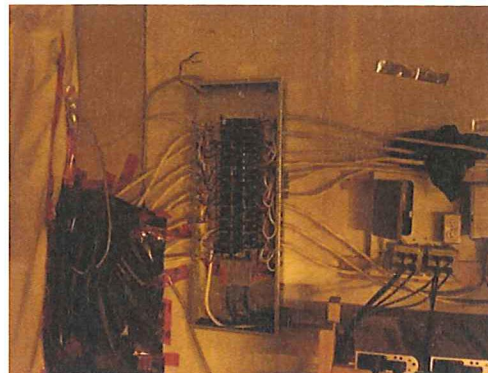


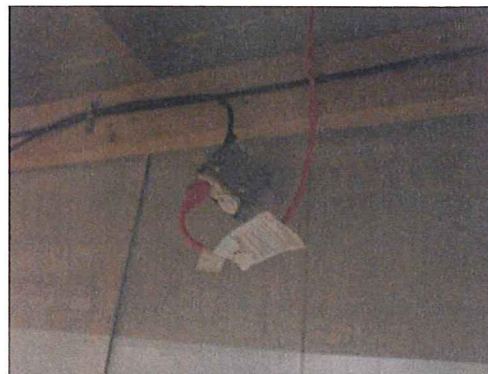
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Some distribution panels and receptacles in the medicinal marihuana production area are missing cover plates, exposing live electrical wires.



Loose live wiring, unsecured junction boxes and receptacles and missing lighting fixtures were overserved throughout the Green Island Trading Company tenant spaces.



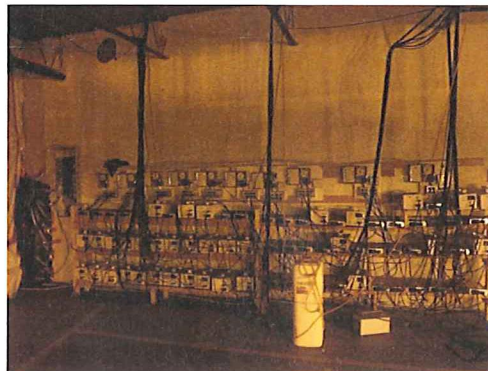
Article 629-35.C of the Toronto Municipal Code (Property Standards) details the following requirement:

629-35. Electrical service and outlets.

- C. All electrical fixtures, switches, receptacles and connections to them shall be maintained in a safe and complete condition and in good working order.

In our opinion, the current condition of the electrical panels, transformer, junction boxes, receptacles and light fixtures in the Green Island Trading Company tenant space does not meet the requirements detailed in Article 629-35.C of the Toronto Municipal Code. We recommend cover plates be installed immediately and all wiring, junction boxes and receptacles be adequately secured by a qualified electrical contractor to reduce the risk of electrical shock.

We observed electrical extension cords and power bars used for multiple electrical services in the medicinal marihuana production area on the second floor.



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The electrical power supply to the medicinal marihuana production area uses temporary wiring.



Article 629-35.B of the Toronto Municipal Code (Property Standards) details the following requirement:

629-35. Electrical service and outlets.

- B. The capacity of the system of circuits and electrical outlets within a building shall be adequate for the intended use of all rooms, and adequate electrical outlets shall be installed to prevent the need for extension cords or other extensions being used as a permanent wiring system. [Amended 2004-06-24 by By-law No. 559-2004]

In our opinion, the current condition of the electrical wiring and circuits in the Green Island Trading Company tenant space does not meet the requirements detailed in Article 629-35.B of the Toronto Municipal Code. We recommend that permanent wiring be installed for all electrical fixtures and appliances, to eliminate the use of extension cords. Additionally, the current condition does not meet the requirements detailed in the electrical safety code.

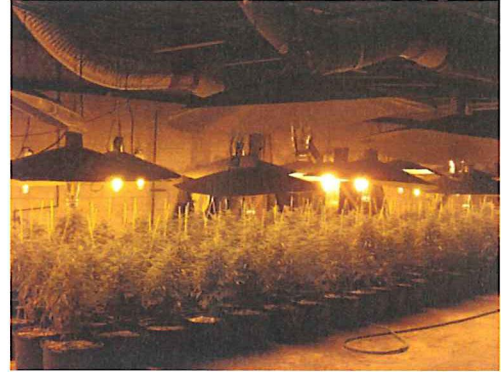
Due to the above observations, it appears the electrical distribution system is not maintained and it poses potential life, safety and fire hazards. Additionally, it does not appear that electrical modifications were carried out with the benefit of an electrical permit or that the electrical modifications were inspected and approved by the Electrical Safety Authority (ESA). We recommend that an electrical permit be obtained from ESA for the electrical modifications.

