We now estimate a shallower 0.1% q/q decline in Q1 (-0.3% prev.) and a deeper 0.5% q/q contraction in Q2 (-0.4% prev.) as well as a 0.1% q/q contraction in Q3 (+0.1% prev.).
- A more prolonged recession reflects our view of a more enduring impact from mortgage renewals at higher interest rates. Even with interest rates expected to start easing in H2, total mortgage payments will increase by another 6% this year and 18% by the end of 2027. Higher debt-service costs will weigh on consumption over the short and medium term. We now also anticipate a sharper slowdown in the rate of inventory building in H1 and a slower ramp-up in new home building in H2.
- A modest recovery will emerge in Q4 2024, one quarter later than we forecast last month, as looser financial conditions, renewed job growth, and growing real incomes boost household spending – albeit at a weaker pace than in our previous forecast. Easing mortgage rates and government measures to boost housing supply should also support an improvement in housing starts later this year. The recent round of provincial budgets for 2024 suggest government spending will also be higher than previously assumed over the next few years.
- On an annual average basis, we still think GDP will contract by 0.3% GDP this year and expand by 2% in 2025.



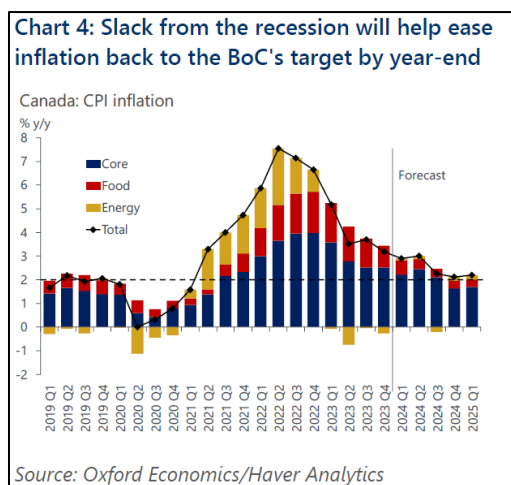
Key Drive of Our Short-Term Forecast

- The BoC held its policy rate at 5% once again at its meeting on April 10. Still, the Bank nearly doubled its 2024 GDP growth forecast to 1.5% from 0.8% previously. This reflects stronger-than-expected population growth and its view that the impact of past interest rate hikes on consumers is diminishing. The BoC's assumptions around the timing of the population-led demand-side boost to GDP, as well as the duration of the mortgage payment shock, differ fundamentally from ours.
- The BoC also revised down its inflation forecast closer to our view, despite a stronger economic growth outlook and the recent increase in global oil prices. We continue to expect the BoC will keep the policy rate steady at 5% until June. From then, it will begin to lower the policy rate to 4.25% by the end of this year. Still, the BoC remains concerned about upside risks to inflation. If the Canadian economy avoids the moderate downturn we forecast and performs as well as the BoC expects, this will likely result in higher inflation and could prompt a delay to the easing, holding rates higher for longer or possibly resuming hikes later this year.

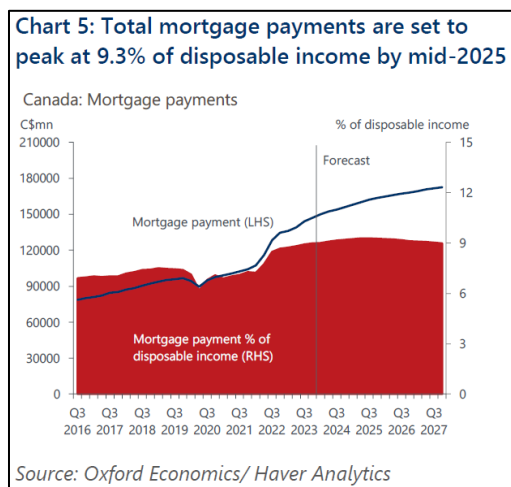


- CPI inflation edged up in March. Headline CPI inflation ticked up to 2.9% y/y in March, slightly slower than we expected but still below the top of the BoC's 1%-3% target range. Higher gasoline prices in March were a key contributor to higher headline inflation. We've raised our 2024 headline CPI inflation forecast by 0.1ppt to 2.6% to reflect upward revisions to the global Brent crude oil price forecast, mostly in Q2 2024. Plus, we've revised up our long-term CPI inflation forecast due

to a higher global food price forecast. Nonetheless, we still expect global oil prices to ease from Q2 2024 and think growing slack from Canada's downturn will return inflation to the 2% target by late 2024.



- More pain still to come from the mortgage payment shock. As of Q4 2023, mortgage payments had already surged by 40% since the BoC began aggressively hiking interest rates in early 2022. But we expect these payments will rise further this year as borrowers continue to renew their mortgages at higher interest rates. The mortgage payment shock will particularly squeeze low- to medium-income indebted households, likely requiring most to cut discretionary spending and forcing those in more dire cases to sell their homes. A pullback in spending by this income group will weigh on aggregate household outlays, given that it accounts for almost half of total consumption.



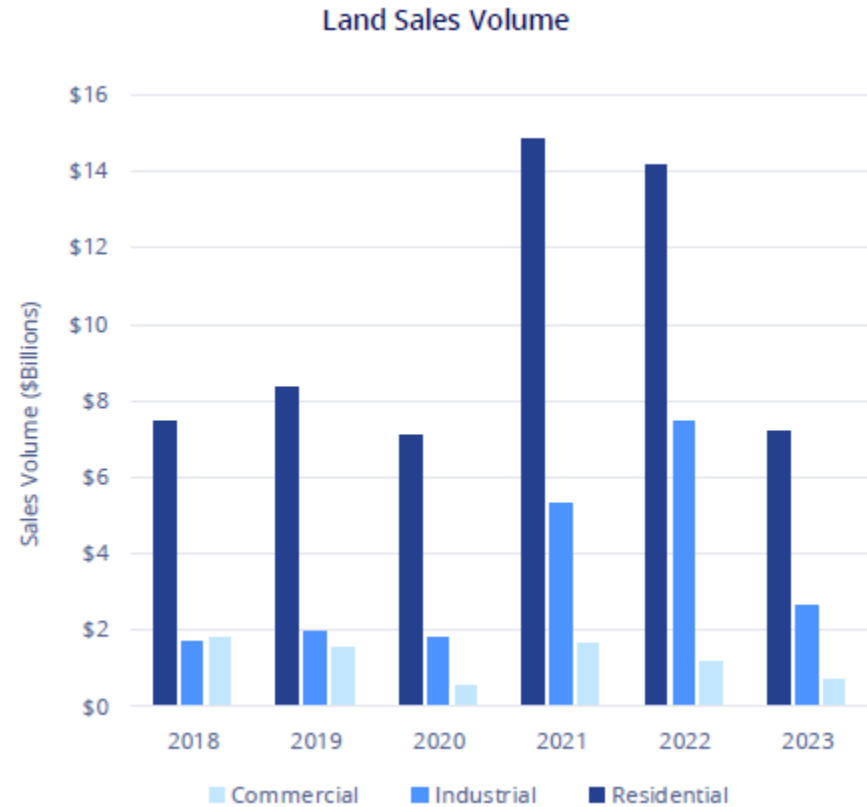
National Land Report 2023 In Review

Overview

Coming off record sales volume years in 2021 & 2022, the return to pre-Pandemic normalcy was evident in 2023. Economic uncertainty and the stagnant interest rate were the key factors to the significant drop. The regression in industrial sales (down approximately 65% from 2022 to 2023) will mean less new supply in the future. We can anticipate low development volume for 2024 into the first half of 2025, which will mostly impact affordable housing and industrial rents. With the immigration targets set by the federal government, we could see an increase in sales activity given the need for affordable and attainable housing in the future.

“Everyone has a role to play in encouraging a strong investment climate that will help boost productivity.”

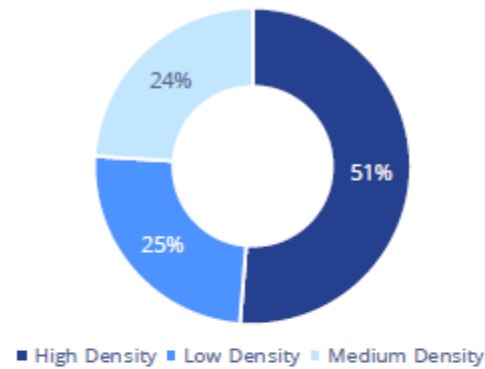
Senior Deputy Governor Carolyn Rogers



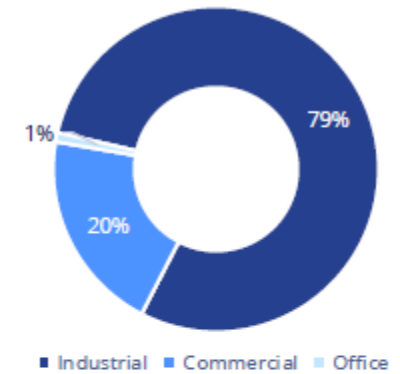
Sale Transactions Volume 2023

- Developers in Montreal showed preference towards industrial which made up 63% of transactions.
- Vancouver and Toronto are focused on purpose-built rentals as residential land represented 64% and 71% of transactions, respectively.
- Calgary had 94% of residential land sales in areas zoned for medium and low density, which will offer more diverse housing options compared to other major cities.
- Commercial land sales are down 11% in the last five years as developers look to incorporate commercial in mixed-use residential projects instead of stand-alone commercial.

2023 Multifamily Breakdown



2023 ICI Breakdown



Land Sales Volume

	Calgary	Vancouver	Toronto	Montreal
Industrial	\$155 million	\$397 million	\$1.3 billion	\$720 million
Commercial	\$76 million	\$121 million	\$500 million	\$194 million
Residential	\$481 million	\$1.6 billion	\$3.9 billion	\$354 million

Economic Overview – Ontario

The Province of Ontario is Canada's most populous province and home to the nation's capital, Ottawa, as well as the nation's largest city, Toronto. Besides having 40% of Canada's population, Ontario has the most culturally diverse population in Canada. The great majority of Ontario's population and arable land is located in the south. In contrast, the larger, northern part of Ontario is sparsely populated.

Ontario generates 39% of Canada's GDP and forms Canada's largest economy. The province's economy is led by its service sector, manufacturing, agriculture, mining, and forestry industries. Nearly 50% of Canada's high tech, financial services and other knowledge intensive industries are employed in Ontario. Meanwhile, Ontario is Canada's manufacturing powerhouse, shipping more than \$258 billion of automobiles, information and communications technologies, biotech, pharmaceuticals, and medical devices. In addition, the province's mining industry is among the top 10 producers in the world for nickel and platinum and a significant producer of gold, copper, zinc, cobalt and silver.

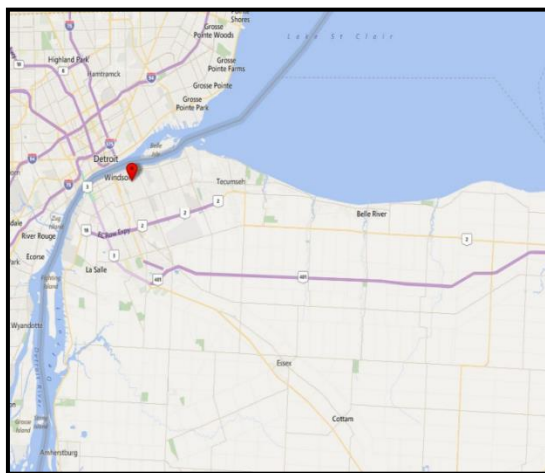
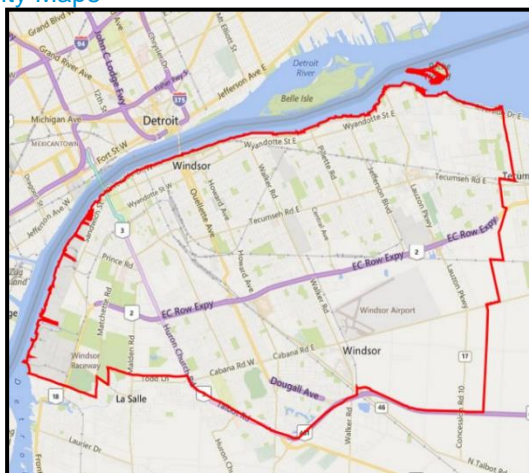


Windsor Market Overview

Windsor is the southernmost city in Canada. It is located across the Detroit River directly south of Detroit, Michigan in the United States and approximately 360 kilometers south-west of Toronto. Windsor is serviced by Highway 401, Highway 2, and Highway 3, crossing the Detroit River.

Windsor has a population of 217,188 according to the most recent StatsCan data. Windsor is home to several major research facilities and institutes of higher education such as St. Claire College and the University of Windsor. In addition, Windsor features an international airport. City features and amenities include the Windsor Sculpture Park, an outdoor collection of larger-than-life sculptures, the Art Gallery of Windsor, and Chimczuk Museum which features a historically significant collection.

City Maps



Economic Overview

Windsor's economy is primarily based on manufacturing, tourism, education, and government services. Windsor is a leader in the manufacturing sector, the largest sector by revenue in the region and the birthplace of Canada's Automotive Industry. The City is home to headquarters of FCA Canada (formerly Chrysler Canada). Caesars Windsor, one of the largest casinos in Canada, is one of the largest local employers.

One of the advantages of the Windsor Region is its location, at the heart of the richest consumer market in the world, where more than half of the North American population lives within an 8-hour drive. The 10th largest market in the U.S., Metropolitan Detroit with its 4.5 million people, is less than one mile away across the Detroit River.

Both the University of Windsor and St. Clair College are significant local employers and have enjoyed substantial growth and expansion in recent years. The recent addition of a full-program satellite medical school of the University of Western Ontario, which opened in 2008 at the University of Windsor is further enhancing the region's economy and the status of the university. The diversifying economy is also represented by companies involved in pharmaceuticals, alternative energy, insurance, internet and software. Windsor is also home to the Windsor Salt Mine and the Great Lakes Regional office of the International Joint Commission.

Appendix D

GeoWarehouse Report

Property Details

GeoWarehouse Address:

2260 MANNING RD

TECUMSEH

N8N2L9

PIN: 750090015

Land Registry Office: ESSEX (12)

Land Registry Status: Active

Registration Type: Certified (Land Titles)

Ownership Type: Freehold



Ownership

Owner Name:

R. LESSARD TRUCKING LIMITED

Party To:

R. LESSARD TRUCKING LTD.

Legal Description

PT LT 8 CON WEST OF RIVER PECHE MAIDSTONE AS IN R481206, R1059338; S/T R1059338; S/T MB20419, MB20420; LAKESHORE

Lot Size

Area:	1620967.99 sq.ft (37.212 ac)
Perimeter:	12145.67 ft.
Measurements:	55.36ft. x 430.8ft. x 224.89ft. x 4890.16ft. x 131.12ft. x 533.18ft. x 5883.18ft.
Lot Measurement Accuracy : LOW These lot boundaries may have been adjusted to fit within the overall parcel fabric and should only be considered to be estimates.	



Assessment Information

ARN

375122000003100

Frontage:	55.19 ft.	Description:	Other industrial (all other types not specifically defined)
Depth:	N/A	Property Code:	540
Site Area:	36.67A	Current Assessment:	\$534,000
Based On:	Jan 1, 2016		

Sales History

Sale Date	Sale Amount	Type	Party To	Notes
Sep 02, 1988	\$100,000	Transfer	R. LESSARD TRUCKING LTD.;	
Oct 08, 1970	\$1	Transfer	R. LESSARD TRUCKING LIMITED;	

Property Details

GeoWarehouse Address:

2260 MANNING RD

TECUMSEH

N8N2L9

PIN: 750090016

Land Registry Office: ESSEX (12)

Land Registry Status: Active

Registration Type: Certified (Land Titles)

Ownership Type: Freehold



Ownership

Owner Name:

1000101395 ONTARIO INC.

Legal Description

PT LT 8 CON WEST OF RIVER PECHE MAIDSTONE AS IN R383753, EXCEPT R481206; LAKESHORE

Lot Size

Area: 95335.86 sq.ft (2.189 ac)

Perimeter: 1302.49 ft.

Measurements: 217.86ft. x 430.69ft. x 224.89ft. x 430.8ft.

Lot Measurement Accuracy : LOW

These lot boundaries may have been adjusted to fit within the overall parcel fabric and should only be considered to be estimates.



Assessment Information

ARN

375122000003200

Frontage: 217.0 ft.

Depth: 429.0 ft.

