Closed Session Special Meeting Agenda
City Council
The Corporation of the City of Brampton

Date: **Friday, September 29, 2023**

Time: **11:00 a.m.**

Location: **Hybrid Meeting - Virtual Option & In-Person in Council Chambers – 4th Floor – City Hall**

Members:

Mayor Patrick Brown	
Regional Councillor R. Santos	Wards 1 and 5
Regional Councillor P. Vicente	Wards 1 and 5
Regional Councillor N. Kaur Brar	Wards 2 and 6
Regional Councillor M. Palleschi	Wards 2 and 6
Regional Councillor D. Keenan	Wards 3 and 4
Regional Councillor M. Medeiros	Wards 3 and 4
Regional Councillor P. Fortini	Wards 7 and 8
City Councillor R. Power	Wards 7 and 8
Deputy Mayor H. Singh	Wards 9 and 10
Regional Councillor G. Singh Toor	Wards 9 and 10

Note:
Attendance by staff at a closed session meeting is limited only to the following persons:

a. Chief Administrative Officer and Department Commissioners (or designates);
b. City Clerk and Deputy Clerk (or designates);
c. City Solicitor and Deputy City Solicitor (or designates);
d. Appropriate City staff and guests with subject-matter expertise, as identified by the CAO and/or Commissioners; and,
e. Chief of Staff, Mayor’s Office

8. Closed Session

8.1 Open Meeting exception under Section 239 (2) (c) and (k) of the Municipal Act, 2001:

A proposed or pending acquisition or disposition of land by the municipality or local board; and a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board - property acquisition matter

Report titled: **Budget Amendment to a Pending Acquisition - Ward 2**

9. Back to Open Session

BRAMPTON

Closed Session Report
Staff Report
The Corporation of the City of Brampton
9/29/2023

Date: 2023-09-25

Subject: **Budget Amendment to a Pending Acquisition - Ward 2**

Contact: Rajat Ashish Gulati, Senior Manager, Realty Services

Report Number: CAO's Office-2023-833

Open Meeting exception under the Municipal Act, 2001:

Section 239 (2):
(c) A proposed or pending acquisition or disposition of land by the municipality or local board;
(k) A position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

Closed Session Direction Recommendations:

1. That the report from Nivenpreet Pannu, Real Estate Coordinator, Realty Services to the Special Council Meeting of September 29, 2023, re: **Budget Amendment to a Pending Acquisition - Ward 2**, be received; and

Open Session Recommendations:

1. That a by-law be passed to approve and ratify the Agreement of Purchase and Sale executed by the Corporation of the City of Brampton for the acquisition of property:

   (i) **Located at 175 Sandalwood Parkway West, Brampton** (approx. 15.74 acres) being all of PINs 14249-0053 (LT) and 14249-0055 (LT), accepted on September 26, 2023, for $77,900,000 including chattels.

2. That the Chief Administrative Officer (CAO) be authorized to execute any agreements or other documents necessary for the completion of the City's acquisition of the property at 175 Sandalwood Parkway West, Brampton, on terms acceptable to the Senior Manager, Realty Services and in a form acceptable to the City Solicitor or designate;

3. That a budget amendment be approved and a new capital project be established in the aggregate amount of $77,900,000 to facilitate the acquisition of 175 Sandalwood Parkway West, Brampton for future park, sport field, and Processing Centre for Automated Speed Enforcement use, with funding of $38,950,000 to be

transferred from Reserve Fund #2 – Cash-In-Lieu of Parkland and funding of $38,950,000 to be transferred from Reserve Fund #100 – Legacy Fund.

Overview:

- **As per the September 20, 2023, Staff report (see attachment 1) and deliberations at the Committee of Council meeting, Procedural Direction was given that:**

  i. *Staff be directed to continue negotiations for acquisition of the subject property at the lowest possible purchase price, with a maximum purchase price of no more than $78,000,000, as determined by the CAO in consultation with Realty staff, which may be greater than the Brampton valuation amount, but no greater than the Colliers valuation, and report back on the negotiated purchase price, associated closing costs and funding sources.*

  ii. *That staff be directed to report back to Council as soon as possible on likely City uses for the property, including Administrative Penalty System (APS) processing centre, should it be acquired.*

- **Based on the Council direction and as per the guidance of the CAO on September 21, 2023, the staff submitted a counteroffer of $75,000,000 on the property owner's previous submission of $79,000,000.**
- **Staff revised the Completion Date to 30 days instead of 20 days proposed by the property owner. The Due Diligence Period was also updated to 60 days instead of 45 days offered by the property owner.**
- **Staff also added wordings to the agreement stating that the Chattels are included in the transaction and the owner needs to provide an itemized list of all furniture and chattels to the City of Brampton (these were omitted in the previous submission by the property owner).**
- **The property owner on September 25, 2023, sent a counteroffer at $77,900,000 and added wordings that they require the Sale must be completed on or before Monday, December 18, 2023. It was pointed out that Alectra Utilities may not vacate by that date, but the Owner has assured that they will provide a letter confirming that Alectra Utilities will vacate before the December deadline. The City accepted the property owner's counteroffer on September 26, 2023.**
- **Please note, even in the case where Council Approval is received at September 29 Special Council Meeting and the Due Diligence is completed in 60 days (by November 29, 2023), Legal Services will have 19 days to complete the transaction. These are fairly compressed timelines for the City to execute.**

- **This report is being presented at the September 29 Special Council Meeting given the Agreement of Purchase and Sale (see attachment 2) is conditional upon Council approval and ratification of the agreement, along with Council approval of a budget for the acquisition costs.**

- **Following and subject to the approval of the recommendations in this Report, the City of Brampton will conduct due diligence studies within the respective inspection periods provided in the purchase agreement, and will incur expenses for legal due diligence, site survey, environmental assessment and other related studies in addition to other costs to the complete the acquisition. Staff will also bring forward a separate report to seek a budget amendment to cover costs for the due diligence, payment of land transfer tax, non-recoverable HST and other ancillary costs.**

- **As discussed at the September 20, 2023, Committee of Council meeting, staff will report back on all potential uses for the property. The property is being considered to be used for the City's requirement of an automatic regional ticket processing centre, automatic speed enforcement (ASE) camera centre along with the rear vacant lands to support Parks and Recreation usage. Details will be provided at a later date.**

- **Staff recommend the following funding sources for this acquisition if the intended use is for parks, various sports fields, and the Processing Centre for Automated Speed Enforcement:**
  1. **50% or $38,950,000 from Reserve #2 – Cash-in-lieu of Parkland, and**
  2. **50% or $38,950,000 through an internal loan from Strategic Reserves, specifically Reserve #100 – Legacy Fund, to be replenished through revenues generated by the Brampton-led Processing Centre for Automated Speed Enforcement.**

Background:
As per the September 20, 2023, Staff report (see attachment 1) and deliberations at the Committee of Council meeting, Procedural Direction was given that:

i. *Staff be directed to continue negotiations for acquisition of the subject property at the lowest possible purchase price, with a maximum purchase price of no more than $78,000,000, as determined by the CAO in consultation with Realty staff, which may be greater than the Brampton valuation amount, but no greater than the Colliers valuation, and report back on the negotiated purchase price, associated closing costs and funding sources.*

ii. *That staff be directed to report back to Council as soon as possible on likely City uses for the property, including Administrative Penalty System (APS) processing centre, should it be acquired.*

Current Situation:

Based on the Council direction, as per the guidance of the CAO on September 21, 2023, the staff submitted a counteroffer of $75,000,000 on the property owner's previous submission of $79,000,000 and made the following modifications to the Agreement of Purchase and Sale:

- Staff modified the Completion Date to 30 days instead of the 20 days proposed by the property owner.
- Staff updated the Due Diligence Period to 60 days instead of the 45 days offered by the property owner.
- Staff further added wordings to the agreement stating that the Chattels are included in the transaction and the owner needs to provide an itemized list of all furniture and chattels to the City of Brampton (these were omitted in the previous submission by the property owner).

The property owner sent a counteroffer at $77,900,000 on September 25, 2023, and added wording that requires the Sale be complete on or before Monday, December 18, 2023. It was pointed out by Realty Staff that Alectra Utilities may not vacate by that date, however, the Owner has assured that they will provide a letter confirming that Alectra Utilities will vacate before the December deadline.

The City accepted the property owner's counteroffer on September 26, 2023.

Please note, even in the case that Council approval is received at the September 29 meeting and Due Diligence is completed in 60 days (by November 29, 2023), Legal Services will have 19 days (instead of 30 days) to complete the transaction. This is a fairly compressed timeline to execute.

This report is being presented at the September 29 Special Council Meeting given the Agreement of Purchase and Sale (see attachment 2) is conditional upon Council approval and ratification of the agreement, along with Council approval of a budget for the acquisition costs.

As explained at the September 20, 2023, Committee of Council meeting, staff is working on determining all the uses of the property and will report back. The property is being considered to be used for the City's requirement of an automatic regional ticket processing centre, automatic speed enforcement (ASE) camera centre along with the rear vacant lands to support Parks and Recreation usage. Details will be provided at a later date.

Corporate Implications:

Financial Implications:

If Council directs Staff to proceed with this acquisition, a budget amendment would need to be approved and a new capital project established in the aggregate amount of $77,900,000 for the Purchase Price for the acquisition of 175 Sandalwood Parkway West, Brampton, with funding of $38,950,000 to be transferred from Reserve #2 and funding of $38,950,000 to be transferred from Reserve #100.

Staff recommend the following funding sources for this acquisition if the intended use is for parks, various sports fields, and the Processing Centre for Automated Speed Enforcement:

1. 50% or $38,950,000 from Reserve #2 – Cash-in-lieu of Parkland, and
2. 50% or $38,950,000 through an internal loan from Strategic Reserves, specifically Reserve #100 – Legacy Fund, to be replenished through revenues generated by the Brampton-led Processing Centre for Automated Speed Enforcement

Sufficient funding is available in the following reserves:

Reserve Fund #2 – Cash-in-Lieu of Parkland

Balance as at August 31, 2023	$86,366,209
Less: Winterization of Roselea Park(Council Approved)	-$6,813,720
Less: Budget Amendment, subject to Council Approval	-$38,950,000
Ending Balance	**$40,602,489**

Reserve Fund #100 – Legacy Fund

Balance as at August 31, 2023	$81,492,543
Less: Budget Amendment, subject to Council Approval	-$38,950,000
Ending Balance	**$42,542,543**

If the intended use of this parcel of land changes at a future time, funding sources will be reevaluated and adjusted as required.

This Legacy Fund drawdown will result in an annual income loss of $1,351,565 on $38,950,000. Any impact of timing between the revenues generated from the Processing Centre for Automated Speed Enforcement and taking on the loan will have a temporary impact of $1,351,565 per year. The timing difference between the loss of investment income and revenue generated from the Processing Centre will be added to the value of the loan until the revenue materializes. All Processing Centre revenues over and above operating costs will be used to repay the loan until such time as the loan is paid in full.

Other Implications:

Legal Services will review and approve as to form any agreements and documents necessary to complete the acquisition of the subject property.

Strategic Focus Area:

This report supports the Strategic Focus Area of Health & Well-being. By leveraging the excess land on the property for recreation and park amenities, it supports citizens' belonging, health, wellness and safety.

Conclusion:

Given the heightened interest from the City Departments in this property, staff is seeking council approval and ratification of the agreement of purchase and sale, along with Council approval of a budget for the acquisition costs as detailed in the report.

Authored by:

Nivenpreet Pannu,
Real Estate
Coordinator
Realty Services

Reviewed by:

Rajat Ashish Gulati,
Senior Manager,
Realty Services

Approved by:

Bill Boyes,
Commissioner,
Community Services

Approved by:

Marlon Kallideen,
Chief Administrative Officer

Attachments:

- Attachment 1 – September 20 Committee of Council report.
- Attachment 2 – Agreement of Purchase and Sale

Report
Staff Report
The Corporation of the City of Brampton
9/20/2023

Date: 2023-09-16

Subject: **Update – Budget Amendment to a Pending Acquisition, Ward 2**

Contact: Rajat Ashish Gulati, Senior Manager, Realty Services

Report Number: CAO's Office-2023-798

<u>Open Meeting exception under the Municipal Act, 2001:</u>

Section 239 (2):
(c) A proposed or pending acquisition or disposition of land by the municipality or local board;
(k) A position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

Closed Session Recommendations:

1. That the report from Gurmeet Singh, Senior Real Estate Coordinator, Realty Services to the Closed Session Committee of Council Meeting of September 20, 2023, re: **Update – Budget Amendment to a Pending Acquisition, Ward 2**, be received; and

2. That staff be directed to proceed with one of the following options;
   i) Reject the offer received from the property owner at a Purchase Price of $79,000,000; or

   ii) Continue the negotiations and present a revised offer of up to $76,000,000 or an upset amount as determined by Council; or

   iii) Accept the offer received from the property owner at a purchase price of $79,000,000; or

   iv) Council directs staff to terminate the negotiations at this point in time.

Open Session Recommendations:

1. That the CAO be authorized to execute any agreements and other documents necessary to carry out Council's direction resulting from this report in a form acceptable to the City Solicitor or designate.

2. That a budget amendment be approved and a capital project be established in the aggregate amount of $82,000,000 (inclusive of all taxes, due diligence costs, legal

fees, and other ancillary costs and applicable HST) for the acquisition of the subject property for future park and sportfield use with funding to be transferred from Reserve #2 – Cash-In-Lieu of Parkland.

Overview:

- **As per the September 13, 2023 Council meeting, Procedural Direction was given that this item be referred back to staff for further consideration, and to obtain additional information including available appraisals/valuations and possible future uses, and report back to Council, if possible Committee of Council on September 20, 2023. The available information has been included in Attachments 4 to 7.**

- **The property at 175 Sandalwood Parkway West (see Attachment 1) is located in the Brampton Industrial sub-market, on the south side of Sandalwood Parkway West, just west of Hurontario Street and Highway 410 in Brampton. It adjoins the City-owned Orangeville line and is situated directly across from the City's Sandalwood facility. The property has good access to local and regional thoroughfares such as Highway 410 and Hurontario Street. It is located within an Employment area and is zoned Industrial (M2 Zoning).**
- **On May 24, 2023, the City's mandated Broker contacted the Realty Services Division with an off-market opportunity to acquire the property. The property is roughly 15.78 acres. Approximately 7.84 acres are improved with two 170,482 square feet of office and industrial buildings, and of the remaining 8 acres of land, 5.5 acres can be considered as excess lands for development.**
- **On May 26, 2023, Realty Services circulated the property to internal departments and subsequently arranged a staff tour on June 9, 2023. There was a positive response from several departments to acquire this property to service a variety of needs.**

- **Historically, the property was owned by the City of Brampton until 2001. In July 2001, The Ontario Energy Board (OEB) approved the sale of Brampton Hydro to Hydro One, and it included the transfer of this property as part of the sale (see Attachment 2). In 2017, Hydro One Brampton was then sold to the now Alectra Utilities, and the property was further transferred (see Attachment 3).**

- **In 2020, Alectra carried out a limited bidding property disposal and BVD Group successfully acquired the subject property for $32.5 million, with an arrangement for Alectra to lease it back until November 2023 (see Attachment 5). The current CEO of the BVD Group, Mr. Bikram Dhillon, is the 2023 Brampton's Citizen of the Year and has also contributed $10** million to William Osler Health System and William Osler Health System Foundation last year.

- There is significant gap in the appraisal (see Attachment 6) completed by the property owner (at $85.18M) and the City's independent appraiser valued the property in the range of $65 to 70 million. As per the Staff's estimation the 5.5 acres outside storage lands should be valued in the range of $3.50 to 4.50 million per acre, however, it was valued at 2.80 Million per acre. Staff is of the opinion that a more realistic total property value is $71 Million. Based on the negotiations, the property owner has submitted an offer of $79,000,000 for the City's consideration.

- The property owner intends to complete this sale before December 31, 2023, and has offered a Due Diligence Period of 45 days (against the City's standard 120 days). Also, the Completion Date is usually 30 days but they are able to offer 20 days.

- Although there are a variety of potential uses, the excess land on the property is suitable for the development of cricket fields to meet the high demand (see Attachment 4). It can also be developed for future parks and the installation of various recreational assets which includes sports fields, with the option of covering the amenities for year-round programming that would benefit our residents. The office space of over 67,000 square feet may be suitable for 8 Nelson Street relocation. Once the acquisition is completed, further studies will be carried out to detail these plans.

- If the intended use is for parks and various sports fields, funding is available in Reserve #2 for this initiative. If the intended use of this parcel of land changes at a future time, the recommended funding sources will be reevaluated and adjusted as required.

- Parks Forestry and Maintenance could utilize the indoor and outdoor areas for storage. The building would be ideal for all equipment that is currently stored outside in the elements year-round. Parks operations could utilize indoor space for deployment purposes if space permits.

- This property could also serve as the backup Emergency Operations Centre (EOC) as it will have the required City IT infrastructure and is geographically separated from the current EOC at Fire HQ, which is desirable when determining the location of a backup EOC. Moreover, the property housed the former primary EOC prior to COVID.

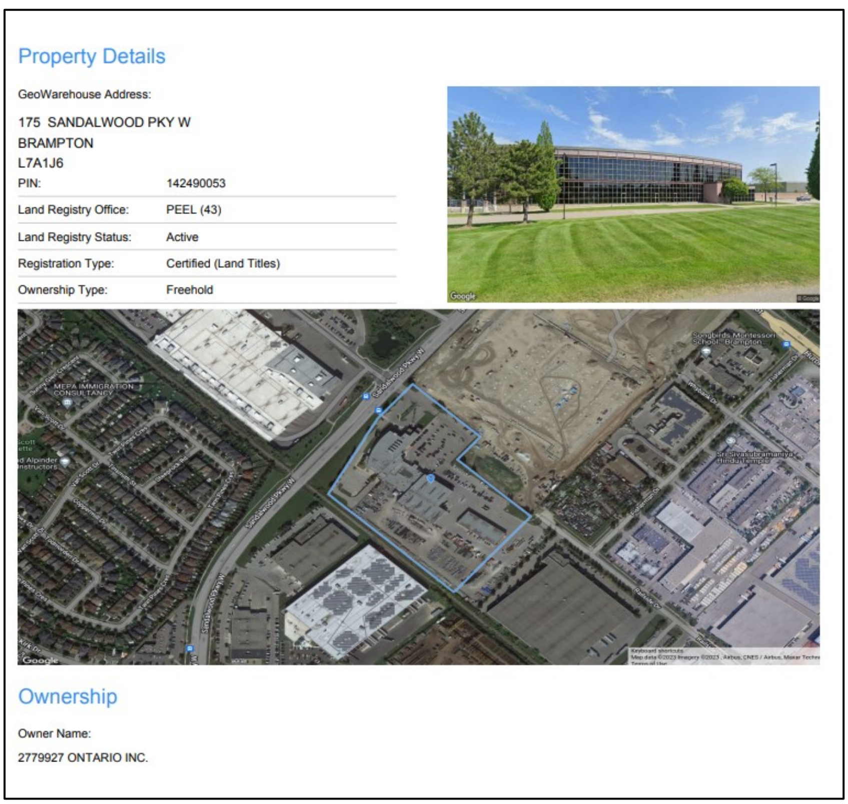
  Given the heightened interest from the City Departments in this property, staff is seeking Council direction to proceed with selecting one of the options noted in this report.

Background:

On May 24, 2023, the City's mandated Broker contacted the Realty Services Division with an off-market opportunity to acquire the property located at 175 Sandalwood Parkway West, Brampton.

The property (see Attachment 1) is located in the Brampton Industrial sub-market, on the south side of Sandalwood Parkway West, just west of Hurontario Street and Highway 410. It adjoins the City-owned Orangeville line and is situated directly across from the City's Sandalwood facility. The immediate surrounding area is dominated by service commercial and industrial uses. The property has two access points, one through Sandalwood Parkway West and another through Railside Drive located to the south of the property.

The property is roughly 15.78 acres, of which 7.84 acres reside two buildings totaling 170,482 square feet (SF). The north building contains 67,554 SF for office use and 84,228 SF for industrial use. From the total industrial use area, 66,428 SF has a 32-feet clear ceiling height and 17,800 SF has a 15-feet clear ceiling height. The south building consists of 18,700 SF with a 20-feet clear ceiling height and is used for truck recharge. The remaining 8 acres are currently used as outside storage land, however only approximately 5.5 acres can be qualified as excess land for future development. The property is within an Employment area and is zoned Industrial (M2 Zoning) as per the City of Brampton's Zoning By-Law 270-2004.



Property Details

GeoWarehouse Address:

175 SANDALWOOD PKY W
BRAMPTON
L7A1J6

PIN:	142490053
Land Registry Office:	PEEL (43)
Land Registry Status:	Active
Registration Type:	Certified (Land Titles)
Ownership Type:	Freehold

Ownership

Owner Name:

2779927 ONTARIO INC.

Property Transaction History

This property was owned by the City of Brampton until 2001. In July of that year, the Ontario Energy Board (OEB) approved the sale of Brampton Hydro to Hydro One and this property was transferred as part of the sale (see Attachment 2).

In 2017, Hydro One Brampton was sold to PowerStream, Enersource and Horizon which later formed Alectra Utilities, and this property was again transferred with the sale (see Attachment 3).

In 2020, rather than listing the subject property on Multiple Listing Service, Alectra Real Estate Holdings Inc. carried out a limited bidding property disposal, leading to the successful acquisition by BVD Group for $32.5 million. The sale included a condition for Alectra Utilities to leaseback the property for two years and six months until November 2023 (see Attachment 5). As per the latest information from Colliers, the property owner has agreed to extend the Lease Term till December 31, 2023.

The current CEO of the BVD Group, Mr. Bikram Dhillon, is Brampton's 2023 Citizen of the Year and has also contributed $10 million to William Osler Health System and William Osler Health System Foundation last year.

Current Situation:

At the September 13, 2023 Council meeting, the report was referred back to staff for further consideration, and to obtain additional information including available appraisals/valuations and possible future uses, and report back to Council, if possible, to the Committee of Council on September 20, 2023. Additional information has been included in this report as well as the attachments.

Property Usage:

Based on internal circulation and further site inspection, staff from various departments showed a lot of interest for the property for a variety of uses, including recreation and sports field, emergency operations, equipment and vehicular storage, and third-party temporary campus space lease to Rogers Communications.

Community Services: the property is suitable for cricket fields, which continues to be in high demand. The rear open space can be developed for future parks and the installation of various recreational assets, including sport fields with the option of covering the amenities for year-round programming that would benefit the residents. Attachment 4 details the layout and costing of such implementation.

The office space in the north building may be suitable for the relocation of 8 Nelson Street. Once the acquisition is completed, further studies will be carried out to detail these plans.

The indoor and outdoor areas may be used for storage. The south building would be ideal for all equipment that are currently stored outside year-round. Parks Operations could utilize indoor space for deployment purposes if space permits.

Fire Services: This property could also serve as the backup Emergency Operations Centre (EOC) as it will have the required City IT infrastructure and is geographically separated from the current EOC at Fire HQ, which is desirable when determining the location of a backup EOC. Moreover, the property housed the former primary EOC prior to COVID.

Legislative Services: The property might be suitable for a red-light camera processing centre/Administrative Penalty (AP) System Processing Centre. The office area in the north building is suitable for meeting the office space needs for setting up the processing centre. By bringing the processing in-house, it will allow the City of Brampton to significantly increase the number of infractions, which will generate millions more in ticket revenue.

Public Works & Engineering: The property can be utilized for small engine and light duty vehicle maintenance shop. The south building can store all the equipment that are currently outside year-round, including large winter equipment as the area includes a power supply to plug in the equipment. The yard can be used to store a minimum supply of lighting and signal poles to ensure that there would be a constant supply that are easily accessible in the event of an emergency.

Office of the CAO (Economic Development): The buildings be considered by Rogers for their temporary campus space needs in Brampton while the Centre for Innovation is being built.

If the property is acquired, then a multidepartment effort will be needed to collocate the various potential uses identified for this property.

<u>Property Appraisal:</u>

CBRE completed an appraisal study for the property owner in May 2023 for the highest and best use, which was identified as Industrial at a value of $85.18 million.

The City of Brampton sourced third-party appraiser to conduct a peer review of the CBRE appraisal study as well as a separate independent appraisal study (see Attachment 6). The City's independent appraiser valued the property in the range of $65 to $70 million, and the 5.5 acre excess land at $2.8 million per acre. City staff further completed an internal high-level valuation (see Attachment 6) and concluded that the purchase price is estimated to be $71 million, with the 5.5 acres of excess land valued in the range of $3.5 to $4.5 million per acre.

The peer review identified three main areas of concern in the property owner's appraisal report that impacted the appraised value:

1. Deficiencies within the Income Approach
2. Deficiencies within Direct Comparison Approach: Sales Analysis and Adjustments
3. Application of Excess Land Valuation

The CBRE appraised report for the property owner lacked contextualization support to justify the estimated value. The narrative presented is insufficient to result in analyses, opinions, and conclusions that are credible in the context of the Intended Use of the Report. The valuation failed to reference the property sale in 2020 of $32.5 million and address how the property value tripled in two years since the last transaction. While land value has greatly appreciated in Brampton, there is insufficient market evidence to support this level of exponential appreciation. The peer review appraiser noted that based on their review of the report, it can be concluded that the opinions presented within the CBRE appraisal report were “inadequate, inappropriate and unreasonable” and the conclusions are, therefore, “unreliable”.

There is a significant discrepancy in the appraised value of the property. Staff identified gaps in the property owner’s appraisal of $85.18 million. The City’s independent appraiser valued the property between $65 and $70 million, and staff internally estimated a purchase price of $71 million. Based on the negotiations to-date, the property owner has submitted an offer of $79 million for the City’s consideration.

The Colliers Broker Opinion of Value in Attachment 7 is shared as discussed in Council, however, it cannot be relied upon to solely conclude the Purchase Price of this property. Their report notes that the Colliers International is not licensed to perform real property appraisals. Accordingly, this Real Estate Broker’s Opinion of Value does not constitute an appraisal of the Subject Property and has not been prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

Given the heightened interest from the City Departments in this property, staff is seeking council direction with proceeding with one of the following options:

1- Reject the offer received from the property owner at a Purchase Price of $79,000,000; or

2- Continue the negotiations and present a revised offer of up to $76,000,000 or an upset amount as determined by Council; or

3- Accept the offer received from the property owner at a purchase price of $79,000,000; or

4- Council directs staff to terminate the negotiations at this point in time.

Staff is seeking council direction on this high-value transaction, and given the property size, previous usage and conditions, concluding a satisfactory building condition analysis, designated substance survey and environmental studies will be significant at the due diligence stage.

The property owner is aiming to complete this sale before December 31, 2023, and has offered a Due Diligence Period of 45 days. The City's standard due diligence period is 120 days. Also, the Completion Date is usually 30 days but they are able to offer 20 days.

Corporate Implications:

Financial Implications:

If Council directs staff to proceed with option ii) under Recommendation 2), a new Capital Project would need to be established for the acquisition of this property in the aggregate amount of $82,000,000, which includes land transfer tax, estimated due diligence costs, staff recoveries, legal fees, other ancillary costs and non-recoverable HST, with funding to be transferred from Reserve #2 - Cash in Lieu of Parkland, subject to Council approval.

This drawdown will result in an annual income loss of $2,845,400. This amount is equivalent to a 0.002% tax impact on the Region's portion of the tax bill and will be included in future operating budget requests, subject to Council approval.

If the intended use is for parks and various sports fields, funding is available in Reserve #2 for this initiative. This drawdown will deplete all available funding and put the reserve in a negative balance.

Reserve #2 – Cash in Lieu Parkland

Balance as at July 31, 2023	$85,588,277
Less: Winterization of Roselea Park(Council Approved)	-$6,813,720
Less: Budget Amendment, subject to Council Approval	-$82,000,000
Ending Balance	**- 3,225,443**

Based on a 5 year average, we collect $5,308,000 annually in Reserve #2 - Cash in Lieu of Parkland. At the current collection rate (since 2018), the reserve will be replenished within one year.

If the intended use of this parcel of land changes at a future time, the recommended funding sources will be reevaluated and adjusted as required.

Other Implications:

Legal Services will review and approve as to form any agreements and documents necessary to complete the acquisition of the subject property.

Strategic Focus Area:

This report supports the Strategic Focus Area of Health & Well-being. By leveraging the excess land on the property for recreation and park amenities, it supports citizens' belonging, health, wellness and safety.

