TAB 9



PROPERTY CONDITION ASSESSMENT



at

Green Island Trading Company 38 Metropolitan Road Toronto, Ontario

Prepared for: msi Spergel inc.

CCIG Project No: T1611742CA CCIG Contact: Medil Gamage, P.Eng. medilg@ccigroupinc.ca August 30, 2016

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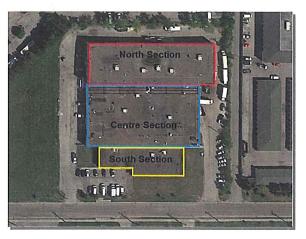
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1.0 INTRODUCTION

Personnel with CCI Group Inc. visited the property located at 38 Metropolitan Road in Toronto, Ontario on August 3rd, 2016 for the purpose of carrying out a condition assessment of the tenant space occupied by Green Island Trading Company.

The purpose of this evaluation was to obtain the information necessary to document the condition of the Green Island Trading Company tenant space, to prepare a report describing its condition and to provide recommendations regarding the repair work that is currently required. Destructive investigation and testing work was not carried out as part of this assessment.

The existing development consists of a multitenant light industrial building with ancillary office areas along the south side. The south and centre sections of the building are one storey in height. The north section of the building is two storeys in height. It appears that the south and centre sections of the building were constructed in the mid-1960's and the north section was added in the late 1990's. We understand (based on the information provided by our client) that the gross floor area of the building is 87,183 square feet.



The total footprint area of the building is estimated to be approximately 64,000 square feet.

The west portion of the south and centre sections of the building are currently vacant. The east portion of the south section of the building is currently occupied by a live lobster distribution business. The west portion of the ground floor of the north section and the north-east portion of the centre section are currently occupied by Cool Ocean Impex Inc., a sea food distribution business. The east portion of the ground floor of the north section is currently occupied by a scrap metal recycling business. The south-east portion of the centre section and the 2nd floor of the north section are currently occupied by Green Island Trading Company, for the production of medical marihuana.

Generally, the exterior walls of the building are covered with a combination of masonry and metal siding. Additionally, there are stucco panels covering the walls of the south section of the building. Single glazed window units with anodized aluminum frames provide fenestration for the south office section of the building. There several loading docks along the east side and several drive-in bays along the west side that are enclosed by metal sectional overhead doors.



There are three "flat" roof areas above the building that are divided by changes in elevation. All the roof areas utilize conventional roof systems that incorporate built-up asphalt roof membranes.

The structure of the building consists of metal roof decks that are supported by open-web steel joists that span between steel beams that frame into steel columns and between masonry walls. The second floor of the north section of the building is formed by a concrete topped metal deck that spans between steel joists. The underside of the second floor framing is covered with spray applied fireproofing material. A poured concrete slabs-on-ground form the ground floor of the building.

Asphaltic concrete pavement forms the parking area located at the south-west side, drive aisles and shipping/receiving areas located along the east and west sides and the drive aisle located along the north side. Access to the site is provided by two curb cuts along the south side of the property, off of Metropolitan Road.

The interior of the building is finished with a variety of materials including carpeting, painted gypsum wallboard and suspended acoustical ceiling tile.

The audit work addresses the following components of the property:

- interior finishes
- structural framing
- mechanical and electrical installations
- fire separations

The threshold reporting level for this report is \$5,000. Repair and maintenance items with an estimated cost of \$5,000 or less are assumed to be funded from operating budgets and may not be included in this report.

We were provided with the following documentation prior to our site visit:

• Agreement to Lease, dated July 20th, 2015, and signed by a representative of Green Island Trading Company (tenant) and a representative of 2292319 Ontario Inc. (landlord).

We were accompanied on our site visit by Mr. Daniel Battistan, Corporate Estate Manager with msi Spergel inc.

Subsequent to our site visit the following information was provided by the City of Toronto:

• Property Information Report dated August 25, 2016 as prepared by Toronto Building and signed by Mr. Dwayne Tapp, Manager, Customer Service.