Site Area: 2.03A

Based On: Jan 1, 2016

Description: Single-family detached (not on water)

Property Code: 301

Current Assessment: \$283,000

Sales History

Sale Date	Sale Amount	Type	Party To	Notes
Apr 07, 2022	\$1,000,000	Transfer	1000101395 ONTARIO INC.;	
May 12, 1967	\$1	Transfer	LESSARD, LOUELLA M.; LESSARD, RICHARD;	

Appendix E

Land Use Controls

Table 7.1 – Permitted Uses																										
	R1	R2	R3	RM	RW1	RW2	HR	HC	HE	CS	CR	CA	CN	CT	MU	M1	M2	I1	I2	EP	W	P	A	UR		
(a) Residential Uses																										
Single detached dwelling	•	•			•	•	•					• ^m		• ^m	• ^m								•	• ^m		
Semi-detached dwelling		•					•					• ^m			• ^m											
Duplex dwelling		•										• ^m			• ^m											
Triplex dwelling		•										• ^m			• ^m											
Townhouse dwelling		•										• ^m			•											
Apartment dwelling			•									•			•											
Secondary dwelling unit												•			•											
Seasonal dwelling					•	•																				
Accessory dwelling unit(s) in combination with a non-residential use								•		•	•	•	•	•	•											
Converted dwelling		•	•									•			•								•	• ^m		
Mobile home park				•																			• ^m			
Mobile home				•																			• ^m	• ^m		
Group home dwelling	•	•	•		•	•	•								•								•	• ^m		
Home occupation	•	•			•	•	•					• ^m											•	•		
(b) Agricultural and Rural Uses																										
Agricultural use																• ^m	• ^m			• ^m			•	•		
Agricultural use – Value Added																							•			
Abattoir																							•	• ^m		
Agricultural commercial and/or industrial establishment									•		•												• ^m			
Agricultural processing establishment									•		•					•										
Agricultural service and supply establishment									•		•															
Farm produce outlet									•		•												•	•		
Farm winery																							•			
Forestry use																							•	•		
Greenhouse farm																							•	• ^m		
Home occupation, agricultural																							•	•		
Home industry																							•	• ^m		
Kennel																							•			
Mushroom farm																							•	• ^m		

Table 7.1 – Permitted Uses

	R1	R2	R3	RM	RW1	RW2	HR	HC	HE	CS	CR	CA	CN	CT	MU	M1	M2	I1	I2	EP	W	P	A	UR
Organic soil conditioning																							•	• [≡]
Resource extraction operation																							•	• [≡]
Secondary farm dwelling																							•	• [≡]
(c) Commercial Uses																								
Animal clinic										•	•	•			•									
Animal shelter											•													
Auction establishment										•	•													
Automobile rental establishment										•					•									
Automobile repair establishment								•	•	•		• [≡]			•	•								
Automobile sales and service establishment										•	• [≡]				•									
Automobile service station								•		•	•	• [≡]			•									
Automobile washing establishment								•									•							
Automobile washing establishment, Automatic								•		•	•	•			•									
Bed and breakfast establishment	•	•			•	•	•	•				•			•								•	• [≡]
Bake shop												•	•		•									
Building supply outlet								•	•	•					•	•								
Commercial school										•		•			•									
Day care centre								•				•	•		•			•	•					
Dry cleaning establishment								•		•		•	•		•									
Eating establishment								•		•	• [≡]	•		•	•									
Financial institution								•		•		•			•									
Fitness centre								•		•		•			•									
Funeral home								•		•		•			•									
Greenhouse											•												•	• [≡]
Hotel										•		•		•	•									
Laundromat								•		•		•	•		•									
Motel										•				•	•									
Nursery and garden store										•	•				•									

Table 7.1 – Permitted Uses																										
	R1	R2	R3	RM	RW1	RW2	HR	HC	HE	CS	CR	CA	CN	CT	MU	M1	M2	I1	I2	EP	W	P	A	UR		
Parking lot or structure, public												•			•											
Personal service shop								•		•		•	•		•											
Pharmacy								•		•		•			•											
Place of entertainment								•		•		•		•	•											
Printing establishment								•		•						•										
Private club								•				•		•	•				•				•			
Public club								•				•		•	•				•				•			
Public storage									•						• ^E	•										
Recreational vehicle sales, service, and storage establishment										•	•			•												
Retail establishment								•		•		•			•											
Retail establishment, convenience								•		•		•	•		•											
Retail and service uses related to recreation														•												
Retail use, accessory									•							•	•									
Service and repair establishment								•		•		•			•											
Shopping Centre								•		•		•	•		•											
Supermarket								•		•		•			•											
Taxi establishment										•																
(d) Employment Uses																										
Batching or recycling plant, concrete or asphalt																•										
Bus terminal										•																
Call centre																•	•									
Contractor's yard									•							•										
Laboratory or scientific research facility																•	•									
Landing strip																							•			
Manufacturing, heavy																•										
Manufacturing, light									•							•	•									
Office								•		•	•	•	•		•		•									
Propane transfer facility																•										

Table 7.1 – Permitted Uses																									
	R1	R2	R3	RM	RW1	RW2	HR	HC	HE	CS	CR	CA	CN	CT	MU	M1	M2	I1	I2	EP	W	P	A	UR	
Service trade establishment										•	•					•	•								
Studio								•		•		•			•										
Transport terminal									•		•					•									
Utility yard																•									
Warehouse																•									
Wholesale establishment									•	•					•	•									
(e) Institutional Uses																									
Assembly hall								•				•			•			•	•				•	•	
Community centre								•				•			•			•	•			•			
Cultural facility								•				•			•			•	•						
Hospital																		•							
Library								•							•			•	•						
Medical office								•		•					•			•	•						
Place of worship								•				•			•			•	•				•	•	
Private school								•				•			•			•	•						
Public school								•				•			•			•	•						
Retirement home							•								•			•	•						
(f) Parks, Open Space and Outdoor Recreation Uses																									
Campground								•	•					•								•			
Cemetery																		•	•				•	•	
Conservation area																				•	•	•	•	•	
Fairs or exhibition grounds																		•				•			
Golf course								•	•		•			•								•			
Hunting, trapping and fishing or Hunting, game and wildlife preserve																				•	•		•	•	
Marina								•	•		•			•								•			
Park, Public or Private														•						•		•			
Tourist information services												•		•											

8.9 Agriculture Zone Regulations

The following regulations shall apply to the Agriculture (A) zone. Refer to Section 9.0 for a list of zone exceptions.

Zone Regulations	Agricultural Uses and Accessory Uses	Residential Lots
Permitted Uses	As indicated in Table 7.1	As indicated in Table 7.1 (a) Residential Uses
Minimum Lot Area	19.0 ha	3,000 m ²
Maximum Lot Area	N/A	4.0 ha
Minimum Lot Frontage	75 m	30 m
Maximum Lot Coverage (including accessory buildings)	20%	30%
Minimum Landscaped Open Space	N/A	20%
Minimum Setbacks (main buildings):		
Front Yard	15.0 m	15.0 m
Rear Yard	15.0 m	15.0 m
Interior Side Yard	3.0 m	3.0 m
Exterior Side Yard	6.0 m	6.0 m
Maximum Height of Buildings and Structures	10.5 m	10.5 m
Other Provisions	A dwelling is prohibited on a lot that was created as a result of a consent to sever a dwelling, on or after March 1, 2005.	

9.20.5 Agriculture Zone Exception 5 (A-5) (Map 11)

- a) Permitted Uses: Shall be restricted to the following:
- i) an asphalt plant and uses *accessory* to the asphalt plant including but not restricted to the production, storage and sale of asphalt and a truck and transport terminal;
 - ii) a portable cement mixing establishment;
 - iii) an establishment for the production, storage and sale of commercial aggregate or aggregate related material. Such an establishment may include a waste processing facility as defined and approved by the Ministry of

Environment, provided the waste processing facility processes only aggregate or aggregate related material or material that is to be added to aggregate material;

- iv) an establishment for the sale and repair of trucks or heavy equipment;
 - v) warehousing;
 - vi) manufacturing facilities for bricks or concrete products;
 - vii) a nursery and garden supply centre;
 - viii) tradesman's shops and contractor's yards; and
 - ix) uses *accessory* to the foregoing permitted uses including offices and retail wholesale outlets related to permitted uses carried on in the same building.
- b) Zone Regulations: All lot and building requirements shall be in accordance with the A Zone Regulations and the corresponding Site Plan Agreement. Access to lands zoned A-5 shall be restricted to County Road 19.

Appendix F

Comparable Sales

COMPARABLE 1: 266 Patillo Rd, Lake Shore, ON



TRANSACTION SUMMARY

Vendor	ROCK Developments
Purchaser	6233317 Canada Inc.
Registered Date	1/19/2024
Status	Recorded
PIN	750070178
Sale Price	\$1,600,000
Site Area (Developable Acre)	3.153
Sale Price per Developable Acre	\$507,453

SITE DESCRIPTION

Address	266 Patillo Rd
Configuration	Generally Rectangular
Topography	Generally Level

LAND USE PLANNING

Official Plan Designation	Employment Designation
Underlying Zoning	M1 - General Employment

GENERAL COMMENTS

ROCK Developments sold this 3.15 AC plot of land to a private individual for a recorded consideration of \$1,600,000.00 or \$507,936.51 per acre in this transaction. At the time of sale, the property unimproved.

The Township of Lakeshore has zoned the property as M1 (General Employment), which permits various industrial uses.

COMPARABLE 2: 2415 Division Road, Windsor, ON



TRANSACTION SUMMARY

Vendor	Chani & Dhot Holding Inc.
Purchaser	391568 ONTARIO INC.
Registered Date	10/27/2023
Status	Recorded
PIN	15603016
Sale Price	\$1,838,850
Site Area (Developable Acre)	5.119
Sale Price per Developable Acre	\$359,221

SITE DESCRIPTION

Address	2415 Division Road
Configuration	Generally Rectangular
Topography	Generally Level

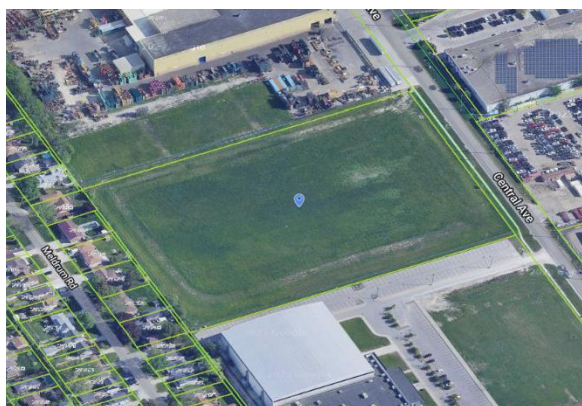
LAND USE PLANNING

Official Plan Designation	Mixed Use Centre / Industrial
Underlying Zoning	MD1.2-Manufacturing District (Light Industrial with Limited Commercial)

GENERAL COMMENTS

The site is located on the south side of Division Road just east of Walker Road. The City of Windsor Official Plan designates the Index as Mixed Use Centre (approximately 30% of the area) and Industrial. The property is zoned MD1.2 - Light Industrial with Limited Commercial. The Index was severed from a larger parcel. The property has a generally rectangular (slightly irregular at the south end) configuration, gravel / greenfield surface, and one ingress / egress point from Division Road. At the time of sale the property was vacant and unimproved.

COMPARABLE 3: 2525 Central Avenue, Windsor, ON



TRANSACTION SUMMARY

Vendor	Jarf Holdings Ltd. Kidomat Canada Ltd. 997075 Ontario Ltd.
Purchaser	1000596366 Ontario Ltd.
Registered Date	7/28/2023
Status	Recorded
PIN	13560603
Sale Price	\$3,700,000
Site Area (Developable Acre)	7.350
Sale Price per Developable Acre	\$503,401

SITE DESCRIPTION

Address	2525 Central Avenue
Configuration	Rectangular
Topography	Generally Level

LAND USE PLANNING

Official Plan Designation	Business Park
Secondary Plan Designation	None
Underlying Zoning	MD1.4 - Manufacturing District (Business Park)

GENERAL COMMENTS

The site is located on the west side of Central Avenue, north of Plymouth Drive, adjacent to low-density residential uses to the west. The City of Windsor Official Plan designates the Index as Business Park. The property is zoned MD1.4 - Business Park designation that does not permit outdoor storage. Special provision S(1)73 permits the existing stamping or forging plant to the north of the Index (the property is assumed to be severed from a larger parcel). The Index is a rectangular parcel in greenfield condition, and is vacant and unimproved.

COMPARABLE 4: Lots 9-12 High Tech Drive, Lakeshore, ON**TRANSACTION SUMMARY**

Vendor	Undisclosed
Purchaser	CAN ART ALUMINUM EXTRUSION CANADA INC.
Registered Date	6/29/2023
Status	Recorded
Recording Number	None noted
PIN	750070404, 750070405
Sale Price	\$6,990,000
Site Area (Developable Acre)	14.080
Sale Price per Developable Acre	\$496,449

SITE DESCRIPTION

Address	Lots 9-12 High Tech Drive
Configuration	Rectangular
Topography	Generally Level

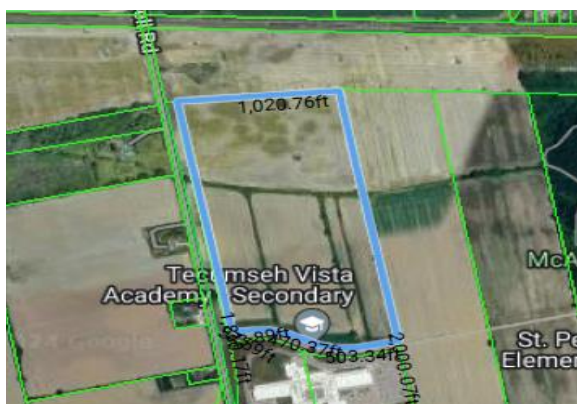
LAND USE PLANNING

Official Plan Designation	Employment
Underlying Zoning	M1 - General Industrial

GENERAL COMMENTS

The Index is located in the new high tech industrial park area in lakeshore, south of the EC Row Expressway just off Patillo Road. The new 66.9 acre industrial park will have a new L-shaped road with entrances from Patillo Road and Little Baseline Road. The proposed name of the new roadway is High Tech Drive. The area will have new fully serviced industrial lots. Lots can be combined together. The owner of the property was reported to be in the final stages of plan of sub-division approval with the municipality of Lakeshore and County of Essex. The 66.9 acres are already zoned M1 industrial with many permitted uses.

COMPARABLE 5: 2400 Banwell Road, Windsor, ON



TRANSACTION SUMMARY

Vendor	Undisclosed
Purchaser	1000044993 ONTARIO INC.
Registered Date	1/5/2023
Status	Recorded
Recording Number	None noted
PIN	752400292
Sale Price	\$11,250,000
Site Area (Developable Acre)	46.120
Sale Price per Developable Acre	\$243,929

SITE DESCRIPTION

Address	2400 Banwell Road
Configuration	Generally Rectangular
Topography	Generally Level

LAND USE PLANNING

Official Plan Designation	Future Development
Underlying Zoning	A - Agricultural

GENERAL COMMENTS

The site is located on the east side of Banwell Road just north of Tecumseh Vista Academy. The Official Plan designates the Index as Future Development - a designation designed to provide suitable locations for additional residential, commercial, employment, recreational and institutional land uses in the Oldcastle and Tecumseh Hamlet settlement areas. The site is zoned Agricultural. The property represents a generally rectangular, slightly irregular in its southerly portion, parcel of land in greenfield condition without any existing ingress /egress points.

**THIS IS EXHIBIT "C" REFERRED TO IN THE AFFIDAVIT OF EKNOOR
SINGH TUNG SWORN BEFORE ME ON MARCH 26, 2025**



A Commissioner for taking affidavits



Royal Bank of Canada
Commercial Financial Services
20 KING ST W 11TH FLR
TORONTO ON, CANADA
M5H 1C4

**ROYAL BANK OF CANADA
TERM LOAN RENEWAL AGREEMENT**

DATE: 16 May 2024

Private and Confidential

2527366 ONTARIO INC.

Attn:

14 LUCINDA COURT
BRAMPTON, ON
L6P0K6

Royal Bank of Canada (the "Bank") hereby confirms to 2527366 ONTARIO INC. (the "Borrower") the following amendments to the credit/loan agreement between the Borrower and the Bank and any previous amendments thereto (the "Agreement").

The FIXED Rate Term Loan (the "Term Loan") described in the Agreement which is payable in full on 02 June 2024 (the "Term Loan Maturity Date") is renewed, subject to the following revised terms with effect from and after the Term Loan Maturity Date:

TERM LOAN DETAILS AS OF 16 May 2024			
Current Balance:	CAD \$13,412,065.96	Payment Frequency:	Monthly
Estimated Remaining Amortization (months):	288	Payment Type:	BLENDED
Interest Rate:	6.79%	Loan Payment:	\$94,265.23
Loan Type:	FIXED	Term:	12 months

RENEWAL DETAILS			
Payment Frequency:	Monthly	Payment Type:	Blended

Please select one of the options in the grids below by initialing in the space provided.

FIXED RATE OPTIONS					
Initial Selection	Available Terms	New Interest Rate (per annum)	New Maturity Date	Payment	Percentage of the outstanding principal balance on the date of the prepayment which is eligible for prepayment
	1 YEAR FIXED	6.23%	02 June 2025	\$89,746.28	0%
	2 YEAR FIXED	6.04%	02 June 2026	\$88,131.27	0%
	3 YEAR FIXED	5.85%	02 June 2027	\$86,635.24	0%
	4 YEAR FIXED	5.65%	02 June 2028	\$85,019.08	0%
	5 YEAR FIXED	5.69%	02 June 2029	\$85,321.23	0%

FIXED RATE OPTIONS					
Initial Selection	Available Terms	New Interest Rate (per annum)	New Maturity Date	Payment	Percentage of the outstanding principal balance on the date of the prepayment which is eligible for prepayment
	1 YEAR FIXED	6.48%	02 June 2025	\$91,807.54	10%
	2 YEAR FIXED	6.29%	02 June 2026	\$90,174.88	10%
	3 YEAR FIXED	6.10%	02 June 2027	\$88,662.16	10%
	4 YEAR FIXED	5.90%	02 June 2028	\$87,027.56	10%
	5 YEAR FIXED	5.94%	02 June 2029	\$87,333.19	10%

AUTOMATIC RENEWAL TERMS						
In the event the Bank does not receive from the Borrower a duly executed copy of this Term Loan Renewal Agreement on or before the Term Loan Maturity Date, the Term Loan will be automatically renewed as a Variable Rate Term Loan subject to the terms set out below:						
Term	New Interest Rate (per annum)	Premium (per annum)	New Maturity Date	Payment	Payment Type	Payment Frequency
1 YEAR	RBP	2.00%	02 June 2025	\$46,408.53	Principal plus Interest	Monthly

STANDARD TERMS	
<p>If the Term Loan is renewed from a Variable Rate Term Loan to a Fixed Rate Term Loan, effective as of the Term Loan Maturity Date the Standard Terms "Standard Fixed Rate Term Loan Terms" (version 05/2018) apply to the Term Loan from and after the Term Loan Maturity Date and are incorporated by reference into the Agreement. The Borrower and the Guarantor, if applicable, signing below acknowledge having received a copy of "Standard Fixed Rate Term Loan Terms" (version 05/2018) and agree to be bound by, those Standard Terms.</p> <p>If the Term Loan is amended from a Fixed Rate Term Loan to a Variable Rate Term Loan effective as of the Term Loan Maturity Date, the Borrower agrees that the Borrower shall pay interest on each RBP based loan monthly in arrears on the same day of each month as determined by the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.</p>	

OTHER TERMS AND CONDITIONS	
<ul style="list-style-type: none"> All unpaid principal and interest is repayable in full on the "New Maturity Date" in accordance with the above terms. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement. All other terms and conditions of the Agreement including those contained in the standard terms provided therewith, remain in full force and effect. This Term Loan Renewal Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument. The offer of Fixed Rate Options or Variable Rate Options in this Term Loan Renewal Agreement is open for acceptance until the Term Loan Maturity Date, after which date the offer of Fixed Rate Options or Variable Rate Options will be null and void, unless extended in writing by the Bank. Two (2) copies of this Term Loan Renewal Agreement are being provided to the Borrower for signing. The Borrower is required to sign both original copies and to retain one original copy. The other original 	

copy must be returned to the Bank by regular mail to the above-noted address or by delivery in PDF format by email to sreekumar.nair@rbc.com.