Conclusion:

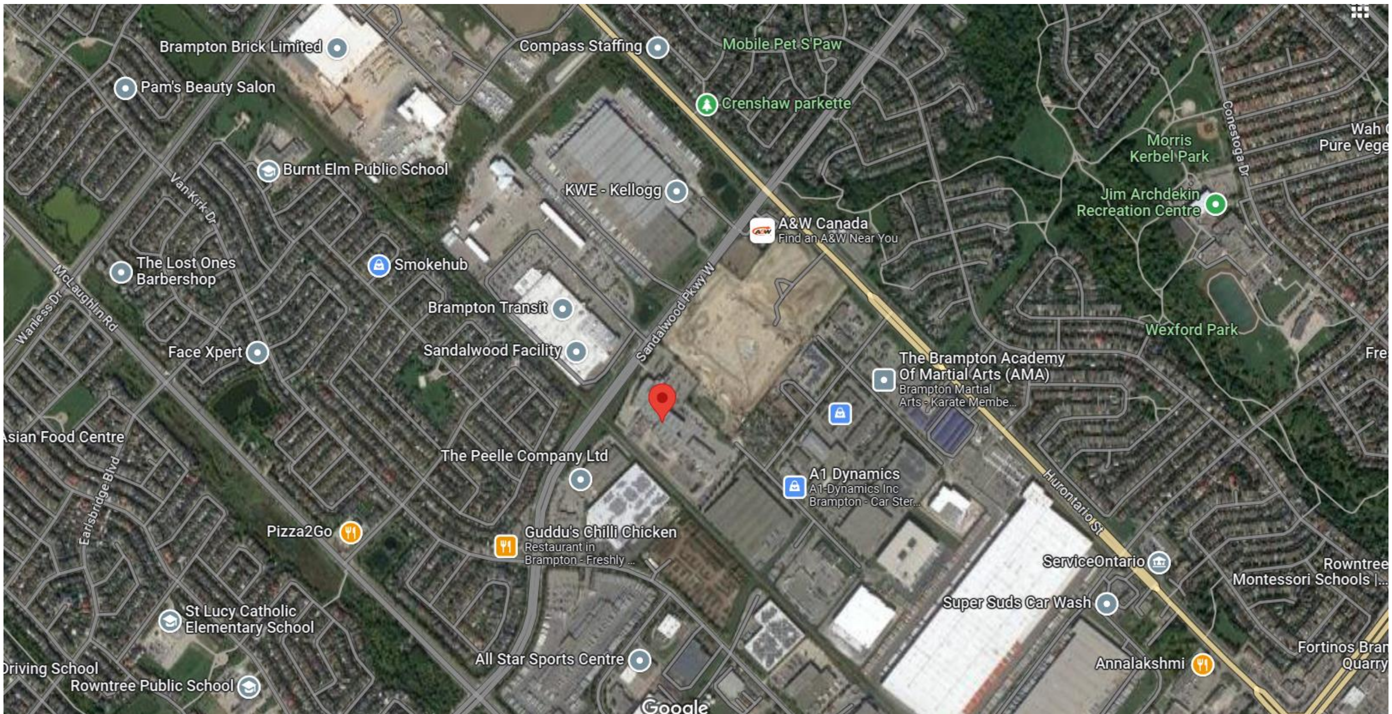
Given the heightened interest from the City Departments in this property, staff is seeking council direction and requests them to select one of the options noted in this report to acquire the property for the development of Cricket, and enhancement of Recreation and Parks usage.

Authored by:	Reviewed by:
Gurmeet Singh, Senior Real Estate Coordinator Realty Services	Rajat Ashish Gulati, Senior Manager, Realty Services
Approved by:	Approved by:
Bill Boyes, Commissioner, Community Services	Marlon Kallideen, Chief Administrative Officer

Attachments:

- Attachment 1 – Location map of 175 Sandalwood Parkway West, Brampton
- Attachment 2 – Ontario Energy Board Approves the Sale of Brampton Hydro *(News from 2001)*
- Attachment 3 – Ontario moves ahead with sale of Hydro One Brampton *(News from March 27, 2016)*
- Attachment 4 – Estimate for developing the cricket field and removal of the rear building
- Attachment 5 – Summary of lease back arrangement
- Attachment 6 – Property Appraisal details
- Attachment 7 – Broker Opinion of Value

Attachment 1 – Location map of 175 Sandalwood Parkway West, Brampton



Attachment 2

Ontario Energy Board Approves the Sale of Brampton Hydro

(News from 2001)

BRAMPTON, ON -- - The Ontario Energy Board (OEB) has approved the sale of Brampton Hydro to Hydro One with the deal taking full effect by the end of September. While a stand-alone operating subsidiary of Hydro One will assume operation of the local hydro utility on Aug. 1, the city will not have full use of the money until after a closing/adjustment period.

The OEB approval was issued on Wednesday, July 11. The agreement with Hydro One includes a 75-day closing/adjustment period before the transaction is finalized. City council will then establish a Hydro Stewardship Strategy as part of its 2002 budget process. The stewardship strategy will determine how the money from the sale will be reinvested to provide a legacy for future generations.

"When council approved this deal we were was steadfastly committed to three key principles," said Brampton Mayor Susan Fennell. The OEB decision stated that the Brampton Hydro sale was in the best interest of the consumer, to protect consumers from spiraling electricity costs, protect the jobs of Brampton Hydro employees and make sure service levels and reliability did not suffer.

The OEB decision stated: "The board finds that, based on the evidence, approval of the acquisition by Hydro One of an interest in Brampton Hydro Networks through the acquisition of securities of Brampton Hydro Corporation is in the public interest."

"Overall, the provincial government initiative to restructure the electrical utility industry in Ontario has set the stage for this important transaction for the benefit of the City of Brampton and the public," said Lorne McCool, Chairman of Brampton Hydro and Brampton City Manager.

Attachment 3

Ontario moves ahead with sale of Hydro One Brampton
By Brampton Guardian
Sunday, March 27, 2016

Ontario is moving forward with the sale of Hydro One Brampton.

Mississauga Mayor Bonnie Crombie joined mayors from Markham, Vaughan, Barrie, Hamilton and St. Catharines March 24 for a signing ceremony to mark a utilities merger that will culminate in the purchase of Hydro One Brampton from the provincial government.

When PowerStream, Enersource and Horizon merge to buy Hydro One Brampton, the amalgamation will create the second largest electricity distributor in Ontario.

It would serve customers in Peel, York, Hamilton, St. Catharines and Simcoe County.

Mississauga, Barrie, Markham, Vaughan, Hamilton and St. Catharines municipal councils have already approved the merger and purchase.

The City of Mississauga is the majority shareholder of Enersource. Markham is the principle shareholder of PowerStream and Hamilton and St. Catharines jointly own Horizon.

Ontario has now executed a Share Purchase Agreement with PowerStream, Enersource, and Horizon.

The purchasers have agreed to pay $607 million for Hydro One Brampton.
MergeCo is the temporary name of the new utility company that will have head offices in Mississauga.

“This new utility company will provide the residents of Mississauga with cost savings, new efficiencies, and improved customer service, along with safer, reliable and clean electricity,” Crombie said in a statement.

Crombie will sit on the Transitional Committee and Board of MergeCo.

The transaction and the creation of the new company are subject to certain closing conditions, including Competition Bureau and Ontario Energy Board (OEB) approval, expected later in 2016.

The new company has forecast a downward pressure on electricity rates of $40 per year for an average customer, according to the provincial government.

Hydro One acquired Hydro One Brampton from the City of Brampton in 2001.

Attachment 4 - Estimate for developing the cricket field and removal of the rear building

As per the Building Design & Construction, rough estimate for demolition of the south building and south portion of the site at 175 Sandalwood Pkwy W, including soft costs, is about $5.5 Million. Please note that the estimate is based on the 'work area' shown in the screenshot given below. Furthermore, any costs related to the construction of the proposed cricket field are not included in this estimate.

Please note that it may take 2-3 years to complete the work based on the environmental impacts identified based on the preliminary review. Also note that the environmental work completed previously at 25 Rutherford Site two years back costed approximately $600,000.

We considered using this figure as a 'stand-in' for the environmental portion of this work, however, given that further environmental investigation will be carried out at the due diligence stage, we included a $1 Million allowance for environmental remediation work in the attached estimate.

Parks Planning team has provided the facility fit concept plan for the cricket field as well as the preliminary cost estimate. Please note that the cost estimate has been calculated at both 50% and 25% contingencies to show a range.

PROJECT: South Building & Site Demolition (for cricket pitch) Sep 15, 2023

RS Means Line #	Description	Qty	Unit	Unit Cost	Extension	Subtotal
Site Demolition						
02 41 13.17, 5050	Demolition of asphalt pavement.	26,667	S.Y.	11.90	$317,333	
02 41 13.17, 6100	Demolition of concrete curbs (cast-in-place).	1,540	L.F.	8.71	$13,413	
02 41 13.30, 4210	Demolition of concrete walkways.	272	S.Y.	18.34	$4,993	
02 41 19.19 3080	Debris handling, asphalt and concrete pavement, machine loading.	6,049	C.Y.	29	$175,429	
02 41 19.19, 5100	Debris hauling, asphalt and concrete pavement, assume 20 mile haul.	6,049	C.Y.	34	$205,676	
02 41 19.20, 0100	Dump charges, asphalt pavement, concrete curbs and walkways (assume 2 tons/C.Y. of asphalt/concrete). ***It is assumed that approximately 50% of the demolished asphalt pavement will be hauled offsite for recycling and is not included here*** .	6,173	Ton	89	$549,366	
					$1,266,211	**$1,266,211**
Building Demolition						
02 41 16.13, 0100	Demolition of building, excluding foundations, including machine loading and 20 mile haul.	400,000	C.F.	0.59	$236,000	
02 41 19.20, 0100	Dump charges, building structure (assume 0.1 tons/ C.Y., standing volume).	1,481	Ton	89	$131,852	
02 41 16.17, 0440	Demolition of concrete slab-on-grade, assume 6" thick w/ reinforcing.	20,000	S.F.	1.45	$29,000	
02 41 16.17, 1140, 1200	Demolition of concrete footings, assume 2' thick & 3' wide w/ reinforcing.	650	L.F.	32.60	$21,193	
02 41 16.17, 2500, 2620	Demolition of concrete foundation walls, assume 12" thick w/ reinforcing and 6 high.	3,900	S.F.	2.50	$9,734	
Allowance	Demolition of concrete piers (assume 1.3 C.Y. each).	15	each	350	$5,250	
02 41 19.19 3080	Debris handling, foundations, machine loading.	679	C.Y.	29	$19,684	
02 41 19.19, 5100	Debris hauling, foundations, assume 20 mile haul.	679	C.Y.	34	$23,078	
02 41 19.20, 0100	Dump charges, concrete slab-on-grade, footings and foundation walls (assume 2 tons/C.Y. of concrete).	1,358	Ton	89	$120,819	
					$596,610	**$596,610**
Environmental						
Allowance	An allowance for soil remediation.	1	L.S	1,000,000	$1,000,000	
Allowance	An allowance for abatement of designated substances.	1	L.S	50,000	$50,000	
					$1,050,000	**$1,050,000**
Div 31 Earthwork						
31 22 13.20, 0280	Rough grading.	260,000	S.F.	0.08	$20,184	
31 22 16.10, 1020	Fine grading.	28,889	S.Y.	1.59	$45,933	
31 23 16.13 0050	Excavation for storm collectors	1,067	C.Y.	12.80	$13,653	
31 23 23.16 0100	Backfill for storm collectors	533	L.C.Y.	65.28	$34,816	
31 23 23.15, 0020	Fill, bank run gravel, material cost only (assume 1.5 ton/C.Y.).	7,222	Ton	17.62	$127,256	
31 23 23.20 9068	Hauling of fill: 35 MPH , cycle 20 miles.	4,815	L.C.Y.	10.56	$50,844	
31 23 23.17, 0020	Spread dumped fill, no compaction.	4,815	L.C.Y.	2.84	$13,674	
31 23 23.23, 5680	Compaction of fill, sheepsfoot, 12" lifts, 2 passes.	4,815	E.C.Y.	0.46	$2,215	
					$308,575	**$308,575**
	Subtotal					**$3,221,396**
	Inflation	10.3%				$331,804
	City Index	10%				$322,140
						$3,875,339
	General requirements	10%				$387,533.93
						$4,262,873
	Hard Construction Cost					**$4,262,873**
	Contingency	10%				$426,287
	Pre-design Condition Contingency	5%				$213,144
	Consulting Fees	4.0%				$170,515
	Project Management Fee	4.6%				$195,257
	Permits	1.5%				$63,943
	Inspection and Testing	2.0%				$85,257
	Miscellaneous Soft Costs	1.0%				$42,629
						$5,459,906
	GRAND TOTAL **(rounded to nearest thousand)**					**$5,460,000** plus HST

Notes:

1 It is assumed that six inches of imported fill will required across the southern half of the entire site.
2 It is assumed that 50% of the removed/demolished asphalt pavement will be recycled.
3
4
Additional notes and assumptions to follow.

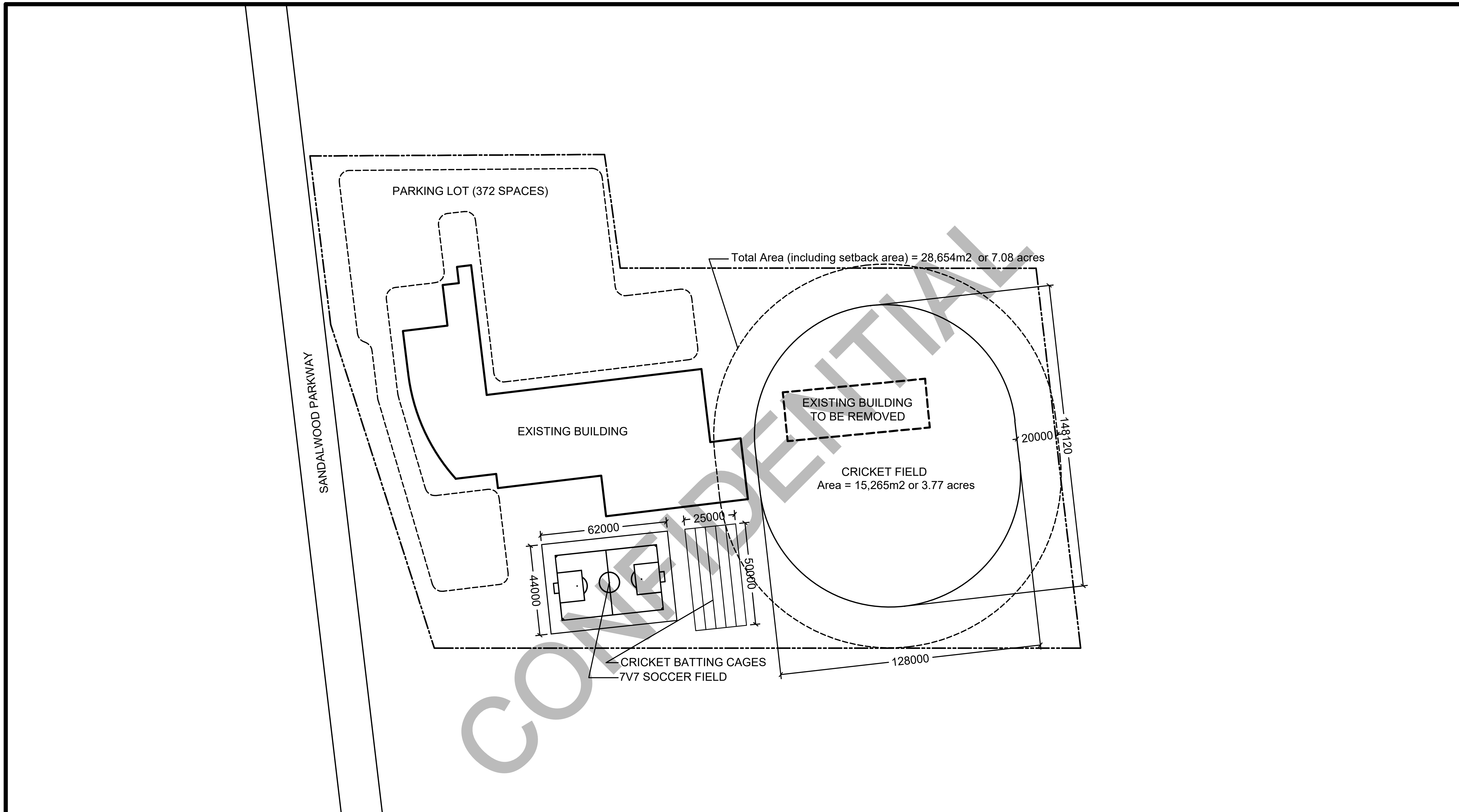
Cricket Field Cost Estimate

COST ESTIMATE

Project: 175 Sandalwood Parkway Cricket Site

Estimate Class: Class D

Item	**Unit Rate**	**Unit**	**Quantity**	**Total (50% Contingency)**	**Total (25% Contingency)**
Cricket Field	$ 2,600,000.00	L.S.	1	$ 2,600,000.00	$ 2,600,000.00
Cricket Batting Cages	$ 500,000.00	L.S.	1	$ 500,000.00	$ 500,000.00
Junior 7v7 Soccer Field	$ 500,000.00	L.S.	1	$ 500,000.00	$ 500,000.00
Electrical Servicing	$ 250,000.00	L.S.	1	$ 250,000.00	$ 250,000.00
Water Servicing	$ 400,000.00	L.S.	1	$ 400,000.00	$ 400,000.00
Site Grading	$ 400,000.00	L.S.	1	$ 400,000.00	$ 400,000.00
Site Planting / Softscape	$ 600,000.00	L.S.	1	$ 600,000.00	$ 600,000.00
				$ 5,250,000.00	**$ 5,250,000.00**
Contingency (50%)				$ 2,625,000.00	
Contingency (25%)					$ 1,312,500.00
Consulting (10%)				$ 525,000.00	$ 525,000.00
TOTAL				$ 8,400,000.00	$ 7,087,500.00
HST (1.76%)				$ 147,840.00	$ 124,740.00
GRAND TOTAL				**$ 8,547,840.00**	**$ 7,212,240.00**



Project Name	Plot Date	No.	Revision Title	Date	North
175 SANDALWOOD PARKWAY CRICKET FACILITY FIT	2023-09-15	1.	ISSUED FOR REVIEW	2023-09-14	
Project Location	Drawn By	2.	ISSUED FOR REVIEW	2023-09-15	
N/A	MW	3.			
Drawing Name	Approved By	4.			Scale
FACILITY FIT	MW	5.			1:2000
PARKS CAPITAL & COMMUNITY DEVELOPMENT COMMUNITY SERVICES DEPARTMENT . .		6. 7. 8. 9.			Drawing Number L-1

Attachment 5 - Summary of Lease back arrangement

Alectra Real Estate Holdings Inc. ("ARHI") sold the property municipally known as 175 Sandalwood Parkway West Brampton ON ("Leased Premises") to 2779927 Ontario Inc. (the "Landlord") on November 16, 2020 and the effective same day a lease agreement was signed between the Landlord and Alectra Utilities Corporation (the "Tenant") for a term of two years and six months together with, if applicable, any extension or renewal pursuant to the provision of the lease.

The Leased Premises is a combination of 2 PINs; 14249-0053 (LT) and 14249-0055 (LT).

The Base Rent for the Leased Premises was $1,732,500.00 per annum and Leased Premises was provided on an "as is where is" basis without any representation or warranty. The rent was to paid monthly. This was net rent to be paid to the Landlord and the Tenant was responsible to pay all costs and expenses directly in connection with operation, maintenance and repair of the Leased Premises. In addition the Tenant was to pay Landlord's insurance with respect to the Leased Premises, all realty taxes actually levied, utility costs, plus any other costs incurred on the Leased Premises by the Landlord.

The Tenant was to carry a public liability insurance for the Leased Premises for an amount not less than $5 Million per occurrence and a general aggregate amount of $5 Million. The insurance was to include all necessary risk clauses. The Landlord was to carry the same amount of insurance as well as environmental insurance.

The Tenant was to carry all necessary maintenance, repair or replacement related to the Leased Premises, Equipment or leasehold improvements and was responsible for all costs. There was no obligation to remove any leasehold improvements, or any obligation to return the Leased Premises base building condition or other "make-good" obligation. The Tenant was allowed to remove any alteration, without limitation, its furniture, equipment, trade fixtures, leasehold improvements, furniture, inventory, personal property and all other items stored in the Leased Premises. Tenant is to discharge all liens within 30 days of notice given by the Landlord. The Tenant was to remove the solar panels and trade fixtures, equipment and chattels from the roof of the building, in a lawful and good workmanlike manner.

The Landlord and its agents have the right to show the Leased Premises during the last six month of the Term for potential dispositions.

Hold over base rent is 200%.

a. Estimate of current market value based on the Appraisal commissioned by the City of Brampton.

September 15th, 2023

City of Brampton
Realty Services
2 Wellington Street West
Brampton On
L6Y 4R2

Attention: Mr. Gurmeet Singh

RE: ESTIMATE OF CURRENT MARKET VALUE FOR 175 SANDALWOOD PARKWAY WEST, IN THE CITY OF BRAMPTON

Further to your request, we provide this estimate of market value to the above-referenced property (The "Subject Property" or "Subject Site") for acquisition / internal purposes.

The effective date of this appraisal is August 31st, 2023.

The Subject Site is a slightly irregularly shaped, with approximately ±15.78-acrel with ±780 feet of frontage along Sandalwood Parkway West and ±150 feet of frontage at the rear of the site along Railside Drive. MPR has estimated approximately ±5.50-acres of excess land to the rear of the site The subject site has two points of ingress/egress; one being from Sandalwood Parkway West at the northeast property limit and the other from Railside Drive at the southeast property limit.

The vicinity of the Subject is generally employment uses and is comprised of industrial-related facilities, with low-density residential uses located to the northwest.

The Subject Property is improved with a ±149,500 SF building comprising industrial (±60%) and office uses (±40%), with clear heights ranging from 15 to 32 feet. The south portion of the Subject Property contains ±5.50-acres (MPR estimate) of excess / surplus land, which is improved with a partially enclosed truck recharge building of ±18,700 SF.

As a result of our investigation, it is our professional opinion that the highest and best use for the Subject Property is for an industrial use with an excess 5.5. acres of land that is suitable for future severance.

Value estimate—

Considering the subject's rear location for the excess 5.5 acres has limited street frontage, we are of the opinion that the value of the rear 5.5 acres is at a unit rate of $2,800,000 per acre. This translates to a value of **$15,400,000.**

In summary, we estimate the portion of the subject site without the surplus land to be at $350 per square foot of building area. The subject with 149,500 SF of building area calculates to a value estimate of **$52,325,000**. Adding the value of the 5.5-acre surplus land at **$15,400,000** indicated a total market value estimate of **$67,725,000**. Therefore, it is our opinion that the current estimated market value range for the subject is between **$65,000,000 to $70,000,000.**

The market value estimate is based on the extraordinary assumptions and limiting conditions referenced within this report.

We trust this report meets your approval.

Yours truly,
MPR ADVISORS INC

Jay Wong, AACI, P.App., PLE, SR/WA, R/W-AC
Real Estate Appraiser
SENIOR DIRECTOR
Member Number 700257

Mark Penney, MA, MCIP, RPP, AACI, P.App., PLE
Real Estate Appraiser & Land Use Planner
PRINCIPAL
Member Number 902100

VALUATION MEMORANDUM PERTAINING TO THE CURRENT MARKET VALUE OF THE FEE SIMPLE INTEREST FOR THE PROPERTY KNOWN MUNICIPALY AS 175 SANDALWOOD PARKWAY WEST, IN THE CITY OF BRAMPTON

SUBJECT PROPERTY

The Subject Property of this appraisal report known municipally as 175 Sandalwood Parkway West, in the City of Brampton, was legally described as:

PIN: 14249-0053	PT LT 13 CON 1 WHS CHINGUACOUSY PT 1, 43R16689 ; BRAMPTON TOGETHER WITH AN EASEMENT OVER PT LT 7, CONC 8 N.D.(TOR.GORE) DES PT 24, 43R32980 AS IN PR1724103 CITY OF BRAMPTON
PIN: 14249-0055	PCL 5-2, SEC 43M766; PT LT 5, PL 43M766; PTS 1 TO 3, 43R18018; S/T A RIGHT AS IN LT766081 ; S/T LT764729, LT786235 BRAMPTON

PURPOSE OF THE APPRAISAL

This appraisal is a current market valuation, the purpose of which is to opine market value for a fee simple interest for acquisition / internal purposes. The appraiser does not intend use of this report for any other purpose, including mortgage (re)financing, and any liability in this respect is strictly denied.

EFFECTIVE DATE OF APPRAISAL

The effective date of appraisal is August 31st, 2023.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of fee simple interest in the real estate comprising the Subject Property. The *"fee simple"* right in land is the greatest interest one can own in land. It comes closest to the idea of complete ownership in law.

ASSUMPTIONS AND LIMITING CONDITIONS

The value opined in this report is subject to the following extraordinary assumptions and limiting conditions:

- We have not undertaken a detailed soil analysis, and as we are not qualified to comment on soil conditions, we assume that the Subject Property is clean and uncontaminated. We are unaware of any alleged environmental contamination on the surface or sub-surface of the site. The sub-soil is assumed to be similar to other lands in the respective areas and suitable in drainage qualities and load bearing capabilities to support the existing development.

- To our knowledge, there are no known covenants, conditions and restrictions impacting the site, which are considered to affect the marketability of highest and best use.

Extraordinary Assumptions and Limiting Conditions –

- We have calculated the building area based on the client-provided material and are assumed to be correct.

- We reserve the right to revise our estimate of value to account for any impact(s) related to the change in physical makeup of the building and land area

DEFINITION OF MARKET VALUE

Market value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.

The Appraisal Institute of Canada defines market value as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are 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 or well advised, and acting in what they consider their best interests*
3. *a reasonable time is allowed for exposure in the open market*
4. *payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and*

5. *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

HISTORY OF SUBJECT

Based on our investigations, the Subject Property was last transferred on November 16th, 2020 for the consideration of $32,500,00 to the current owner; 2779927 Ontario Inc.

SITE DESCRIPTION

The Subject Site is a slightly irregular shaped parcel with ±780 feet of frontage along the south side of Sandalwood Parkway West and ±150 feet of frontage along the west side of Railside Drive. According to Geowarehouse, the Subject Property has a total site area of ±15.78 acres. The Subject is positioned on the south side of Sandalwood Parkway West, just west of Hurontario Street, in the City of Brampton. Sandalwood Parkway West, at this location, was four-lane east-west major arterial roadway with streetlamps, and underground wiring on the south side. Railside Drive was a two-lane north-south local road with overhead wires and streetlamps. There are two points of access on the Subject Site; one being from the south side of Sandalwood Parkway West at the northeast property limit which contained a signalized intersection, and the other from the west side of Railside Drive at the southeast property limit. Both points provide access to the asphalt paved area surrounding the building improvements. At the southern portion of the site, MPR has estimated ±5.50 acres of excess land that is accessible either from the surface parking area to the north or the ingress from Railside Drive.

The registered owner is 2779927 Ontario Inc. The Subject Property's assessment roll number is 211006000108550, and has an assessed value of $15,143,000 (as of January 1st, 2016).

The site receives full municipal services including water, sewers, natural gas, hydro and telephone. In addition, the municipality provides road maintenance, garbage collection, along with police and fire protection. We assume there are no easements, right-of-ways, restrictive covenants, or other encumbrances that would in any way significantly affect the marketability and/or market value of the subject real estate. The appraisal has been made on this basis. A legal opinion would be required for certainty.

Aerials of the Subject Property are provdied by Exhibit 1 and 2 following.