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4.2.5 Lighting

High intensity discharge (HID) lighting with timers provides lighting to the medicinal marihuana production areas. The lighting appears to be tenant installed.



4.2.6 Miscellaneous Fire Safety Systems

During our site visit we observed that the required fire separations between tenant spaces are not maintained.

Currently the walk-in freezer and cooler walls and ceilings are used for the fire separations between the vacant tenant space (warehouse) and the ground floor medicinal marihuana production area and between the ground floor medicinal marihuana production area and the Cool Ocean Impex tenant space.



Article 3.3.1.1. of the Ontario Building Code details the following requirements for the separation of suites:

3.3.1.1. Separation of Suites

(1) Except as permitted by Sentences (2) and (3), each *suite* in other than *business and personal services occupancies* shall be separated from adjoining *suites* by a *fire separation* having a *fire-resistance rating* not less than 1 h.

(2) The *fire-resistance rating* of the *fire separation* required by Sentence (1) is permitted to be less than 1 h but not less than 45 min provided the *fire-resistance rating* required by Subsection 3.2.2. is permitted to be less than 1 h for,

(a) the floor assembly above the *floor area*, or

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(b) the floor assembly below the *floor area*, if there is no floor assembly above.

(3) *Occupancies* that are served by *public corridors* conforming to Clause 3.3.1.4.(4)(b) in a *building* that is *sprinklered*, are not required to be separated from one

another by *fire separations* provided the *occupancies* are,

(a) *suites of business and personal services occupancy*,

(b) fast food vending operations that do not provide seating for customers,

(c) *suites of mercantile occupancy*, or

(d) any combination of these *occupancies*.

Article 3.3.1.1. details a requirement for the fire separations between suites (i.e., between adjacent tenant spaces) to have a fire resistance rating of not less than 1 hour.

We recommend an architect or engineer be retained to design the fire separations and means of egress from the Green Island Trading Company tenant spaces and that a building permit be obtained for the required remedial work.

4.3 Recommendations

Based on our visual review we are of the opinion that the following repair/remedial work is required immediately:

- Obtain an electrical permit from the Electrical Safety Authority for the electrical modifications within the Green Island Trading Company tenant spaces.
- Obtain a building permit from Toronto Building for the interior alterations (including fire separations) and ventilation system installation within the Green Island Trading Company tenant spaces.
- Install floor drains at the second floor level tenant space, connected to the storm sewer system (building permit required).
- Install a backflow prevention device at the water supply to the tenant space.

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5.0 ZONING REVIEW

5.1 General

City of Toronto Zoning By-law 569-2013, as amended, regulates the use of land, the bulk, height, location, erection and use of buildings and structures, the provision of parking spaces, loading spaces and other associated matters in the City of Toronto.

The following uses are currently being carried out at 38 Metropolitan Road:

- Cold storage facility,
- Food manufacturing facility,
- Medical marihuana production facility (use to be confirmed), and
- Recovery facility for the recycling of electronics and metals.

We have not confirmed that the building contains a medical marihuana production facility as defined by Access to Cannabis for Medical Purposes Regulations. We recommend that legal guidance be obtained to confirm the legal status of the marihuana production currently being carried out at 38 Metropolitan Road. Our comments are based on the assumption that Green Island Trading Company is considered a Medical Marihuana Production Facility, as defined by City of Toronto Zoning By-law 569-2013, as amended by Zoning By-law 0403-2014.

5.2 Comments

- .1 Chapter 5 of Zoning By-law 569-2013 details regulations applying to all lands, uses, buildings and structures in the City of Toronto. Based on our review we are of the opinion that the property at 38 Metropolitan Road meets the regulations detailed in this chapter of the zoning by-law.
- .2 Chapter 60 of Zoning By-law 569-2013 details regulations applying to the Employment – Industrial Zone category. The Employment – Industrial Zone category is divided into the following 4 zones:
 - Employment Light Industrial Zone (EL)
 - Employment Industrial Zone (E)
 - Employment Heavy Industrial Zone (EH)
 - Employment Industrial Office Zone (EO)
- .3 The Zoning By-law Map in Section 990.10 of By-law 569-2013 identifies that the property at 38 Metropolitan Road in Toronto is located in an Employment Industrial Zone (identified by the letter 'E' on the zoning map).