ROYAL BANK OF CANADA



Per: _____
Title: Vice President

Agreed to and accepted this _____ day of _____, 20____

2527366 ONTARIO INC.

Per: _____

Name: _____

Per: _____

Name: _____

Per: _____

Name: _____

I / We have the authority to bind the Borrower

SRF: 322880030

LOAN#: 73750391 - 001

Acceptance Date: 02 June 2024

RBC FIXED RATE TERM LOANS STANDARD TERMS

Version 05/2018

The following set of standard terms is deemed to be included in and forms an integral part of the Royal Bank of Canada Term Loan Renewal Agreement which refers to standard terms with this document version date, receipt of which has been duly acknowledged by the Borrower. Terms defined elsewhere in the Term Loan Renewal Agreement or in the Borrower's Agreement (as defined in the Term Loan Renewal Agreement) and not otherwise defined below have the meaning given to such terms as so defined. The Borrower agrees and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

PREPAYMENT

Where Borrowings are by way of Fixed Rate Term Loans, provided an Event of Default shall not have occurred and be continuing, the Borrower may prepay such Borrowings on a non-cumulative basis up to the percentage, as selected by the Borrower for each Fixed Rate Term Loan, of the outstanding principal balance on the day of prepayment, without fee or premium, once per year during the 12 month period from each anniversary date of the Borrowing. Any prepayment of Borrowings by way of Fixed Rate Term Loans prior to the maturity date, in whole or in part (in excess of any prepayment explicitly permitted in this Agreement), requires an amendment of the terms of this Agreement. An amendment to permit such a prepayment requires the Bank's prior written consent. The Bank may provide its consent to an amendment to permit a prepayment upon satisfaction by the Borrower of any conditions the Bank may reasonably impose, including, without limitation, the Borrower's agreement to pay the Prepayment Fee as defined below.

The Prepayment Fee will be calculated by the Bank as the sum of:

- a) the greater of:
 - (i) the amount equal to 3 months' interest payable on the amount of the Fixed Rate Term Loan Borrowings being prepaid, calculated at the interest rate applicable to the Fixed Rate Term Loan Borrowings on the date of prepayment; and
 - (ii) the present value of the cash flow associated with the difference between the Bank's original cost of funds for the Fixed Rate Term Loan and the current cost of funds for a loan with a term substantially similar to the remaining term of the Fixed Rate Term Loan and an amortization period substantially similar to the remaining amortization period of the Fixed Rate Term Loan, each as determined by the Bank on the date of such prepayment;
- plus:
- b) foregone margin over the remainder of the term of the FRT Loan. Foregone margin is defined as the present value of the difference between the Bank's original cost of funds for the FRT Loan and the interest that would have been charged to the Borrower over the remaining term of the FRT Loan;
- plus:
- c) a processing fee.

The Prepayment Fee shall also be payable by the Borrower in the event that the Bank demands repayment of the outstanding principal of the FRT Loan on the occurrence of an Event of Default. The Borrower's obligation to pay the Prepayment Fee will be in addition to any other amounts then owing by the Borrower to the Bank, will form part of the loan amount and will be secured by the Security described herein.

INTEREST RATE

The Borrower shall pay interest on each loan in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.

ADDITIONAL BORROWING CONDITIONS

Borrowings made by way of FRT Loans will be subject to the following terms and conditions:

- a) each FRT Loan shall have a minimum term of one year;
- b) the Borrower shall select an amount eligible for prepayment of 10% or 0% for each new FRT Loan prior to the

advance of such FRT Loan;

- c) each FRT Loan shall be in an amount not less than \$10,000.00 in Canadian currency and not less than \$100,000.00 in US currency; and
- d) each FRT Loan shall have a term as outlined in the applicable repayment section of each corresponding credit facility, provided that the maturity date of any FRT Loan issued under any term facility shall not extend beyond the Maturity Date of the term facility.

INCREASED COSTS

If any change in Applicable Laws or the interpretation thereof after the date hereof (i) imposes or increases taxes on payments due to the Bank hereunder (other than taxes on the overall net income of the Bank), (ii) imposes or increases any reserve or other similar requirement or (iii) imposes or changes any other condition affecting the Credit Facilities, and the result of any of the foregoing results in any additional cost to the Bank of making available, continuing or maintaining any of the Credit Facilities hereunder (or maintaining any obligations to make any such Credit Facilities available hereunder) or results in any reduction in the amount of any sum received or receivable by the Bank in connection with this Agreement or the Credit Facilities made available hereunder, then from time to time, upon written request of the Bank, the Borrower shall promptly pay to the Bank, such additional amount or amounts as will compensate the Bank for any such additional costs incurred or reduction suffered.

**THIS IS EXHIBIT "D" REFERRED TO IN THE AFFIDAVIT OF EKNOOR
SINGH TUNG SWORN BEFORE ME ON MARCH 26, 2025**



A Commissioner for taking affidavits

History Inquiry

2024 / 07 / 10

 OLB014I - Reply messages completed


^ - Required Information

Transaction 227 - History Inquiry

^ Loan Account Number: 73750391

Print: ☐ Yes ☒ No

^ Loan Number: 001

Start Date
(YYYY / MM / DD): / / End Date
(YYYY / MM / DD): / / History Type: 3 

Find

Clear

Results

Results - Financial

Inquiry Type: HISTORY INQ History Type: FIN Inquiry Date: JUL 10/24 Inquiry Time: 10:53:19

Loan Account Number - Segment: 73750391-001

Short Name: 2527366 ONTARIO Loan Officer Number: 223

Loan Description: DEMAND LOAN Loan Plan Detail: FRTL 0% PREPYT

Status: CL

Start Date: APR 30/24

Trans Type	Trace Number	Trans Date	Trans Time	Effective Date	User Id	Source Transit	Loan Transit
CLS	2543836	JUN 12/24	14:38:36	JUN 12/24	78395013	07512	07512
Principal Amount:	13,412,065.96						
Interest Amount:	0.00						
O/S Balance:	0.00						
XADJ	2543805	JUN 12/24	14:38:05	JUN 12/24	78395013	07512	07512
Tran Amount:	92,315.43						
O/S Balance:	13,412,065.96						
XPYT	2423972	MAY 31/24	02:40:12	MAY 30/24	00000000	07512	07512
Tran Amount:	94,265.23						
Principal Amount:	34,384.95						
Interest Amount:	59,880.28						
O/S Balance:	13,412,065.96						
PYT REVR	2601511	MAY 30/24	20:15:11	MAY 30/24	00000000	07512	07512
Tran Amount:	94,265.23						
Principal Amount:	34,384.95						
Interest Amount:	59,880.28						
O/S Balance:	13,377,681.01						
PYT	1944141	MAY 06/24	02:41:41	MAY 06/24	00000000	07512	07512
Tran Amount:	94,265.23						
Principal Amount:	16,822.85						
Interest Amount:	77,442.38						
O/S Balance:	13,412,065.96						
XPYT	2423857	MAY 01/24	02:38:57	APR 30/24	00000000	07512	07512
Tran Amount:	94,265.23						

Principal Amount:	31,811.70					218	
Interest Amount:	62,453.53						
O/S Balance:	13,428,888.81						
PYT REVR	2602235	APR 30/24	20:22:35	APR 30/24	00000000	07512	07512
Tran Amount:	94,265.23						
Principal Amount:	31,811.70						
Interest Amount:	62,453.53						
O/S Balance:	13,397,077.11						

Results - Non Financial

Inquiry Type: HISTORY INQ **History Type:** MNT **Inquiry Date:** JUL 10/24 **Inquiry Time:** 10:53:19

Loan Account Number - Segment: 73750391-001

Short Name: 2527366 ONTARIO **Loan Officer Number:** 223

Loan Description: DEMAND LOAN **Loan Plan Detail:** FRTL 0% PREPYT

Status: CL

Start Date: APR 30/24

Trans Code	Trans Date	Trans Time	User Id	Source Transit	Loan Transit
Description		Old Value		New Value	
268	MAY 08/24	02:34:36		07512	07512
RETRY CTR		055		000	

End Date: JUL 10/24

TOP ▲

Cancel

History Inquiry

2024 / 07 / 10

 OLB014I - Reply messages completed

^ - Required Information

Transaction 227 - History Inquiry

^ Loan Account Number: 73750391

Print: ☐ Yes ☒ No

^ Loan Number: 002

Start Date
(YYYY / MM / DD): / / End Date
(YYYY / MM / DD): / / History Type: 3 

Find

Clear

Results

Results - Financial

Inquiry Type: HISTORY INQ History Type: FIN Inquiry Date: JUL 10/24 Inquiry Time: 10:55:59

Loan Account Number - Segment: 73750391-002

Short Name: 2527366 ONTARIO Loan Officer Number: 223

Loan Description: DEMAND LOAN Loan Plan Detail: VAR RATE BUS/PR

Status: AC

Start Date: JUN 12/24

Trans Type	Trace Number	Trans Date	Trans Time	Effective Date	User Id	Source Transit	Loan Transit
PYT	2423623	JUL 10/24	02:36:23	JUL 10/24	00000000	07512	07512
Tran Amount:	26,205.54						
Principal Amount:	19,664.00						
Interest Amount:	6,541.54						
O/S Balance:	13,319,248.90						
PYT	1943425	JUL 08/24	02:34:25	JUL 08/24	00000000	07512	07512
Tran Amount:	95,568.52						
Principal Amount:	26,744.53						
Interest Amount:	68,823.99						
O/S Balance:	13,338,912.90						
XPYT	2424181	JUL 03/24	02:42:21	JUL 02/24	00000000	07512	07512
Tran Amount:	95,568.52						
Principal Amount:	46,408.53						
Interest Amount:	49,159.99						
O/S Balance:	13,365,657.43						
PYT REVR	2602711	JUL 02/24	20:27:11	JUL 02/24	00000000	07512	07512
Tran Amount:	95,568.52						
Principal Amount:	46,408.53						
Interest Amount:	49,159.99						
O/S Balance:	13,319,248.90						
PYT	2485049	JUN 21/24	08:50:49	JUN 17/24	85643854	08943	07512
Tran Amount:	187,382.20						
Principal Amount:	46,408.53						
Interest Amount:	140,973.67						

O/S Balance: 13,365,657.43 **220**
TSF 2544226 JUN 12/24 14:42:26 JUN 12/24 78395013 07512 07512
Tran Amount: 0.00
O/S Balance: 13,412,065.96
Fee Type: NA

Results - Non Financial

Inquiry Type: HISTORY INQ **History Type:** MNT **Inquiry Date:** JUL 10/24 **Inquiry Time:** 10:55:59

Loan Account Number - Segment: 73750391-002

Short Name: 2527366 ONTARIO **Loan Officer Number:** 223

Loan Description: DEMAND LOAN **Loan Plan Detail:** VAR RATE BUS/PR

Status: AC

Start Date: JUN 12/24

Trans Code	Trans Date	Trans Time	User Id	Source Transit	Loan Transit
Description		Old Value		New Value	
267	JUN 12/24	14:46:07	78395013	07512	07512
BR LEVEL				0	
BR TEXT				CONVERTED FROM SEG # 001	
297	JUN 12/24	14:41:48	78395013	07512	07512
LICD		N/A		2024 MAY 06	
INT EARNED		0.00		0.00	
UNC INT ST		N/A		2048 JUN 30	

End Date: JUL 10/24

TOP ▲

Cancel



Secure Email Encryption Service



**RE: FW: 2527366 ONTARIO INC. / SRF :
322880030 RBC Secure Email:**



CG

Commercial Service Team GTR2 <serviceteamgtr2@rbc.com>

07/10/2024 02:58:55 PM GMT

To: "Nair, Sreekumar (Commercial Markets)"
<sreekumar.nair@rbc.com>

CC: "Tung, Sardara" <stung@tungair.com>, "TUNG, SIMRAT"
<stung@tungair.com>

 [2527366 ONTARIO INC.-loan 1.pdf](#) [2527366 ONTARIO INC.-loan 2.pdf](#)

Hi,

Thank you for the email.

Further to your inquiry, please find attached additional details on the requested loan payments.

Thank you,

Bhavya Baburaj

Commercial Service Advisor, Commercial Client Contact Services Team | RBC Royal Bank |
Royal Bank of Canada | 10 York Mills Rd - 4th Flr, Toronto ON, M2P 0A2 | T.1-877-664-
2942 (Press option #1 for Servicing or option #2 for RBC Express)

Please contact our Commercial Services:

Wires Phone: 1-800-858-8046

RBC Express Support: 1-800-769-2535

Visa Card Inquiries, including Lost or Stolen Cardholder Line: 1-800-769-2512

Letter of Credit/Guarantee: 1-800-757-4525

Bank Confirmation Inquiries: 1-888-544-8874 | Fax: 1-888-544-8875

For other service contacts, please visit our [Partners contact list](#)

For CISCO support on Secure email <https://www.rbc.com/secure-email/>

24/7 Live Chat: <https://res.cisco.com/websafe/help?topic=ContactSupport>

24/7 Customer Support through email: support@res.cisco.com

----- Original Message -----

From: Nair, Sreekumar

Received: Tue Jul 09 2024 13:17:51 GMT-0400 (Eastern Daylight Time)

To: CSA GTR 2

Cc: Tung, Sardara; TUNG, SIMRAT

Subject: FW: 2527366 ONTARIO INC. / SRF : 322880030

Hi Team

Can you pls investigate the payments processed under loan 73750391-001 (which was closed/matured) and then renewed under variable Rate (Seg-002)

As per clients, they feel that extra payments were processed and wants clarifications.

Pls review and assist.

Thanks

Kumar

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**THIS IS EXHIBIT "E" REFERRED TO IN THE AFFIDAVIT OF EKNOOR
SINGH TUNG SWORN BEFORE ME ON MARCH 26, 2025**

A handwritten signature in black ink, appearing to read 'Heston', is written above a horizontal line.

A Commissioner for taking affidavits

From: [Swarup, Sachit](#)
To: [Eknoor Singh](#)
Cc: [Henderson, Jane](#); [Nair, Sreekumar \(Commercial Markets\)](#)
Subject: Delinquent Loans
Date: October 28, 2024 2:22:21 PM

Hi Eknoor,

Discussion earlier in the day refers.

Appreciate if you could transfer funds towards settling loan delinquencies as :

Borrower	Delinquent Amount	Delinquency Start Date
2527366 ONTARIO INC.	\$139,225	Jul 30, 2024
R. LESSARD TRUCKING LIMITED	\$52,414	Sept 2, 2024

Please confirm once funds have been transferred or alternatively authorize us to transfer from Tung Air Transport Ltd. A/c 03252 1021922. Current credit balance of \$519,104.57 in this a/c will cover aforementioned loan delinquencies.

Regards,
Sachit

Sachit Swarup | Director | Senior Commercial Markets | Commercial Financial Services | Royal Bank of Canada | 6880 Financial Drive, Mississauga, ON L5N 7Y5
 C. 289-971-1545 | sachit.swarup@rbc.com

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A handwritten signature in black ink, appearing to read "Heston", is written above a horizontal line.

A Commissioner for taking affidavits

Eknoor Singh

From: Nair, Sreekumar (Commercial Markets) <sreekumar.nair@rbc.com>
Sent: November 4, 2024 11:54 AM
To: Eknoor Singh; Sardara Singh Tung
Cc: Henderson, Jane; Swarup, Sachit; Kovesdi, Sylvia
Subject: 2527366 ONTARIO INC. (C)

Hi Eknoor

The term loan under the subject entity is now showing all up to date.
 However, the current a/c is negative 363K due to the payments processed to being loan up to date.
 Pls transfer funds asap and let me know.
 Regards

Kumar Nair (AICB) | Director | Senior Commercial Markets | Supply Chain | Cell : 416-414-4879.
Royal Bank of Canada | Commercial Financial Services
 RBC Performance Conference Cruise Winner – 2016 & 2018

Malu de Dios | Commercial Banking Advisor- Senior Commercial Markets - Royal Bank of Canada
 Phone : 905-792-1328 | C 437-223-0810 | E. malu.dedios@rbc.com

For assistance with any day-to-day service/support/maintenance inquiries and requests,
 please contact your dedicated **Commercial Servicing Team** at **1-877-664-2942 (Press 1 then 2 to select GTR Team 2)** or
serviceteamgtr2@rbc.com
The team will respond to you within 48 hours.

For assistance with **RBC Express** please call our Help Desk at **1-800-769-2535**.

For other product specific service contacts, please [click here](#).

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SINGH TUNG SWORN BEFORE ME ON MARCH 26, 2025**



A Commissioner for taking affidavits

Eknoor Singh

From: Ray Thapar <ray@thaparlaw.ca>
Sent: February 25, 2025 6:46 PM
To: cs@carriersystems.ca
Subject: Tung Air Transport Ltd. v. Carrier Systems Inc. and its Directors

Importance: High

Attention: Carrier Systems Inc.

I am litigation counsel to Tung Air Transport Ltd. ("**Client**") in respect of the Truck/Trailer Storage Parking services at your location at 6900 Dixie Road, Mississauga. Henceforth, please direct all further communication regarding this matter to my office and not to my client.

We are advised that Carrier Systems Inc. has refused to allow my Client to remove its Trucks/Trailers that are parked at the above Premises. We have investigated your invoices. You do not have any common law or statutory rights of lien or distraintment that would allow you to hold the trucks/trailers as security for the amounts that you allege that you are owed. Further, you do not have any color of right over the trucks/trailers that would permit you at law to assume dominion over the trucks/trailers. Please advise us the legal basis that entitles you to restrict my client legal possession of its equipment.