EXHIBIT 1
Aerial Photograph of the Subject Property

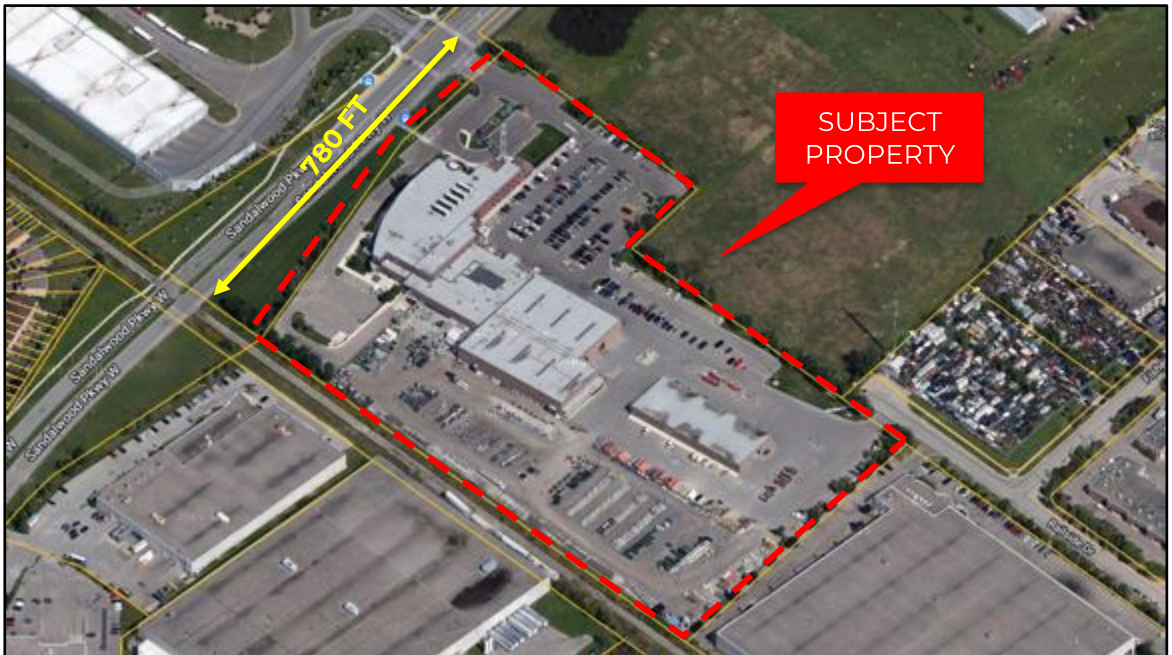


EXHIBIT 2
Aerial Photograph w/ Approximate Excess Land Measurement *(MPR Estimate)*

BU

The Subject Property is improved with a freestanding industrial building containing ±149,500 SF of gross floor area (GFA), constructed circa 1991. The north portion (Section

A) of the building contains two-storeys which includes an atrium, and predominately comprises office uses (i.e., ±40% of the total building gross floor area). The central portion (Section B) of the building comprises single-storey industrial uses. Section B also includes multiple mezzanines and a basement, which is accessible via stairs and an elevator. The south portion (Section C) comprises single-storey industrial uses with multiple mezzanines. Clear heights throughout the building range from 15 to 32 feet. The Subject Property features 4 drive-in, and 5 truck-level loading/shipping docks.

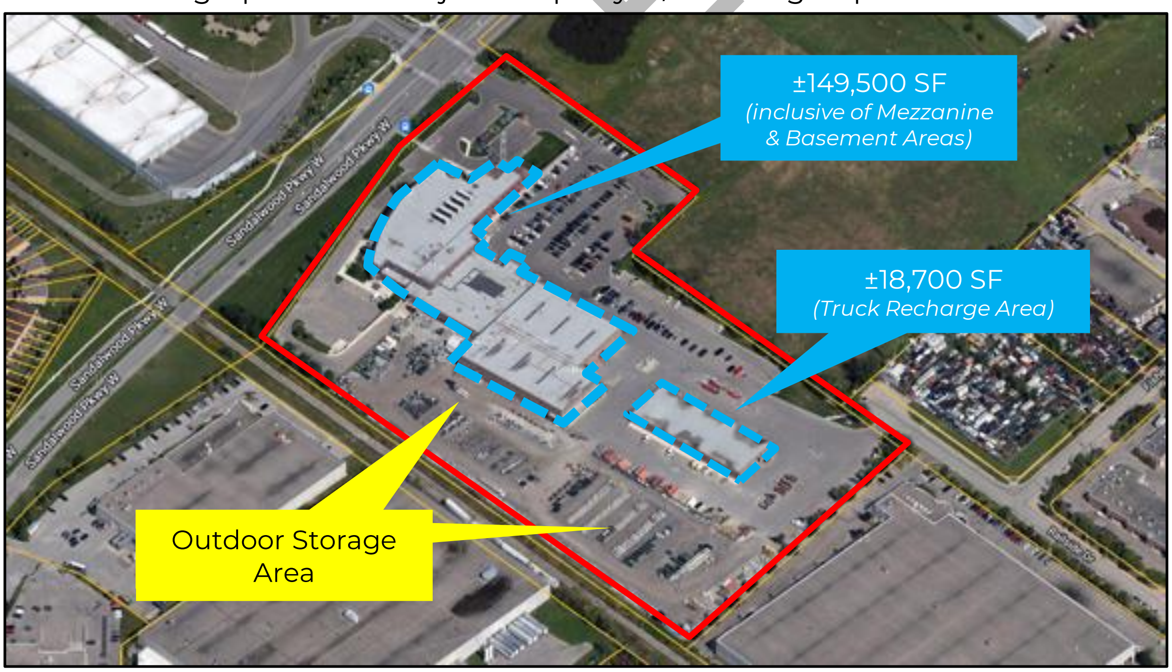
At the south portion of the site, the Subject is improved with a Truck Recharge Area (partially enclosed), containing ±18,700 SF of GFA and a clear height of 20 feet.

As at the effective date, the improvement condition ranking is considered as 'Average'.

Provided following is an aerial view of the Subject Property with the building improvements outlined, followed by various site and improvement photographs taken at the date of inspection.

EXHIBIT3

Aerial Photograph of the Subject Property w/ Building Improvements outlined



PHOTOGRAPH 1

View of Exterior, Front Office Portion

PHOTOGRAPH 2

View of Exterior, Rear Industrial Warehouse Portion

PHOTOGRAPH 3

View of Interior, Office Areas

PHOTOGRAPH 4

View of Interior,Industrial Areas

PHOTOGRAPH 5

View of Interior,Industrial Areas

PHOTOGRAPH 6

South Portion of the Cite, View of Truck Recharge Area / Excess Land

OFFICIAL PLAN

According to the Brampton Official Plan, the Subject Property is situated within an Employment Area, and designated as "**Industrial**' by Schedule A – General Land Use Designations, where policies provide for the development of light to heavy industrial uses such as manufacturing, processing, repair and service, warehouse and distribution. Land use designations are further guided by Secondary Plans.

The Subject Property is further guided by the Snelgrove-Heartlake Secondary Plan, where it is designated "**General Employment 2**" by Schedule 1. This designation permits a broad range of industrial uses including but not limited to warehousing and storage goods, manufacturing, processing, repairing and servicing operations, outdoor storage areas (only as accessory to an industrial use), distribution centres, and public uses and works, to name a few.

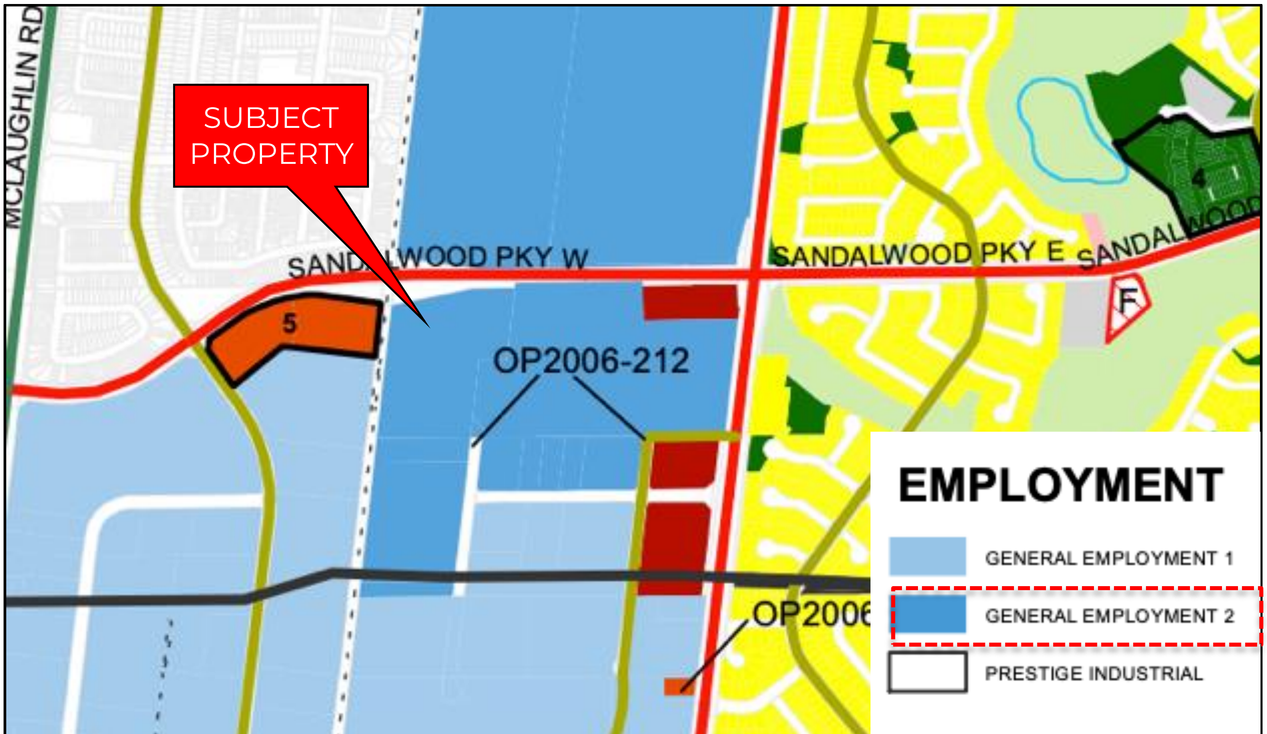
An Official Plan and Secondary Plan land use map excerpt illustrating the location of the Subject Property is provided following.

EXHIBIT 4

Brampton Official Plan Excerpt from Schedule "A" – Land Use

EXHIBIT 5

Excerpt of Snelgrove-Heartlake Secondary Plan Area 1 – Schedule 1



ZONING

The Subject Property is subject to City of Brampton Zoning By-law 270-2004. As illustrated in Exhibit 6 on the following page, below, the Subject Property was zoned "**M2-680**" (Industrial Two, Special Section 680). This zoning code permitted a range of industrial uses, select non-industrial uses, and uses accessory to, some of which are further illustrated below:

Type	Permitted Uses
Industrial:	The manufacturing, cleaning, packaging, processing repairing, or assembly of goods, foods or materials within an enclosed building; a printing establishment; a warehouse; a parking lot.
Non-Industrial:	a furniture and appliance store; a recreational facility; an animal hospital
Accessory:	An associated educational use; an associated office use

EXHIBIT 8

Zoning By-Law Map Excerpt (Subject Property Outlined in Red)

DESCRIPTION OF THE SUBJECT NEIGHBOURHOOD

The Subject Property is predominately bounded by employment related uses in the form of industrial and service commercial. Low-density residential uses are also in proximity. A brief overview of the surrounding area is provided below:

North:	Sandalwood Parkway West; Multiple large industrial facilities; Low-density residential neighbourhood (northwest)
East:	Employment industrial land (i.e., future Bram10 development); Hurontario Street.
South:	Employment industrial uses predominately in the form of large facilities.
West	Employment industrial uses; Van Kirk Drive.

Exhibit 9 following illustrates the Subject Property and its surrounding uses.

EXHIBIT 9
Aerial Photo of the Subject Property and Surrounding Uses

NON-RESIDENTIAL MARKET STATISTICS

The Subject Property comprises an industrial building with an office component. The most relevant statistics for determining the appropriate adjustment for market inflation from the date of sale to the date of valuation are non-residential market statistics, particularly those related to the industrial market.

Provided below is a summary of rental rate, capitalization rates and per square foot values from direct capitalization for the GTA West industrial market for 2019, 2020, 2021 and 2022 (Q1 to Q3 for capitalization rates) as sourced from Colliers.

TABLE 1
Industrial Market: Rental Rates and Capitalization Rates for Class A, 2019 – 2022
Greater Toronto Area West

Quarter	Net Rent PSF *	Avg. Net Rent PSF per Annum	Annual % +/-	Cap Rates **	Annual % +/-	Price PSF from Direct Cap	Annual % +/-
Q1-2019	$7.88						
Q2-2019	$8.78	$8.68	-	5.00%	-	$174	-
Q3-2019	$8.86						
Q4-2019	$9.20						
Q1-2020	$9.93						
Q2-2020	$9.70	$10.01	15.3%	4.56%	-8.8%	$219	26.3%
Q3-2020	$10.08						
Q4-2020	$10.32						
Q1-2021	$10.52						
Q2-2021	$11.28	$12.02	20.1%	4.19%	-8.2%	$287	30.8%
Q3-2021	$12.62						
Q4-2021	$13.64						
Q1-2022	$13.97						
Q2-2022	$15.22	$15.34	27.7%	4.21%	0.5%	$365	27.1%
Q3-2022	$16.84						
Q4-2022	$17.29						
Year-over-Year Annual Avg % +/-			**21.0%**		**-5.5%**		**28.1%**
Compounded Annual Avg % +/-			**25.6%**		**-5.3%**		**36.7%**

** Colliers Industrial Statistics (weighted average asking rent)*
*** Colliers Cap Rate Reports*

According to the data included in Table 1, the industrial market has escalated at a year over year rate of 21% and compounded annual rate of 25.6% from 2019 to 2022. Provided on the following page in Table 10 is the value of building permits in the Toronto industrial market over the 2020 to 2022 period. There has been an upward trend in the value of industrial construction over this period, which has an impact on the average asking rents for new construction referenced by brokers since the weighted average asking rent includes new buildings with higher clear heights (40 feet).

TABLE 2
Industrial Market: Value of Industrial Building Permits in Toronto

Year	Value of Building Permits ($'000)	Annual % +/-
2020	340,518	-
2021	568,797	67.0%
2022	1,466,467	157.8%
Yr.-over-Yr. Average		112.4%
Compounded Annual Avg.		165.3%

Source: Statistics Canada

Our analysis applies a slightly lower percentage increase to <u>5% per annum</u> to account for the weighted average asking net rent being skewed higher by new construction of predominantly 40-foot clear height warehouse/distribution buildings at high rents.

The highest and best use of the Subject Property is for Industrial development and based on the preceding, a time adjustment factor of 5% per annum is appropriate for time adjusting the comparable sales to the effective date of appraisal.

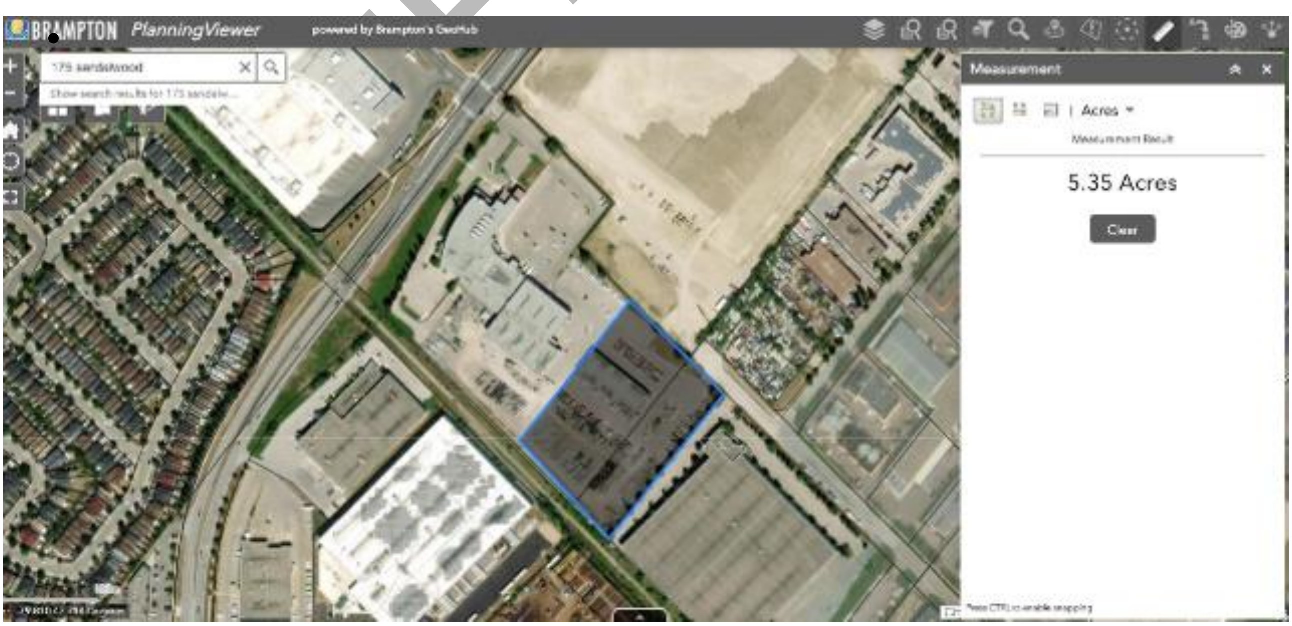
HIGHEST AND BEST USE

The Principle of Highest and Best Use is fundamental to the concept of value, and may be defined as:

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported and financially feasible and that results in the highest value."

In estimating the Subject Property's highest and best use, as if vacant, we have considered the typical highest and best use criteria (i.e. physically feasible, legally permissible, maximally productive and financially feasible). However, we deem the following factors to be the <u>most relevant</u>:

The subject property as built has a floor-to-space ratio of 22%. This is considerably lower than the typical floor space ratio in the marketplace which we have found to be between 45 to 50%. Hence the subject is considered to have surplus land. However, the method to calculate the difference to determine excess land would have resulted in approximately 8 acres of surplus land. The physical location of the existing improvement would not have yielded as much acreage as it would not have resulted in an efficient severance of this surplus land. It is our opinion that the ideal severance scheme would be a severance of a regular shape parcel which we have identified below. Our estimate of the regular shaped area is estimated to be about 5.5 acres.



HIGHEST AND BEST USE CONCLUSION –

Having considered the above, It is our opinion that the highest and best use for the front 10.28 acres is its existing improved industrial use. While the highest and best of the rear 5.5 acre is FOR a future vacant industrial use.

VALUATION ANALYSIS

The following analysis estimates the current market value of the Subject Property, as of the effective valuation date, based on the application of the Direct Comparison Approach (DCA).

As previously discussed, we estimate the high and best use of the Subject Property for the continuation of existing industrial uses in accordance with the in-place zoning by-law. Further, provided the excess land of ±5.50-acres at the Subject … Therefore, we examined the market for comparable to provide for an indication of the front 10.28 acres that is improved as well as the rear excess 5.5. acres of land. —

1. Improved Industrial Property Sales Analysis

Provided following is a comparable sales summary, map, and adjustment chart for selected improved industrial properties, followed by a brief discussion of the comparable sales.

EXHIBIT 10

Summary of Improved Industrial Property Comparable Sales

No.	Location	Date of Sale Registration	Sale Price	Comments	Zoning	Clear Ceiling Height	# of Bay Doors	Land Area (acres)	Total Floor Area (SF)	finished office Area (SF)	% of Finished Office Area	Building to Land Ratio	Time Adj. Sale Price
SUBJECT PROPERTY													
	175 Sandalwood Parkway West, Brampton	**16-Nov-20**	**$32,500,000**	**Two Storey office and maintanennece and storage with outside storage**	**M2-680**	**26**	**6**	**15.78**	**149,500**	**60,000**	**40%**	**34%** Exclude 5.5 acre	
1	175 Sandalwood Parkway West, Brampton	16-Nov-20	$32,500,000 *(cash)*	This index is the sale of subject in Nov 2020. The subject is improved with a total area of 149,500 which includes 13,000 sf of finshed basment area and 10,500 sf of mezzanine area (15.7% of total area). The front portion is a two storey office component with approx 60,000 sf of area. There is an additional 19,500 sf of covered parking area located to the south of the improvements. The remainder of the site is paved and is utilize for parking and/or outside storage.	M2-680	26	6	15.78	149,500 *(23,500 sf or 15.7% is finished baseme nt & Mezz)*	60,000	40.13%	22%	$348 Time adj at 20% per annum
2	111 Van Dirk Drive, Brampton	23-Jun-22	$52,000,000 *(cash)*	This property is improved single storey industrial manufacturing and warehouse (circa 2000). This tranaction was part of a two property transaction (153 van Kirk) with the same vendor and buyer for both properties. It was also a vendor lease back tranasction with the vendor still occupying the premises.	M4A-157	28	19	6.17	141,320	2,000	1.42%	53%	$390
3	153 Van Kirk Drive, Brampton	29-Jul-22	$92,000,000 *(cash)*	This property is improved single storey industrial manufacturing and warehouse (circa 1996). This tranaction was part of a two property tranasction (153 van Kirk) with the same vendor and buyer for both properties. It was also a vendor lease back tranasction with the vendor still occupying the premises	M4A-157	30	18	9.77	248,000	15,000	6.05%	58%	$391
4	120 Van Kirk Drive, Brampton	1-Jun-22	$21,000,000 *(cash)*	The property is improved with an one storey, multi tenant industrial building. (Circa 2000). The building contains a total gross floor area of 69,334 square feet, including approximately 9,077 square feet of office space on two floors and 4,295 square feet of mezzanine space. At the time of sale the building was fully occupied by Total Body Care Inc. and Wilson Tool Canada. The rooftop contains a solar panel lease. The average lease terms for the two units are 2 years and 3 years respectively, with a weighted average lease term of 2.91 years. According to the listing info, the net operating income at the time of the sale was $589,925. This translate to a net rent of approx $8.50 p.s.f.	M4A-157	22	6	3.59	69,334	9077 SF	19.29%	44%	$322
5	35 Precidio Court, Brampton	29-Aug-22	$42,500,000 *(cash)*	The property is improved with a single storey, single tenant industrial building. The building contain a total gross floor area of 122,442 square feet, including approximately 12,244 square feet of office space. This building was vacant at the time of this tranaction. It is currently available for rent or for sale at $17.95/ sf or $44,900,000.	M3A	22	6	5.51	122,442	12,244	10.00%	51%	$365
6	50 Precidio Court, & 100 Corporate Dr., Brampton	28-Apr-23	$44,257,531 *(cash)*	The property is improved with two single storey, multi tenant, industrial buildings. The buildings contain a total gross floor area of 139,120 square feet. (50 Precido Crt- 79,310 sf, 100 Corporation Dr. 59,810 sf) at the time of the sale this property was fully occupied with the existing tenants.	M3A	22	8+6	7.02	139,120	16,747	12.04%	45%	$324
7	190 Summerlea Rd, Brampton	19-Dec-22	$94,000,000 *(cash)*	The property is improved with a single storey, single tenant industrial building. The building contain a total gross floor area of 305,000 square feet.	M3A	16	16	24.80	305,000	22,705	7.44%	28%	$319
					LOW	**16**	**6**	**3.59**	**69,334**	**2,000**	**1.42%**	**22%**	**$319**
	Time Adj. Per Annum = 5%				**HIGH**	**30**	**19**	**24.80**	**305,000**	**60,000**	**40.13%**	**58%**	**$391**
	Eff. Date = Aug 31, 2023				**AVG**	**24**	**12**	**10.38**	**167,817**	**21,449**	**13.77%**	**43%**	**$351**

EXHIBIT 11

Map of Improved Industrial Property Comparable Sal

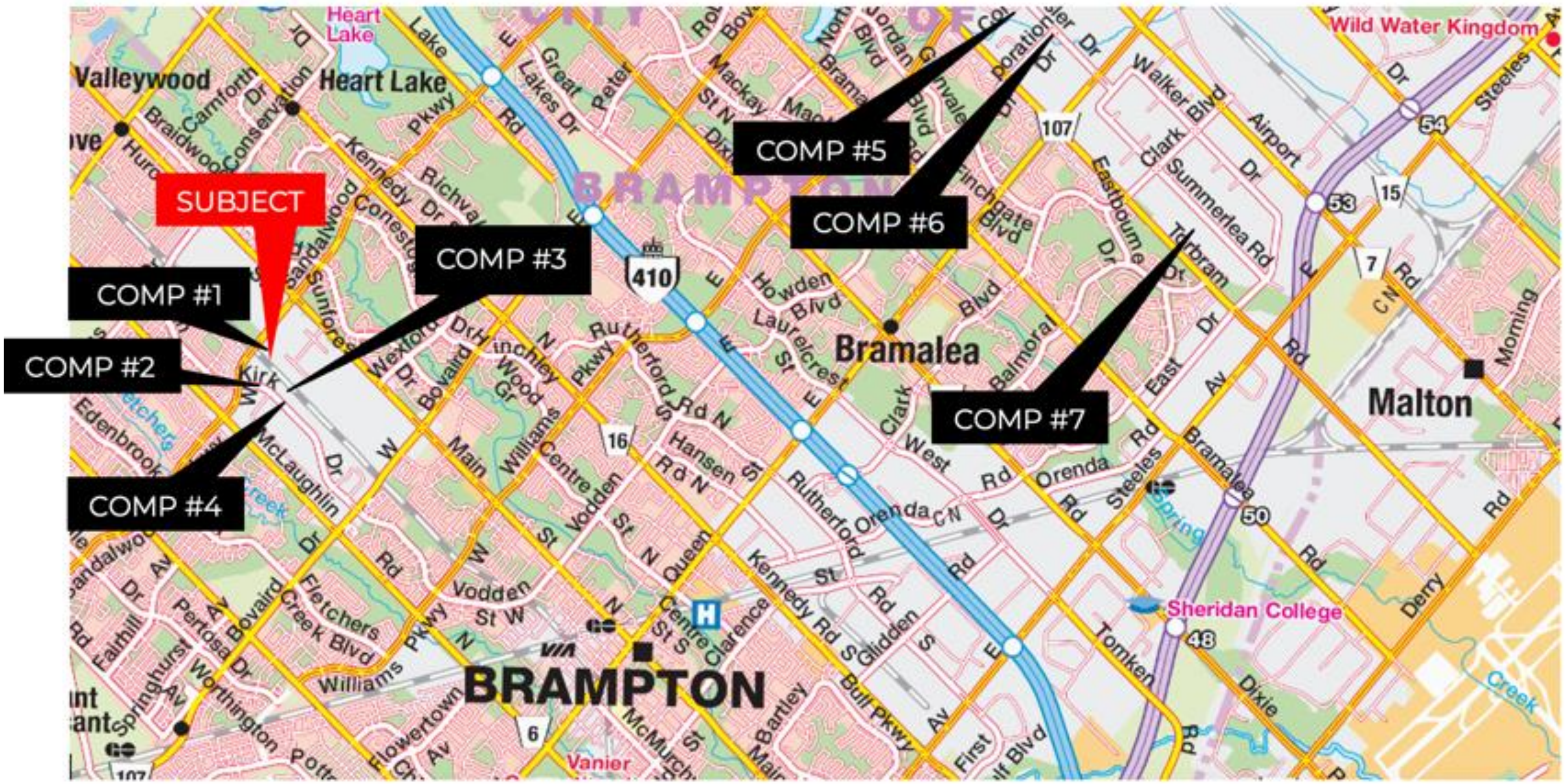


EXHIBIT 12

Summary of Adjustments for Improved Industrial Property Comparable Sales

ITEM	COMP. 1 (SUBJ)	COMP. 2	COMP. 3	COMP. 4	COMP. 5	COMP. 6	COMP. 7	
Address	175 Sandalwood Parkway West, Brampton	111 Van Dirk Drive, Brampton	153 Van Kirk Drive, Brampton	120 Van Kirk Drive, Brampton	35 Precidio Court, Brampton	50 Precidio Court, & 100 Corporate Dr., Brampton	190 Summerlea Rd, Brampton	
Date of Sale	2020-11-16	2022-06-23	2022-07-29	2022-06-01	2022-08-29	2023-04-28	2022-12-19	
								Avg
Time Adj. Price PSF of GFA	**$348**	**$390**	**$391**	**$322**	**$365**	**$324**	**$319**	**$351**
Size of Improvements SF	149,500	141,320	248,000	69,334	122,442	139,120	305,000	
Building to Land Ratio	0.50	0.53	0.58	0.44	0.51	0.45	0.28	
	assume no contributory surplus land							
QUALIFICATION								
1 Size / Quantum of GFA	Similar	Smaller	Larger	Smaller	Similar	Similar	Larger	
2 Location	Similar	Similar	Similar	Similar	Similar	Similar	Similar	
3 VTB Financing	No	No	No	No	No	No	No	
4 Building to Land Ratio	Similar	Higher	Higher	Higher	Higher	Higher	Similar	
5 Others 1	-	Vendor Leaseback	Vendor Leaseback	Below Market Rent tenants		Below Market Rent tenants	Below Market Rent tenants	
5 Others 2	-	Inf Mezz & Bsmt	Inf Mezz & Bsmt	Inf Mezz & Bsmt	Inf Mezz & Bsmt	Inf Mezz & Bsmt	Inf Mezz & Bsmt	
QUANTIFICATION (ADJUSTMENTS)								
1 Size / Quantum of GFA	-	-	-	-	-	-	5.0%	
2 Location	-	-	-	-	-	-	-	
3 VTB Financing	-	-	-	-	-	-	-	
4 Building to Land Ratio	-	-	-	5.0%	-	5.0%	10.0%	
5 Others 1	-	-5.0%	-5.0%	5.0%	-	5.0%	5.0%	
6 Others 2- Mezz & Bsmt area	-	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	-5.0%	
Net Adjustments	**0.0%**	**-10.0%**	**-10.0%**	**5.0%**	**-5.0%**	**5.0%**	**15.0%**	**AVG**
Adj. Price PSF of GFA	**$348**	**$351**	**$352**	**$338**	**$347**	**$340**	**$367**	**$349**

Discussion of Comparable Sales –

To estimate the current market value of the front 10.28 acres of the Subject Property, assuming there is no contributory value to the surplus land, we have selected sales of improved industrial properties in the City of Brampton

The foregoing is a chart summarizing the comparable property sales along with a location map.