- Surveyors Real Property Report, as prepared by Bennett Young Limited, Professional Land Surveyors and dated January 31, 2005. The drawing is stamped by Toronto Building as having been reviewed for compliance with the Ontario Building Code and is identified with Application # 13 194141 BLD 00.
- Drawings A1 and A2 titled "Proposed Interior Alteration to 38 Metropolitan Road, Scarborough, Ontario", as prepared by Tran Dieu and Associates Inc., and stamped received by Toronto Building on October 22, 2013. The drawings are stamped by Toronto Building as having been reviewed for compliance with the Ontario Building Code and are identified with Application # 13 194141 BLD 00.
- Drawings A1, A2, M1, S1 and S2 titled "Proposed Interior Alteration to 38 Metropolitan Road, Scarborough, Ontario", as prepared by Tran Dieu and Associates Inc., and stamped received by Toronto Building on July 5, 2013. The drawings are stamped by Toronto Building as having been reviewed for compliance with the Ontario Building Code and are identified with Application # 13 194141 BLD 00.
- Ontario Building Code Notice, as prepared by Toronto Building (Karim Gilani, Building Code Examiner). The notice is identified with Application # 13 194141 BLD 00.



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2.0 INTERIOR FINISHES

2.1 Description

A visual review was conducted in all accessible areas of the tenant space.

The following components were examined:

- the type and condition of the floor coverings
- the wall construction and finishes
- the ceiling construction and finishes

2.2 Observations

The following is a summary of conditions that were observed during our visual review of the interior finishes:

- .1 General view of the second floor of the north section that is currently occupied by Green Island Trading Company. Minimal finishes are installed within the space. The floor is formed by exposed concrete and a waterproofing system is not installed over the top surface of the floor slab.
- .2 Water from storage tanks on the second floor level spills onto the concrete floor slab. Water may penetrate the concrete slab and cause corrosion of the underlying steel deck and supporting structure.







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.3 It appears that water is sprayed directly onto the plants and floor slab using a garden hose. Water may penetrate the concrete slab and cause corrosion of the underlying steel deck and supporting structure.

.4 There are black stains (likely mold) on partition walls within the 2nd floor tenant space, particularly near the base of the walls.





Section 629-6 of the Toronto Municipal Code (Property Standards) details the following requirement:

629-6. Occupant's duties.

Every person who occupies property shall:

- A. Maintain the property in a clean and sanitary condition;
- B. Maintain all plumbing, cooking, refrigerating appliances and fixtures, and all storage facilities and other equipment in or on the property in a clean and sanitary condition;
- C. Maintain all sanitary facilities and every fixture in a sanitary facility in a clean and sanitary condition; [Amended 2009-05-27 by By-law No. 570-20098]
- D. Keep all exits from the property clear and unobstructed;
- E. Co-operate with the landlord in complying with the requirements of this chapter;
- F. Limit the number of occupants to the maximum number permitted by this chapter; and
- G. Take immediate action to eliminate any unsafe condition.

In our opinion, the current condition of the second floor tenant space occupied by Green Island Trading Company does not meet the requirements detailed in Section 629-6 of the Toronto Municipal Code.



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.5 General view of the east side of the centre section of the building (ground floor level) that is currently occupied by Green Island Trading Company. Minimal finishes are installed within the space.

.6 There are black stains (likely mold) on the freezer panels of a decommissioned walk-in cooler within the ground floor space occupied by Green Island Trading Company.

In our opinion this condition does not meet the requirements detailed in Section 629-6 of the Toronto Municipal Code.





2.3 Recommendations

Based on our visual review, we are of the opinion that the interior finishes within Green Island Trading Company's tenant spaces are in generally fair to poor condition. In our opinion, the following repair work is required immediately:

- Sample the areas of black stains within the tenant spaces and carry out laboratory analysis to determine if mold is present, and
- Clean the areas of black stains from the surfaces within the tenant spaces. Cleaning procedures are dependent on the results of the laboratory analysis.

A waterproofing system is required at the floor slab of the second floor tenant space to prevent the entry of water into the exposed concrete floor slab. Water that penetrates the floor slab may cause corrosion of the underlying steel deck and supporting structure.