Subject to hearing from you, we have investigated whether Carrier Systems Inc. has any enforceable lien over the trucks/trailers. The short and unequivocal answer is that **it does not**. Although the *Repair and Storage Lien Act* provides a lien for storage charges for storage of vehicles, it does not apply to you. A storer's lien only arises under section 4(3) of the *RSLA* "when the storer receives possession of the article for storage". You did not receive possession or dominion over the vehicle. The common law of possession distinguishes between bailment and licence - while storage involves bailment, the parking services offered by Carrier Systems only involved a licence and therefore did not give rise to a storer's lien. In other words, Carrier Systems was not given possession of the truck/trailers on bailment in trust, on a contract, express or implied, that the trust shall be executed and the chattels redelivered in either their original or altered form as soon as the time for which they were bailed as elapsed. In actuality, Carrier Systems only provided a license that involved the grant of authority to enter upon the land for an agreed purpose to justify what otherwise would be a trespass and to bring vehicle on and off its property.

Even if Carrier Systems is a "storer", which it is not, I trust that you are aware that effective January 1, 2024, that oversight of the towing and vehicle storage sector is transitioned to the Province of Ontario through the enactment of the *Towing and Storage Enforcement Act* ("**TSSEA**"). This TSSEA provides that tow operators and vehicle storage operators must now be certificated and registered in order to carry on a vehicle storage business. As part of the registration/certification process any rates to be charged for storage must be approved by the Ministry. In short, unless you are registered and the rates approved by the provincial Ministry, your business cannot charge storage and does not have the protections of the *Repair and Storage Lien Act*. We also point out that the Act imposes fines of \$100,000 to any corporation and its directors that violate the act. In addition to the administrative penalties and fines imposed by the act, my client would also have a civil right of action against Carrier Systems for conversion and damages for wrongful assertion of a lien.

Alternatively, if Carrier Systems is not a storage operator that is charging storage charges, then the only way it can have a right of distraint against property is if it is in a landlord and tenant relationship under the *Commercial Tenancies Act*. There is no evidence of a landlord tenant relationship. There is no lease and no grant of a lease interest in the land to my client. Notwithstanding, even if it were possible that there was landlord tenant relationship, it is trite law that the Landlord can only exercise a right of distraint on the goods of the tenant, not of third parties, and then only to the extent of the amount that is owed. If this applies, then Carrier Systems has violated the provisions of the Commercial Tenancies Act by distraining upwards to 33 trailers that are collectively worth over \$849,000 (many of which do not belong to my client) as well as freight belonging to my client's customers, which it has no right to distraint, at a value of over \$271,000 all for alleged arrears of about \$120,000. In *Tosomba v. Base General Contracting Ltd.*, 2012 ONSC 1839, the Court held that

Where distress is illegal the tenant may recover from the landlord full damages, including damages for loss of business. Where the distress is excessive, damages will normally be special damages, as an irregularity under the Act. However, where the wrongful distress is very excessive and the landlord's conduct had been oppressive, the distress may be found to be illegal and subject to a claim for general and special damages. Punitive exemplary damages have also been awarded against a landlord where its exercise of distress was oppressive and there have been aggravating circumstances.

Your actions are high-handed, rogue tactics that will not be countenanced by the Courts. You have acted outside of the boundaries of the law. Your conduct will be subject you and the directors of Carrier Systems to significant fines, administrative penalties, damages and punitive damages both under the *Towing and Storage Enforcement Act* and the *Commercial Tenancies Act*.

Next Steps

My client requires immediate release of all trucks/trailers and the contents of the trailers. If you do not release the trucks/trailers and/or their contents as well, my client will be subject to claims for damages by third parties and penalties for shutdowns, for which Carrier Systems will be added as a party. This is in addition to the catastrophic damages you have caused by essentially shutting down my client's business. This is most serious..

We require confirmation by **10:00 am tomorrow** that my client can pick up all of its trucks/trailers, failing which we will exercise all rights and remedies against Carrier Systems to hold it liable for the shutting down my client's business. The damages to its business and the value of the trailers are in the multi-millions and will dwarf the amount that you claim you are owed. The trucks/trailer must be released. You can avoid legal and/or injunctive proceedings by releasing the goods. If there is a dispute over any amounts you are allege are owed, you should bring appropriate legal proceeding in respect of same.

We will require a response by **10 a.m. tomorrow.**

Yours truly,

Ray Thapar



Ray Thapar, B.A., LL.B., Q.Arb.

Lawyer - Mediator - Arbitrator

Senior Litigation Counsel

Thapar Law*, Barristers & Solicitors

*Practicing under Thapar Law Professional Corporation

M: 416-721-2864 | **E:** ray@thaparlaw.ca

A: 21 Winter Road
King City, Ontario L7B1E3

W: thaparlaw.ca

**THIS IS EXHIBIT "H" REFERRED TO IN THE AFFIDAVIT OF EKNOOR
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A handwritten signature in black ink, appearing to read "Hisham", is written above a horizontal line.

A Commissioner for taking affidavits



Royal Bank of Canada
20 King Street West, 2nd Floor
Toronto, Ontario M5H 1C4

Tel: (437) 328-9002
Email: sylvia.kovesdi@rbc.com

December 19, 2024

DELIVERED BY REGISTERED MAIL AND EMAIL

2527366 ONTARIO INC.

14 Lucinda Court
Brampton, Ontario, L6P 0K6, Canada

-and-

TUNG AIR TRANSPORT LTD.

7502 Wrenwood Cres
Mississauga, Ontario, L4T 2V7, Canada

-and-

R. LESSARD TRUCKING LIMITED

1244 Kamato Rd
Mississauga, Ontario, L4W 1Y1, Canada

Dear Eknor Tung and Sardara Tung:

Re: Credit facilities extended to Tung Air Transport Ltd. (“**Tung Air**”), and 2527366 Ontario Inc. (“**252**”), and R. Lessard Trucking Limited (“**Lessard**” and collectively with Tung Air and 252 the “**Debtors**”) pursuant to that certain credit agreements between the Debtors, as borrowers, and Royal Bank of Canada (the “**Lender**”), as lender

As you are aware, the Debtors are indebted to the Lender with respect to certain credit facilities made available by the Lender pursuant to the following:

1. the Credit Agreement dated May 16, 2023 (“**Tung Air Credit Agreement**”), as between the Lender and Tung Air;
2. the Credit Agreement dated May 16, 2023, as amended on May 16, 2024 (“**252 Credit Agreement**”), as between the Lender and 252; and
3. the Credit Agreement dated May 16, 2023, as amended on June 27, 2024 (“**Lessard Credit Agreement**”), as between the Lender and Lessard.

(collectively, the “**Credit Agreements**”)

The amounts owing by the Debtors to the Lender for principal and interest pursuant to the Credit Agreements as at December 17, 2024 are set out in Schedule “A” attached hereto (the “**Indebtedness**”).

Terms not defined herein shall use the definitions set out in the respective Credit Agreement.

We write to you in follow up to our continued discussions regarding the current financial status and operations of the Debtors. This letter is supplemental to our prior correspondence, and shall no way amend, waive or derogate from any of our previous communications, other than as explicitly stated herein.

Tung Air Transport Ltd.

As you are aware, Tung Air is in default under the Tung Air Credit Agreement, as a result of failure to observe one or more covenants, terms or conditions contained in the Tung Air Credit Agreement, including, without limitation, the:

- (i) Failure to maintain, on a consolidated basis, a Fixed Charge Coverage of not less than 1.10:1 for fiscal 2023;
- (ii) Failure to pay all sums of money when due:
 - i. Current account (03032-1010420) is in daily unauthorized excess, currently at a negative balance of \$41,821.11;
 - ii. Current account (03252-1041565) is in daily unauthorized excess, currently at a negative balance of \$30,603.76;
- (iii) Failure to immediately advise the Lender of any event that constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of the Tung Air Credit Agreement or any Security or an Event of Default therein (each as defined in the Tung Air Credit Agreement);
- (iv) Notwithstanding that a material adverse change in the financial condition of Tung Air had taken place, Tung Air failed to immediately advise the Lender of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations;
- (v) Failure to file and pay all material taxes. Property taxes are in \$133,077.63 arrears for a portion of 2023 and 2024 property taxes on the company’s head office at 1244 Kamato Road, Mississauga, Ontario;
- (vi) Failure to keep Tung Air’s assets fully insured; and
- (vii) Failure to deliver the 2023 year-end financial reporting package (pursuant to the Reporting Requirement subsections (a) through (k) in the Tung Air Credit Agreement) within 90-days of fiscal year end on September 30.

(the “**Tung Air Specified Events of Default**”).

2527366 Ontario Inc.

As you are aware, 252 is in default under the 252 Credit Agreement, as a result of failure to observe one or more covenants, terms or conditions contained in the 252 Credit Agreement, including, without limitation, the:

- (i) Failure to maintain, on a consolidated basis, a Fixed Charge Coverage of not less than 1.10:1 for fiscal 2023;
- (ii) Failure to pay all sums of money when due:
 - i. the current account (03252-1043546) has been overdrawn since November 2024, currently at a negative balance of \$316,424.28;
 - ii. Facility #1, a non-revolving credit facility in the original amount of \$13,597,000, is delinquent as 252 has failed to make principal and interest payments for over 120 days;
- (iii) Failure to immediately advise the Lender of any event that constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of the 252 Credit Agreement or any Security or an Event of Default therein (each as defined in the 252 Credit Agreement);
- (iv) A material adverse change in the financial condition has taken place, yet 252 failed to immediately advise the Lender of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations;
- (v) Failure to file and pay all material taxes. Property taxes are in \$133,077.63 arrears for a portion of 2023 and 2024 property taxes on the Lender's main security and the company's head office at 1244 Kamato Road, Mississauga, Ontario;
- (vi) Failure to keep 252's assets fully insured; and
- (vii) Failure to deliver the 2023 year-end financial reporting package (pursuant to the Reporting Requirement subsections (a) through (d) in the 252 Credit Agreement) within 90-days of fiscal year end on September 30.

(the “**252 Specified Events of Default**”).

R. Lessard Trucking Limited

As you are aware, Lessard is in default under the Lessard Credit Agreement, as a result of failure to observe one or more covenants, terms or conditions contained in the Lessard Credit Agreement, including, without limitation, the:

- (i) Failure to maintain, on a consolidated basis, a Fixed Charge Coverage of not less than 1.10:1 for fiscal 2023;
- (ii) Failure to pay all sums of money when due:
 - i. the current account (03252-1000298) has been overdrawn since August 2024, currently at a negative balance of \$55,012.34;
 - ii. Facility #1, a revolving credit facility in the original amount of \$300,000, is delinquent as Lessard has failed make interest payments for over 120 days;
 - iii. Facility #2, a non-revolving credit facility in the original \$2,600,000, is delinquent as Lessard has failed to make principal and interest payments over 120 days;

- (iii) Failure to immediately advise the Lender of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of the Lessard Credit Agreement or any Security or an Event of Default therein (each as defined in the Lessard Agreement);
- (iv) A material adverse change in the financial condition have taken place, yet Lessard failed to immediately advise the Lender of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations;
- (v) Failure to keep assets Lessard's fully insured;
- (vi) Failure to deliver the 2023 year-end financial reporting package (pursuant to the Reporting Requirement subsections (a) through (g) in the Lessard Credit Agreement) within 90-days of fiscal year end September 30; and
- (vii) Breach of the General Covenant not to grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of the Lender's secured properties without the Lender's prior written consent by allowing subsequent charges on the 2260 Manning Road, Windsor property.

(the "**Lessard Specified Events of Default**" and collectively with the 252 Specified Events of Default and the Tung Air Specified Events of Default, the "**Specified Events of Default**")

Reservation of Rights

The Lender has not waived the Specified Events of Default, and the Lender expressly reserves all of its rights, powers, privileges and remedies under the Credit Agreements, applicable law or otherwise, including, without limitation, the right to demand immediate full payment of all of the Indebtedness owing under the Credit Agreements.

The failure of the Lender to exercise any such rights, powers, privileges and remedies is not intended, and shall not be construed, to be a waiver of any such Event of Default (as defined in the Credit Agreements) including, without limitation, the Specified Events of Default.

In light of the foregoing, the Lender has the right to demand repayment of the Indebtedness at any time. While the Lender is not seeking repayment at this time, the Lender may elect to exercise any or all of its rights, at its sole option, in accordance with the provisions of the Credit Agreements, at any time hereafter, without the necessity of any further notice, demand or other action on the part of the Lender.

The Path Forward

At all times, the Lender has looked to work collaboratively with the Debtors to resolve the Specified Events of Default.

The Lender has requested that the Debtors acknowledge and agree to the retention of msi Spergel Inc. ("**Spergel**") as a consultant to, among other things, review the books and records of the Debtors. Notwithstanding the Debtors' previous acceptance of this arrangement, the Debtors now appear to be resistant to this retainer. However, in light of the Specified Events of Default, the acceptance of Spergel engagement and the cooperation with Spergel is a non-negotiable requirement of the Lender to continue this relationship.

Please be advised that the Lender requires that the Debtors provide a signed acknowledgement of the retention of Spergel as a consultant immediately. The failure to do so will result in the Lender taking steps it considers warranted, including, without limitation, demanding payment of the Indebtedness and commencing formal enforcement proceedings.

Yours truly,

A handwritten signature in cursive script that reads "Sylvia Kovesdi".

Sylvia Kovesdi
Senior Director
Group Risk Management

**Schedule “A”
The “Indebtedness”**

TUNG AIR TRANSPORT LTD

Date: 12/18/2024

TUNG AIR TRANSPORT LTD

Client ID	Facility	Authorized	Currency	Outstanding	Interest	Total Principal & Interest
850206400	VISA card 4516070005619152	\$ 15,000.00	CDN	\$ 14,957.46		\$ 14,957.46
	VISA Commercial card 4865940291889130	\$ 35,000.00	CDN	\$ 29,613.52		\$ 29,613.52
	Letter of Guarantee 00300003007059635	\$ 113,000.00	CDN	\$ 113,000.00		\$ 113,000.00
	RCL 07512-73746910-001	\$ 1,400,000.00	CDN	\$ 1,400,000.00	\$ 4,893.53	\$ 1,404,893.53
	DDA 03032-1010420	\$ -	CDN	\$ 41,821.11		\$ 41,821.11
	DDA 03252-1041565	\$ -	CDN	\$ 30,603.76		\$ 30,603.76
TOTAL:		\$ 1,563,000.00		\$1,629,995.85	\$4,893.53	\$1,634,889.38

2527366 ONTARIO INC.

Client ID	Facility	Authorized	Currency	Outstanding	Interest	Total Principal & Interest
322880030	TE 07512-73750391-002	\$ 13,087,206.25	CDN	\$ 13,133,614.78	\$ 134,725.56	\$ 13,268,340.34
	DDA 03252-1043546	\$ -	CDN	\$ 316,424.28		\$ 316,424.28
TOTAL:		\$ 13,087,206.25		\$13,450,039.06	\$134,725.56	\$13,584,764.62

R. LESSARD TRUCKING LIMITED

Client ID	Facility	Authorized	Currency	Outstanding	Interest	Total Principal & Interest
268414562	RCL 07512-69185685-001	\$ 300,000.00	CDN	\$ 300,000.00	\$ 1,322.46	\$ 301,322.46
	TE 07512-69185685-005	\$ 2,421,316.99	CDN	\$ 2,421,316.99	\$ 6,116.32	\$ 2,427,433.31
	DDA 03252-1000298	\$ -	CDN	\$ 55,012.34		\$ 55,012.34
TOTAL:		\$ 2,721,316.99		\$2,776,329.33	\$7,438.78	\$2,783,768.11

**THIS IS EXHIBIT "I" REFERRED TO IN THE AFFIDAVIT OF EKNOOR
SINGH TUNG SWORN BEFORE ME ON MARCH 26, 2025**



A Commissioner for taking affidavits

Ray Thapar

From: Ray Thapar
Sent: Friday, January 31, 2025 9:46 AM
To: Mackenzie Consitt
Cc: Shaun Parsons; Steven L. Graff
Subject: RE: Indebtedness to Royal Bank of Canada – Tung Air Transport Ltd., R. Lessard Trucking Limited and 2527366 Ontario Inc.
Attachments: Spergel Engagement Letter.pdf

Steven and Shaun

I was in a discoveries most of the day yesterday. As such, I was unable to respond to your letter that I received yesterday morning and had forwarded to my client.

I have attached the executed engagement letter that I received yesterday from my client agreeing to the engagement of Spergel to carry out a review, as per the terms in the Engagement letter. I explained to my client the rationale for the bank wanting to appoint Spergel to conduct a review. My client understood and agreed. I trust that this will give the bank the visibility and cooperation it requires.

Kindly have Spergel contact my client to advise how it wishes to carry out the review and what materials it requires for its engagement. I will do my best to facilitate the efficient flow of information.

Steven, now that this issue has been dealt with, and pending the Banks' receipt of the results of Spergel's review, I would like to discuss with you a proposal for repayment of the amounts owed to the RBC. My client would like to work cooperatively with the RBC to the orderly payout of RBC within a reasonable time to enable my client the reasonable time it requires to obtain replacement financing.

I communicated to my client the concern expressed in your letter about the decrease in volume transaction. My client has confirmed to me that all receivables continue to be deposited into the account at RBC and not into any other account. My client has been made aware that it would be a breach to divert money into other accounts not at RBC.

I trust that there is no need to proceed with a receivership proceedings and that given my involvement, I will facilitate the flow of information as well as to assist and provide guidance my client regarding the paying out of RBC. While Spergel's review is underway, I would like to speak with you to discuss what is required for my client to facilitate and work with the RBC in the interim as well as the time that is required by my client to obtain financing to payout RBC. Please let me know when you will have some time.

Thank-you for your understanding.

Ray Thapar

From: Mackenzie Consitt <mconsitt@airdberlis.com>
Sent: Thursday, January 30, 2025 9:09 AM
To: Ray Thapar <ray@thaparlaw.ca>
Cc: Shaun Parsons <sparsons@airdberlis.com>; Steven L. Graff <sgraff@airdberlis.com>

Subject: Indebtedness to Royal Bank of Canada – Tung Air Transport Ltd., R. Lessard Trucking Limited and 2527366 Ontario Inc.