As illustrated in Exhibit 12, after adjusting for time, the comparable sales range from $319 to $391 PSF of GFA, with an **average of $351 PSF**. The sales yield a gross floor area of between 69,334 SF to 305,000 with an average of 167,817 SF.

Comparable #1, with a time-adjusted sale price of $348 PSF of GFA. It is the previous sale of the subject which occurred in November of 2020.

Comparable #2, is improved with a single-storey industrial manufacturing and warehouse (circa 2000). This transaction was part of a two-property transaction (153 Van Kirk) with the same vendor and buyer for both properties. It was also a vendor leaseback transaction with the vendor still occupying the premises. A downward adjustment is required for this feature as the buyer/seller often builds into these types of transaction leases that are consistent with the expected rate of return with minimal risk. Additional downward adjustment is also required for the subject's overall area which includes the finished basement and mezzanine area. This area often does not yield the same consideration as a typical industrial area. After adjustments, this comparable indicates an adjusted unit rate of $351 per square of building area.

Comparable #3, is improved with a single-storey industrial manufacturing and warehouse (circa 1996). This transaction was part of a two-property transaction (153 van Kirk) with the same vendor and buyer for both properties. It was also a vendor leaseback transaction with the vendor still occupying the premises. When compared to the subject, this property has a lower building-to-land ratio and warrants an upward adjustment. As indicated earlier, a downward adjustment is required for the vendor leaseback feature as well as the subject basement and mezzanine area. After adjustments, this comparable indicates an adjusted unit rate of $352 per square of building area.

Comparable #4 is improved with a one-storey, multi-tenant industrial building. (Circa 2000). The building contains a total gross floor area of 69,334 square feet, including approximately 9,077 square feet of office space on two floors and 4,295 square feet of mezzanine space. At the time of sale, the building was fully occupied by Total Body Care Inc. and Wilson Tool Canada. The rooftop contains a solar panel lease. The average lease terms for the two units are 2 years and 3 years respectively, with a weighted average lease term of 2.91 years. According to the listing info, the net operating income was $589,925. This calculates to a net rent of approx. $8.50 p.s.f. An upward adjustment is warranted for the below-market rental rate. Downward adjustment is required for the subject's finished basement and mezzanine area. After adjustments, this comparable indicates an adjusted unit rate of $338 per square of building area.

Comparable #5 is improved with a single-storey, single-tenant industrial building. The building contains a total gross floor area of 122,442 square feet, including approximately 12,244 square feet of office space. This building was vacant at the time of this transaction and is currently available for rent or for sale at $17.95/ sf or $44,900,000. Downward adjustment is required for the subject's finished basement and mezzanine area. After adjustments, this comparable indicates an adjusted unit rate of $347 per square of building area.

Comparable #6 is improved with two single-storey, multi-tenant, industrial buildings. The buildings contain a total gross floor area of 139,120 square feet. (50 Precido Crt-79,310 sf, 100 Corporation Dr. 59,810 sf) at the time of the sale, this property was fully occupied with existing tenants. When compared to the subject, this property has a lower building-to-land ratio and warrants an upward adjustment. Upward adjustment is warranted for the anticipated below-market rental rate of the existing tenants. Downward adjustment is required for the subject's finished basement and mezzanine area. After adjustments, this comparable indicates an adjusted unit rate of $340 per square of building area.

Comparable#7 is improved with a single-storey, single-tenant industrial building. The building contains a total gross floor area of 305,000 square feet. The scale of this comparable is considerably larger than the subject and warrants a downward adjustment. When compared to the subject, this property has a lower building-to-land ratio and warrants an upward adjustment. Upward adjustment is also required for the anticipated below-market rental rate of the existing tenant. Downward adjustment is required for the subject's finished basement and mezzanine area. After adjustments, this comparable indicates an adjusted unit rate of $367 per square of building area.

The foregoing comparable indicates an adjusted unit price range of between $338 to $367 with an average of $349. per square foot of building area. In our opinion, a unit rate of $350 per square foot is considered to be reasonable.

Therefore, the value of the Subject Property, assuming there is no contributory value to the surplus land at $350 PSF is $52,325,000

149,500 SF @ $350 per square foot = $52,325,000

2. Excess Land Sales Analysis

Provided following are a comparable sales summary, map, and a brief discussion of the vacant industrial land comparable sales.

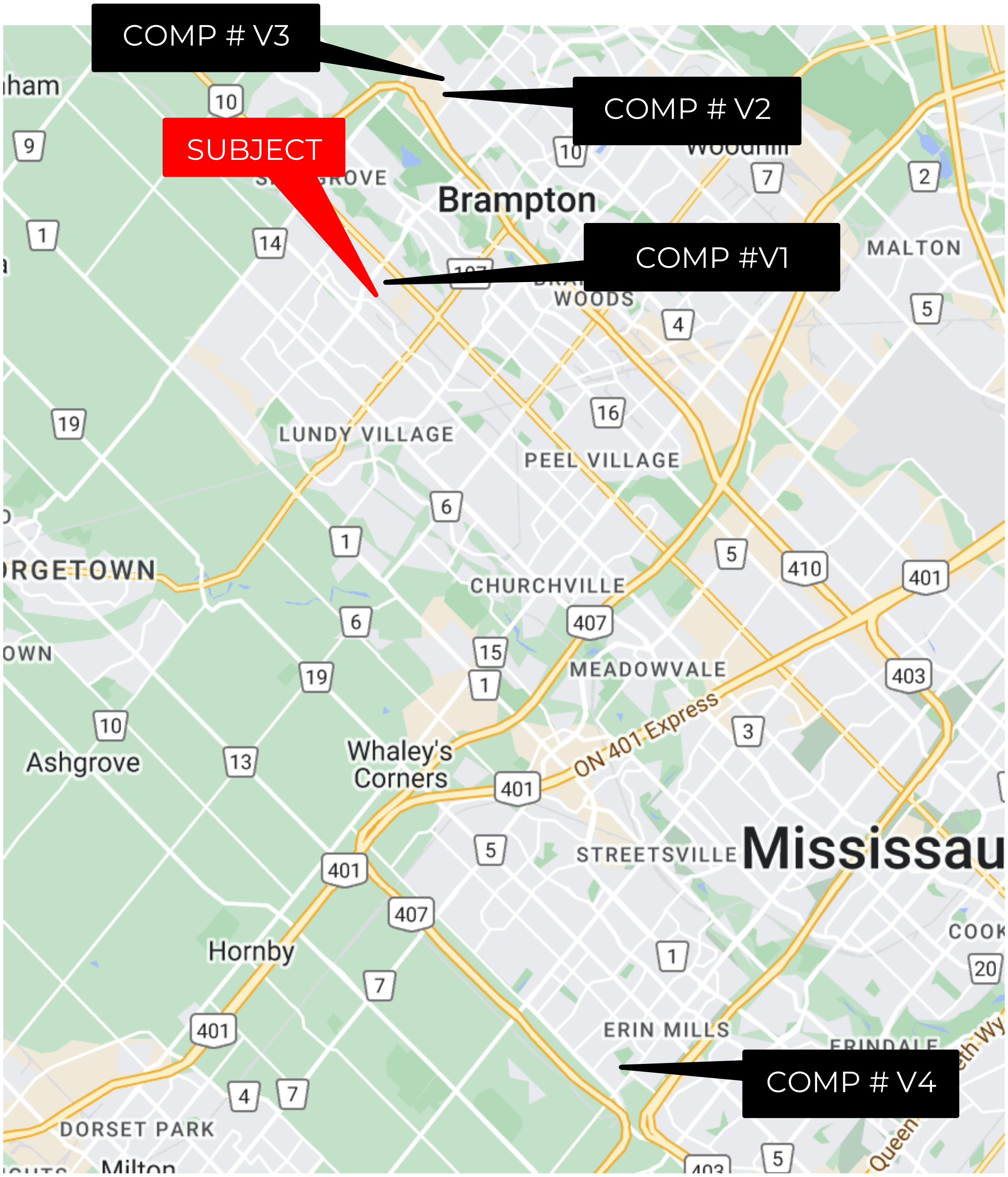
EXHIBIT 13

Summary of Comparable Sales for Excess/Vacant Industrial Land

No.	Location	Date of Sale Registration	Purchaser	Sale Price	Comments	Zoning	Offcial Plan	Land Area (acres)	Sale Price Per Acre	Time Adj Sale Price Per Acre
SUBJECT PROPERTY **175 Sandalwood Parkway West, Brampton**		**16-Nov-20**	**-**	**$32,500,000**	**Two Storey office and maintanance and storage with outside storage**	**M2-680**	**Industrial**	**15.78** **10.28 + 5.5**		
V1	10534 Hurontario St	7-Apr-21		$72,500,000 *(cash)*	Frontage on Hurontario Street as well as Sandalwood Pkwy- acquired to construct a 459,000 sf and 168,000 SF indusytrial warehouse facility	M2-680	Industrial	30.05	**$2,412,646**	**$2,706,184**
V2	11300 Dixie Road, Brampt`on	4-Jul-23		$53,000,000 *(cash)*	Vacant Industrial land	M4A-157	Industrial	19.25	**$2,753,247**	**$2,775,426**
V3	NW corner of Dixie Rd & Docksteader Rd	12-May-22		$10,920,000 *(cash)*	Vacant Industrial Land acquired by Peel Region	M1	Industrial	3.90	**$2,802,156**	**$2,987,409**
V4	Platinum Dr, Miss	14-Jun-23		$6,125,000 *(cash)*	Acquired for the construction of a self storage facility	E2-C3	Employm	2.01	**$3,047,264**	**$3,080,276**
								Low	**$2,412,646**	**$2,706,184**
								High	**$3,047,264**	**$3,080,276**
								Avg	**$2,699,094**	**$2,887,324**

EXHIBIT 13

Map of Comparable Sales for Excess/Vacant Industrial Land



Discussion of Comparable Vacant Sales –

As discussed, the subject's rear portion may be surplus and available for severance. We have estimated this area starting from the rear cover parking area to the Railside Street frontage to be about 5.35 acres. An additional buffer is added to an estimated potential surplus land that can be severed to be about 5.5 acres.

The foregoing comparable of vacant Industrial land sale transacted at a time-adjusted value range of $2,800,000 to $3,080,000. It is noted that this surplus land at the rear of subject has about 148 feet of frontage on Railside Drive and is considered to be inferior to the foregoing vacant comparable lands above. Considering the subject's rear location has limited street frontage, we are of the opinion that the value of the rear 5.5 acres is at a unit rate of $2,800,000 per acre. This translates to a value of $15,400,000.

CONCLUSION

In summary, we estimate the portion of the subject site without the surplus land to be at $350 per square foot of building area. The subject with 149,500 SF of building area calculates to a value estimate of $52,325,000. Adding the value of the 5.5-acre surplus land at $15,400,000 indicated a total market value estimate of $67,725,000. Therefore, it is our opinion that the current estimated market value range for the subject is between **$65,000,000 to $70,000,000.**

CERTIFICATE OF THE APPRAISER

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this valuation memorandum 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.
- 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.
- We have no bias with respect to the property that is the subject of this report or to the parties included with this assignment.
- 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.
- Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards.
- We have the knowledge and experience to complete the assignment competently. As of the date of this report, the undersigned have fulfilled the requirements of the Appraisal Institute of Canada mandatory recertification program for designated members.
- The certificate pertains to the property described as 175 Sandalwood Parkway West, Brampton
- We have estimated the probable market value range of the subject to be between **$65,000,000 to $70,000,000,** as of the effective date, August 31st, 2023.

Yours truly,
MPR ADVISORS INC

Jay Wong, AACI, P.App., PLE, SR/WA, R/W-AC	Mark Penney, MA, MCIP, RPP, AACI, P.App., PLE
Real Estate Appraiser	Real Estate Appraiser & Land Use Planner
SENIOR DIRECTOR	**PRINCIPAL**
Member Number 700257	Member Number 902100

b. Independent review of the Property Owner's Appraisal Report.

Review of an Appraisal Report

of

175 Sandalwood Parkway West

Brampton, Ontario

as of Effective Date: May 15, 2023

Prepared by:

Vandna Joshi, Sr. Vice President

CBRE VALUATION & ADVISORY SERVICES

For:

Dwijo Banerjie, CFO, President

BVD GROUP

Review prepared by:

Donn Bennett

CLEO B CONSULTANTS LTD.

For:

Rajat Gulati, Sr. Manager, Realty Services

City of Brampton

September 15th, 2023

2 Wellington Street W.
Brampton, Ontario
L6Y 4R2

Attention: Mr. Rajat Gulati

Dear Mr. Gulati,

Subject: Review of Appraisal Report of 175 Sandalwood Parkway W, Brampton, Ontario Prepared by CBRE Valuation & Advisory Services

Interest Valued: 100% Fee Simple Interest

Ms. Vandna Joshi prepared an appraisal report as of effective valuation date, **May 15, 2023.** I was retained by you (the Client) to conduct a review of said appraisal report. This Review is without an opinion of value of the Subject Property of the Report under Review.

My opinion on this matter comes from my diversified experience as an accredited real estate appraiser as well as my extensive working knowledge and familiarity with the Standard Appraisal Practice and Doctrine. Details of my analysis and findings have been included in this document. Excerpts of the report have been copied in the body of this review (in Black) with pertinent sections/statements further highlighted (in Red), as required. After which my comments and justification have been noted (in Blue).

In summary, the CBRE report was well written and for the most part in compliance with professional standards. However, I have provided my comments based on the tone of the report and issues that would challenge the valuation position and/or weaken the credibility of the estimate of value.

In providing a credible objective estimate of value, as a professional commercial real estate appraiser, it is important to be aware of the issues identified within the body of this review and to carefully consider which valuation method is most appropriate for the Subject Property.

Of the three commonly used approaches for determining the value of an Industrial property namely, the Income Approach, Direct Comparison Approach and Cost Approach, Ms. Joshi chose the Direct Comparison and the Income Approach to Value. However, the report does not provide cogent nor compelling reasons for including the Income Approach to Value. Therefore, the opinions expressed by Ms. Joshi are not a reliable basis upon which to make her findings. Any prudent professional real estate appraiser would have carefully considered which approach was most appropriate for the Subject Property.

There were three (3) main areas of concern found within Ms. Joshi's appraisal report that have a major impact on the value conclusion established.

These areas are:

1. Deficiencies within Income Approach
2. Deficiencies within Direct Comparison Approach: Sales Analysis and Adjustments
3. Application of Excess Land Valuation

It is important to note that some of the issues identified would raise compliance concerns under the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) of the Appraisal Institute of Canada. Based on our review of the report, it can be concluded that the opinions presented within Ms. Joshi's appraisal report were "inadequate, inappropriate and unreasonable" and her conclusions are, therefore, "unreliable". As such, the Report under Review did not meet the requirements set by its stated Purpose and Scope of Work (e.g., the "Reasonable Appraiser" test, the relevant Standard, Rules and Comments).

This review has been performed in compliance with the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.

It is my recommendation that sections of the CBRE report be explored further to facilitate a more accurate reflective value. I am available to discuss this further.

Respectfully submitted,

CLEO B CONSULTANTS LTD.

Donn Bennett, AACI, M. Appr. Sci., RPA, SRWA, MRICS, CESA, PMP

GENERAL ISSUES

Page 7: EXECUTIVE SUMMARY > HYPOTHETICAL CONDITIONS

As per Section 3.33 of CUSPAP 2022, 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. This report is subject to no Hypothetical Conditions.

Page 7: EXECUTIVE SUMMARY > EXTRAORDINARY LIMITING CONDITIONS

- We have assumed a site coverage of 43% (which fits within industry norms for a typically site coverage) for the site which results in an excess land area of 8 acres at the rear of the site which has street access that is used for trailer parking. Any change to this assumption will impact the overall value conclusion.

Page A1: ADDENDUM A > TERMS OF REFERENCE > Purpose of the Appraisal

The appraisal estimates current market value of the subject property, subject to the Extraordinary Limiting Condition and Extraordinary Assumption noted on pages 7 & 8 and the Limiting Conditions noted on page 7 and in Addendum "A". The report is a full narrative appraisal and has been prepared in accordance with the standards set forth by the Appraisal Institute of Canada.

Reviewer's Comments:

The treatment of the excess land as a standalone parcel warranted a Hypothetical Condition to be able to address the Purpose of the Appraisal. However, invoking this Hypothetical Condition weakens the validity of the final estimate of value.

Page A1: ADDENDUM A > TERMS OF REFERENCE > Definition of Market Value

Market value is defined as follows:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in 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, assuming that neither is under duress"[4].

Reviewer's Comments:

Implicit in Ms. Joshi's definition are the consummation of a sale as of a specified date, and the passing of title from seller to buyer under conditions whereby: Buyer and seller are typically motivated.

i. Both parties are well informed or well advised, and acting in what they consider their best interests;

ii. A reasonable time is allowed for exposure in the open market;

iii. Payment is made in terms of cash in Canadian Dollars or in terms of financial arrangements comparable thereto; and

iv. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source Canadian Uniform Standards of Professional Appraisal Practice)

In our opinion, the value developed by Ms. Joshi does not represents the normal consideration for the Subject Property if sold in the open market.

Page A5: ADDENDUM A > ASSUMPTIONS AND LIMITING CONDITIONS

10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.

Reviewer's Comments:

How did the value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market? Where was this demonstrated within the body of the report?

Page 4: EXECUTIVE SUMMARY > VALUATION SUMMARY > Direct Comparison Approach Summary & Income Approach

Direct Comparison Approach Summary	
Direct Comparison Approach -Building	$45,180,000
Price / SF	$265
Direct Comparison Approach - Excess Land	$40,000,000
Price/ Per Acre	$5,000,000
Direct Comparison Approach Conclusion	**$85,180,000**

Income Approach	
Income Approach	**$80,160,000**
Cap Rate	5.25%

Valuation is subject to the Extraordinary Limiting Condition and Extraordinary Assumption noted on pages 7 & 8 and the Limiting Conditions noted in Addendum "A"

Page 7: EXECUTIVE SUMMARY > EXTRAORDINARY LIMITING CONDITIONS

- We have assumed a site coverage of 43% (which fits within industry norms for a typically site coverage) for the site which results in an excess land area of 8 acres at the rear of the site which has street access that is used for trailer parking. Any change to this assumption will impact the overall value conclusion.

Page 7: EXECUTIVE SUMMARY > EXTRAORDINARY ASSUMPTIONS

- We have assumed a site coverage of 44% (which fits within industry norms for a typically site coverage) for the site which results in an excess land area of 1.41 acres at the rear of the site which has street access. Any change to this assumption will impact the overall value conclusion.

Page 37: DIRECT COMPARISON APPROACH > DIRECT COMPARISON APPROACH > Estimate of Market Value

Given the subject building size, land size, building quality and location, it is our opinion that a unit rate of $265 per square foot on the net rentable area is reasonable.

In conclusion, and based on the above discussion, the subject property's current market value by the Direct Comparison Approach is as follows:

Market Value by the Direct Comparison Approach

Component	Area	Unit Rate	Conclusion
Net Rentable Area (SF)	170,482	$265	$45,180,000
Current Market Value (Rounded)			$45,180,000
Adjustments: Excess Outside storage Land(Acres)	8.00	$5,000,000	$40,000,000
Current Market Value (Rounded)			$85,180,000

Reviewer's Comments:

In reference to pages 4 and 37, Ms. Joshi separated the property into 2 components:

1. a 7.83-acre improved parcel with a 170,482 SF building = $45,180,000
2. an 8-acre parcel (excess land) = $40,000,000

Is Ms. Joshi suggesting that both components are basically worth almost the same, i.e., the land rate per acre of these parcels are $5,674,563 and $5,0000,000, respectively?

Component 1 suggests a reflection of the property's value as it takes into account the value of the land as well as any improvements on the property. How can a vacant site of similar size be worth the same as an improved Industrial site with the same zoning? This conflicts with the Highest and Best Use as improved.

Ms. Joshi assumed a site coverage of 44% and suggested that it fits within industry norms for a typically site coverage. This assumption led to her assigning an excess land area of 8 acres at the rear of the site which has street access that is used for trailer parking. Any change to this assumption will impact the overall value conclusion. Ms. Joshi needs to address the Subject based on its existing site realities. The site coverage is approximately 20% NOT 43%.

Page 11: PROPERTY OVERVIEW > SITE DESCRIPTION & Conclusion

SITE DESCRIPTION

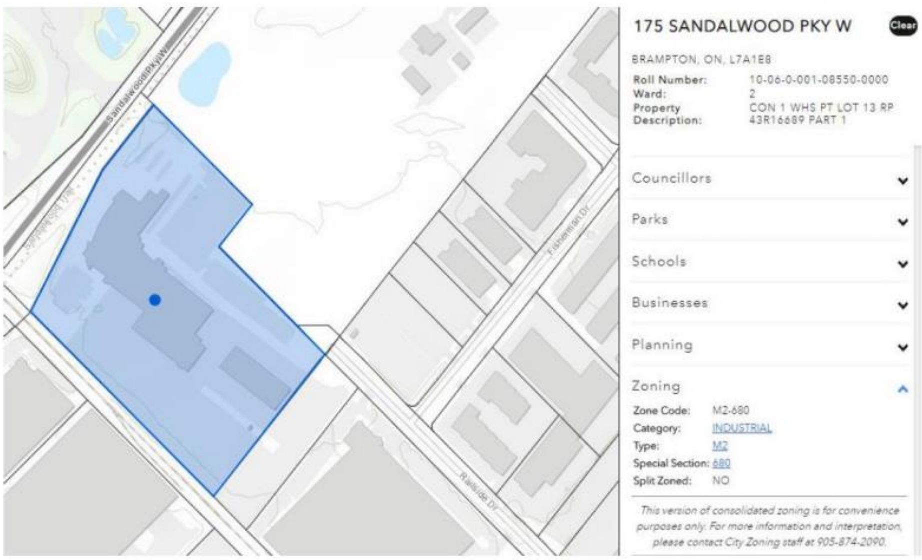
Site Description

Attribute	Details
Address	175 Sandalwood Parkway West
City	Brampton
Legal Description (PID)	142490053
Site Area (Ac.)	7.84
Site Area (Ac.) -Excess	7.90
Frontage (Ft)	780.55 ft along Sandalwood Pkwy W & 150 ft along Railside Dr.
Topography	Generally level and at road grade
Configuration	Regular
Access	Sandalwood Pkwy & Railside Dr.
Services	Full municipal
Ground Cover	Partially Paved and Gravel Refer to the following maps for visual details
Wetland	None
Flood Plain	None
Easement & Encumbrances	None noted
Site Improvements	Paved and gravel yard, with grass,

Conclusion

The subject property comprises a ±7.84-acre parcel of land that is improved with a 170,482 square foot industrial building with 8 acres of excess outside storage land. The property has good regional and local access and is considered to occupy a good location for an industrial use.

Page 12: PROPERTY OVERVIEW > ZONING AND PLANNING > Land Use / Zoning



Page 14: PROPERTY OVERVIEW > BUILDING OVERVIEW > Property Overview & Ceiling Height

Property Overview

The subject is an industrial building with a standard office component. The property was originally constructed in 1991. Overall, the building is considered to be in good condition.

Based on information provided by the client, the building has total floor area of 170,482 SF, with approximately 67,554 SF (40%) of office space. Additional property details are described below.

	Area (SF)	%
Main Building - Industrial	84,228	49.41%
Office Area	67,554	39.63%
Truck Recharge - Building 2	18,700	10.97%
Total	170,482	100.00%

Ceiling Height

- 15 feet to 32 feet (smaller of 17,800 SF (10% of the total building area or 17% of the industrial area). The remaining main industrial area is the higher clear height foot at 32 feet which is reflective of the remaining 65% of the main industrial area of 66,428 SF. The Truck Recharge area has a clear height of ±20 feet which is reflective of 18% of the industrial area as shown in the table below:

	Area	Clear height	%
Industrial area main blding	66,428	32 ft	65%
Lower Industrial main blding	17,800	15 ft	17%
Truck Recharge Area	18,700	20 ft	18%
Total Industrial	102,928		100%

Reviewer's Comments:

Value in Contribution

In the context of real estate, "Value in Contribution" refers to:

> "the added worth or benefit that a particular entity or factor brings to a property or real estate project. It acknowledges that certain elements or contributions can enhance the value of a property beyond its intrinsic characteristics or market conditions".
>
> Source: Dictionary of Real Estate Terms, 9th Edition, by Jack P. Friedman., PhD, CPA, MAI, CRE, ASA, Jack C. Harris, PhD, J. Bruce Lindeman, PhD

If improvements were found to offer some contributory value to the property, adjustments should be made to commensurate with this observation. All things being equal, a smaller object would normally command a higher rate compared to a larger object. The same principle applies to real estate. Hence, based on our analysis, reflective adjustments would be necessary to the reported prices in order to equate them to the Subject. How and where in the CBRE report was this addressed in the adjustment process?

Pages 26-27: HIGHEST AND BEST USE > HIGHEST AND BEST USE > As Improved

The subject property is improved with a good quality freestanding industrial building that has a rentable area of 170,482 square feet and was constructed in 1991. The building is in good condition with ample remaining economic life.

Based on the foregoing, it is concluded that the Highest and Best Use of the subject property "as improved" is a continuation of its current improvements for industrial use.

Reviewer's Comments:

The Highest and Best use (HBU) as improved is **a continuation of its current improvements for Industrial use.** Basically, it is an Industrial property with a larger percentage of office space and a larger site area compared to typical Industrial properties. The treatment of the Subject as distinct components that can be leased separately is an atypical appraisal practice. Neither Landlords nor Tenants negotiate lease rates in such a fashion.

Page 5: EXECUTIVE SUMMARY > PROPERTY CHARACTERISTICS > Strengths & Weaknesses

Strengths

- Strong demand for freestanding industrial buildings in the Brampton market. The submarket is seeing tight conditions with availability of 1.30% and vacancy of 0.70% as of Q1 2023.
- The industrial space has been well maintained and the recharging station could easily be converted to be a truck repair facility which is highly sought out.
- The site is zoned M^2 which allows for outside storage uses which is considered a premium, which is a great accessory use to the converted recharging station as a truck repair facility.
- The subject property is well located with good accessibility to Highway 410.

Weaknesses

- The subject property is improved with a 2 storey head office area at ±40% of the total building area which is considered a very high percentage for a typical industrial facility.

Pages 5-6: EXECUTIVE SUMMARY > PROPERTY CHARACTERISTICS > Leasing Market > Strengths & Weaknesses

Leasing Market

Strengths

- The GTA industrial market has only 0.8% vacancy as of Q1 2023. The vacancy rate in the City of Brampton was 1.3%, slightly higher than the previous quarter at 0.80%.

Investment Market

Strengths

- Faced with higher vacancies, increasingly fewer office projects have commenced construction in recent years. Currently 11.2 million sq. ft., the active development pipeline is equal to 2.3% of inventory and is at its lowest point since 2017.

Weaknesses

- The overall national office vacancy rate increased to 17.7% in Q1 2023 with slight market softening noted in both the downtown and suburban segments.
- Now equal to 3.4% of existing inventory, sublet space in the office market has risen nationally for three consecutive quarters, however not at nearly the same pace as at the onset of the pandemic.
- Older downtown product with outdated amenities has struggled to attract and retain tenants. As a result, vacancy in the downtown Class B segment has fully decoupled from not only Class A, but also all classes of suburban office space, where employees benefit from shorter commute times.
- Amid muted demand levels, national industrial net absorption slowed to its lowest level in 11 quarters in Q1 2023 and was outpaced by new supply for the second consecutive quarter. The national industrial availability rate rose by a modest 30 bps to 1.9% in Q1 2023 as the market continues its return to balance.
- Cap rates continued to edge higher across nearly all asset classes and markets in Q1 2023. However, bond yields also decreased over the quarter, widening real estate spreads and relieving some of the pressure on cap rates.

Industrial Market

<u>Page 10: PROPERTY OVERVIEW > LOCATION DESCRIPTION > Conclusion</u>

Overall, the location is considered good for an industrial use.