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- .4 Furthermore, the Zoning By-law Map details a requirement for the property at 38 Metropolitan Road to have a Floor Space Index (FSI) of no more than 0.80.
- .5 Section 60.5 of Zoning By-law 569-2013 details regulations applying to all lands, uses, buildings and structures in the Employment – Industrial Zone category. Based on our review we are of the opinion that the property at 38 Metropolitan Road meets the regulations detailed in this section of the zoning by-law.
- .6 Clause 60.5.40.40 of Zoning By-law 569-2013 details gross floor area regulations that apply to properties within the Employment – Industrial Zone category, including the procedure for calculating the Floor Space Index (FSI) of a building in this category. Based on the information provided to us, we calculate that the building at 38 Metropolitan Road has an FSI of approximately 0.67, and therefore, we are of the opinion that the building at 38 Metropolitan Road meets the FSI regulation detailed in the zoning by-law.
- .7 Section 60.20 of Zoning By-law 569-2013, as amended by Zoning By-law 0403-2014 (currently under appeal with the Ontario Municipal Board (OMB)), details regulations applying to all lands, uses, buildings and structures in the Employment Industrial Zone (E).
- .8 Clause 60.20.20.20 details the permitted uses with conditions within the E zone. The use of the property as a Medicinal Marihuana Production Facility is a permitted use, subject to the conditions contained in Clause 60.20.20.100 of the zoning by-law.
- .9 The following condition contained in Clause 60.20.20.100 is applicable to the Medical Marihuana Production Facility use:

In the E zone, a medical marihuana production facility must comply with the specific use regulations in Section 150.60.
- .10 The following regulation contained in Article 150.60.40 is applicable to the Medical Marihuana Production Facility use:

A lot with a medical marihuana production facility must be:

 - (B) *at least 70 metres from a lot with a:*
 - (i) *public school;*
 - (ii) *private school;*
 - (iii) *place of worship; and*
 - (iv) *day nursery.*

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The lot municipally addressed as 38 Metropolitan Road is located approximately 45 metres from the lot municipally addressed as 8 Metropolitan Road. The Toronto Chinese Methodist Church is located at 8 Metropolitan Road. Based on our review we are of the opinion that, in the event that the building is determined to contain a Medical Marihuana Production Facility, the use does not meet the regulation detailed in this article of the zoning by-law since the lot is less than 70 metres from a lot with a place of worship.

- .11 The following regulation contained in Article 150.60.90 is applicable to the Medical Marihuana Production Facility use:

Loading spaces for a medical marihuana production facility must be in a wholly enclosed building.

The building at 38 Metropolitan Road is not provided with drive-in bays to allow vehicle access to the interior of the building (exterior loading docks are provided). Based on our review we are of the opinion that the Medical Marihuana Production Facility use does not meet the regulation detailed in this article of the zoning by-law since loading spaces are not in a wholly enclosed building.

"Prime Rate" means the annual rate of interest announced from time to time by the Chargee as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada. In the event that it may be necessary at any time for the Chargee to prove the Prime Rate applicable as at any time or times, it is agreed that the certificate in writing of the Chargee setting forth the Prime Rate as at any time or times shall be deemed to be conclusive evidence as to the Prime Rate as set forth in the said certificate.

For the purposes of the *Interest Act*, R.S.C. 1985, c-l 5, as amended (the "Interest Act"), it is understood, agreed and declared that the amount of principal money secured by the Charge is the Principal Amount and the Additional Principal Amounts, if any, and the rate of interest chargeable thereon, calculated half-yearly, not in advance, is the half-yearly rate set forth in the table of equivalent interest rates below:

These equivalent interest rates are provided for disclosure purposes only and do not affect the calculation of interest under the Charge as set out in this Section 3(a). The following table sets out interest rates calculated half-yearly, not in advance, which are equivalent to interest rates calculated monthly, not in advance. The Chargor may determine the equivalent rate by locating the Variable Interest Rate payable under the Charge in the column entitled "Interest Rate Calculated Monthly Not in Advance (%)" and comparing that rate of interest to the rate of interest indicated in the column immediately to the right of such rate of interest entitled "Equivalent Interest Rate Calculated Half-Yearly Not in Advance (%)".