Hello,

Please find the attached correspondence of today's date sent on behalf of Mr. Graff (copied here) in the above-mentioned matter.

Thank you,

Mackenzie Consitt

Assistant to Michael Cappabianca, Rachel Silber & Shaun Parsons

T 416.863.1500 x2405

F 416.863.1515

E mconsitt@airdberlis.com

Aird & Berlis LLP | Lawyers

Brookfield Place, 181 Bay Street, Suite 1800

Toronto, Canada M5J 2T9 | airdberlis.com



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AIRD BERLIS

Steven L. Graff
Direct: 416.865.7726
E-mail: sgraff@airdberlis.com

December 9, 2024

msi Spergel inc.
200 Yorkland, Suite 1100
Toronto, ON M2J 5C1

Royal Bank of Canada
20 King St. W., 2nd Floor
Toronto, ON M5H 1C4

Attention: Mukul Manchanda, CPA, CIRP, LIT and Sylvia Kovesdi

Dear Sir and Madam:

Re: TUNG AIR TRANSPORT LTD., 1000101395 ONTARIO INC., 1000101409 ONTARIO INC., 1000257738 ONTARIO INC., 1000380926 ONTARIO INC., 2527366 ONTARIO INC., R. LESSARD TRUCKING LIMITED and TUNG AIR TIRE & SERVICES INC., (collectively the "Companies")

The purpose of this letter is to set out the terms upon which Aird & Berlis LLP ("A&B") will engage msi Spergel inc. ("Spergel") to act on Royal Bank of Canada's (the "Bank") behalf as consultant (the "Consultant") to review and report on the financial and operational performance of the Companies in connection with amounts due to the Bank (the "Indebtedness"), in accordance with the terms and provisions of this agreement including, but not limited to, the following:

1. Reviewing the current financial position and more recent financial results achieved by the Companies;
2. Reviewing the Companies' go forward annual financial projections and prepare a monthly projection if necessary;
3. Reviewing and/or preparing a 13-week cash flow forecast for the Companies;
4. Reviewing any agreements between the Companies and the landlord of premises leased by the Companies;
5. Reviewing and analysing the existence and validity of claims against the Companies including liens, potential liens, environmental liabilities, practical priorities and the impact of those priority claims on the Companies' assets and the Bank's loan position;
6. Reviewing and analysing the existence and validity of accounts receivable including, but not limited to, a review of customer invoices, sales contracts, long-term supply agreements and any and all documentation to support the basis of reported accounts receivable;

December 9, 2024
Page 2

7. Reviewing and investigating all other matters, which may affect in any manner whatsoever the security position of the Bank or the ability of the Bank to recover the indebtedness of the Companies to the Bank, including all transactions or dealings with related entities;
8. Providing, based on Spergel's findings and in Spergel's sole discretion, such recommendations, only to the Bank, as Spergel deems appropriate. For greater certainty, Spergel's analysis and recommendation of any issue considered by Spergel in Spergel's sole discretion to be relevant to this engagement will not necessarily be subject to the review by the Companies.

Spergel will have no managerial capacity or decision-making responsibilities with respect to the business of the Companies. We acknowledge that Spergel's review and advice will be based mainly on data supplied by the Companies, supplemented by discussions with management. We understand that, although all information gathered will be reviewed for reasonableness, Spergel will not be conducting an audit. Therefore, Spergel's work will not necessarily disclose any errors, irregularities or illegal acts, if such exist, on the part of the Companies or its officers and employees.

Management of the Companies is to provide Spergel with the full co-operation of the Companies' employees including full access to facilities, assets and records during normal business hours. We expect that Management will indicate that they will answer all questions fully and fairly to the best of their ability and knowledge.

Management will, it is expected, keep Spergel informed of any matters arising that are relevant to Spergel's work and have further confirmed that Spergel is and will remain at liberty to disclose to us and the Bank any information which Spergel considers relevant to the Bank's security and our understanding of the current security position of the Companies.

This engagement and Spergel's related work should be kept confidential. The explanation that Spergel gives to any of the Companies' employees who are not aware of Spergel's mandate as to the nature of the mandate is a matter for the Companies' management to decide and to advise Spergel thereof.

We understand that Spergel will advise us and the Bank if any situation comes to Spergel's attention that would materially affect the terms of this engagement letter.

The Companies have accepted responsibility for Spergel's fees and expenses incurred in carrying out this engagement, failing which the Bank guarantees their prompt payment and will debit the Companies' accounts for such fees and expenses. We understand that Spergel's fees will be based on the time expended multiplied by the hourly rates and levels of staff involved. Spergel is hereby authorized to use any of Spergel's employees or agents, as Spergel considers necessary in Spergel's review of the affairs of the business of the Companies. We understand that Spergel's discounted fee schedule for the Bank is as follows:

AIRD BERLIS

December 9, 2024
Page 3

Title	Discounted Hourly Rate
Partner	\$550
Senior Manager	\$365
Manager	\$300
Senior Associate	\$250
Associate	\$190
Admin/Support Staff	\$120 - \$150

The engagement of a Consultant shall not operate as a waiver or merger of any rights the Bank has under any agreement with the Companies or under any security granted to it for the indebtedness of the Companies to the Bank.

Dated at Toronto this 9th day of December 2024

Aird Berlis LLP

Per:


Name: Steven L. Graff
Title: Partner


msi Spergel inc. hereby consents to this engagement on the basis set out in the letter and agrees to operate within the terms of the engagement.

Per:

Name: Mukul Manchanda, CPA, CIRP, LIT
Title: Managing Partner

Royal Bank of Canada

Per:


Name: Sylvia Kovesdi
Title: Senior Director, Special Loans & Advisory Services

AIRD BERLIS

December 9, 2024
Page 4

The undersigned authorized representative of the Companies hereby consents to the terms of this engagement letter and the appointment of Spergel on the basis set out herein.

The Companies understand and agree that, notwithstanding the mandate set out herein, the remedies available to the Bank under the terms of its security with the Companies remain in full force and effect and that the Bank can take steps to act on that security at any time.

The Companies understand that if the Bank decides to enforce any of the security held by it against the Companies' assets, then the Consultant, or any person or corporation associated with it may, without the Companies' consent, be appointed to act as Receiver and Manager of the Companies' assets or as agent of the Bank.

The undersigned acknowledges and agrees that the employees and management of the Companies will extend to Spergel unrestricted access to all of the books and records of the Companies. During the course of this engagement, the undersigned acknowledges and agrees that Spergel will take no part in the management of the Companies' business, for which the sole responsibility remains with the Companies.

The undersigned acknowledges and agrees that the Companies will be responsible for the prompt payment of the fees and expenses of Spergel relating to this engagement and that, if such fees and expenses cannot be paid directly, they will be paid by the Bank and added to the Companies' indebtedness.

TUNG AIR TRANSPORT LTD.
Per:



Name: *Eknor Tung*
Title: *Signing officer*
I have authority to bind the corporation

1000101395 ONTARIO INC.
Per:



Name: *Eknor Tung*
Title: *Signing officer*
I have authority to bind the corporation

AIRD BERLIS

December 9, 2024
Page 5

1000101409 ONTARIO INC.

Per:



Name: Eknoor Tung
Title: signing officer
I have authority to bind the corporation

1000257738 ONTARIO INC.

Per:



Name: Eknoor Tung
Title: signing officer
I have authority to bind the corporation

1000380926 ONTARIO INC.

Per:



Name: Eknoor Tung
Title: signing officer
I have authority to bind the corporation

2527366 ONTARIO INC.

Per:



Name: Eknoor Tung
Title: signing officer
I have authority to bind the corporation

R. LESSARD TRUCKING LIMITED

Per:



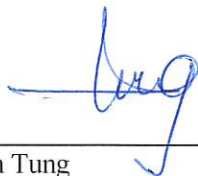
Name: ~~DE~~Eknoor Tung
Title: signing officer
I have authority to bind the corporation

TUNG AIR TIRE & SERVICES INC.

Per:



Name: Eknoor Tung
Title: signing officer
I have authority to bind the corporation



Sardara Singh Tung

AIRD BERLIS

December 9, 2024
Page 6

Yours truly,

AIRD & BERLIS LLP

A handwritten signature in black ink, appearing to read 'SLG', with a stylized flourish at the end.

Steven L. Graff
Partner

SLG:/mc/encl.

62697932.2

AIRD BERLIS

**THIS IS EXHIBIT "J" REFERRED TO IN THE AFFIDAVIT OF EKNOOR
SINGH TUNG SWORN BEFORE ME ON MARCH 26, 2025**

A handwritten signature in black ink, appearing to read "Heston", is written above a horizontal line.

A Commissioner for taking affidavits

Ray Thapar

From: Shaun Parsons <sparsons@airdberlis.com>
Sent: Monday, February 03, 2025 2:05 PM
To: Ray Thapar; Mackenzie Consitt
Cc: Steven L. Graff
Subject: RE: Indebtedness to Royal Bank of Canada – Tung Air Transport Ltd., R. Lessard Trucking Limited and 2527366 Ontario Inc.

Hello Ray,

We have been in discussion with our client, and we have instructions to continue to prepare materials towards the commencement of a receivership application. We acknowledge that monitoring was a realistic alternative to the appointment of a receiver at the time the engagement letter was sent back in December, but this is no longer the case. The lack of a prompt response by your client has raised doubts as to the ability to rehabilitate the debtors without the appointment of a receiver. Based on the information available to RBC, our client has no visibility into how your clients are sustaining operations and we are advised that transactions in their accounts have recently diminished.

We will continue to be receptive to any realistic proposal that is put forth, including any refinancing proposal paying out RBC in full.

Can you kindly advise if you have instructions to accept service of the application record regarding the appointment of Spergel as a receiver over each of the Debtors.

Thank you,

Shaun Parsons (he/him)
 Associate

T 416.637.7982
 E sparsons@airdberlis.com

Aird & Berlis LLP

Aird & Berlis LLP operates as a multi-disciplinary practice.

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error.
 If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

From: Ray Thapar <ray@thaparlaw.ca>
Sent: February 3, 2025 1:43 PM
To: Mackenzie Consitt <mconsitt@airdberlis.com>
Cc: Shaun Parsons <sparsons@airdberlis.com>; Steven L. Graff <sgraff@airdberlis.com>
Subject: RE: Indebtedness to Royal Bank of Canada – Tung Air Transport Ltd., R. Lessard Trucking Limited and 2527366 Ontario Inc.

Hi Steven and Shaun

Can you please advise when Spergel will be commencing their engagement. I sent the consent to the engagement on Friday.

Thanks

Ray Thapar

From: Ray Thapar
Sent: Friday, January 31, 2025 9:46 AM
To: Mackenzie Consitt <mconsitt@airdberlis.com>
Cc: Shaun Parsons <sparsons@airdberlis.com>; Steven L. Graff <sgraff@airdberlis.com>
Subject: RE: Indebtedness to Royal Bank of Canada – Tung Air Transport Ltd., R. Lessard Trucking Limited and 2527366 Ontario Inc.

Steven and Shaun

I was in a discoveries most of the day yesterday. As such, I was unable to respond to your letter that I received yesterday morning and had forwarded to my client.

I have attached the executed engagement letter that I received yesterday from my client agreeing to the engagement of Spergel to carry out a review, as per the terms in the Engagement letter. I explained to my client the rationale for the bank wanting to appoint Spergel to conduct a review. My client understood and agreed. I trust that this will give the bank the visibility and cooperation it requires.

Kindly have Spergel contact my client to advise how it wishes to carry out the review and what materials it requires for its engagement. I will do my best to facilitate the efficient flow of information.

Steven, now that this issue has been dealt with, and pending the Banks' receipt of the results of Spergel's review, I would like to discuss with you a proposal for repayment of the amounts owed to the RBC. My client would like to work cooperatively with the RBC to the orderly payout of RBC within a reasonable time to enable my client the reasonable time it requires to obtain replacement financing.

I communicated to my client the concern expressed in your letter about the decrease in volume transaction. My client has confirmed to me that all receivables continue to be deposited into the account at RBC and not into any other account. My client has been made aware that it would be a breach to divert money into other accounts not at RBC.

I trust that there is no need to proceed with a receivership proceedings and that given my involvement, I will facilitate the flow of information as well as to assist and provide guidance my client regarding the paying out of RBC. While Spergel's review is underway, I would like to speak with you to discuss what is required for my client to facilitate and work with the RBC in the interim as well as the time that is required by my client to obtain financing to payout RBC. Please let me know when you will have some time.

Thank-you for your understanding.

Ray Thapar

From: Mackenzie Consitt <mconsitt@airdberlis.com>
Sent: Thursday, January 30, 2025 9:09 AM
To: Ray Thapar <ray@thaparlaw.ca>
Cc: Shaun Parsons <sparsons@airdberlis.com>; Steven L. Graff <sgraff@airdberlis.com>
Subject: Indebtedness to Royal Bank of Canada – Tung Air Transport Ltd., R. Lessard Trucking Limited and 2527366 Ontario Inc.

Hello,

Please find the attached correspondence of today's date sent on behalf of Mr. Graff (copied here) in the above-mentioned matter.

Thank you,

Mackenzie Consitt

Assistant to Michael Cappabianca, Rachel Silber & Shaun Parsons

T 416.863.1500 x2405

F 416.863.1515

E mconsitt@airdberlis.com

Aird & Berlis LLP | Lawyers

Brookfield Place, 181 Bay Street, Suite 1800

Toronto, Canada M5J 2T9 | airdberlis.com



Aird & Berlis LLP operates as a multi-disciplinary practice.

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error. If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

**THIS IS EXHIBIT "K" REFERRED TO IN THE AFFIDAVIT OF EKNOOR
SINGH TUNG SWORN BEFORE ME ON MARCH 26, 2025**

A handwritten signature in black ink, appearing to read "Hestral", is written above a horizontal line.

A Commissioner for taking affidavits

An Appraisal Report and Valuation Analysis
of:
An Improved Rural / Agricultural Property

**2518 Lower Base Line West
Town of Milton
Regional Municipality of Halton**

Prepared For:

Tung Air Transport Ltd.
1244 Kamato Road
Mississauga, Ontario
L4W1Y1
Attention: Mr. Sardara Tung

Prepared By:

Simon and Associates Ltd.
60 Marycroft Avenue
Unit 6
Vaughan, Ontario
L4L 5Y5



Simon and Associates Ltd.
Real Estate Appraisers and Consultants
 60 Marycroft Avenue
 Unit #6
 Vaughan, Ontario L4L 5Y5
 Tel: (416) 398-1234
 Fax: (905) 265-1151

April 14, 2023

File No. 23-016

Tung Air Transport Ltd.
 1244 Kamato Road
 Mississauga, Ontario
 L4W1Y1
 Attention: Mr. Harkirat Bajaj

Dear : Mr. Bajaj

Re: Valuation of 2518 Lower Base Line West, Town of Milton, Regional Municipality of Halton.

As requested, we have performed an investigation and valuation analysis of the above described property for your information and guidance. This report is not to be referred to or quoted in any prospectus for the sale or exchange of any securities and may not be reproduced in whole or in part without our prior written agreement.

As a result of the study carried out, it is our opinion that the environmentally unimpaired, market value of the Fee Simple Interest of the subject property, as of March 3, 2023, is:

Sixteen Million Six Hundred Sixty Thousand Dollars
(\$16,660,000)

As of the date of this report Canada and the Global Community is experiencing unprecedented measures undertaken by various levels of government to curtail health related impacts of the Covid-19 Pandemic. The duration of this event is not known. While there is potential for negative impact with respect to micro and macro-economic sectors, as well as upon various real estate markets, it is not possible to predict such impact at present, or the impact of current and future government countermeasures. There is some risk that the Covid-19 Pandemic increases the likelihood of a global recession, however without knowledge of further anticipated government countermeasures at the national and global levels it is not possible to predict any impact at this point in time. Accordingly, this point-in-time valuation assumes the continuation of current market conditions, and that current longer-term market conditions remain unchanged. Given the market uncertainties of the Covid-19 pandemic, a force majeure event, we reserve the right to revise the value estimation set out in this report for a fee, with an update appraisal report under a separate appraisal engagement, incorporating market information available at that time.

The reader should be cognizant that the market value conclusion herein is based on information provided to the appraiser and assumed to be accurate.

This appraisal report was prepared in accordance with the appraiser's understanding of the Canadian Uniform Standards of Professional Appraisal Practice and specifically addressed to Tung Air Transport Ltd. to provide an estimate of the current market value of the subject property for finance purposes.

In order to comply with current liability requirements related to third party reliance, it should be understood that this report may not be relied upon by any person or entity other than an associate or representative of Tung Air Transport Ltd., without written authorization from the author. It should also be understood that this letter forms part of the Full Narrative Appraisal Report and is invalid, as an opinion of value, if detached from the report.

For your convenience, descriptions of the subject property, summary of facts and procedures used are set forth in the body of the report. All opinions of value expressed herein are contingent upon the statement of Assumptions and Limiting Conditions that are set forth in the Addenda to this report.

We have inspected the subject property and hereby certify that we have no present or contemplated interest in the subject property of any kind whatsoever. If you require any further information, please do not hesitate to contact the undersigned.