<u>Page 20: MARKET OVERVIEWS > TORONTO INDUSTRIAL Q3 2023 > Summary</u>

TORONTO INDUSTRIAL Q1 2023

Toronto's industrial market remains resilient amidst pressure from lingering economic uncertainty

▲ 1.2%	▼ 1.8M	▲ 17.6M	▲ $17.77	▼ $380.33
Availability Rate	SF New Supply	SF Under Construction	PSF Avg. Asking Lease Rate	PSF Avg. Asking Sale Price

Note: Arrows indicate change from previous quarter.

Summary

- The availability rate remained low with a modest 20 basis points (bps) increase to 1.2%.
- Rental rate growth stabilized to more moderate levels, as overall net asking rates increased by 3.4% quarter-over-quarter to $17.77 per sq. ft.
- Much of the new supply expected to deliver in Q1 2023 was delayed to early next quarter with just over 5.0 million sq. ft. of space slated to complete in Q2 2023.
- While pre-leasing rates in 2023 are expected to be lower than in 2022, strong demand continued to drive construction activity in the market as nearly 3.6 million sq. ft. of projects broke ground in Q1 2023.
- Currently there is 17.6 million sq. ft. under construction.
- Due to the rise in availability, in addition to less than expected new supply, the Greater Toronto Area (GTA) recorded negative net absorption of 319,000 sq. ft.

Pages 20-21: MARKET OVERVIEWS > TORONTO INDUSTRIAL Q3 2023 > Availability and Demand

The availability rate saw a modest 20 bps increase to 1.2%, the highest since Q2 2021. The rate increased in the West, Central and East submarkets, while the North's remained at 0.7% for the third consecutive quarter. Despite Toronto East's quarterly 20 bps increase in availability, it remains lower than all other submarkets with a rate of 0.5%.

Due to the rise in availability, in addition to less than expected new supply, the GTA recorded negative net absorption of 319,000 sq. ft. This is the first time in three years the GTA recorded a quarter with negative net absorption. While some select tenants are finding it increasingly difficult to justify taking on extra space at the moment, tenants of 500,000 sq. ft and above with long term business strategies are likely to continue growing their distribution networks in the GTA. New product delivering should remain in-demand as some tenants could potentially move to newer, more efficient space, justified by what is currently a small rental difference between older and first-generation space.

Page 24: MARKET OVERVIEWS > TORONTO INDUSTRIAL Q3 2023 > Forecasted New Supply

Submarket	Inventory (SF)	Availability Rate (%)	Vacancy Rate (%)	Quarterly Net Absorption (SF)	Yearly Net Absorption YTD (SF)	Under Construction (SF)	Avg. Net Asking Lease Rate ($PSF)	Avg. Asking Sale Price ($PSF)
Mississauga	163,536,301	1.2%	0.5%	341,979	341,979	2,270,094	18.10	424.54
Brampton	89,200,176	1.3%	0.7%	-309,107	-309,107	4,934,686	19.96	358.81
Caledon	20,529,375	1.1%	0.8%	85,295	85,295	153,791	18.18	366.40
Oakville	18,596,412	2.0%	0.4%	-132,191	-132,191	875,350	18.50	397.92
Burlington	21,757,067	1.5%	0.6%	-55,321	-55,321	105,772	15.22	284.76
Milton	24,541,539	4.8%	4.1%	466,635	466,635	3,496,006	17.77	344.00
Halton Hills	5,888,181	1.1%	0.8%	-15,199	-15,199	140,797	13.50	264.49
Toronto West	**344,049,051**	**1.5%**	**0.8%**	**382,091**	**382,091**	**11,976,496**	**18.24**	**377.10**
GTA Total	**818,167,745**	**1.2%**	**0.7%**	**-319,298**	**-319,298**	**17,636,670**	**17.77**	**380.33**

Source: CBRE Research, Q1 2023.

Reviewer's Comments:

According to Ms. Joshi, there is strong demand for freestanding Industrial buildings in the Brampton market. The submarket is seeing tight conditions with availability of 1.30% and vacancy of 0.70% as of Q1 2023. The Industrial space has been well maintained and the recharging station could easily be converted to be a truck repair facility which is highly sought after. The site is zoned M2 which allows for outside storage uses which is considered a premium and is a great accessory use to the converted recharging station as a truck repair facility.

As noted in the excerpt above from page 5 of the CBRE report, I agree that this is an industrial property and it should be valued as such. The above reference support that the office market is in a slump, while the Industrial market is still one of the better performing asset classes even though growth has stabilized.

According to Ms. Joshi, some select tenants are finding it increasingly difficult to justify taking on extra space at the moment. How was this addressed with the Subject's office space at 67,554 SF or 39.63% of total GFA compared to the comparables ranging from 7.21% to 23.16 % of total GFA.

By employing the Income Approach, there are issues in selecting an appropriate Cap Rate, a base rental rate and Vacancy & Collection lost. No logical explanation nor justification was provided for using a Cap Rate of 5.25 %, a blended market rent at $15.68 PSF, and Vacancy & Collection lost of 0%.

(1) DEFICIENCIES WITH INCOME APPROACH

Page 7: EXECUTIVE SUMMARY > EXTRAORDINARY ASSUMPTIONS

- Although the subject property is currently leased on a short term basis, we have assumed an owner user valuation as this tenant will be vacating and relocating and consolidating offices to construct a central head office facility.

Page 29: VALUATION METHODOLOGY > VALUATION METHODOLOGY > Income Approach

The income approach to value consists of methods, techniques and mathematical procedures that an appraiser uses to analyze a property's capacity to generate benefits (i.e., usually the monetary benefits of income and reversion) and convert these benefits into an indication of present value.

In the Income approach, an appraiser analyzes a property's capacity to general future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to the approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach.[1]

The two methods of income capitalization are direct capitalization, in which a single year's income is divided by an income [capitalization] rate or multiplied by an income factor to reach an indication of value, and yield capitalization, in which future benefits are converted into a value indication by discounting them at an appropriate yield rate (discounted cash flow, of DCF analysis) or applying an overall rate that reflects the investment's income pattern, value change, and yield rate.[2]

Pages 39-41: INCOME APPROACH > INCOME APPROACH & DIRECT CAPITALIZATION METHOD

Page 39

INCOME APPROACH

As previously mentioned, the Income Approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream from a property. This approach has been used to support the value derived for the subject via the Direct Comparison Approach. The following section details the assumptions used to create the income used to estimate market value.

DIRECT CAPITALIZATION METHOD

Direct capitalization involves capitalizing a fully leased single-year net income estimate by an appropriate yield. This approach is best utilized with stabilized assets, where there is little volatility in the net income and the growth prospects are also stable. It is most commonly used in single tenanted or stabilized properties.

Tenancy

The property is currently occupied by the owner.

Base Rental Revenue

This line item shows the potential base rental income at full occupancy having regard to existing tenancies and speculative tenancies.

Market Rent Rationale

The subject building is an owner-occupied asset that provides enduring benefit to the owner. The findings are summarized in the following chart for typical large scale industrial transactions in Brampton. As the subject property is a unique facility with a large office component and a truck recharging station along with standard industrial space, we have applied a market rent to each type of space to conclude at a blended rate.

Traditional Industrial Space:

Industrial Rates						
Index	**Market**	**Property Type**	**Lease Type**	**Approx. Size (SF)**	**Commencement**	**Initial Base Rent**
1	Brampton	Warehouse/Distribution	Net	353,541	Jan-23	$15.75
2	Brampton	Industrial	Net	284,240	Jul-23	$15.95
3	Brampton	Warehouse/Distribution	Net	134,731	Jan-22	$12.00
4	Brampton	Warehouse/Distribution	Net	127,940	Aug-22	$16.50
5	Brampton	Manufacturing	Net	125,984	Nov-22	$15.00
6	Brampton	Industrial	Net	121,138	May-22	$13.50
7	Brampton	Warehouse/Distribution	Net	110,148	Apr-22	$15.50
8	Brampton	Industrial	Net	87,217	Oct-22	$14.71
9	Brampton	Warehouse/Distribution	Net	80,347	Oct-22	$18.25
			Average	**142,529**		**$15.24**

The rates shown above indicate a range for net rents from $12.00 to $18.25 per square foot.

Index 3 reflects the low end of the range at $12.00 per square foot, for traditional industrial space however it is reflective of an older building with less shipping doors. The high end of the range is Index

9 at $18.25 per square foot which is reflective of newer space with good shipping and truck turning radius. The subject fits within the low to mid part of the range given its varying clear height and the number of shipping doors. Therefore, we have estimated a market rent at $15.00 PSF for the standard industrial space.

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Truck Related uses:

Truck Related Rates						
Index	Market	Property Type	Lease Type	Approx. Size (SF)	Commencement	Initial Base Rent
1	25 Hale Road, Brampton	Industrial - Truck Automotive	Net	3,000	Jan-21	$36.16
2	25 Hale Road, Brampton	Industrial - Truck Automotive	Net	6,000	May-21	$30.74
3	2 Betomat Court, Caledon	Truck Related	Net	11,666	Jun-22	$30.86
4	6855 Columbus Rd, Mississauga	Truck Related	Net	26,261	Jan-22	$31.00
			Average	14,768		$32.19

The rates shown above indicate a range for net rents from $30.74 to $36.16 per square foot with an average at $32.19 per square foot.

As the rents above are considered a similar use to the subject and are considered comparable to the subject we have relied upon the average rental rate of $32.00 per square foot as the market rent for the truck recharge area for the subject.

Office Space:

As there have been limited transactions with Brampton, we have expanded the search to include Mississauga. Although these rates below are for traditional office buildings, we have searched for recent transactions in Class B and C space which would be more reflective of the subject's improvements.

Office Rates						
Index	Market	Property Type	Lease Type	Approx. Size (SF)	Commencement	Initial Base Rent
1	Mississauga	Office	Net	3,195	Mar-23	$13.50
2	Mississauga	Office -sublet space	Net	2,246	Apr-22	$7.00
3	Brampton	Office	Net	2,824	Dec-22	$12.00
4	Meadowvale	Office	Net	18,330	Oct-22	$13.50
5	Brampton	Office	Net	7,419	Apr-23	$16.30
			Average	7,222		$12.05

The rates shown above indicate a range for net rents from $7.00 to $16.30 per square foot with an average at 12.05 per square foot. The low end of the range is reflective of sublet space which would be the extreme low end of the range, given that the tenant is highly motivated to lease the space out. The high end of the range is at $16.30 per square foot which is reflective of traditional class B space which is considered superior to the subject given the amenities within the office building and improvements made to the space.

As the rents above are considered a similar use to the subject and are considered comparable to the subject we have relied upon the average rental rate of $12.00 per square foot as the market rent for the office area for the subject.

Below are the estimated market rents for each category of space with a blended market rent at $15.68 PSF.

	Area	$/PSF	Total
Main Building -	84,228	$15.00	$1,263,420
Office Area	67,554	$12.00	$810,648
Truck Recharge	18,700	$32.00	$598,400
Total	170,482	$15.68	$2,672,468

Based on the above, we would estimate a rate of $15.68 PSF for the subject space.

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Market Rental Rates

It is our opinion that the subject property can achieve a blended market rent of $15.68 per square foot.

Supplemental Revenue Analysis

Outside Storage rents – land rents.

As the subject property has excess outside storage land of ±8 acres, we have included out side storage land rents.

Index No.	Address City Province	Leased Date	Zoning Size (Acres) Size (SF)	Net rent per acre per month Additional rent per acre month Gross Rent per acre per month
1	299 Orenda Road Brampton	April-22	M1A-162 5.00 217,800	$13,500 $2,887 $16,387
2	68 Eastern Avenue Brampton	March-22	Industrial 1.15 50,094	$13,478 $1,000 $14,478
3	68 Eastern Avenue Brampton	June-21	Industrial 0.54 23,522	$16,667 $1,000 $17,667
4	20 Trojan Court Brampton	February-22	M3A 7.55	$14,000 N/A N/A
5	115 Orenda Road Mississauga	August-21	Industrial 1.90 82,764	$19,736 $1,230 $20,966
6	455 Poercey Rd A Caledon	June-23	MS 1.70 74,052	$15,294 $1,013 $16,307
7	12563 Highway 50 Caledon	December-21	Mu 0.37 16,117	$12,162 $1,000 $13,162
Subject	175 Sandalwood Brampton	Excess Land Area	8 acres	

The land rents range from $12,162 to $19,736 Net Per Acre Per month. As the subject property is well located with close proximity to Highway 410, it does reflect a larger parcel of land, therefore we have estimated the current land lease rent of $15,500 or $16,500 or say $16,000 net per acre per month reflects the higher end of the range given the current demand for outside storage rents.

Reviewer's Comments:

The Income Approach should be an analysis of the actual and/or estimated income potential of the property, rendered into an estimate of value by a capitalization process. The process provides an indication of the present worth of the future benefits of the income stream. The Subject is **not** a multi-use property. If offered for lease in the open market, it would be to one tenant. The allocation of rent to the various uses (Traditional Industrial Space, Truck Related uses, Office Space and Outside Storage rents – land rents) as indicated on page 42 is not how Landlords and Tenants set market rents. This allocation is unorthodox and against standard appraisal practice and doctrine. Prudent market participants would apply a rate for the rental of the entire property.

On page 42 according to Ms. Joshi, the Subject Property can achieve a blended market rent of $15.68 per square foot. What adjustments were made to address the 40% of office space almost 40%. Were the comparable ranges from 10-24%?

Page 41: INCOME APPROACH > DIRECT CAPITALIZATION METHOD > Vacancy Allowance Forecast

We estimate the stabilized vacancy and bad debt allowance at 0.00% given that the subject property is an owner-occupied asset that provides enduring benefit to the owner. For owner occupied or single tenant properties, the vacancy is either 0% or 100%. This methodology is consistent with the development of overall capitalization rates of market transactions of comparable income-producing properties.

Reviewer's Comments:

Ms. Joshi indicated that the stabilized vacancy and bad debt was 0.00% because the Subject is owner-occupied or a single tenant. This is contrary to her estimates for the various income streams for the property. She has assumed an owner-user valuation. Thus, the inculcation of an Income Approach was not warranted.

On page 5 Ms. Joshi indicated that The GTA industrial market has only 0.8% vacancy as of Q1 2023. The vacancy rate in the City of Brampton was 1.3%, slightly higher than the previous quarter at 0.80%. What is the justification for 0.00%. The appraiser indicated that the overall national office vacancy rate increased to 17.7% in Q1 2023 with slight market softening noted in both the downtown and suburban segments. Why wasn't this advanced in the application of the Income Approach?

Page 41: INCOME APPROACH > DIRECT CAPITALIZATION METHOD > Operating Expenses

Based on a net basis, operating costs and realty taxes at 100% occupancy are recovered. As the subject property is an owner-occupied building, we have relied upon market TMI for Q1 2023 in Brampton at $4.28 PSF.

Page 42: INCOME APPROACH > DIRECT CAPITALIZATION METHOD > Net Operating Income

Forecast on a stabilized basis at $4,208,468 for a typical operating year.

Direct Capitalization Method -175 Sandalwood Parkway W				
Effective Date:	May 15, 2023			
Revenue		$/SF	SF	
Year 1 Base Rental Revenue		$15.68	170,482	$2,672,468
Plus:Recoverable Expenses				$729,663
Plus: Outside Storage Premium (8.0 acres)				$1,536,000
Total Potential Gross Revenue				$4,938,131
Less: General Vacancy and Credit Allowance			0.0%	$0
Effective Gross Revenue				$4,938,131
Expenses				
Less: Recoverable Expenses				
Less: Total Operating Expenses				$729,663
Net Operating Income				$4,208,468

Reviewer's Comments:

On page 42, Ms. Joshi forecasted on a stabilized basis NOI at $4,208,468 for a typical operating year. The application of the Income Approach is in direct conflict to the guiding principles of Open Market advanced by Ms. Joshi in the report. This pseudo–Income Approach used to determine the value of the property is inaccurate. A fair construction of the lease is that the rent must have some relationship to the fair market value of the property. By this application, Ms. Joshi is overestimating the NOI, thus, the value of the property,-i.e., the sum of the parts is greater than the whole.

Page 44: INCOME APPROACH > COMPARABLE INVESTMENT MARKET TRANSACTIONS & OCR Rationale

COMPARABLE INVESTMENT MARKET TRANSACTIONS

When comparable investment market transactions are available in the marketplace, more reliance should be placed on the investment metrics derived from these sales given they reflect the yields acceptable from investors active in the market.

The uncertain economic outlook led to a slowdown in capital markets activity among certain segments of the real estate market. Eight successive interest rate hikes by the Bank of Canada saw the pace of commercial real estate investment slow in the latter half of 2022. Over this period some institutional capital returned to a "wait-and-see" approach as they reassessed the market. As a result, there are few recent transactions to point to, and it is acknowledged that many of the sales in the chart below were firmed/or closed well in advance of the recent change in market conditions. However, based on our on-going discussions with market participants active within the investment community, there is consensus that investment parameters increased over the latter part of 2022 to reflect the higher level of risk inherent in the current market, as well as the increased cost of financing. This has also been considered in our review of the transaction evidence below, and in the cap rate selection for the subject.

OCR Rationale

In assessing the comparable transactions, we considered macro factors (i.e., overall market sentiment and availability and cost of debt at the time of sale), as well as asset specific factors such as income profile as well as tenant covenant and physical and locational characteristics.

The chart above provides OCRs for recent industrial property transactions in the Greater Toronto West markets. We offer the following comments on the most relevant sales identified in the chart above.

Pages 45-46: INCOME APPROACH > COMPARABLE INVESTMENT MARKET TRANSACTIONS > OCR Rationale & Adjustments to Value

Page 45

OP Trust GTA West Industrial Portfolio, Mississauga/Brampton – OCR 4.75 – Closing Date: September 2022

The Portfolio, which transacted in early September 2022, comprised 7 properties constructed between 1986 and 2002, with clear heights ranging from 18 to 24 feet and square footage ranging between 19,134 and 79,919 SF. The properties are located within close proximity to Pearson International Airport with exceptional accessibility to major 400-series highways and arterial roads. At the time of the sale, the portfolio was 100% leased to a variety of tenants, with a WALT of 2.9 years and in-place rents approximately 40% below market levels.

IG Investment Industrial Portfolio, Vaughan – OCR 5.50% - Closing Date: November 2022

The Portfolio, which transacted in early November 2022, comprised 13 properties (16 buildings) constructed between 1982 and 2004, totals 710,389 SF situated on 38.9 acres of Prestige Employment (EM1) and General Employment (EM2) lands in the City of Vaughan. Each building within the cluster features proximity to Highways 407 & 400, as well as Highway 7 and MacMillan Yard, the second largest rail yard in Canada. The Properties offer proximity to the Rutherford GO train station, improving access to the entire GTA workforce and solidifying its leasing competitive advantage. At the time of the sale, the portfolio was 99.8% leased to a variety of tenants, with a WALT of 2.5 years with in-place rents approximately 48.0% below market and with 56.2% of the portfolio experiencing rollover within the next three years. Additionally, during the time of the sale, the investment market experienced upwards pressure on yields with the increase to bond yields/interest rates and the expectation of a weakened economy and potential recession. This transaction represents one of the first industrial sales since the rise in rates.

2150 Steeles Ave E & 8026-8032 Torbram Rd, Brampton – OCR 5.50% Closing Date: January 2023

The property is a highly functional and desirable, multi-tenant industrial complex constructed in 1973, totaling 191,859 SF situated over 11.13 acres of M2 (Industrial) zoned lands in the City of Brampton. The site is improved with two multi-tenant industrial buildings; 8026-8032 Torbram Rd is 92,305 SF and 2150 Steeles Avenue East is 99,555 SF. Unit sizes range from 2,562 SF to 43,160 SF with clear heights of 18 feet. The Property benefits from quick and convenient access to highways 407 and 427, Pearson International Airport, retail amenities, and public transit. As of January 2023, the Property is 100% occupied by 10 tenants at in-place rental rates that are 45% below current market rents. The WALT is approximately 2.2, providing investors with a near-term opportunity to increase rental income as leases expire.

We note that there has been upward pressure on capitalization rates since Q1 2022 largely in response to the dramatic increase in bond yields/interest rates and an expectation of a weakening economy and/or potential recession in Canada. While trading activity has been thin, we believe that more weight should be placed on the most recent transactions as they more accurately reflect the current economic environment.

In assessing the comparable transactions, we would further note that other variables must also be considered, including:

- Overall market sentiment for each sector
- The availability of capital for each sector
- Income growth profile
- Tenant covenant and physical/locational characteristics

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As previously noted there has been limited, recent transactional activity. However, based on our on-going discussions with market participants active within the investment community, there is consensus that investment parameters have generally increased to reflect the higher level of risk inherent in the current market, as well as the increased cost of financing.

Based on the above discussion, it is opinion that an Overall Capitalization Rate of 5.25% is appropriate for the subject property.

Adjustments to Value

None

Reviewer's Comments:

Ms. Joshi indicated that a hypothetical Direct Capitalization Method was also utilized in order to support the valuation of the Subject Building. However, this approach was given minimal weighting as it was her opinion that the Subject would sell on an owner-user basis. Based on her discussions with brokers familiar with this type of asset and market, she understood that owner-users are often willing to pay a premium as the investment in owning the real estate makes sense for their businesses.

Ms. Joshi applied a cap rate of 5.25%. How does this rate address the Subject's larger ratio of office space in relationship to the 6 comparables selected? The Subject (with 67,554 PSF of office space) is not consistent with her analysis. The determined cap rate does not include properties with similar investment profiles as the Subject. The appropriate rate of return should be fixed by reference to the rates of return earned on the comparable properties.

The 5.25% applied within Ms. Joshi's report was contrary to sections of her highlighted research on the physical, legal, social, political, economic and/or other factors that could affect the property. (Please refer to pages above). Ms. Joshi's conclusions were not supported by market evidence and do not reflect market participants' thinking nor actions. What is the rationale/basis for this statement? If found to be false, this statement would be misleading to the reader of this report.

For 2150 Steeles Avenue E & 8026-8032 Torbram Road, Brampton – OCR 5.50% Closing Date: January 2023 found on page 45 of the CBRE report, the in-place rental rates that are 45% below current market rents. The WALT is approximately 2.2, providing investors with a near-term opportunity to increase rental income as leases expire. This was the most recent market evidence provided by Ms. Joshi. She noted that there has been upward pressure on capitalization rates since Q1 2022 largely in response to the dramatic increase in bond yields/interest rates and an expectation of a weakening economy and/or potential recession in Canada. While trading activity has been thin. Ms. Joshi believed that more weight should be placed on the most recent transactions as they more accurately reflect the current economic environment. How did she get from a Cap Rate of 5.5% to 5.25%.

In addition, to this 5.5% Cap Rate, this comparable was a multi-tenanted asset, which is typically less risky than a single-tenant investment. The sentiment was supported by Ms. Joshi. declaration that an Investor would be purchasing the building vacant and would have to take on the leasing risk. Therefore, the price on a vacant basis wouldn't be as attractive. She also indicated that under current market conditions, with increases in costs of funds/cost of debt, the delta in pricing between owner-user assets and investment assets has widened and this has been considered in the valuation of the Subject. Within this approach, she assumed that the building was fully leased as at the effective date and, therefore, no lease up adjustments were necessary. If lease up adjustments were made, how would this affect the value?

Page 47: INCOME APPROACH > DIRECT CAPITALIZATION METHOD VALUE CONCLUSION & ESTIMATE OF MARKET VALUE

Direct Capitalization Method Value Conclusion

Direct Capitalization Method -175 Sandalwood Parkway W			
Effective Date: May 15, 2023			
Revenue	$/SF	SF	
Year 1 Base Rental Revenue	$15.68	170,482	$2,672,468
Plus:Recoverable Expenses			$729,663
Plus: Outside Storage Premium (8.0 acres)			$1,536,000
Total Potential Gross Revenue			$4,938,131
Less: General Vacancy and Credit Allowance		0.0%	$0
Effective Gross Revenue			$4,938,131
Expenses			
Less: Recoverable Expenses			
Less: Total Operating Expenses			$729,663
Net Operating Income			$4,208,468
Overall Capitalization Rate			5.25%
Market Value Estimate			$80,161,295
			$0
Total Market Value Estimate (Rounded)			$80,160,000

ESTIMATE OF MARKET VALUE

Based on an Overall Capitalization Rate of 5.25%, we estimate the subject property's current market value using the Direct Capitalization Method to be $80,160,000.

Reviewer's Comments:

On page 12, Ms. Joshi declared that the Subject Property is currently leased on a short-term basis, and that she has assumed an owner-user valuation. Thus, the inclusion of an Income Approach was not warranted. Albeit, this declaration, an application of the Income Approach should be based on the premise that properties are purchased for their income-producing potential. An Income Approach 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.

Ms. Joshi included an Overall Income Capitalization Technique. In the Overall Capitalization Rate Method, the net annual income which a property is capable of producing is capitalized by an appropriate rate in order to form an indication of value. The usual steps of the Income Capitalization Approach are:

1. Estimate the annual gross income which the property is capable of producing, less likely future vacancies and bad debts.
2. Estimate total annual operating expenses.
3. Derive the net annual operating income.
4. Select an appropriate capitalization methodology and rate.
5. Using the proper procedure, convert the net annual income to form an indication of the capital value of the property.

The application of the Income Approach is in direct conflict with the guiding principles of Open Market advanced by Ms. Joshi in the report. This pseudo–Income Approach to determine the value of the property is inaccurate.

A fair construction of the lease is that the rent must have some relationship to the fair market value of the property. By this application, Ms. Joshi is overestimating the NOI, thus, the Value of the property.–i.e., the sum of the parts is greater than the whole. The above sections dealing with the Income Approach to Value are problematic on many levels.

The credibility of Ms. Joshi's opinion of value is weaken by the following:

Page A5: ADDENDUM A > ASSUMPTIONS AND LIMITING CONDITIONS

11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. CBRE Limited does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of CBRE Limited

(2) DEFICIENCIES WITH DIRECTION COMPARISON APPROACH

Page 29: VALUATION METHODOLOGY > VALUATION METHODOLOGY > Direct Comparison Approach

The process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices as appropriate), of the comparable properties based on relevant, market-derived elements of comparison. The direct comparison approach may be used to value improved properties, vacant land or land being considered as though vacant when an adequate supply of comparable sales is available.[3]

Page 49: RECONCILIATION OF VALUE > RECONCILIATION OF VALUE

Valuation Summary

Valuation Methodology	Conclusion
Direct Comparison Approach	$85,180,000
Direct Capitalization Approach	$80,160,000
Valuation is subject to the Extraordinary Limiting Condition and Extraordinary Assumption noted on pages 7 & 8 and the Limiting Conditions noted in Addendum "A"	

Given that the property is an owner-occupied asset that provides enduring benefit to the owner, we have given more weight to the Direct Comparison Approach. It should be noted that an owner user would be willingly to pay for this the subject (given its size) than an investor and therefore the Income Approach is lower than the Direct Comparison Approach.

Based on the information contained within this appraisal, it is our professional opinion that the current market value of the 100% fee simple interest in the subject property, subject to the Extraordinary Limiting Condition and Extraordinary Assumption noted on pages 7 & 8 and the Limiting Conditions noted on page 7 and in Addendum "A", as at May 15, 2023 is:

Eighty Five Million One Hundred Eighty Thousand Dollars

$85,180,000

Page A2: ADDENDUM A > TERMS OF REFERENCE > Scope of Work

The following steps were completed by CBRE Limited for this assignment:

- Exterior & interior inspection
- Review of surrounding land uses

- Research into physical, legal, social, political, economic or other factors that could affect the value of the property
- Review of land use controls
- Research transactions of land from internal database, subscription databases, provincial land titles and market participants
- Determine the Highest and Best Use "as if vacant" and "as improved"
- Analyse the data collected using the appropriate appraisal approach
- Consider the effect on value of an assemblage and any anticipated public & private improvements and there is deemed to be none
- No consideration of any personal property
- Conclude a market value

Reviewer's Comments:

Definition of Value

Market Value is defined as:

> "The most probable price which a property should bring in a competitive and open market as of the specified date under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus."

Source: Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP)

Implicit in this definition are the consummation of a sale as of a specified date (May 15, 2023). On this date, the passing of title from seller to buyer under conditions whereby Buyer and seller are typically motivated:

i. Both parties are well informed or well advised, and acting in what they consider their best interests;
ii. A reasonable time is allowed for exposure in the open market;
iii. Payment is made in terms of cash in Canadian Dollars or in terms of financial arrangements comparable thereto; and
iv. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP)

According to Ms. Joshi, she applied the process of deriving a value indication for the Subject Property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices as appropriate), of the comparable properties based on relevant, market-derived elements of comparison.

If improvements were found to offer some contributory value to the property, adjustments were made to commensurate with this observation. All things being equal, a smaller object would normally command a higher rate compared to a larger object. The same principle applies to real estate. Hence, based on our analysis, reflective adjustments were necessary to the reported prices of the comparables in order to equate them to the Subject. The Subject has a site area of 15.84 acres with a site coverage of approx. 20%. The building was constructed in 1991 and contains a total area of 170,482 SF. The office area which is atypical is approximately 67,554 SF or approx. 40% of the GLA. The derived market evidence must be compared to Subject with the requisite adjustments made.

Page 30: VALUATION METHODOLOGY > VALUATION METHODOLOGY > Methodology Applicable to the Valuation of the Subject

The subject property is an owner-occupied asset that provides enduring benefit to the owner. The local market is dominated by owner-occupiers, however given the larger size of the subject property it could be an investor market as well, however given the unique characteristics of the property and its outside storage uses, it would likely be an owner user property.

The Direct Comparison Approach is considered to be the most widely used and accepted practice in the valuation of owner/user industrial buildings such as the subject. In this approach, the subject property is compared to similar properties that have sold recently or for which listing prices or offers are known and the required adjustments were based on reasonable rationale was deemed approach.

A hypotehtical Direct Capitalization Method was also utilized in order to support the valuation of the subject building. However, this approach was given minimal weighting as it is our opinion that the subject would sell on an owner user basis. Based on our discussions with brokers familiar with this type of asset and market, we understand that owner-users are often willing to pay a premium as the investment in owning the real estate make sense for their business. However, an Investor would be purchasing the building vacant and would have to take on the leasing risk and therefore the price on a vacant basis isn't as attractive to an investor. Under current market conditions, with increases in costs of funds/cost of debt, the delta in pricing between owner-user assets and investment assets has widened and this has been considered in the valuation of the subject. Within this approach we have assumed that the building is fully leased as at the effective date and therefore, no lease up adjustments are necessary.

The Cost Approach is primarily utilized for new construction or unique improvements in locations with limited comparable market data. Given that the subject building and improvements are assumed to be completed, that we have actual construction costs and that there are limited sales or leases of highly similar improvements in the subject area, the Cost has been utilized.

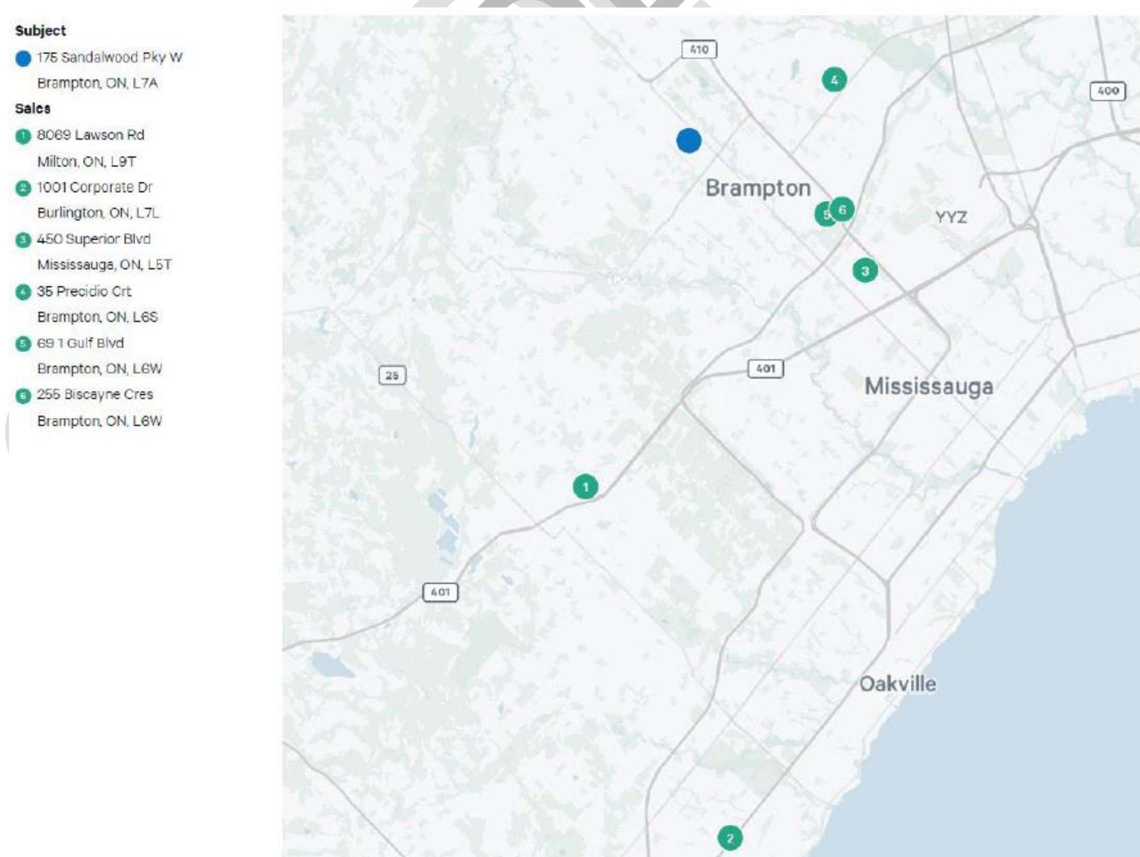
In summary, the Direct Comparison Approach is the most relevant approach for the valuation of owner- occupied buildings and excess land. This approach has been utilized herein and is considered to be the reliable indicator of value.

Page 32: DIRECT COMPARISON APPROACH > DIRECT COMPARISON APPROACH

The Direct Comparison Approach is applied using the price per square foot of rentable area as the basis of comparison. In this analysis, we have incorporated the following qualitative adjustments to reflect variances between the subject property and the market transactions:

- Market Conditions (Timing)
- Location
- Building Condition
- Clear Height
- Building Size
- Land Size (Site Coverage)

The sales are identified in the following map with the chart and analysis chart presented thereafter.



Page 34: DIRECT COMPARISON APPROACH > DIRECT COMPARISON APPROACH > Analysis of the Sales & Adjustments to Value

Analysis of Sales

	Subject 175 Sandalwood Parkway West Brampton, Ontario	1 8069 Lawson Road Milton, Ontario	2 1001 Corporate Drive Burlington, Ontario	3 450 Superior Boulevard Mississauga, Ontario	4 35 Precidio Court Brampton, Ontario	5 69 First Gulf Boulevard Brampton, Ontario	6 255 Biscayne Crescent Brampton, Ontario
Sale Details							
Date of Sale		Apr-23	Feb-23	Dec-22	Aug-22	Feb-21	Jul-21
Sale Price (100% Interest)		$33,200,000	$51,824,169	$33,444,185	$42,500,000	$30,500,000	$29,470,000
Price PSF		$253	$224	$346	$347	$261	$215
Property Details							
Year Built	1991	1988	1987/2000	1996-2007	1994	2001	1999
Type	Industrial with outside storage	Warehouse & Distribution	Industrial	Warehouse & Distribution	Industrial	Industrial	Industrial
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Fee Simple
Building Size	170,482 SF	131,420 SF	231,311 SF	96,772 SF	122,442 SF	117,000 SF	137,043 SF
Land Size (AC)	7.84 AC	7.00 AC	11.95 AC	4.28 AC	5.51 AC	7.90 AC	6.05 AC
Coverage Ratio	43%	46%	44%	52%	51%	34%	52%
Clear Height	15-32 ft	22.5 ft	24-27 ft	30 feet	24 ft	28 feet	33 feet
Qualitative Adjustments							
Timing		Similar	Similar	Superior	Superior	Inferior	Inferior
Location		Inferior	Inferior	Similar	Similar	Similar	Similar
Building		Similar	Similar	Superior	Superior	Superior	Superior
Building Size		Similar	Larger	Smaller	Similar	Similar	Similar
Site Coverage		Similar	Similar	Inferior	Inferior	Superior	Inferior
% office		Superior	Superior	Superior	Superior	Superior	Superior
Clear Height		Superior	Superior	Superior	Superior	Superior	Superior
Overall Comparison		Inferior	Inferior	Superior	Superior	Inferior	Inferior
Overall Adjustment		Above $253	Above $224	Below $346	Below $347	Above $261	Above $215

The unadjusted sale price is $215 PSF to $347 PSF. Once adjusted all sales are considered somewhat similar to the subject property at $230- 285 PSF with an average at $261 PSF. The high end of the unadjusted sale price range is Sale 4 at $347 PSF and Sale 3 at $346 PSF both reflect new construction and have a lower office component and good clear heights at 24 and 30 feet with no varying clear height like the subject, although the majority of the space is at the higher clear height as only 10% of the total building area. The low end of the range reflects Sale 6 at $251 PSF and is considered inferior due market condition improvements since this sale took place back in July 2021

Adjustments to Value

1. Time Adjustment – Sales 1 and 2 were completed within the last 3 months. No adjustments are necessary. Sales 3 and 4 transacted from August 2022 to December 2022 which was the at the peak of the market and therefore these sales are considered slightly superior in terms of market conditions. Sales 5 and 6 occurred in early-mid 2021 and pricing has increased since 2021.

2. Location – Sales 1 and 2 are located in Burlington and Milton which are even more west than the subject and are therefore considered less central than the subject. Sales 3 thru 6 are all located in either Mississauga and Brampton and are considered similar in terms of location to the subject

3. Building condition – The subject was constructed in in 1991. Sales 1 and 2 were constructed in 1988 and 1987 which are considered similar to the subject. The remaining 4 Sales were constructed from 1994 to 2001 and are considered superior to the subject.

4. Clear Height – The subject has a varying clear height of 15 feet to 32 feet with a weighted average at ±26.5 feet. The sales range from 22.5 feet to 33 feet as these sales represent one clear height throughout the building or a minimum clear height of 24 feet for Sale 2, all the sales are considered superior to the subject. Sale 1 at 22.5 feet is considered similar to the subject.

5. Building Size – The subject property is 170,482 square feet. Sales 1, 4, 5 and 6 consist of a similar sized buildings ranging from 117,000 SF to 137,043 SF, warranting no adjustment to the PSF rate. Sale 3, at 96,772 square feet, is smaller than the subject; a downwards adjustment is warranted to the PSF rate. Sale 2 at 231,311 SF is larger than the subject and therefore require an upward adjustment for size.

Reviewer's Comments:

Ms. Joshi indicated that the Subject Property is an owner-occupied asset that provides enduring benefit to the owner. The local market is dominated by owner-occupiers. However, given the larger size of the Subject Property, it could be an Investor market as well. However, given the unique characteristics of the property and its outside storage uses, it would likely be an owner-user property.

Ms. Joshi also indicated that the Direct Comparison Approach is considered to be the most widely used and accepted practice in the valuation of owner-user Industrial buildings such as the Subject. In this approach, she indicated that the Subject Property was compared to similar properties that have sold recently or for which listing prices or offers are known. The required adjustments were reasonable, rational and were deemed appropriate. In summary, the Direct Comparison Approach was the most relevant approach for the valuation of owner- occupied buildings and excess land. This approach has been utilized in the CBRE appraisal and was considered to be the reliable indicator of value.

On page 32, Ms. Joshi indicated that she incorporated the following qualitative adjustments to reflect variances between the Subject Property and the market transactions:

- Market Conditions (Timing)
- Location
- Building Condition
- Clear Height
- Building Size
- Land Size (Site Coverage)

It should be noted that comparable properties are never identical to the Subject Property in all respects and an item-by-item comparison is necessary to make the required adjustments. The adjustment process is an attempt to measure the reaction in the market to the differences between the properties. These elements can be physical and/or non-physical. The physical elements which are normally adjusted for are size, layout, age, style, condition and structural type and quality, functional adequacy, site and site improvements, plus any other special features which may exist. The non-physical considerations are terms and conditions of sale, time of sale, neighbourhood and zoning.

Ms. Joshi indicated that the Subject Property is an owner-occupied asset that provides enduring benefit to the owner. The local market is dominated by owner-occupiers. However, given the larger size of the Subject Property it could be an Investor market as well. However, given the unique characteristics of the property and its outside storage uses, it would likely be an owner-user property. Ms. Joshi also indicated that the Direct Comparison Approach is considered to be the most widely used and accepted practice in the valuation of owner/user industrial buildings such as the Subject. In this approach, she indicated that the Subject Property was compared to similar properties that have sold recently or for which listing prices or offers are known and the required adjustments were based on reasonable rationale was deemed appropriate. In summary, the Direct Comparison Approach is the most relevant approach for the valuation of owner- occupied buildings. This approach has been utilized herein and is considered to be the reliable indicator of value if applied appropriately.

Ms. Joshi should determine the most probable position of the Subject within her range of value indications and reach a single point estimate. In this way, the comparables that are most similar to the Subject are given the greatest weight. If these indicators are ignored or misread, any market estimate could be compromised significantly.

Ms. Joshi indicated that It is a common practice to employ both quantitative and qualitative techniques to identify and measure adjustments. Quantitative techniques include paired data set analysis, statistical analysis, graphic analysis, trend analysis, cost-related analysis, and secondary data analysis. Qualitative techniques include relative comparison analysis, ranking analysis, and personal interviews. The qualitive adjustments were made to the Subject having a site area of 7.84 acres with a site coverage of approx. 43%. The building was constructed in 1991 and contains a total area of 170,482 SF. The office area which is atypical is approximately 67,554 SF or approx. 40% of the GLA. This incorrect discretion led to the incorrect analysis of the Subject's market value. Please note the previous excerpt from **Page 34: Analysis of the Sales.**

The hypothetical severance of 8 acres is contrary to the standard appraisal practice and doctrine. This is not how market participants negotiate in the real estate market. The Direct Comparison Approach (DCA) should examine 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 should be compared to the Subject. The Direct Comparison Approach is directly related to the prices of similar, competitive. open market sold properties. In contrast to the Income Approach to Value, the Direct Comparison Approach involves comparing the Subject Property to similar properties that have recently sold in the same market to arrive at an estimate of the property's value. Also, unlike the Income Approach, the Direct Comparison Approach is based on actual market data which provides a more accurate reflection of the property's value as it takes the value of the land as well as any improvements on the property into account.

As previously stated, the Direct Comparison Approach is directly related to the prices of similar, competitive, open market sold properties which then indicate the value for the Subject. In the present instance, the Direct Comparison Approach looks at elements of comparison which would warrant studying the actions of buyers and sellers functioning in the open marketplace when considering the purchaser of a property similar to the Subject.

The Direct Sales Comparison Approach involves the comparing of the Subject Property with other similar properties which have sold within a similar time frame to the effective date of the appraisal. If no actual sales data is available, comparison must be made with similar properties which are currently offered for sale or ones on which an offer has been made. The comparison of similarities does not necessarily cover only price and physical characteristics but may also include potential benefits or amenities. This approach is perhaps the best understood and most widely used by purchasers of real estate. This approach applies to the Principle of Substitution which affirms that a prudent person will not pay more for a property than the cost to buy an equally desirable substitute, assuming that no unreasonable or costly delays are encountered in making the substitution.

The process of the Direct Comparison Approach is one of comparing a number of comparable sales to the Subject Property as a unit. The results are directly attributable to the quality of the sales data available and the ability of the appraiser to interpret the data and make adjustments for differences, as required.

The standard unit of comparison used in the Direct Sales Comparison Approach for Industrial properties is selling price per square foot (per square metre) of building area or in some cases selling price per acre (per ha) of land area.

After her research, review, and analysis, Ms. Joshi identified six (6) comparables. The Comparable Sales Chart on page 34 of the CBRE report summarized these comparable sales and was followed by a discussion of the sales.

The Direct Comparison Approach (DCA) is the most common method of valuation, and in this case, should be based on the research and analysis of market transactions involving properties with similar existing use(s) and/or development potential. This approach is successfully applied where there is a reasonable volume of transactions having comparable characteristics when compared to the Subject Property. Are the 6 comparables selected considered to have the best characteristics for comparison to the Subject? A cursory search of the Brampton market area resulted in three (3) additional transactions that were single-occupancy and non-portfolio sales. Details of these sales have been provided on the next page.

	Address	Zoning	Year Built	Sale Date	Sale Price	Lot Size (in Acres)	Build Size (in Ft^2)	Office Size (in Ft^2)	Office %	Site Coverage	Price/Ft^2 Land	Price /Ft^2 Building
1	**735 Intermodal Drive**	M1	2005-2022	Sep-21	$38,000,000	7.19	161,856	18,748	11.58%	50.2%	$5,285,118	$234.78
2	**35 Rutherford Road S**	M2	1962-2004	Dec-21	$67,000,000	19.50	108,528	25,131	23.16%	11.5%	$3,435,897	$617.35
3	**314 Heart Lake Road**	M2	1973	Jan-23	$25,000,000	4.85	101,390	7,312	7.21%	47.3%	$5,154,639	$246.57

Page 34

Analysis of the Sales

	Subject 175 Sandalwood Parkway West Brampton, Ontario	1 8069 Lawson Road Milton, Ontario	2 1001 Corporate Drive Burlington, Ontario	3 450 Superior Boulevard Mississauga, Ontario	4 35 Precidio Court Brampton, Ontario	5 69 First Gulf Boulevard Brampton, Ontario	6 255 Biscayne Crescent Brampton, Ontario
Sale Details							
Date of Sale		Apr-23	Feb-23	Dec-22	Aug-22	Feb-21	Jul-21
Sale Price (100% Interest)		$33,200,000	$51,824,169	$33,444,185	$42,500,000	$30,500,000	$29,470,000
Price PSF		$253	$224	$346	$347	$261	$215
Property Details							
Year Built	1991	1988	1987/2000	1996-2007	1994	2001	1999
Type	Industrial with outside storage	Warehouse & Distribution	Industrial	Warehouse & Distribution	Industrial	Industrial	Industrial
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Fee Simple
Building Size	170,482 SF	131,420 SF	231,311 SF	96,772 SF	122,442 SF	117,000 SF	137,043 SF
Land Size (AC)	7.84 AC	7.00 AC	11.95 AC	4.28 AC	5.51 AC	7.90 AC	6.05 AC
Coverage Ratio	43%	46%	44%	52%	51%	34%	52%
Clear Height	15-32 ft	22.5 ft	24-27 ft	30 feet	24 ft	28 feet	33 feet
Qualitative Adjustments							
Timing		Similar	Similar	Superior	Superior	Inferior	Inferior
Location		Inferior	Inferior	Similar	Similar	Similar	Similar
Building		Similar	Similar	Superior	Superior	Superior	Superior
Building Size		Similar	Larger	Smaller	Similar	Similar	Similar
Site Coverage		Similar	Similar	Inferior	Inferior	Superior	Inferior
% office		Superior	Superior	Superior	Superior	Superior	Superior
Clear Height		Superior	Superior	Superior	Superior	Superior	Superior
Overall Comparison		Inferior	Inferior	Superior	Superior	Inferior	Inferior
Overall Adjustment		Above $253	Above $224	Below $346	Below $347	Above $261	Above $215

The Comparable Sales Chart noted above from page 34 has been reproduced and reformatted below to provide a summary of the comparables' features. This reformatted chart presents a visual representation of Ms. Joshi's narrative.

Reproduced Comparable Sales Chart

	Address	Zoning	Year Built	Sale Date	Sale Price	Lot Size (in Acres)	Build Size (in Ft²)	Office Size (in Ft²)	Office %	Site Coverage	Price/Ft² Land	Price /Ft² Building
1	**8069 Lawson Rd**	M2A	1988	Apr-23	$54,200,000	13.55	131,420	20,381	15.51%	21.4%	$4,000,000	$412
	CBRE				$33,200,000	6.61	131,420			45.64%	$5,022,693	$253
2	**1001 Corporate Dr**	BC1, GE1	1987-2000	Feb-23	$51,824,169	11.95	231,311	55,941	24.18%	44.44%	$4,336,751	$224
3	**450 Superior Blvd**	M1-1601	1996-2007	Dec-22	$33,444,185	4.28	96,772	16,822	17.31%	51.91%	$7,814,062	$346
4	**35 Precidio Crt**	M3A-366	1994	Aug-22	$42,500,000	5.51 MPAC	122,442	14,191	11.59%	51.01%	$7,713,249	$347
5	**69 First Gulf**	M1-678	2001	Feb-21	$30,500,000	7.90	117,000	11,435	10%	34%	$3,860,759	$260.68
6	**255 Biscayne Cres**	M2	1999	Jul-21	$29,470,000	6.05	137,043	23,184	17%	52.0%	$4,871,074	$215.04
	SUBJECT	M2	1991	Nov-20	$32,500,000	15.84 MPAC COSTAR	170,482	67,554	39.63%	19.9%		
					Property Site Area	7.84				43%		
					Excess Land	8						

According to Ms. Joshi, the unadjusted sale price range is $215 PSF to $347 PSF. Once adjusted, all comparable sales are considered somewhat similar to the Subject Property at $230 PSF to 285 PST with an average of $261 PSF. At the high end of the unadjusted sale price range are Comparables 3 and 4 (at $346 PSF and at $347 PSF, respectively). Both comparables reflect new construction with a lower office component and good clear heights at 30 and 24 feet, respectively, with no varying clear height like the Subject. Although the majority of the space is at the higher clear height as only 10% of the total building area. The low end of the range is reflected by Comparable 6 at $215 PSF and is considered inferior to the Subject due market condition improvements since this sale took place back in July 2021. How are these sales reasonably comparable to the Subject? How were the specific attributes of the individual comps compared and adjusted to reflect a value for the Subject? In the CBRE report, how was the larger percentage of office space addressed? The percentage of office space occupied within the comparables ranges from 20% -24%. The Subject's actual site coverage is approx. 20%, while the comparables range from 32% - 52%. How did Ms. Joshi address the difference in site coverage?

Based on PSF of building area, none of the CBRE comparables were considered relevant.

Overall, on a land value basis (including buildings), the six comparable sales identified by Ms. Joshi resulted in a rate of approximately **$3,860,759 to $7,814,062** per acre of land.

The price per acre of land rate of comparison is considered most relevant in the case of the Subject Property due to the low site coverage whereby the underlying land value accounts for most of the market value.

The Comparable Sales chart summarizes the details of the comparable sales identified in the CBRE report. The sales have been analyzed on the basis of price per sq. foot of building (psfb). Should be a different unit of comparison, say a Price per acre of land, have been entertained/considered? The

Direct Comparison Approach is based on the Principle of Substitution, in that the appraiser must consider other properties that have been sold or are listed and are considered to be desirable substitutes for the Subject. The Principle of Substitution is fundamental in determining the options that exist in the local market area, i.e., current market rates set the range for suitable alternatives. Current rates provide an adequate substitute, i.e., the typical purchaser would pay no more for a comparable property when a less expensive alternative exists. The basis of the assignment should be to look at suitable substitutes similar to the Subject. In our opinion, Comparable 1 located at **8069 Lawson Road** and our additional comparable located at **35 Rutherford Road S** are the most similar to the Subject in its most essential features and, thus, should be given the most weight.

The above sales (namely, 8069 Lawson Road from Ms. Joshi's report and 35 Rutherford Road S identified as part of this review as a viable additional comparable) are most similar to the Subject Property, thus, warrant strong consideration.

(3) APPLICATION OF EXCESS LAND VALUATION

Pages 35-36 and Page 37: DIRECT COMPARISON APPROACH > DIRECT COMPARISON APPROACH > Excess Land Value

Pages 35-36

The sales below represent the best data available for comparison with the subject and were selected from Brampton and Mississauga. we have assumed that the excess land area is 8.00 acres based upon rough calculations and estimated site coverage.

We have identified eight important differences upon which to assess each transaction:

Time of Sale

- The sale date, particularly the negotiated sale date, is an important factor to consider as well as the prevailing marketing conditions at the time the sale was negotiated.

Financing

- Financing terms provided by a vendor can have an impact on the purchase price. For example, more favourable financing that might include a Vendor Take Back mortgage at a lower than market interest rate tends to have a positive influence on the price.

Location

- Location is also a major factor affecting value, primarily due to its influence on land use, development timing and exposure/views.

Scale

- As there is generally an inverse size/rate relationship, larger scale parcels typically trade at a lower rate and vice versa. Smaller development sites are generally considered more attractive given the reduced exposure to market risk, and the smaller amount of required capital.

Topography

- Topographical features tend to vary widely, particularly amongst large land tracts, with extreme topographical features such as valley lands and environmentally sensitive areas, having a negative impact on achievable development yields overall. Sales of lands with significantly higher proportionate areas affected by irregular topographical features tend to result in lower gross unit values. This factor is more applicable to greenfield parcels, as opposed to urban properties.

Site Character

- Intrinsic features of each property are recognized such as: configuration and site conditions affecting the construction cost, street and highway access, the nature of adjoining properties, important views to and from the potential buildings being built, and market demographics.

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Land Sales

Index No.	Address City Province	Closing Date Price (100%) Intended Use	Zoning Size (Acres) Size (SF)	Price Per Acre Price Per SF
1	1085 Cardiff Boulevard Mississauga Ontario	September-22 $5,909,500 Industrial outside storage permitted	M2 1.00 43,560	$5,909,500 $135.66
2	7351 Bramalea Road Mississauga Ontario	February-22 $6,530,000 Industrial Limited outside storage uses	E2 1.48 64,469	$4,412,162 $101.29
3	7100 Pacific Circle Mississauga Ontario	August-21 $3,650,000 Industrial outside storage permitted	E3 0.71 30,928	$5,140,845 $118.02
4	33 Deerhurst Drive Brampton Ontario	October-21 $6,900,000 Industrial outside storage permitted	M3-1565 1.62 70,567	$4,259,259 $97.78
5	46 Simpson Road Caledon Ontario	April-23 $13,135,000 outside storage permitted	MP-309 2.85 124,146	$4,608,772 $105.80
Subject	175 Sandalwood Parkway West Brampton Ontario	Excess Outside Storage land	8.00 348,480	

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Given the subject building size, land size, building quality and location, it is our opinion that a unit rate of $605 per square foot on the net rentable area is reasonable. As noted in the Sales Comparison Approach we have allocated the land value at $5,700,000 per acre for the excess land.

Reviewer's Comments:

Ms. Joshi indicated that the sales for the excess land component represent the best data available for comparison with the subject and were selected from Brampton and Mississauga. She had assumed that the excess land area is 8.00 acres based upon rough calculations and estimated site coverage. The 8.00 acres size was based upon the appraiser's rough calculations. This hypothetical parcel is not a contiguous standalone parcel but, but rather a part of the 15.83-acre parent site. Any analysis borne out of this assumption would be riddled with deficiencies.

Excess Land typically refers to land that is not currently needed or used for its intended purpose. It may arise in various situations, such as when a property owner possesses more land than necessary for their operations. Excess land is considered surplus to immediate requirements, but it may still have potential future uses or value.

By applying a rate of $5,700,000 per acre, Ms. Joshi is suggesting that there would have been willing buyers or sellers for this 8-acre hypothetical parcel. This is contrary to standard appraisal and doctrine. Within the same report, Ms. Joshi estimated an excess land rate per acre of $3,000,000 for the property located at 8069 Lawson Rd. Her argument was that the zoning allowed for outside trailer parking of which she had assumed ±7 acres and, therefore, adjusted the purchase price to exclude the excess trailer parking area to reflect a rate of $3,00,000 per acre resulting in an adjusted price of $33.2 million or $253 PSF. However, no support was provided for this rate. There is a huge variance in Ms. Joshi's concluded excess land rate per acre for Industrial lands, i.e., from $3,000,000 to $5,700,000 per acre.

This problem is compounded throughout Ms. Joshi's application of the Direct Comparison Approach. Can she expand on her rational for the $5,700,000 per acre rate used to develop excess land value? This conclusion was not based on market data. What factors were considered in the development of this rate? Ms. Joshi's approach injected an unwarranted degree of subjectivity into the analysis. Most readers of the report do not have the data, tools, training, or experience to decern if this type of hypothetical assumption is reasonable. Based on my 30+ years of appraisal experience, it is my professional opinion that her unorthodox approach used in valuing the determined excess land component is contrary to standard appraisal practice. Indirectly, the inherent assumption being made is that excess land provides additional value to the property. Keep in mind that it Is also possible that a downward adjustment could be warranted in an excess land scenario, i.e., the application of a negative adjustment. Where is Ms. Joshi's support for her position that the excess land adjustment should be positive? Any adjustment to the value should be strictly a function of market valuation. In the present instance, it is unknown if there is to be an upward or downward adjustment, or any adjustment at all until a market analysis has been performed.

I recognize that appraisers routinely make adjustments to market data to account for differences between comparable properties to arrive at an opinion of value of the Subject Property. By using development land sales to estimate the excess land value in contribution to the property incorrectly suggests that the land is worth $5,400,000 per acre. This is contrary to the above principles presented. Having excess land may be negative as well as positive. A larger than average site which is developed or so shaped that it cannot be put to a higher or more variable use may result in a lower unit value per acre. The area in excess of normal use is usually valued at a lower rate than the rest of the site; hence, the lower rate per unit overall.