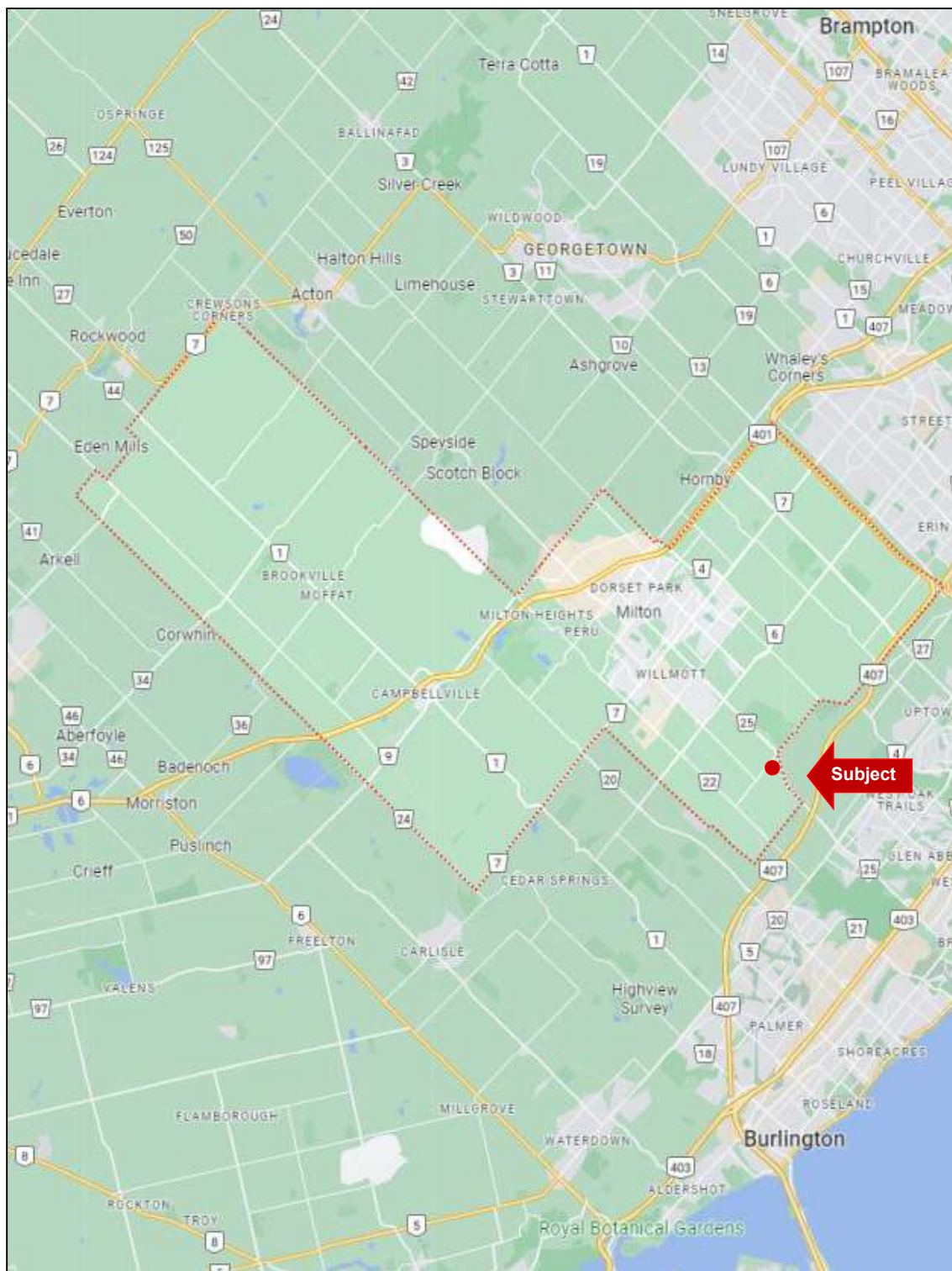
Yours truly,

Yours very truly,
 Simon & Associates Ltd.

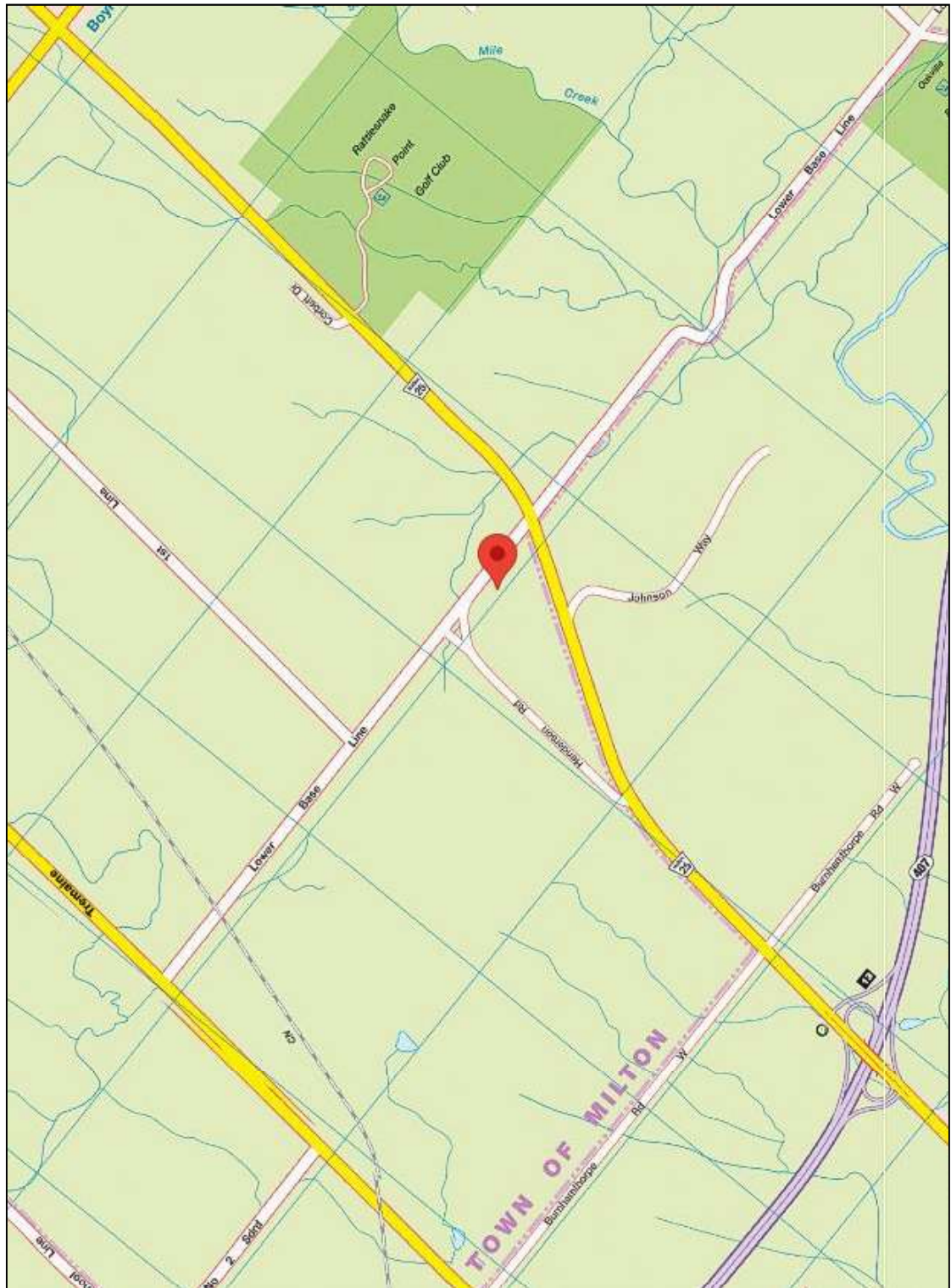
Anthony Simonetta, AACI, P.App
 President

Joseph Ciano
 Honours Bachelor of Arts
 AIC Candidate Member

Regional Area Map



General Area Map



Summary of Salient Facts and Conclusions

Registered Owner	:	1206446 Ontario Inc
Address	:	2518 Lower Base Line West, Town of Milton, Ontario
Location	:	The subject property is located on the south side of Lower Base Line West, a short distance west of Highway 25 and north of Burnhamthorpe Road West, in the south section of the Town of Milton.
Legal Description	:	PIN 24927-0153; also identified as: TRAFALGAR CON 2 NDS PT LOT 30 RP 20R7776 PT PART 1, Town of Milton
Site Area	:	27.77 acres, more or less
Topography	:	Reasonably level tableland located at approximate road grades with Lower Base Line West and Highway 25 which runs across the rear limit of the property.
Municipal Services	:	Full rural services are available to the subject
Zoning Classification	:	"A1" Agriculture zone: Town of Milton under zoning By-law No. 144-2003
Official Plan Designation Halton:		Future Strategic Employment Area
Official Plan Designation Milton :		Agricultural Areas
Highest and Best Use	:	The highest and best use of the subject property is considered to be the continuation of the existing use, until alternate development is permitted by virtue of receiving the necessary municipal planning and engineering approvals and is considered economically feasible.
Effective Date of Appraisal	:	March 3, 2022
Market Value Conclusion	:	\$16,660,000

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Addenda

Halton and Milton Transportation Map.....	Addendum A
Assumptions and Limiting Conditions.....	Addendum B
Qualifications of Appraiser.....	Addendum C

Scope of Appraisal Assignment

Each appraisal assignment is unique, depending upon the type and size of property being appraised; the complexity and significance of the appraisal problem; and the intended function of the appraisal.

The appraisal problem that is the focus of this engagement has been discussed and defined with the client; the work required to solve the problem planned; and the necessary market data acquired, analysed, and reconciled into an estimate of the market value.

The specific tasks and items necessary to complete this assignment included:

- Observe the property type of the subject, as well as the conformity and nature of the property types on the abutting and nearby sites;
- Perform a physical inspection of the interior and exterior of the subject property;
- Assembly and analyses of relevant information pertaining to the property being appraised, including acquisition particulars if acquired within three years prior to the date of appraisal;
- An inspection of the subject property and the surrounding area;
- Assembly and analysis of pertinent economic and market data;
- An analysis of land use controls pertaining to the subject property;
- An in-depth discussion and statement of highest and best uses;
- A discussion of the appraisal methodologies and procedures employed in arriving at indications of value;
- Inclusion of photographs, maps, graphics, and addenda/exhibits; and
- Reconciliation of the collected data into an estimate of market value as at the effective date of the appraisal.

All data considered appropriate for inclusion in the appraisal is to the best of our knowledge factual. Due to the type of property being appraised and the importance of the appraisal problem, the findings have been conveyed in narrative format.

Terms of Reference

Purpose of Appraisal

The purpose of this appraisal report is to estimate the environmentally unimpaired, current market value of the Fee Simple Interest of the herein described property, as of March 3, 2022.

Intended Use

This report was prepared on behalf of Tung Air Transport Ltd. to estimate the current market value of the Subject for internal purposes.

Intended Users

This report has been prepared solely and exclusively for Tung Air Transport Ltd.

Definitions

Market Value is defined in The Appraisal of Real Estate, Third Canadian Edition (2011) as:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming the price is not affected by undue stimulus."¹

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- 1. buyer and seller are typically motivated;*
- 2. both parties are well informed and acting in their best interests;*
- 3. a reasonable time is allowed for exposure in the open market;*
- 4. payment is made in cash in Canadian dollars or comparable terms; and*
- 5. the price represents the normal consideration for the property sold unaffected by special or creative financing granted by anyone associated with the sale."*

Reasonable Exposure Time is defined in The Appraisal of Real Estate, Third Canadian Edition (2011) as:

"The estimated length of time the property being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."

¹ Appraisal Institute of Canada (2010) **The Appraisal of Real Estate: Third Canadian Edition**, p. 2.8.

PROPERTY RIGHTS APPRAISED²:

The following are the definitions of property rights which may be appraised:

Fee simple interest

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power, and escheat.

Leased fee interest

The ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

The property rights appraised are fee simple.

Assumptions and Limiting Conditions

The reader's attention is drawn to the Assumptions and Limiting Conditions that are outlined in the Addenda of this report.

² The Appraisal of Real Estate —Third Canadian Edition. Page 6.4

Identification of Subject Property

Location and Legal Description

The subject property is located on the south side of Lower Base Line West, a short distance west of Highway 25 and north of Burnhamthorpe Road West, in the south section of the Town of Milton, it is municipally known as:

**2518 Lower Base Line West,
Town of Milton, Ontario**

and legally described as:

**PIN 24927-0153; also identified as:
TRAFALGAR CON 2 2 NDS PT LOT 30
RP 20R7776 PT PART 1,
Town of Milton
Regional Municipality of Halton
Province of Ontario**

Assessment

According to MPAC, the subject property was assessed for municipal taxation purposes as follows:

Assessed Owner	:	1206446 Ontario Inc.
Roll Number	:	2409 0900 5009400 0000
Property Description	:	land owned by a non-farmer improved with a non-farm residence with a portion being farmed
Site Area	:	27.77 acres
2023 Assessed Value	:	\$807,000

Acquisition History and Marketing History

A search of the MLS revealed the following regarding the subject property;

1. Was listed for sale on October 12, 2021 for \$1 and was terminated after 64 days on the market.
2. Was relisted for sale on October 11, 2022 for \$1 and sold on March 15, 2023 for an undisclosed price.

The appraiser has requested a copy of the Purchase and Sale agreement, however it was not provided.

General Area Description

Location

The subject property is located on the south side of Lower Base Line West, a short distance west of Highway 25 and north of Burnhamthorpe Road West, in the south section of the Town of Milton. Highway 25 runs across the rear limit of the subject property.

Residential Land Uses

Residential development in the Town of Milton is primarily located within the town's communities, villages and hamlets, with the majority of residential uses and development taken place in the town's urban area. The rural area, although agricultural in nature, offers estate residential uses scattered throughout the rural areas.

Commercial Land Uses

Commercial uses are primarily located within the Town's urban centre and offer a wide variety of commercial services including retail, office and convenience uses. The villages and hamlets provide local and small facilities offering boutique goods and restaurant facilities. Service Commercial Uses in the form of Gas Stations and fast food are strategically located on the major arterial roads.

Industrial Land Uses

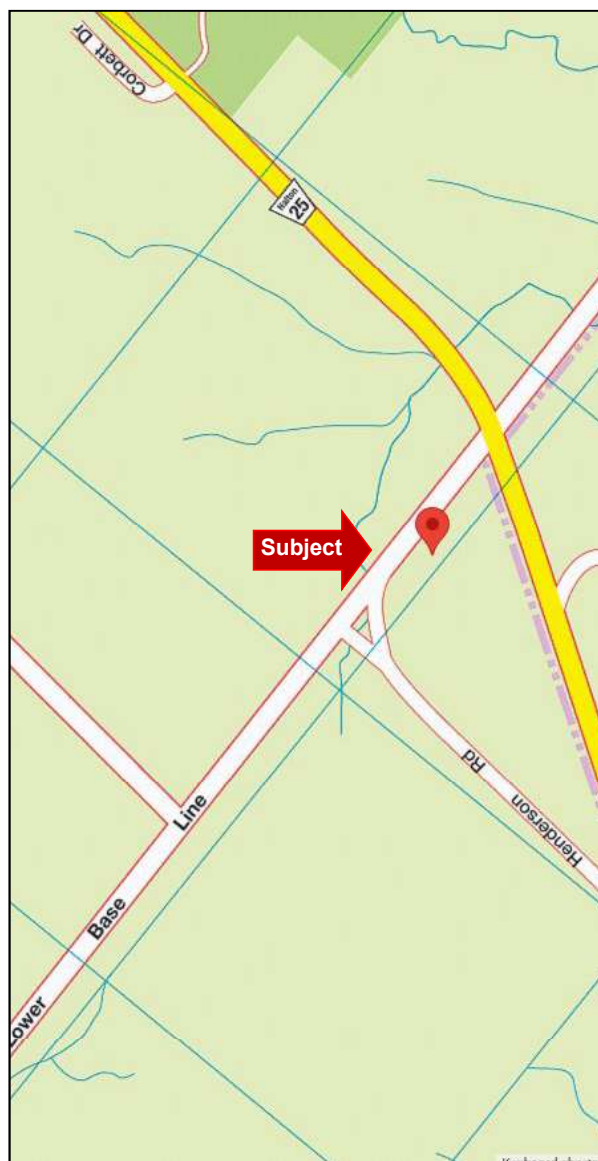
Industrial uses are located within the Town's urban boundary and offer manufacturing and warehouse facilities, which come in the form of single and multi-unit facilities. The subject is also in close proximity to the future CN Transmodal Logistics Hub to be built on Tremaine Road, between Britannia Road and Lower Base Line .

Rural Land Uses

The rural area offers a unique country setting within the Greater Toronto Area consisting of rolling farmland, ravines, and forested lands. Complementing uses include century homes, golf courses, conservation areas and Estate Residential properties scattered throughout the rural area.

Transportation

The road network servicing the Town of Milton falls under three jurisdictions. The MTO is responsible for Provincial Highways 401, 407 and 403. Halton Region is responsible for all regional roads and the Town of Milton is responsible for all other municipal roads. The arterial roads are in a grid pattern allowing for convenient movement throughout the Town and easy access to interchanges with Highways 401, 407 and 403.



Market Overview

Employment Land

Milton has a very active Employment Land market as a result of the confluence of both Highways 401 and 407 as well as an existing CP railyard and the planning of a CN Intermodal Yard at 5244 Tremaine Road. The following is a RENX article on Milton's industrial land market.

A tract of future industrial development land across from the planned new CN intermodal terminal in Milton has sold for \$165 million – more than 10 times what it was acquired for six years ago³.

A syndicate of private investors sold the three parcels of land totaling 200 acres, in the western part of the Greater Toronto Area (GTA), to a group of private developers.

Anatolia Group Inc. (Locke General Partner Inc.) purchased the land at 5244 Tremaine Rd. from T2AC Holding Inc., according to data supplied to RENX by Altus Group's RealNet.

The vendor originally acquired the site in July 2015 for \$15.8 million, representing a price per acre of \$79,165. This latest sale prices each acre at \$826,732.

"It was always part of the investment strategy to acquire the land, hold it and then ultimately sell it to a developer," Colliers associate vice-president and sales representative Jared Cowley, part of the team that brokered the transaction, said in an interview with RENX.

"The overall market, demand for industrial development sites and its strategic location right across from the future CN intermodal (made it attractive to the purchasers)," according to Cowley.

The site was marketed by Colliers for a month and the submission deadline for letters of intent from potential purchasers was July 27. The deal closed earlier this month.

"There was a very strong interest level, from private developers to institutional groups, from across Canada," said Cowley. "It was highly sought after. There are developers buying in the immediate area and the future CN intermodal drove interest and activity on the site."

Milton lands and CN intermodal hub

The lands on the west side of Tremaine Road, south of Britannia Road and north of Lower Base Line, are comprised of the 94-acre parcel A, the four-acre parcel B and the 101-acre parcel C.

While they're currently zoned agricultural, they're designated for future employment in the regional official plan.

The new owners will need to work with the applicable governing bodies to determine how much of the land can be developed.