The corollary to Ms. Joshi's proposition, is that it lacks reliable market data supporting a difference in value for the Subject's excess land, the low ratio of site coverage and the larger percentage of office space compared to typical industrial properties.

By way of market examples presented below are 2 sold industrial properties that had excess. Both sales transactions are for Industrial properties that include excess land which was reflected in the transaction price.

	Address	Zoning	Year Built	Sale Date	Sale Price	Lot Size (in Acres)	Build Size (in Ft^2)	Office Size (in Ft^2)	Office %	Site Coverage	Price/Ft^2 Land	Price /Ft^2 Building
1	**8069 Lawson Rd**	M2A	1988	Apr-23	$54,200,000	13.55	131,420	20,381	15.51%	21.4%	$4,000,000	$412
2	**35 Rutherford Road S**	M2	1962-2004	Dec-21	$67,000,000	19.50	108,528	25,131	23.16%	11.5%	$3,435,897	$617.35

Ms. Joshi indicated that a survey of market evidence for sites with similar employment land characteristics to the Subject Site with transaction dates at, or close to the effective date of April 1, 2023, was conducted. Six (6) comparables were identified after research, review, and analysis.

There seems to be a difference in the effective date - April 1, 2023 or May 15, 2023.

Based on the scope of this assignment, this an incorrect application of the Comparative Approach for land valuation. The application of this approach is not deemed most appropriate for valuation of the Subject' excess land component.

CONCLUSION

Reviewer's Comments:

This was a typical valuation assignment for which Ms. Joshi prepared a narrative report. However, the adjustments were aspects that needed to be described and expanded on. An in-depth credible report would provide the sufficient level of details of the results of analyses, opinions and conclusions advanced within and, in turn, adequately satisfy the purpose of the report and properly accommodate the intended use of the report. The actual written content to explain and justify the estimate of value developed was lacking. The narrative presented within the report is not sufficient enough to result in analyses, opinions, and conclusions that are credible in the context of the Intended Use of the Report. It goes without saying that the more unique the Subject is, the more complicated the appraisal report should/would be.

Again, it is important to note that some of the issues identified would raise compliance concerns under the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) of the Appraisal Institute of Canada. Based on our review of the report, it can be concluded that the opinions presented within Ms. Joshi's appraisal report were "inadequate, inappropriate and unreasonable" and her conclusions are, therefore, "unreliable". As such, the Report under Review did not meet the requirements set by its stated Purpose and Scope of Work (e.g., the "Reasonable Appraiser" test, the relevant Standard, Rules and Comments).

It is my recommendation that sections of Ms. Joshi's report be explored further to facilitate a more accurate reflective value.

The Income Approach is based on the theory that value is the present worth of the income stream which a property is capable of producing when developed to its Highest and Best Use.

In our analysis, an assumption was made that the Subject, like similar properties on the market, would be encumbered by a net type lease making the estimate of the annual net operating income straight forward. In the present instance a reliable estimate of the gross annual income for the Subject Property was not developed.

The market evidence used to develop the Overall Capitalization Rate was **not** very strong, i.e., market data representing what prudent investors are requiring and obtaining for similar competitive properties in the current market.

The Direct Comparison Approach is an excellent test of market value as it reflects the actions of buyers and sellers in the marketplace. The comparable property sales selected did not demonstrate similar physical attributes such as building size, condition, lot coverage and % of office area. Properties of similar type to the Subject are usually purchased by owner-operators. Hence, it is my professional opinion that the estimate of value as developed by the Comparative Approach of Ms. Joshi's report resulted in an inaccurate and unreliable indication of value for the Subject.

The results of the analyses contained within the CBRE do not correlate well. If done properly, the variance should be within the margin of uncertainty inherent in appraisal analyses.

In order to validate the valuation conclusions reached, Ms. Joshi should reference the 2021 sale of the Subject at $32,500,000. See Sales History from page A1 on next page. Our evidence was that this was a Bonafede sale and was akin to the market value at the time of the sale. The challenging question that needs to be addressed is how a market sale from 2 years ago resulted with the value of the Subject being almost tripled over this period? The Principle of Substitution and good old common sense is paramount in the analysis within the Direct Comparison Approach.

SALES HISTORY

<u>Page A1: ADDENDUM A > TERMS OF REFERENCE > Ownership and Property History</u>

Ownership and Property History

Subject History

Transaction Type	Details
Sale within the last 3 Years	Yes -$32,500,000
Vendor(s) / Purchaser(s)	Alectra Real Estate Holdings Inc. / 2779927 Ontario Inc. BVD Group
Listing within the past 12 months	Not listed
Agreement, Contract, Option or Lease within the past 12 months	Yes - short term lease - tenant is vacating - owner user assumption
Current Owner	**2779927 Ontario Inc.**

c. City's internal estimation of the Market Value.

City's Internal High-Level Market Valuation of 175 Sandalwood Parkway West

The subject property is located along the south side of Sandalwood Parkway West, flanked by Hurontario St to the east and McLaughlin Road to the west. The subject site spans an area of approximately 15.78 acres, which includes an estimated 5.5 acres of excess land. The subject building has a gross floor area of 149,500 SF with approximately 23,500 SF of basement and mezzanine space. The herein enclosed valuation is two-part in nature, with a value assigned to the building and surrounding 10.28 acres of land and a second value assigned to the 5.5 acres of excess land.

Building + 10.28 Acres of Land:
A review of the market was completed and a total of 11 sales were selected in estimating the market value of the subject improvements. A time adjustment of 5% per annum was applied to the improved sales. Once adjusted for time, these sales indicate a sale price range of $239/SF to $389/SF. The average time-adjusted sale price is $319/SF and the median closely follows at $320/SF.

Excess Land
A review of comparable land sales was completed and a total of 8 sales were selected in estimating the market value of the subject's 5.5 acres of excess land. A time adjustment of 5% per annum was applied to the land sales. The sales indicate a time-adjusted sale price range of $2,763,429/acre to $4,644,301/acre. The average sale price among the sales is $3,714,218/acre. Notably, comparable 3 shares the same zoning as the subject property and sold for $3,952,357/acre. It is larger in size at 10.1 acres, which warrants an upward adjustment for differences in size. It is superior in development timing as the site is shovel ready with site plan approval in place, which would result in a downward adjustment to the time-adjusted sale price.

Valuation Summary
Following a review of the market, the market value estimate of the building + 10.28 acres ranges from:

Range	Per SF	High-Level Value Estimate
Low End	$315	$47,092,500
Midpoint	$320	$47,840,000
High End	$325	$48,587,500

Following a review of the market, the market value estimate of the 5.5 acres of excess land ranges from:

Range	Per Acre	High-Level Value Estimate
Low End	$3,500,000	$19,250,000
Midpoint	$4,000,000	$22,000,000
High End	$4,500,000	$24,750,000

Based on the above figures, the market value estimate of the subject property ranges from:

Range	Building	Excess Land	High-Level Estimate Total
Low End	$47,092,500	$19,250,000	**$66,342,500**
Midpoint	$47,840,000	$22,000,000	**$69,840,000**
High End	$48,587,500	$24,750,000	**$73,337,500**

Effective Date	1-Aug-23
Monthly Time Adj.	0.42%

No.	Address	Year Built	Site Size (SF)	Site Size (Acres)	Building Size (SF)	Sale Date	Sale Price	Sale Price Per SF	No. of Months	Total Adj.	TASP	TASP Per SF	Zoning
1	50 Precidio Crt & 100 Corporation Dr, Brampton	1999	305,748	7.02	139,759	28-Apr-23	$44,257,531	$317	3.1	1.27%	$44,821,298	$321	M3A
2	190 Summerlea Rd, Brampton	1986	1,079,852	24.79	305,000	19-Dec-22	$94,000,000	$308	7.3	3.04%	$96,858,317	$318	M3A
3	450 Superior Blvd, Mississauga	1996-2007	240,016	5.51	96,772	19-Dec-22	$33,444,185	$346	7.3	3.04%	$34,461,143	$356	E2
4	2085 Hurontario St, Mississauga	1988	54,886	1.26	106,000	2-Dec-22	$33,660,000	$318	7.9	3.27%	$34,761,898	$328	O1-11
5	8001 & 8003 Weston Rd, Vaughan	1989	103,673	2.38	100,907	1-Nov-22	$27,000,000	$268	8.9	3.70%	$27,998,521	$277	EM1
6	35 Precidio Crt, Brampton	1994	240,016	5.51	122,442	29-Aug-22	$42,500,000	$347	10.9	4.55%	$44,432,665	$363	M3A-366
7	153 Van Kirk Dr, Brampton	1996	424,274	9.74	248,000	29-Jul-22	$92,000,000	$371	11.9	4.96%	$96,561,692	$389	M4A-157
8	111 Van Kirk Dr, Brampton	2000	268,765	6.17	141,320	23-Jun-22	$52,000,000	$368	13.1	5.45%	$54,834,758	$388	M4A-157
9	69 First Gulf Blvd, Brampton	2001	344,124	7.90	117,000	2-Sep-21	$30,500,000	$261	22.6	9.44%	$33,378,383	$285	M1-2678
10	255 Biscayne Cres, Brampton	1999	263,538	6.05	137,043	7-May-21	$29,470,000	$215	26.4	11.01%	$32,715,381	$239	M2
11	Subject Property	1999	687,377	15.78	149,500	16-Nov-20	$32,500,000	$217	32.1	13.35%	$36,840,278	$246	M2-680

	Site Size (Acres)	Building Size (SF)	Sale Price Per SF	TASP Per SF
Minimum	1.26	96,772	$215	$239
Maximum	24.79	305,000	$371	$389
Average	8.37	151,249	$303	$319
Median	6.17	137,043	$317	$321

Address	Year Built	Site Size (SF)	Site Size (Acres)	Building Size (SF)	Sale Date	Sale Price	Sale Price Per SF	Zoning
175 Sandalwood Pkwy W (PINs 142490053, 142490055)	1991	687,333	15.78	149,500	16-Nov-20	$32,500,000	$217	M2-680
				*plus 23,500 of basement & mezz space				

Effective Date	1-Aug-23
Time Adj.	0.42%

No.	Address	Site Size (SF)	Site Size (Acres)	Sale Date	Sale Price	Sale Price Per Acre	No. of Months	Total Adj.	TASP	TASP Per Acre	Zoning
1	11300 Dixie Rd, Brampton	838,530	19.25	4-Jul-23	$53,000,000	$2,753,247	0.9	0.37%	$53,196,006	$2,763,429	M4A-157
2	Platinum Dr, Mississauga	87,556	2.01	14-Jun-23	$6,125,000	$3,047,264	1.5	0.64%	$6,164,431	$3,066,881	E2-C3
3	Hwy 50, Brampton	439,956	10.10	9-Feb-23	$39,000,000	$3,861,386	5.7	2.36%	$39,918,803	$3,952,357	M2
4	10 & 14 Mansewood Crt, Halton Hills	380,889	8.74	15-Jul-22	$35,887,000	$4,104,186	12.4	5.15%	$37,735,224	$4,315,556	RU-EMP
5	NW corner of Dixie Rd & Docksteader Rd	169,884	3.90	12-May-22	$10,920,000	$2,800,000	14.4	6.01%	$11,576,624	$2,968,365	M1
6	1555 Matheson Blvd E, Mississauga	152,460	3.50	13-Dec-21	$14,595,099	$4,170,028	19.3	8.05%	$15,770,575	$4,505,879	E3
7	33 Deerhurst Dr, Brampton	70,567	1.62	1-Oct-21	$6,900,000	$4,259,259	21.7	9.04%	$7,523,767	$4,644,301	M3-1565
8	8925 Torbram Rd, Brampton	679,972	15.61	19-Oct-20	$48,000,000	$3,074,952	32.9	13.72%	$54,587,771	$3,496,974	M3A

	Site Size (Acres)	Sale Price Per Acre	TASP Per Acre
Minimum	1.62	$2,753,247	$2,763,429
Maximum	19.25	$4,259,259	$4,644,301
Average	8.09	$3,508,790	$3,714,218
Median	6.32	$3,468,169	$3,724,666

Address	Site Size (SF)	Site Size (Acres)	Zoning
175 Sandalwood Pkwy W (PINs 142490053, 142490055)	239,580	5.50	M2-680

(Excess Land)

Colliers

Broker Opinion Of Value

175 Sandalwood Pkwy W, Brampton, Ontario

August 23rd, 2023

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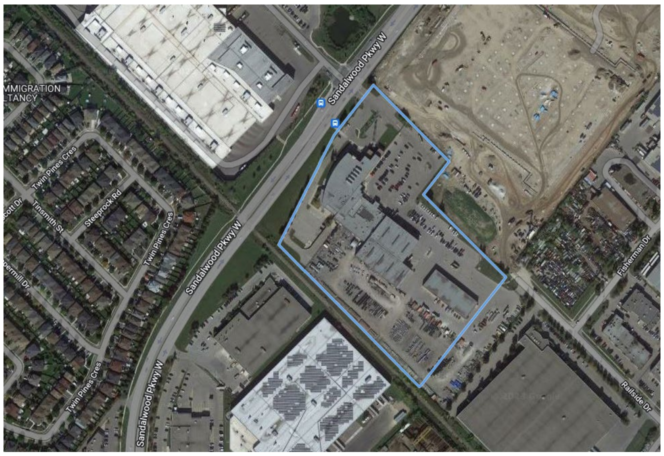
Table of Contents

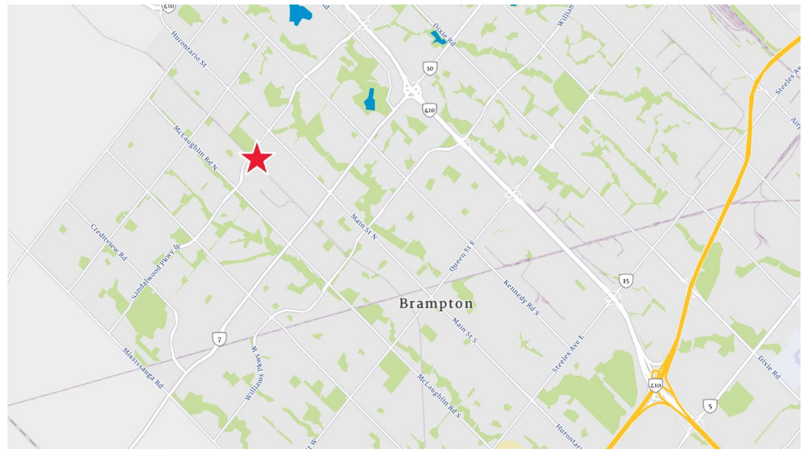
Property Overview

175 Sandalwood Parkway West, Brampton, ON

Aerial



Location



Property Highlights + Characteristics

Strengths:

- Rare freestanding building in highly sought-after market
- +/- 8 acres of excess land
- Industrial zoning that permits outside storage
- Easy accessibility to Highway 410
- 2 access points to site

Opportunities:

- Limited purchase opportunities currently available in Brampton
- Record high property values

Challenges:

- High office component within existing building

Product Type:	Industrial
Building Area:	+/- 170,482 SF
Office Area:	+/- 67,554 SF
Warehouse Area:	+/- 84,228 SF (+ 18,700 SF industrial bldg)
Land Area:	15.74 AC (including +/- 8.0 acres of outside storage land
Year Built:	1991
Shipping	5 Truck level, 4 Drive-in
Clear Height	15' – 32'
Zoning:	M2
Legal Description:	PT LT 13 CON 1 WHS CHINGUACOUSY PT 1, 43R16689 ; BRAMPTON TOGETHER WITH AN EASEMENT OVER PT LT 7, CONC 8 N.D. (TOR.GORE) DES PT 24, 43R32980 AS IN PR1724103 CITY OF BRAMPTON

Comparable Building Sales

The market value approach to value is determined by comparing the subject property to similar properties which have been sold or offered for sale. Adjustments are made for differences in date of sale, age, condition, size, location, land/building ratio, local tax policies, and other physical characteristics and circumstances influencing the sale. The adjusted blend of those sales considered most comparable (based on physical appearance and condition) establish a range of values for the property.

#	Address	Square Footage	Sale Price	Price / SF	Sold Date
1	1950 Meadowvale Blvd, Mississauga	160,650	$41,500,000	$258	06/19/2023
2	7070 Mississauga Rd, Mississauga	244,128	$72,350,000	$296	05/01/2023
3	6355 Viscount Rd, Mississauga	89,301	$22,000,000	$246	04/28/2023
4	75 Courtneypark Dr W, Mississauga	69,372	$22,500,000	$324	04/13/2023
5	60 & 80 Courtneypark Dr W, Mississauga	161,569	$52,000,000	$322	04/13/2023
6	2085 Hurontario St, Mississauga	105,000	$33,660,000	$321	12/02/2022
7	8001 Weston Rd, Vaughan	76,205	$23,238,000	$303	11/01/2022
8	8925 Torbram Rd, Brampton	202,000	$48,000,000	$238	10/19/2020
Average Size (SF): 138,528		**Average Sale Price: $39,406,000**		**Average Sale Price PSF: $289**	

Comparable Land Sales

The market value approach to value is determined by comparing the subject property to similar properties which have been sold or offered for sale. Adjustments are made for differences in date of sale, age, condition, size, location, land/building ratio, local tax policies, and other physical characteristics and circumstances influencing the sale. The adjusted blend of those sales considered most comparable (based on physical appearance and condition) establish a range of values for the property.

#	Address	Size (Acres)	Sale Price	Price / Acre	Date
1	11 Highway 50, Brampton	10.10	$39,000,000	$3,680,622	02/02/2023
2	600 Harrop Dr, Milton	3.89	$17,200,000	$4,435,276	09/22/2022
3	2524 Cawthra Rd, Mississauga	1.46	$5,280,000	$3,606,557	09/15/2022
4	10 & 14 Mansewood Crt, Halton Hills	8.74	$35,887,000	$4,104,185	07/15/2022
5	2388 Meadowpine Blvd, Mississauga	1.77	$7,175,000	$4,053,672	07/14/2022
6	1555 Matheson Blvd E, Mississauga	3.50	$14,595,099	$4,165,268	12/13/2021
7	James Snow Pkwy & Mount Pleasant Way, Milton	17.60	$66,000,000	$3,750,000	Available
8	James Snow Pkwy & Mount Pleasant Way, Milton	35.00	$140,000,000	$4,000,000	Available
9	5455 & 5503 Dixie Rd, Mississauga	58.00	$247,000,000	$4,200,000	Available
10	Airport Rd/Mayfield Rd, Caledon	15.00	$60,000,000	$4,000,000	Available
Average Size 15.51 Acres		**Average Sale Price $63,213,710**		**Average Price per Acre $3,999,558**	

Given current market values, commercial land in Brampton would be worth:

CONSERVATIVE	PROBABLE	OPTIMISTIC
$3,750,000 / Acre	**$4,000,000 / Acre**	**$4,250,000 / Acre**

Valuation

After analyzing the market, the comparable site analysis indicated a vacant sale value within the range as follows:

Building Valuation:

Low: 170,482 SF x $250 = **$42,620,500**

Mid: 170,482 SF x $255 = **$43,472,910**

High: 170,482 SF x $260 = **$44,325,320**

Excess Land Valuation:

Low: 8.0 acres x $3,750,000 = **$30,000,000**

Mid: 8.0 acres x $4,000,000 = **$32,000,000**

High: 8.0 acres x $4,250,000 = **$34,000,000**

Total Property Valuation:

We have taken into account the additional acres this land sits on and valued this accordingly:

Conservative = $42,620,500 + $30,000,000 = **$72,620,500**

Probable = $43,472,910 + $32,000,000 = **$75,472,910**

Optimistic = $44,325,320 + $34,000,000 = **$78,325,320**

This is not an appraisal: This Real Estate Broker's Opinion of Value is intended for the sole and exclusive use of The Client and may not be relied upon any person or entity other than the Client for any purpose whatsoever. This Real Estate Broker's Opinion of Value represents only the opinion of Colliers International as to the value of the Subject Property, subject to the assumptions and qualifications set forth herein. Colliers International is not licensed to perform real property appraisals. Accordingly, this Real Estate Broker's Opinion of Value does not constitute an appraisal of the Subject Property and has not been prepared in accordance with the Uniform Standards of Professional Appraisal Practice. The Real Estate Broker's Opinion of Value set forth herein is specifically qualified by, and based solely upon, the relevant facts, circumstances, and market conditions that exist as of the date of this Real Estate Broker's Opinion of Value, and we undertake no obligation to update, modify, or supplement this Real Estate Broker's Opinion of Value to the extent that such facts, circumstances or market conditions subsequently change.

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AGREEMENT OF PURCHASE AND SALE
(the "Agreement")

BETWEEN:

2779927 ONTARIO INC.
(the "Vendor")

-and-

THE CORPORATION OF THE CITY OF BRAMPTON
(the "Purchaser")

(the Vendor and the Purchaser are hereinafter collectively referred to as the "Parties")

WHEREAS:

A. The Vendor is the registered owner of PT LT 13 CON 1 WHS CHINGUACOUSY PT 1, 43R16689; BRAMPTON; TOGETHER WITH AN EASEMENT OVER PT LT 7 CONC 8 N.D. (TOR.GORE) DES PT 24, 43R32980 AS IN PR1724103; CITY OF BRAMPTON, City of Brampton, in the Regional Municipality of Peel and comprising all of PIN 14249-0053 (LT) and PCL 5-2, SEC 43M766; PT LT 5, PL 43M766; PTS 1 TO 3, 43R18108; S/T A RIGHT AS IN LT766081; S/T LT764729, LT786235 BRAMPTON, in the City of Brampton, in the Regional Municipality of Peel and comprising all of PIN 14249-0055 (LT), containing approximately 15.74 acres (with a total building area of 170,482 square feet; comprising of 67,554 square feet Office Area, 84,228 square feet Warehouse Area and 18,700 square feet Industrial Building), as further described in Schedule "B" attached hereto, as shown in bold outline on the Plans 43R16689 and 43R18108 attached hereto as Schedule "C" (the "Property");

SEVEN77 SEVEN MILLION AND ~~EIGHT~~ NINE HUNDRED THOUSAND (C$77,900,000)

B. The Purchaser wishes to purchase the Property from the Vendor; and

NOW THEREFORE, subject to the terms and conditions of this Agreement, the Purchaser hereby offers to purchase from the Vendor the Property for the purchase price of: ~~SEVENTY-FIVE ($75,000,000)~~ ~~SEVENTY NINE~~ ~~SEVENTY~~ ~~EIGHTY~~ ~~SEVENTY~~ ~~ONE~~ MILLION CANADIAN DOLLARS (~~$70,000,000~~ ~~80,000,000~~ ~~71,000,000~~ ~~79,000,000~~ CDN) (the "Purchase Price").

1. Schedules & Recitals. The Parties acknowledge and agree that the foregoing recitals are true and accurate and together with Schedules "A", "B", "C", and "D" attached hereto shall form part of this Agreement.

2. Deposit. Purchaser shall submit, upon acceptance of this Agreement and its receipt of an executed copy of this Agreement, the TWO MILLION AND EIGHT HUNDRED THOUSAND CANADIAN DOLLARS ($2,800,000 CDN) on account of the Purchase Price (the "Deposit") payable by cheque to the Vendor's solicitor in trust, as a refundable deposit to be held by the Vendor's solicitor in trust pending expiry of the conditions set out herein in Section 2 and 3 of Schedule "A" to this Agreement. If either the condition set out in Section 2 of Schedule "A" to this Agreement is not waived or satisfied or the condition in Section 3 of Schedule "A" to this Agreement is not waived or satisfied, the Deposit shall be returned forthwith to the Purchaser in full without any interest earned and without deduction or set off. If the said condition is waived or satisfied, the Deposit shall continue to be held by the Vendor's solicitor in trust pending Completion of the subject transaction contemplated by this Agreement or other termination of this Agreement, and shall be refundable to the Purchaser in full if the transaction does not close or the Agreement is terminated for any reason whatsoever. If the transaction contemplated by this Agreement is completed, then the Deposit shall be credited to the Purchaser on the Statement of Adjustments on Completion and applied against the purchase price for the Property.

3. Balance. Purchaser agrees to pay the balance of the Purchase Price to Vendor on the Completion Date (as defined in Schedule "A" to this Agreement), by bank draft or certified cheque, subject to the usual adjustments, including without limitation, those stipulated herein.

4. Irrevocability. This offer shall be irrevocable by Purchaser until 4:30 p.m. on the Irrevocable Date (as defined in Schedule "A" to this Agreement), after which time, if not accepted, this offer shall be null and void.

5. Completion Date. This Agreement shall be completed no later than 5:00 pm on the Completion Date (as defined in Schedule "A" to this Agreement), with vacant possession to be given to Purchaser on Completion of same unless otherwise provided in this Agreement.

6. HST. If the sale of the Property is subject to Harmonized Sales Tax ("HST"), then such tax shall be in addition to the Purchase Price. The Vendor shall not collect HST if the Purchaser provides to the Vendor a warranty that the Purchaser is registered under the *Excise Tax Act (Canada)* (the "Act"), an undertaking that the Purchaser shall self-assess and remit the HST payable and a covenant of the Purchaser to indemnify the Vendor in respect of any HST payable as a result of the Vendor's failure to collect HST from the Purchaser on the Completion Date. The foregoing warranty, undertaking and indemnity shall be in a form satisfactory to the Purchaser. If the sale of the entire Property is not subject to HST, Vendor agrees to deliver such written certificate and statutory declaration on or before the Completion Date (as defined in Schedule "A" to this Agreement) certifying that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

7. Land Transfer Tax. Purchaser shall be responsible for the payment of Land Transfer Tax and registration fees and any other taxes and fees payable in connection with the registration of the Transfer of the Property.

8. Title Search. Purchaser shall be allowed until the Requisition Date (as defined in Schedule "A" to this Agreement) to examine the title to the Property at its own expense; and until the earlier of: (i) thirty (30) days from the later of the Requisition Date or the date on which the conditions to this transaction are fulfilled or otherwise waived or; (ii) five (5) days prior to Completion Date, to satisfy itself that there are no outstanding municipal work orders or deficiency notices affecting the Property, that its present use may be lawfully continued and that the principal building may be insured against risk of fire. Vendor hereby consents to the municipality or other governmental agencies releasing to Purchaser details of all outstanding work orders and deficiency notices affecting the Property, and Vendor agrees to execute and deliver such further authorization in this regard as Purchaser may reasonably require.

9. Future Use. Vendor and Purchaser agree that there is no condition, express or implied, representation or warranty of any kind that the future intended use of the Property by Purchaser is or will be lawful except as may be specifically stipulated hereunder.

10. Title. Provided that title to the Property is good and marketable free from all registered restrictions, charges, liens and encumbrances except as otherwise specifically provided in this Agreement and save and except for: (a) any registered restrictions or covenants that run with the land provided that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and Completion, as evidenced from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the Property or adjacent property; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services, provided none of the foregoing exceptions (a) through (d) materially affect the present use of the Property or that intended by the Purchaser in its sole and unfettered opinion. If within the specified time referred to in paragraph 8 any valid objection to title or to any outstanding municipal work order or deficiency notice, or to the fact the said present use or that intended by the Purchaser may not lawfully be continued or commenced, or that the principal building may not be insured against risk of fire is made in writing to Vendor and which Vendor is unable to remove, remedy or satisfy and which Purchaser will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies theretofore paid shall be returned without interest or deduction and Vendor and Purchaser shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Purchaser shall be conclusively deemed to have

accepted Vendor's title to the Property.

11. Closing Arrangements. Where each of Vendor and Purchaser retain a solicitor to complete the Agreement of Purchase and Sale of the Property, and where the transaction will be completed by electronic registration pursuant to Part III of the *Land Registration Reform Act*, R.S.O. 1990, c. L. 4 and the *Electronic Registration Act*, S.O. 1991, Chapter 44, and any amendments thereto, Vendor and Purchaser acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to Vendor and Purchaser will (a) not occur contemporaneously with the registration of the Transfer (or any other documents intended to be registered in connection with the completion of this transaction), and (b) be subject to conditions whereby the solicitor receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said solicitors. Vendor and Purchaser irrevocably instruct the said solicitors to be bound by the document registration agreement which is recommended from time to time by the Law Society of Ontario.