No applications have yet been submitted to the Town of Milton's planning department, but it's likely the development will involve multiple buildings that would probably be used for distribution purposes.

It's expected to take two to three years to develop the property, according to the Altus Group research.

3 McLean, Steve (2021) *From to \$15.8 to \$165 Million: Milton Development Land Sold*, Commercial Transactions September 29, 2021

The lands are adjacent to the CN intermodal hub which is to be developed into a 535-acre business park. CN plans to invest \$250 million in the project which could handle four intermodal trains per day.

The terminal is the subject of an ongoing court challenge by Halton Region and several other parties, though it has received approval from the federal government.

One intermodal train, carrying shipping containers that can easily be transferred to or from trucks or ships, can transport the equivalent of more than 280 long-distance heavy trucks.

The CN intermodal hub will bring new infrastructure to enhance accessibility, including Tremaine Road being widened with a new interchange linking it directly with Highway 401.

The Town of Milton has a population of more than 140,000 and is the fastest-growing community in the GTA. It's home to many large industrial occupiers and its supply of employment land is quickly diminishing.

Other Milton-area industrial developments

Several large industrial construction projects are being built on spec in the Milton area and are scheduled for completion at various intervals through the end of 2023. They include:

- Menkes 265,700 square foot building at 7211 Fifth Line
- Triovest's 154,640 and 92,075 square foot building at Cleve Court
- BentallGreenoak's 328,873 square foot building at 8465 Mount Pleasant Way

Site Description

Frontage and Area

The subject property comprises an irregular shaped parcel of land having a frontage of 755.75 feet on the south side of Lower Base Line West. The east limit extends south a total distance of 1,199.16 feet; the south limit extends in a southwesterly direction along Highway 25 a total distance of 1,488.70 feet and the west limit extends north a total distance of 2,450.16 feet.

According to MPAC, the total site area of the subject property is 27.77 acres, more or less. For a visual aid, please refer to the aerial view on the right.



Topography

The subject property comprises reasonably level tableland located at approximate road grades with Lower Base Line West and Highway 25.

Although no soil analysis has been made in conjunction with this appraisal report, it is assumed that the existing soil conditions are typical for the area, with soil bearing and drainage qualities which are adequate to support the agricultural use of the property.

Environmental Concerns

The subject property is a cultivated farm property improved with a non-farm detached 2 storey residence which was tenanted at the time of inspection. Based on the inspection, there did not appear to be any indications of environmental contaminants on site.

Notwithstanding the preceding, we have inspected the property, as real estate appraisers, not environmental consultants. Thus, an environmental audit must be performed in order to determine the integrity of the land. The appraiser has no knowledge of the existence of such materials on or in the property. If the presences of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, which may affect the value of the property, are found, no responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, petroleum leakage which may be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection.

Based on the above, the appraiser has, for the purpose of this report, assumed that the property is environmentally unimpaired and not impaired by the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may be present on the property, or other environmental conditions. These or any other hazardous substances were not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection.

Municipal Services

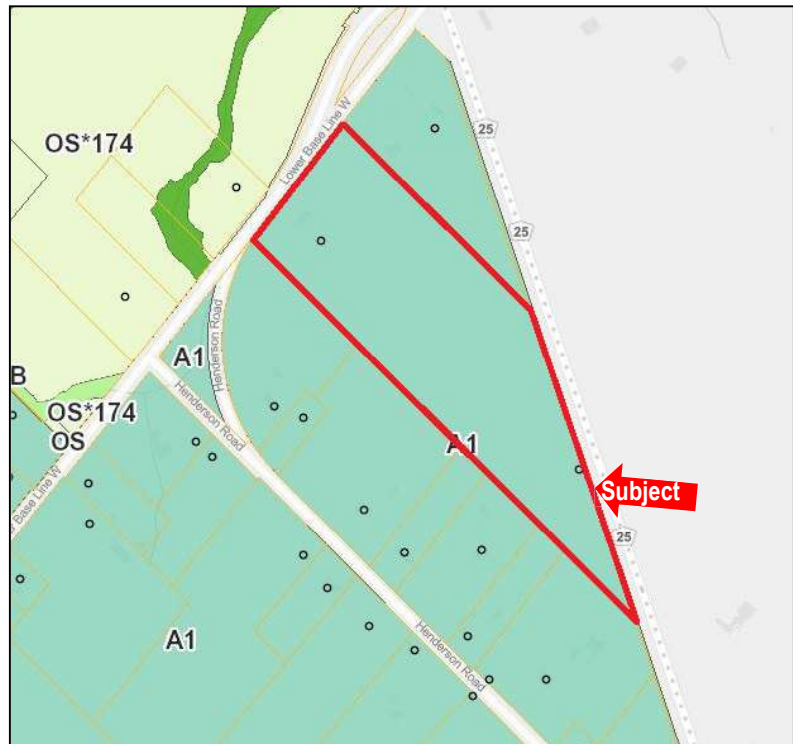
Full rural services are available to the subject property. i.e. hydro, gas, garbage removal, etc.

Land Use Controls

The land use of a property is regulated by two municipal documents; the Zoning By-law and the Official Plan. The Zoning By-law is a detailed regulatory document outlining guidelines for construction and development. The Official Plan is a long term policy document which dictates proposed land uses for zoning purposes and addresses issues such as traffic, transportation and servicing matters throughout the municipality.

ZONING

According to the Town of Milton Zoning By-law 144-2003, as amended, the subject property is classified “A1” – Agriculture Zone. Refer to the following excerpts from the Zoning By-law exhibiting the Zoning Map on the Right and summary of permitted uses in the “A1” – Agriculture Zone below:



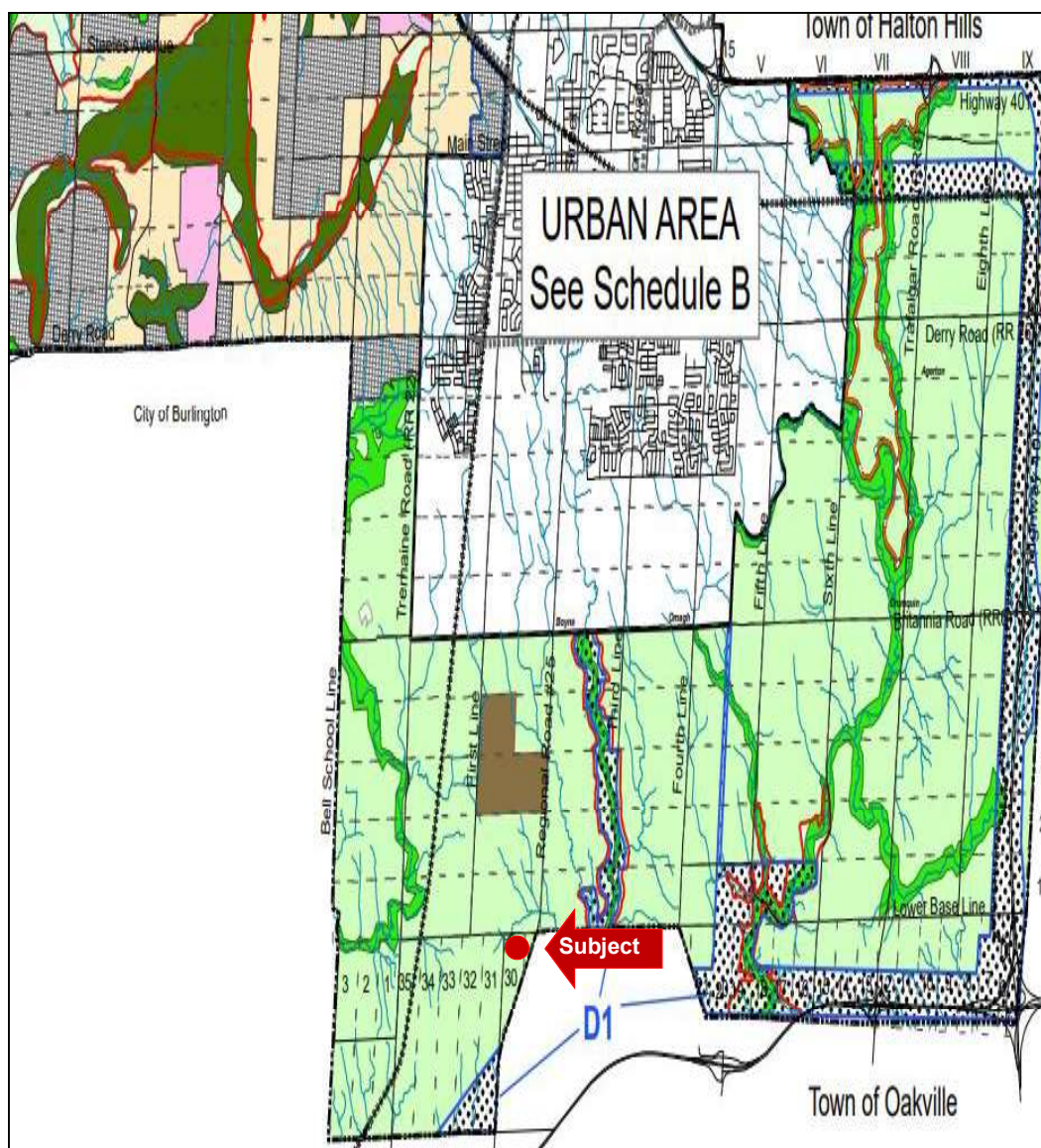
Permitted Use:

Agriculture Operation; Cannabis Production and Processing Facility; Conservation Use; Cottage Industry; Detached Dwelling; Equestrian Centre; Forestry use; Home Industry; Home Occupation; Horticultural Nursery; Shared Housing; Short Term Rental; Storage Building for Agricultural Equipment or Produce; Veterinary Clinic-Large Animal; Veterinary Hospital-Large Animal.

OFFICIAL PLAN

According to the Official Plan for the region and the town, the subject property is designated **Agricultural Areas**. This designation permits a variety of agricultural oriented uses including normal farm practices, single detached dwelling, dwelling(s) accessory to an agricultural operation and transportation and utility facilities.

MILTON OFFICIAL PLAN MAP



HALTON REGION OFFICIAL PLAN

Future Strategic Employment Areas; refer to the following excerpts from the Halton Official Plan.

139.6 The purpose of the **Future Strategic Employment Areas**, shown as an overlay on Map 1C, is to identify and protect from incompatible uses certain lands that are strategically located with respect to major transportation facilities and existing Employment Areas and are best suited for employment beyond the planning horizon of this Plan. The underlying land use designations are shown on Map 1 and are subject to the policies of this Plan. Future Strategic Employment Areas are not land use designations and confer no permitted uses. 139.7

HALTON REGION OFFICIAL PLAN MAP



Areas that are shown as a blue dotted pattern on the above Map have been included in the employment areas to be developed between 2021 and 2051. Those lands that are shown with a blue hatching pattern are an overlay designation that shows where lands are being protected for potential future employment uses beyond 2051 outside of the Regional Urban Area boundary.

It is the policy of the Region to:

- (1) Prohibit the re-designation of lands within the Future Strategic Employment Areas to uses that are incompatible with employment uses in the long term, especially non-farm uses such as institutional and recreational uses.
- (2) Require Local Official Plans and Zoning By-laws to include mapping and policies for the Future Strategic Employment Areas in accordance with policies of this Plan.

(3) Investigate, as part of the Joint Infrastructure Staging Plan, the feasibility and costs to service the Future Strategic Employment Areas but the provision for servicing these lands, including the over-sizing of certain infrastructure components, are subject to other policies of this Plan.

(4) Consider the inclusion of any land within the Future Strategic Employment Areas into the Urban Area in accordance with Section 77(7).

As per communications with Angela Janzen, Senior Planner with the Town of Milton, the difference between the “Employment Area” designation and the “Future Strategic Employment Area (Overlay)” remain the same as described currently. Essentially the employment lands designated in the ROP are included within the Regional Urban Area boundary, and are on track to accommodate employment development prior to the year 2051. The Future Strategic Employment lands are identified for protection from incompatible lands uses and are currently not part of the Urban Area. They are areas best suited for employment beyond the planning horizon, in this case, beyond 2051.

Site Photographs



Subject from Lower Base Line West



Rear Farmed Lands



Rear Farmed Lands



Front Section



Looking west along Lower Base Line



Looking west along Lower Base Line

Description of Improvements

The Subject Property is primarily cultivated land, improved with a 36-year-old detached two storey dwelling with an eight room/4 bedroom floorplan comprising 2,458 square feet. Features include broadloom and ceramic flooring, kitchen with built in dishwasher, main floor laundry with garage access, primary bedroom with 4 piece ensuite and full, partially finished basement. Serviced by gas forced air heating and air conditioning 200 amp electrical service, septic system and well. Overall, the dwelling is in average condition reflective of its age. Regardless, improvements add little if any value to the underlying land value. See sampling of photographs:



Highest and Best Use

Fundamental to the concept of value is the principle of highest and best use, which may be defined as the use which would most likely produce the greatest net return over a given period of time, keeping in mind that reference to net return is not limited to monetary advantages, but may be in the form of amenities.

Interpretation of the foregoing includes the realization that in addition to a property being physically adaptable for a specific use, there must be a demand and such use must be legally permissible through zoning ordinances, by-law, etc., or at least have potential for zoning amendments to permit the use.

Generally, the realization for a parcel of real estate tends to go to its highest and best use. However, its actual use at any given time does not necessarily represent its highest and best use. Reluctance of the present owner to use the property so as to realize the greatest net return does not affect the value of the land.

Value of real property is therefore directly related to the benefits that are enjoyed at the exercise of the rights of its ownership, its value representing the typical, prudent, informed purchaser's and vendor's interpretation of the present worth and anticipated future benefits.

The subject property comprises an irregular shaped parcel of land containing a total site area of 27.77 acres, more or less. The subject property is located on the south side of Lower Base Line West, a short distance west of Highway 25 and north of Burnhamthorpe Road West, in the south section of the Town of Milton.

According to the Town of Milton Zoning By-law 144-2003, as amended, the subject property is classified "A1" – Agriculture Zone. Permitted uses in the agricultural zoning classification include agricultural-related commercial and industrial use, detached dwelling and accessory storage buildings. The Region's and Town's official plans both designate the subject "Agricultural Areas".

According to the Official Plan for both the region and town, the subject falls within the Future Strategic Employment Areas and is excluded from the Niagara Escarpment Planning Area and the Oak Ridges Moraine Conservation Planning area. These lands are considered to represent the future inventory for employment development in the Town of Milton. The Future Strategic Employment Areas are not land use designations but represent a constraint to development to in compatible uses.

Conclusion

Based upon the investigation carried out, it is the appraiser's opinion that the Highest and Best Use of the subject property is considered to be the continuation of the existing use, until alternate development is permitted by virtue of receiving the necessary municipal planning and engineering approvals and is considered economically feasible.

Valuation

Based upon the highest and best use of the subject property, as indicated herein, it is the appraiser's opinion that the subject property should be valued as an effectively vacant 27.77 acre rural/agricultural property.

The accepted method to establish the market value of vacant land is the Direct Comparison Approach. The methodology of this approach is described in the following text.

Direct Comparison Approach

Introduction

The Direct Comparison Approach is a valuation method whereby the similar properties that have recently been sold or offered for sale are compared to the property under analysis. The assumption is, of course, that if the subject property had been exposed to the market, it would have been in competition with the comparable property and dealing with the same type of purchaser who would have been in the same market. Since no two properties are alike, adjustments must be made to compensate for differences between the comparable and the subject property. When arriving at a value conclusion by this method, the greatest weight is given to actual sales of truly comparable properties made at or nearest the effective date of appraisal to reflect comparable economic conditions.

The Direct Comparison Approach is based on the Principle of Substitution which maintains that a buyer will not pay more for a property than it would cost to buy an equally desirable substitute property, providing that there is no undue delay in making the acquisition. Provided that a sufficient number of valid comparables can be found, the Direct Comparison Approach is an excellent test of value and reflects the actions of buyers and sellers in the marketplace.

The approach is most effective and reliable when there are sufficient quantities of accurate, reliable market data which can be properly analysed. The sales must be valued as through the eyes of a typical purchaser without regard to the appraiser's personal viewpoint. The best data is usually derived from the neighbourhood which the subject property is located and reasonably current to the date of appraisal.

The substance of the Direct Comparison Approach is to search out the recently sold or offered competitive properties, and through an adjustment process, develop an indication of what they would have sold for if they had possessed the physical and economic characteristics of the property being appraised.

After analysing each comparable sale for differences found to exist between it and the subject property, adjustments should only be made for significant and pertinent characteristics which would be recognized and reflected in the market.

The Principle of Contribution underlies the entire adjustment process. Therefore, it is necessary to consider what difference in price would probably be paid after taking into consideration the presence or absence of the elements of comparison being considered.

Procedure and Analysis


In order to utilize the Direct Comparison Approach, the appraiser performed an extensive search of the Town of Caledon to locate current sales activity of comparable properties. The most relevant sales are summarized in chart form below.

COMPARABLE LAND SALES

				Total Area		Improvement				
Index	Address	Municipality	Sale Price	Sale Date	(Acres)	\$/Acres	Improvements	Size (sq ft)	Zone	Type
1.0	4487 Henderson Rd	Milton	\$3,700,000	6-Jul-21	7.00	\$528,571	side-split	1,595	A1	Agricultural Land
2.0	2733 Lower Base Line W	Milton	\$7,250,000	8-Nov-21	10.55	\$687,204	side-split	2,160	A1	Agricultural Land
3.0	5484 Tremaine Rd	Milton	\$7,200,000	16-Feb-23	12.45	\$578,313	2 Storey	3,156	A1	Agricultural Land
4.0	5716 Britannia Rd	Milton	\$46,000,000	15-Feb-22	48.07	\$956,938	Vacant	-	A1	Agricultural Land
5.0	8995 Boston Church Rd	Milton	\$26,250,000	18-May-22	29.72	\$883,244	Vacant	-	A1	Agricultural Land
Subject	2518 Lower Base Line W	Milton			27.77		2 Storey	2,458	A1	Agricultural Land

Index 1.0	
	
Property	
Index	1.0
Address	4487 Henderson Rd
Roll	240909005008000
PIN	249270042
Buyer	First Line Windmill Properties Inc
Sale Date	6-Jul-2021
Price	\$3,700,000
Improvements	
Improvement	side-split
Improvement size(sqft)	1,595
Area (acres)	7.00
Price/Sf	\$528,571
Site	
Type	Agricultural Land
Zoning	A1

Index 2.0	
	
Property	
Index	2.0
Address	2733 Lower Base Line W
Roll	240909006008601
PIN	249340075
Buyer	2854168 Ontario Inc.
Sale Date	8-Nov-2021
Price	\$7,250,000
Improvements	
Improvement	side-split
Improvement size(sqft)	2,160
Area (acres)	10.55
Price/Sf	\$687,204
Site	
Type	Agricultural Land
Zoning	A1

Index		3.0
		
Property		
Index		3.0
Address		5484 Tremaine Rd
Roll		240907030608100
PIN		24934-0012
Buyer		Amar Intermodal Hub Inc.
Sale Date		16-Feb-2023
Price		\$7,200,000
Improvements		
Improvement		2 Storey
Improvement size(sqft)		3,156
Area (acres)		12.45
Price/Sf		\$578,313
Site		
Type		Agricultural Land
Zoning		A1

Index		4.0
		
Property		
Index		4.0
Address		5716 Britannia Rd
Roll		240907030617500
PIN		249340157
Buyer		Milton Britannia Nominee Inc.
Sale Date		21-Jun-2022
Price		\$46,000,000
Improvements		
Improvement		Vacant
Improvement size(sqft)		-
Area (acres)		48.07
Price/Sf		\$956,938
Site		
Type		Agricultural Land
Zoning		C1

Index		5.0
		
Property		
Index		5.0
Address		8995 Boston Church Rd
Roll		240905000210800
PIN		249770021
Buyer		BC5L Inc.
Sale Date		14-Mar-2021
Price		\$26,250,000
Improvements		
Improvement		Vacant
Improvement size(sqft)		-
Area (acres)		29.72
Price/Sf		\$883,244
Site		
Type		Agricultural Land
Zoning		C1

Index	Subject
	
Property	
Index	Subject
Address	2518 Lower Base Line W
Roll	240909005009400
PIN	249270153
Buyer	Unavailable
Sale Date	--
Price	--
Improvements	
Improvement	2 Storey
Improvement size(sqft)	2,458
Area (acres)	27.77
Price/Sf	--
Site	
Type	Agricultural Land
Zoning	A1

FUTURE CN CONTAINERYARD

Index		CN CONTAINERYARD
		
Property		
Index	CN CONTAINERYARD	
Address	5244 Tremaine Rd	
Roll	240907030705100	
PIN	249340131	
Buyer	Locke General Partner Inc.	
Sale Date	23-Sep-2021	
Price	\$165,000,000	
Improvements		
Improvement	N/A	
Improvement size(sqft)	2,548	
Area (acres)	199.59	
Price/Sf	\$826,695	
Site		
Type	Agricultural Land	
Zoning	A1	
Comment	Planned Containeryard	

CONCLUSION

Sales 1 and 2 are located in the Future Strategic Employment Area, like the subject and sold for \$528,571 and \$687,204 per acre with a mean of \$607,888. Sales 2 to 5 are within the Urban Boundary, are located in the Employment Area and sold for \$578,313, \$956,938 and \$883,244 respectively with a mean of \$806,165. It is worth noting, the major difference between the Employment Area and Future Strategic Employment Area is the timeframe with which development will take place. At present the Employment Area falls within the mid-term range 5-25 years and The Future Strategic Employment Area is considered in the long-term of 25+ years.

Based upon the investigation carried out and all other factors that may affect value, most weight is placed on sales 1 and 2 as they fall within the Future Strategic Employment Area, same as the subject. It is the appraiser's opinion that the subject property would reflect a market value range of \$575,000 to \$625,000 per acre. Valuation at the mid-point of the indicated value range is considered reasonable. Thus, the environmentally unimpaired market value of the subject property, as of the date of valuation may therefore be calculated as follow:

$$27.77 \text{ acres} \times \$600,000 \text{ per acre} = \$16,662,000$$

Rounded to: **\$16,660,000**

Final Estimate of Value

Based on the investigation carried out and all other factors which may affect value, it is the appraiser's considered opinion that the environmentally unimpaired, market value of the Fee Simple Interest of the subject property, as of March 3, 2023, is:

**Sixteen Million Six Hundred Sixty Thousand Dollars
(\$16,660,000)**

Reasonable Exposure Time

Based on the listing history and positive response, in order to provide an indication of reasonable exposure time, the appraiser reviewed the limited number of current listings and where applicable, the listing history of the sales, along with opinions expressed by real estate agents active in the Milton market. As a result, it is the appraiser's opinion that, if the subject property had been exposed for sale on the open market, it may have required a reasonable exposure time of 2 to 5 months. This is, however, predicated on a competitive and realistic asking price.

Certification

Re: Valuation of 2518 Lower Base Line, Town of Milton

We, Anthony Simonetta and Joseph Ciano, certify that:

- to the best of our knowledge and belief, the statements of fact contained in this report are true and correct;
- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions and are based on those factors considered relevant to the value estimate;
- we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved;
- our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event, or an action or event resulting from the analyses, opinions or conclusions in, or the use of, this report;
- our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute of Canada;
- the use of this report is subject to the requirements of the Appraisal Institute of Canada relating to review by their duly authorized representatives;
- we have made an inspection of the property that is the subject of this report on March 3, 2023;
- as of the date of this report, we, Anthony Simonetta and Joseph Ciano are currently certified under the mandatory continuing professional development program of the Appraisal Institute of Canada;
- the final estimate of the current market value of the Fee Simple Interest in the environmentally unimpaired, subject property, as of March 3, 2023 is:

Sixteen Million Six Hundred Sixty Thousand Dollars
(\$16,660,000)



Anthony Simonetta, AACI, P.App
 President
Date: April 14, 2022



Joseph Ciano
 Honours Bachelor of Arts
 AIC Candidate Member

Addenda

Halton and Milton Transportation Map.....Addendum A

Assumptions and Limiting Conditions.....Addendum B

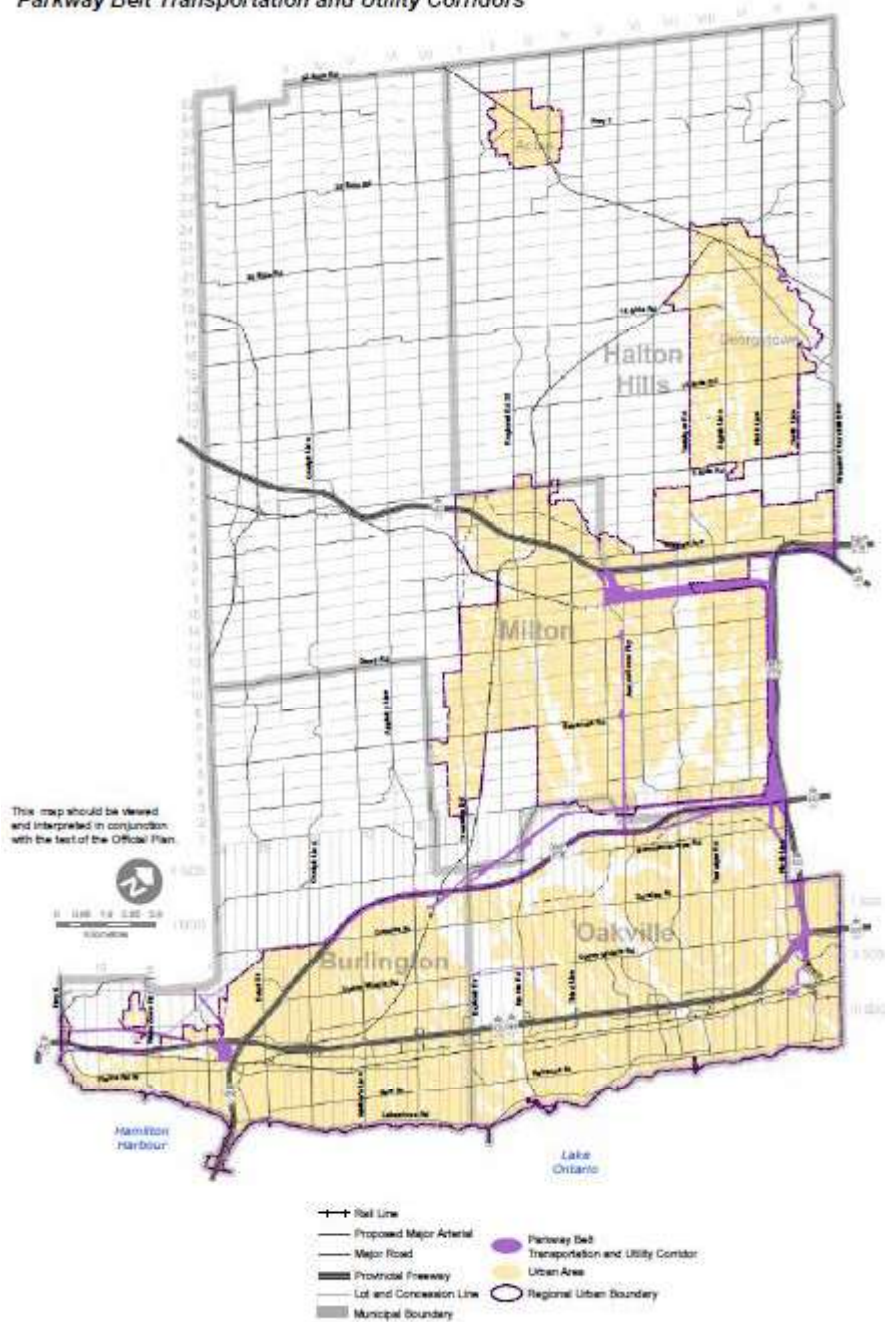
Qualifications of AppraiserAddendum C

Addendum A

Halton and Milton Transportation Map

Halton Transportation Map

Map 1B
Parkway Belt Transportation and Utility Corridors



Addendum B

Assumptions and Limiting Conditions

Assumptions and Limiting Conditions



MANDATORY CLAUSES

Appraisal Institute of Canada ©- Effective December, 2018

ASSUMPTIONS, LIMITING CONDITIONS, DISCLAIMERS AND LIMITATIONS OF LIABILITY

The certification that appears in this report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP") and the following conditions:

1. This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.

5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
6. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) off/on the subject property or off/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical legal and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
10. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.

11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.
13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
14. This report, its content and all attachments/addendums and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
16. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright.
17. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

18. No investigation has been undertaken with the local zoning office, the fire department, the building inspector, the health department or any other government regulatory agency unless such investigations are expressly represented to have been made in this report. The subject property must comply with such government regulations and, if it does not comply, its non-compliance may affect market value. To be certain of compliance, further investigations may be necessary.
19. Neither possession of this report nor a copy carries with it the right of publication. All copyright is reserved to the author and is considered confidential by the author and his client. It shall not be disclosed, quoted from or referred to, in whole or in part, or published in any manner, without the express written consent of the appraiser; subject only to confidential review by the Appraisal Institute.
20. The compensation for services rendered in this report does not include a fee for court preparation or court appearance, which must be negotiated separately. However, neither this nor any other of these limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial body which will decide the use of the report which best serves the administration of justice.

Addendum C

Qualifications of Appraiser

Anthony Simonetta, AACI, P.App President

Tony.Simonetta@simonandassociates.net

Mr. Simonetta began his real estate appraisal career with A.E. LePage Appraisal Division in 1975 and the following provides a brief synopsis of his background and experience.

1975 - 1977	A.E. LePage - Residential Appraiser
1977 - 1983	A.E. LePage - I.C.I. Appraiser
1983 - 1984	Vice President & Manager-A.E. LePage Residential & Land Appraisal Division
1984 - 1988	Vice President & National General Manager - Royal LePage Appraisal Division
1988 - 1995	Simon Appraisal Ltd. - President
1995	Simon & Associates Ltd. - President

Over the past number of years, Mr. Simonetta has been involved with the valuation of the entire spectrum of real estate. Valuations have been prepared for the following purposes:

- Capital Gains
- Expropriation
- Financing
- Foreclosure
- Insurance
- Litigation
- Purchase/Sale
- Relocation

Mr. Simonetta has specialized in the valuation of land throughout the Greater Toronto Area since 1978. Assignments have been prepared for:

- Financial Institutions
- Municipalities
- Lawyers
- Accountants
- Government Agencies
- Private Individuals

Assignments involving land valuations covering the entire spectrum of the land market from Rural/Agricultural property to major residential and industrial developments. Assemblies of property portfolio valuations performed by Mr. Simonetta are as follows:

Client	Description
Alliance Building Corp	Valuation of numerous development properties in Ontario
Silwell Developments Ltd	Valuation of numerous development properties in Ontario
Odeon Theatres	Valuation of Southern Ontario facilities
Beaver Lumber	Valuation of Southern Ontario facilities
Orfus Realty	Valuation of income properties and development land
Pinetree Developments Ltd.	Valuation of development land portfolios - Southern Ontario
Canreit	Valuation of numerous income producing properties
Riesman Leasehold Ltd.	Valuation of numerous income producing properties
Laidlaw Transportation Ltd.	Valuation of Southern Ontario facilities
T.N.T.	Valuation of Southern Ontario facilities
First City Holdings Limited	Valuation of Southern Ontario development land holdings
Mascan	Valuation of land holdings in Southern Ontario

Mr. Simonetta was one of the principal appraisers involved in the valuation of properties affected by the "Greymac/Seaway Crown Trust affair" for the Province of Ontario. Mr. Simonetta performed the land portfolio appraisals of the Mascan Corporation during the acquisition by Hammerson and acted as National Coordinator and Company Spokesman for the assignment which involved a diverse schedule of properties located from coast to coast.

As Vice President and National General Manager, Mr. Simonetta was responsible for the promotion, review and co-ordination of assignments for large national and multi-national corporations, a summary is as follows:

Client	Description
Sun Life	Valuation of Fund Portfolio
North American Life	Valuation of Fund Portfolio
Petro-Canada	Central and Eastern Region Outlets
Tonecraft	Valuation of National Outlets
Bimcor Inc.	Valuation of Fund Portfolio
Maple Leaf Mills Ltd.	Valuation of National Real Estate and Equipment Assets

In November 1995, Mr. Simonetta commenced the operation of Simon & Associates Ltd. The company provides a full range of valuation services for all property types.

Our current IC&I client base includes:

- HSBC Bank Canada
- Royal Bank of Canada
- Bank of Nova Scotia
- TD Canada Trust
- KMPG Peat Marwick Thorne
- Standard Life
- National Trust
- Business Development Bank of Canada
- Bank of Montreal
- Korean Exchange *Bank*

Current Development Valuations performed by Mr. Simonetta include:

- Canada's Wonderland, Maple, Ontario
- Shur-Gain Property, Maple, Ontario
- Woodbridge Highlands, Woodbridge, Ontario
- Woodlands Golf & Country, Brampton, Ontario
- Melgrande Condominium Project, York, Ontario

**THIS IS EXHIBIT "L" REFERRED TO IN THE AFFIDAVIT OF EKNOOR
SINGH TUNG SWORN BEFORE ME ON MARCH 26, 2025**

A handwritten signature in black ink, appearing to read "H. S. Singh", is written over a horizontal line.

A Commissioner for taking affidavits

From: [BIG 5 Advisory](#)
To: [Eknoor Singh](#)
Subject: Fractional Financial Controller services for Tungair Transport Ltd
Date: February 24, 2025 10:44:52 AM

Hi Eknoor,

Greetings of the day!

It was a pleasure meeting and discussion with you yesterday to discuss your business's financial needs.

I appreciate the opportunity to understand your challenges and the goals you're aiming to achieve. Further to our initial discussion, I would like to formally propose a solution by offering my Fractional CFO / Financial Controller services.

As we talked about, having the right financial leadership can make a significant difference in driving growth and ensuring efficient operations. Below is an outline of the sample services, I can provide to support your business:

Sample Services:

1. Strategic Financial Planning:

- Cash flow management and optimization
- Budgeting and forecasting
- Long-term financial strategy and scenario planning
- Refinancing and Restructuring advice

2. Financial Reporting & Analysis:

- Preparation of monthly/quarterly financial reports(Cost centre/Segment Wise Reporting)
- KPI analysis and recommendations
- Profitability and cost analysis

3. Operational Efficiency:

- Streamlining accounting processes (accounts receivable, payable, etc.)
- Implementing or improving internal controls
- Control and checks for payroll and expenses

4. Compliance & Risk Management:

- Ensuring Timely compliance (specially with Bank and other financial Institutions)
- Risk identification and mitigation strategy

5. Inventory Control Advisory:

- Assistance with implementing Effective Inventory Control

- Strategic advice on initiatives to reduce the cost.

Availability & Pricing:

I propose In person visiting **twice a week**, on **Tuesdays and Fridays**, during the **1st half of the day for 2.50 hours** , primarily in person, with occasional remote support as needed, But will be available over call for any important discussions.**(although during the initial period of 15 days I will give support on all 5 days in person)**

While our standard fee for these services is CAD **10,000 per month**, excluding any employee support, during the initial period of 2 months, we will give you a full time employee for 40 hours(8 Hours X 5 days a week) for Basic accounting functions .

The payment to the employee will be taken care of by our company.

I will raise my invoice for the professional fees **bi-monthly** (every 15 days), to ensure smoother cash flow management for your business.

Future Fee Adjustment:

As we implement the above mentioned financial systems and processes over the next **3 to 4 months**, and once the operations are running smoothly, I will reassess my professional fees amicably, after taking your inputs.

Based on your company's ongoing needs at that time, we can explore a **further increase of my fees and or remove my staff support** to ensure the arrangement remains aligned with your business requirements.

I am confident that this tailored approach will provide your business with the financial oversight and strategic guidance it needs to thrive. Please let me know if you have any specific questions.

Thank you once again for the opportunity, and I look forward to working together.

Best regards,



ROYAL BANK OF CANADA
Applicant

-and-

TUNG AIR TRANSPORT LTD. et al
Respondents

Court File No. CV-25-00738060-00CL

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ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

RESPONDING APPLICATION RECORD

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