12. Documents and Discharge. Purchaser shall not call for the production of any title deed, abstract, survey or other evidence of title to the Property except such as are in the possession or control of Vendor. Vendor agrees that it will deliver any sketch or survey of the Property in its possession or within its control to Purchaser as soon as possible and prior to the Requisition Date. In the event that a discharge of any mortgage or charge held by a corporation incorporated pursuant to the *Trust and Loan Companies Act* (Canada), S.C., 1991, c. 45, chartered bank, trust company, credit union, *caisse populaire* or insurance company and which is not to be assumed by Purchaser on the Completion Date (as defined in Schedule "A" to this Agreement), is not available in registerable form on the Completion Date (as defined in Schedule "A" to this Agreement), Purchaser agrees to accept Vendor's solicitor's personal undertaking to obtain, out of the closing funds, a Discharge of Charge/Mortgage in registerable form and to register same on title within sixty (60) days after the Completion Date (as defined in Schedule "A" to this Agreement), provided that on or before the Completion Date (as defined in Schedule "A" to this Agreement), Vendor shall provide Purchaser a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic clearance funds transfer system is not being used, a direction executed by Vendor directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on the Completion Date. All other mortgages, charges, assignment of rent(s) and other encumbrances shall be discharged from title to the Property on or before Completion.

13. Inspection. Vendor acknowledges that Purchaser has not had the opportunity to inspect the Property and understands that upon acceptance of this Agreement there shall be a conditional Agreement of Purchase and Sale between Purchaser and Vendor.

14. Insurance. All buildings on the Property and all other things being purchased shall be and remain until the Completion Date (as defined in Schedule "A" to this Agreement) at the risk of Vendor. Pending completion, Vendor shall hold all insurance policies, if any, and the proceeds thereof in trust for the Parties as their interests may appear and in the event of substantial damage, Purchaser may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on the Completion Date (as defined in Schedule "A" to this Agreement).

15. Planning Act. Provided that this Agreement shall be effective to create an interest in the Property only if the subdivision control provisions of the *Planning Act*, R.S.O. 1990, c. P.13 are complied with by Vendor on or before the Completion Date (as defined in Schedule "A" to this Agreement) and Vendor hereby covenants to proceed diligently at his and her expense to obtain any necessary consent on or before the Completion Date (as defined in Schedule "A" to this Agreement). Notwithstanding same, Vendor acknowledges that Purchaser, is a municipal corporation, and a transfer to Purchaser is exempt from the subdivision control provisions of the *Planning Act*, R.S.O. 1990, c. P.13.

16. Document Preparation. The Transfer shall, save for the Land Transfer Tax Affidavits, be prepared in registerable form at the expense of Vendor, and the Charge/Mortgage, if any, at

the expense of Purchaser. If requested by Purchaser, Vendor covenants that the Transfer to be delivered on the Completion Date (as defined in Schedule "A" to this Agreement) shall contain the statements contemplated by clauses 50(22) and of the *Planning Act*, R.S.O. 1990, c. P.13.

17. Residency. (a) Subject to (b) below, Vendor represents and warrants that Vendor is not and on the Completion Date shall not be a non-resident under the non-residency provisions of the *Income Tax Act* which representation and warranty shall survive and not merge upon the Completion Date (as defined in Schedule "A" to this Agreement) and Vendor shall deliver to Purchaser a statutory declaration that Vendor is not then a non-resident of Canada; (b) provided that if Vendor is a non-resident under the non-residency provisions of the *Income Tax Act*, Purchaser shall be credited towards the Purchase Price with the amount, if any, which it shall be necessary for Purchaser to pay to the Minister of National Revenue in order to satisfy Purchaser's liability in respect of tax payable by Vendor under the non-residency provisions of the *Income Tax Act* by reason of this sale. Purchaser shall not claim such credit if Vendor delivers on the Completion Date (as defined in Schedule "A" to this Agreement) the prescribed certificate.

18. Adjustments. Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the Completion Date (as defined in Schedule "A" to this Agreement), the Completion Date itself to be apportioned to Purchaser. The parties hereto acknowledge and agree that the Purchase Price of the Property is based upon the area of the property being 15.74 acres (with a total building area of 170,482 square feet). Prior to the Completion Date, the Purchaser shall at its expense provide to the Vendor a floor area certificate and a land area certificate by a qualified Surveyor/expert, setting forth the exact area of the property, and if such area shall be either more or less than the total acreage of the property and the total square footage of the building then the Purchase Price shall be increased or decreased accordingly.

19. Property Assessment. Vendor and Purchaser hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. Vendor and Purchaser agree that no claim will be made against Vendor or Purchaser, for any changes in property tax as a result of re-assessment of the Property, save and except any property taxes that accrued prior to the Completion Date (as defined in Schedule "A" to this Agreement).

20. Time Limits. Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Vendor and Purchaser or by their respective solicitors who are hereby expressly appointed in this regard.

21. Tender. Any tender of documents or money hereunder may be made upon Vendor or Purchaser or their respective solicitors on the Complete Date (as defined in Schedule "A" to this Agreement). Money may be tendered by bank draft or cheque certified by a chartered bank, trust company or Province of Ontario Savings Office.

22. Family Law Act. Vendor represents and warrants that no consent to the transaction contemplated pursuant to this Agreement is required pursuant to Subsection 21(1) of the *Family Law Act*, R.S.O. 1990, C.F.3, as amended, unless each Vendor's spouse has executed this Agreement consenting thereto, and that either: (i) the Transfer shall contain a statement by each Vendor as required by Subsection 21(3) of such Act which is to be supported by an affidavit; or (ii) the spouse of each Vendor shall execute the Transfer to consent thereto.

23. UFFI. Vendor represents and warrants to Purchaser that during the time Vendor has owned the Property, Vendor has not caused any building on the Property to be insulated with insulation containing urea-formaldehyde, and that to the best of Vendor's knowledge, no building on the Property contains or has ever contained insulation that contains urea-formaldehyde. This warranty shall survive and not merge on the Completion Date (as defined in Schedule "A" to this Agreement).

24. Successors and Assigns. The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

25. Entire Agreement, Interpretation. This Agreement including any schedules attached hereto shall constitute the entire agreement between Purchaser and Vendor. If there is a conflict between the provisions set out herein and the provisions set out in Schedule "A" to this Agreement, the conflict shall be resolved in favour of the provisions set out in Schedule "A" to this Agreement. There is no representation, warranty, collateral agreement or condition, whether direct or collateral or expressed or implied, which induced any Party hereto to enter into this Agreement or on which reliance is placed by any such Party, which affects this Agreement or the Property or supported hereby other than as expressed or referred to herein. This Agreement shall be read with all changes of gender or number required by the context.

26. Counterparts. This Agreement may be executed in any number of counterparts and all such counterparts shall for all purposes constitute one agreement, binding on the parties hereto, provided each party hereto has executed at least one counterpart, and each shall be deemed to be an original, notwithstanding that all parties are not signatory to the same counterpart. Delivery of an executed copy of this Agreement by facsimile or by electronic transmission in portable document format (.pdf) or other similar electronic means is as effective as delivery of an original thereof. The Parties agree to exchange original copies of this Agreement no later than two (2) business days prior to the Completion Date.

27. Time and Date. Any reference to a time and date in this Agreement shall mean the time and date where the Property is located.

28. Chattels, Fixtures & Rental Items. The Purchase Price shall include the Chattels and exclude the Fixtures and Rental Items listed in Schedule "D". Unless otherwise stated in this Agreement or any Schedule hereto, Vendor agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

29. Commission. The Vendor represents and confirms that the Vendor has not signed any listing, representation or commission agreement with any realtor that may require a commission payment as a result of the execution or completion of this Agreement, except for with Colliers Macaulay Nicolls Inc.

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Parties have duly executed this Agreement on the dates set out below.

26th ~~21~~ September

Executed by the Purchaser this [redacted] day of [redacted] 2023. MK

MK

THE CORPORATION OF THE CITY OF BRAMPTON

Per:

Marlon Kallideen
Chief Administrative Officer

I/We have authority to bind the Corporation.

Authorization By-law 216-2017, as amended	
Approved as to form Legal Services SAhlstan 09 24 2023	Approved as to content Realty Services RG 09 24 2023

Executed by the Vendor this 25th day of September 2023.

2779927 ONTARIO INC.

Per: ____________________
Bikram Dhillon, President

Per: ____________________

I/We have authority to bind the Corporation.

SCHEDULE "A"

SUPPLEMENTARY TERMS & CONDITIONS

1. **Defined Terms**

In this Agreement, the following terms shall have the following meanings;

(a) "**Business Day**" means any day which is not a Saturday or a Sunday or a statutory holiday in the City of Brampton, Province of Ontario;

(b) "**Completion**" means the completion of the transaction contemplated by this Agreement on the Completion Date;

thirty (30) ~~twenty~~ ~~20~~ NK

(c) "**Completion Date**" means the date which is ~~sixty fifteen thirty~~ (~~60~~~~15~~30) days from the date that the Purchaser gives written notice that all of the Due Diligence Requirements (as defined herein) have been satisfied or waived. If the Completion Date falls on a Saturday, Sunday or a statutory holiday in Ontario or any other day electronic registration services are not available in the Peel Land Registry Office, the Completion Date shall be the next Business Day that such electronic registration services are available. ~~The Purchaser shall have the right, by notice in writing to the Vendor or the Vendor's solicitor, to extend the Completion Date for a further period not to exceed fifteen (15) days. The Purchaser shall have the right, by notice in writing to the Vendor or the Vendor's solicitor, to extend the Completion Date for a further period not to exceed sixty (60) days;~~

BUT IN ANY EVENT SHALL NOT BE LATER THAN DECEMBER 18th, 202[illegible]

NK

(d) "**Contaminant**" means and includes, without limitation any toxic substances, pollutants, asbestos, vermiculite, urea formaldehyde, polychlorinated biphenyls, radioactive substances, dangerous goods or substances, liquid wastes, hazardous wastes, hazardous materials, hazardous substances or contaminants or any other matter including any of the foregoing, as defined or described as such pursuant to any Environmental Law;

(e) "**Contracts**" has the meaning ascribed thereto in Section 6 of this Schedule "A";

(f) "**Council Approval Condition**" has the meaning ascribed thereto in Section 2 of this Schedule "A";

(g) "**Due Diligence Date**" has the meaning ascribed thereto in Section 3 of this Schedule "A";

(h) "**Due Diligence Requirements**" have the meaning ascribed thereto in Section 3 of this Schedule "A";

(i) "**Due Diligence Period**" has the meaning ascribed thereto in Section 3 of this Schedule "A";

(j) "**Environmental Activity**" means and includes, without limitation, any past, present or future activity, event or circumstance in respect of a Contaminant;

(k) "**Environmental Laws**" means and includes, without limitation, any and all applicable federal, provincial, state, municipal or local laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, or any Environmental Activity.

(l) "**First Conditional Date**" has the meaning ascribed thereto in Section 2 of this Schedule "A";

(m) "**Initial Conditional Period**" has the meaning ascribed thereto in Section 2 of this Schedule "A";

(n) "**Irrevocable Date**" means five (5) days from the date that this Agreement is executed by the Purchaser or a date to be mutually agreed upon between the Parties;

(o) "Lease Documents" has the meaning ascribed thereto in Section 6 of this Schedule "A";

(p) "Property Documents" has the meaning ascribed thereto in Section 6 of this Schedule "A";

(q) "Requisition Date" means ten (10) days prior to the Completion Date.

2. **Council Approval Condition**

Purchaser's obligations under this Agreement are conditional for a period of ~~sixty~~ thirty (~~60~~30) days following the date of acceptance of this Agreement (the "**Initial Conditional Period**") (the last day being referred to herein as the "**First Conditional Date**"), upon the Purchaser obtaining, from Council of the Purchaser, approval and ratification of this Agreement and the approval of a budget to fund all acquisition costs for the Property including the Purchase Price payable on completion of this transaction, HST and all due diligence costs (the "**Council Approval Condition**")~~. Provided that in the event that the Purchaser is unable to satisfy the Council Approval Condition within the Initial Conditional Period, the Purchaser shall have the right, by notice in writing to the Vendor or Vendor's solicitor, to extend the Initial Conditional Period for a further period not to exceed thirty (30) days~~. NK

The Council Approval Condition is inserted for the sole benefit of Purchaser and may be waived by the Purchaser at any time prior to the expiry of the Initial Conditional Period. Purchaser shall notify Vendor or Vendor's solicitor in writing on or prior to the First Conditional Date, whether the Council Approval Condition has been satisfied or waived. Notwithstanding that the Purchaser notifies Vendor or the Vendor's solicitor within the Initial Conditional Period that the Council Approval Condition has been satisfied or waived, this Agreement shall continue to be conditional on the remaining Due Diligence Requirements set out in Section 3 of this Schedule "A". If Purchaser fails to so notify the Vendor or Vendor's solicitor within the Initial Conditional Period or notifies Vendor or Vendor's solicitor within the Initial Conditional Period that the Council Approval Condition has not been satisfied, then this Agreement shall thereupon be automatically terminated and all obligations and liabilities of the Parties to the other shall be at an end (except for the confidentiality provisions in Section 23 of this Schedule "A") and the Deposit shall be returned forthwith to the Purchaser without interest and without deduction or setoff and the Purchaser shall be released from all further liability hereunder.

3. **Due Diligence Period** sixty (60) ~~forty-five~~ ~~45~~ NK

(a) Purchaser's obligations under this Agreement are conditional for a further period of ~~one-hundred and twenty~~ ~~forty-five~~~~sixty~~ (~~120~~~~45~~~~60~~) days (the "**Due Diligence Period**") following the date that the Purchaser notifies the Vendor or Vendor's solicitor in writing that the Council Approval Condition is satisfied or waived (the last day of such ~~one-hundred and twenty~~ ~~forty-five~~~~sixty~~ (~~120~~~~45~~~~60~~) day period being referred to herein as the "**Due Diligence Date**"), upon Purchaser satisfying itself, in its sole and unfettered discretion, with respect to all aspects of the Property (upon receipt of updated Phase 1 and Phase 2 Environmental Site Assessment reports for the whole property, updated Building Condition Assessment with itemized lists of completed tasks, repairs and replacements resulting from the Building Condition Assessment, updated Designated Substance Survey and ~~updated~~ existing Site Survey to be provided by the Vendor, with reliance letters from the Vendor's consultants, on Day 1 of the start of Due Diligence Date) including, but not limited to: sixty (60) NK NK NK

(i) the condition of the Property including the environmental condition of the Property;

(ii) the suitability of the Property in all other respects (including, but not limited to, all applicable costs, geotechnical, soil conditions and conservation issues) for Purchaser's proposed use of the Property; and

(iii) the results of all of Purchaser's other due diligence searches, investigations, tests and inspections with respect to the Property;

(collectively, the "**Due Diligence Requirements**"),

provided however, that if Purchaser conducts any soil, groundwater or other invasive tests, inspections or investigations, including drilling boreholes, on the Property, then Purchaser agrees to reinstate the Property to its original condition, as much as reasonably possible, after undertaking any such tests, inspections and investigations.

(b) The Due Diligence Requirements are inserted for the sole benefit of Purchaser one or more of which may be waived by the Purchaser at any time prior to the expiry of the Due Diligence Period. Purchaser shall notify Vendor or Vendor's solicitor in writing on or prior to the Due Diligence Date, whether any or all of the Due Diligence Requirements have been satisfied or waived. If Purchaser notifies Vendor or the Vendor's solicitor within the Due Diligence Period that all the Due Diligence Requirements have been satisfied or waived, then this Agreement shall be unconditional. If Purchaser fails to so notify the Vendor or Vendor's solicitor within the Due Diligence Period or notifies Vendor or Vendor's solicitor within the Due Diligence Period that all or any of the Due Diligence Requirements have not been satisfied, then this Agreement shall thereupon be automatically terminated and all obligations and liabilities of the parties hereto to the other shall be at an end (except for the confidentiality provisions in Section 23 of this Schedule "A") and the Deposit shall be returned to the Purchaser without interest and without deduction and the Purchaser shall be released from all further liability hereunder.

4. **Right to Enter**

(a) Upon acceptance of this Agreement, Purchaser, its employees, agents and contractors, together with their vehicles, equipment and supplies, shall have the right to enter the Property upon providing twenty-four (24) hours' written notice to Vendor or Vendor's solicitor, for the following purposes:

(i) to inspect the Property and all structures, improvements and fixtures thereon;

(ii) to survey the Property;

(iii) to carry out an environmental audit of the Property, including without limitation those inspections, inquiries and activities described in Section 3(a) and Section 5; and

(iv) to conduct such other investigations and tests as may seem necessary and appropriate to Purchaser.

(b) Purchaser shall indemnify and save harmless Vendor of and from any and all claims, demands, actions, causes of action, liability for damages and associated costs and expenses (including, without limitation, reasonable legal fees and disbursements) brought against Vendor or for which Vendor becomes liable as a result of personal injury, including personal injury causing death or property damage suffered by any person arising out of anything done by Purchaser, its employees, agents and contractors in the course of the exercise of the above right of entry, save and except any damage to the property of Vendor which is the reasonable and necessary consequence of the exercise of this right of entry, or which is caused by or contributed to by the wilfull or negligent act or omission of Vendor or those for whom in law it is responsible.

5. **Environmental Investigations**

(a) The Parties acknowledge that Purchaser may carry out a Phase I, Phase II and additional Environmental Site Assessments of the Property during the Due

Diligence Period at its own expense, including attendance on the Property by the Purchaser and its servants, agents, consultants, contractors, workmen and representatives on such number of occasions as may be required to complete inspections, take samples and undertake tests of the surface and sub-surface soil and water and including the making of boreholes, installation, inspection and removal of monitoring equipment and undertaking such other inspections, investigations, excavations and tests as may be required to complete such assessments. The Purchaser agrees to pay all costs of any repairs required to be made to the Property as a result of the aforesaid inspections, audits and tests so that the Property is restored to the condition that existed immediately prior to such inspections, audits or tests.

(b) In the event that the Purchaser notifies Vendor or Vendor's solicitor that the Due Diligence Requirements have been satisfied or waived in accordance with subparagraph 3(b) hereof, neither of such notice(s) or the Completion of this transaction by the Purchaser shall be considered a waiver of a breach of any environmental warranty given by Vendor.

6. **Vendor's Cooperation and Document Delivery**

Vendor shall deliver to Purchaser within fourteen (14) days of execution of this Agreement by the Parties, all relevant information with respect to the Property, to the extent within its possession or control, including but not limited to:

(a) an Authorization and Direction, on Purchaser's form, authorizing all governmental agencies and bodies having jurisdiction to release all information in their files relating to the Property provided such authorization and direction shall specifically prohibit any inspections of the Property;

(b) copies of all surveys, planning studies, zoning or official plan amendment applications, environmental reports, ecological reports, environmental assessments/audits relating to the Property, including any inspections, investigations and tests, feasibility studies, engineering reports, and any notices, orders, directives and all other documents and reports relating to the Property;

(c) a copy of any lease and/or verbal lease agreement particulars, including the name of the tenant, date of lease and/or verbal lease agreement, all rent particulars, term of lease and/or verbal lease agreement, renewal/extension particulars, and deposits/security particulars, and all notices of rent increases, most recent utility and service accounts for rented premises and other ancillary documents thereto (the "**Lease Documents**");

(d) a list of and copies of any executed contracts and warranties with third parties affecting the Property, if any, copies of most recent utility and service accounts for the Property and copies of any contracts for equipment which has been affixed to the Property, is rented and not included in the Purchase Price ("**Contracts**");

(e) copies of any plans or drawings for any structures on the Property, including electrical, mechanical and structural and any drawings and plans related to any alterations or additions contemplated;

(f) outstanding applications or appeals and orders issued concerning real property taxes for the Property; and

(g) such other material documents, reports or information relating to the Property as may be reasonably required by Purchaser and as may be in Vendor's possession or control.

(collectively, the "**Property Documents**").

7. **Additional Representations and Warranties of Vendor**

Vendor also represents and warrants to Purchaser that each of the following representations and warranties are true and correct on the date of this Agreement:

(a) **Ownership & Corporate Authority.** Vendor is the owner of title to the Property, is a corporation duly incorporated and subsisting under the laws of the Province of Ontario and has the corporate and contractual power, authority, right and capacity to enter into, execute and deliver this Agreement and to carry out the transactions contemplated by this Agreement in the manner contemplated by this Agreement for itself.

(b) **Right of First Refusal.** No person has any right of first refusal or option to purchase or other right to purchase or lease any part of the Property or interest therein.

(c) **Contracts.** All Contracts are in good standing and Vendor is not aware of any material defaults thereunder, none of the Contracts shall impose any financial or other obligation on the Purchaser after Completion and all such Contracts may be assumed by the Purchaser at its option and may be terminated without prior notice or penalty.

(d) **Environmental Compliance:**

(i) to the knowledge of Vendor~~and as may be disclosed by the Vendor to the Purchaser pursuant to Section 6(b) hereof~~:

a. the Property complies in all material respects with all applicable Environmental Laws;

b. no portion of the Property has been utilized as waste disposal site, landfill site or cemetery;

c. no building, structure or improvement located on the Property contains a Contaminant or any other hazardous, regulated or controlled substance under applicable Environmental Laws;, nor are there now nor have there ever been any aboveground or underground storage tanks located on the Property;

d. there does not now exist in, on or under the Property, arising from any current or previous use of the Property or from any other source whatsoever, a patent or latent Contaminant that is likely to cause immediately, or at some future time, harm to or degradation of the environment or risk to human health for safety as defined in or pursuant to applicable Environmental Laws now or hereafter in existence relating to the protection of the environment and public health and safety; and

e. the Property has not been utilized for any purpose which would require permission, approval, authority or licence from the Ministry of the Environment or any other authority having jurisdiction for any future development of the Property; and

(ii) there is no asbestos, vermiculite, polychlorinated byphenyls (PCBs) or radioactive substance located on the Property and during the time the Vendor has owned the Property, the Property has not been used for the growth and/or manufacture of any illegal substance and to the best of the Vendor's knowledge and belief, the Property has never been used for the growth and/or manufacture of any illegal substance

(e) **No proceedings.** Vendor has not been issued or received, nor has anyone on behalf of Vendor received, any notice with respect to any by-law change, governmental proceedings, expropriation (by any party other than the Purchaser), environmental contamination or impairment, deficiency notice, work order, or any other notice or order affecting the Property or relating to any threatened or pending condemnation or expropriation (by any party other than the Purchaser) of the Property from any governmental department, branch, agency, office or other authority which has not been fully satisfied by Vendor prior to the date of this Agreement.

(f) **Litigation.** There is no litigation, claim or proceeding, appeals and applications for review, in progress or pending which affect the Property or the use thereof or entitlement to receive revenue therefrom before any court, commission, board bureau or agency or arbitration panel, nor has Vendor received written notice of any such litigation or other proceedings which are threatened.

(g) **Indebtedness.** There is no indebtedness to any person, firm or corporation which on or after the Completion Date may constitute a lien, charge or encumbrance on the Property or which would affect Purchaser's right, from and after the Completion Date, to own, occupy and obtain revenue therefrom.

(h) **Leases.** There are no leases, offers to lease or other rights of use or occupation affecting the Property.

(i) **HST.** The Vendor is now and on Completion will be registered pursuant to the provisions of Part IX of the Excise Tax Act (Canada).

(j) **Environmental Reports, etc.** Copies of all reports pertaining to any environmental assessments/audits relating to the Property, including any inspections, investigations and tests relating to the Property obtained by, or in the possession or control of, or carried out on behalf of, Vendor or its representatives have been or will be provided to Purchaser pursuant to Section 6 of this Schedule "A" as part of the Property Documents.

(k) **Insurance.** Vendor maintains, and is in good standing in respect of, such fire, boiler, public liability, property damage and rental insurance covering the Property as would be maintained by a prudent owner of a similar property and as required.

(l) **Consents.** There are no consents, approvals, notices, releases or assumption agreements required or necessary to implement the terms of this Agreement or the agreements contemplated hereby except as will be obtained by the Vendor.

(m) **Property.** The Property is owned by the Vendor with good and marketable beneficial and legal title thereto. Vendor has no knowledge of any buildings, fences or other structures on adjoining lands which encroach on or over the Property and there is no outstanding dispute with respect to the boundary of the Lands with any abutting owner.

(n) **Property Documents.** The Property Documents are true and complete and do not contain any material misstatements, inaccuracies or omissions. Vendor will continue to disclose or update the Property Documents as Vendor becomes aware of any changes or modifications thereto.

8. **Management of Property Until Closing**

Vendor covenants to continue to manage and maintain the Property until Completion in a manner consistent with its current practice, including, making all necessary day-to-day repairs and maintenance as may be reasonably required. Upon the Completion, the Property shall be substantially the same condition as on the date of this Agreement.

9. **Release**

Vendor covenants and agrees to produce and register, on or before Completion, valid discharges of all existing mortgages, charges or encumbrances whatsoever affecting title to the Property, and, to discharge, or otherwise remove from title all easements, right-of-way, restrictions, or any other matter affecting the title to the Property or the use thereof which are not specifically permitted pursuant to the provisions of this Agreement.

10. **Closing Deliveries of Vendor**

On or before Completion Vendor shall also deliver to Purchaser the following documents:

(a) a Transfer/Deed of Land, in registrable form, in respect of the Property to the Purchaser or as it may direct, to be duly executed by the Vendor and contain the statements by Vendor and its solicitor under section 50(22)(a) and (b) of the *Planning Act* (Ontario);

(b) direction and acknowledgement and any re-direction to Purchaser regarding payment of the balance of the Purchase Price, to be delivered to Purchaser by Vendor at least five (5) Business Days prior to the Completion Date;

(c) original copies of all Contracts and copies of all files and documents relating to the Property in possession or control of Vendor;

(d) copies of the registered discharges, postponements and other instruments as required by the terms of this Agreement;

(e) a certificate as provided in Section 6 of this Agreement if the sale of the Property is not subject to HST;

(f) an assignment and transfer of Vendor's interest in any outstanding guarantees, warranties and indemnities with respect to the Property as well as any permits or licenses required to operate the Property;

(g) a statutory declaration of Vendor confirming that the representations, warranties and covenants contained herein are true, correct and fulfilled as of the Completion Date;

(h) a declaration of possession of the Vendor in form and content to the reasonable satisfaction of the Purchaser's solicitor;

(i) a statutory declaration attesting to the fact that Vendor is not at the time of the execution of the aforesaid statutory declaration and will not at the Completion Date be a non-resident within the meaning of the *Income Tax Act* (Canada);

(j) a statement of adjustments, to be delivered to Purchaser by Vendor at least five (5) Business Days prior to the Completion Date and to have annexed to it details of the calculations used to arrive at all debits and credits on the statement of adjustments;

(k) an undertaking to re-adjust all items set out in the statement of adjustments if necessary;

(l) where any transaction is to be completed by electronic registration, the Document Registration Agreement, executed by Vendor's solicitor, in the form recommended from time to time by the Law Society of Ontario, amended to conform to this Agreement; and

(m) a non-merger agreement; and

(n) such other documents and items as Purchaser may reasonably require to ensure Completion of the purchase contemplated by this Agreement.

11. Closing Deliveries of the Purchaser

On or before Completion, Purchaser shall deliver to Vendor the following:

(a) a direction regarding the manner in which Purchaser wishes to take title to the Property;

(b) the balance of the Purchase Price as adjusted in accordance with this Agreement;

(c) an undertaking to re-adjust all items set out in the statement of adjustments, if necessary;

(d) a warranty, undertaking and indemnity with respect to HST as provided in paragraph 6 of this Agreement, if applicable;

(e) where any transaction is to be completed by electronic registration, the Document Registration Agreement, executed by Purchaser, in the form recommended by the

Law Society of Ontario, amended to conform to this Agreement; and

(f) such other documents and items as Vendor may reasonably require to ensure Completion of the purchase contemplated by this Agreement.

12. **Tax Appeals and Refunds**

Vendor shall be entitled to continue any pending realty tax appeals or reassessments for the period prior to the Completion Date. Purchaser agrees to cooperate in any such appeals or reassessments to a commercially reasonable extent without expenditure of money. Vendor shall be entitled to receive any payment resulting therefrom where applicable for the period prior to the Completion Date. Any refund or reassessment applicable to the Property for the calendar year in which closing occurs (after deduction of reasonable third party out-of-pocket expenses in conducting any such appeal or reassessment, including any commissions payable to agents or consultants) shall be readjusted as of the Completion Date after the conclusion of any assessment appeal. Vendor agrees to notify Purchaser and consult with it in connection with all material matters, decisions, negotiations and settlements of such appeals or reassessments.

13. **Indemnification**

Vendor hereby indemnifies and saves harmless Purchaser, its elected officials, employees and any other person for whom it is in law responsible, from any kind of liability, suit, claim, demand, fine, action or proceeding of any kind which may be brought against it, and from and against any and all losses, costs, damages, or expenses (including reasonable legal fees) suffered or incurred by the Purchaser, howsoever caused, arising from any breach of any representation and warranty contained in this Agreement. This indemnity shall not merge but shall survive the Completion of the transaction contemplated by this Agreement.

14. **Notices**

Any and all notices required to be given or as may be given pursuant to this Agreement shall be deemed sufficiently given or made and shall be deemed to have been received by the addressee or their respective solicitors: (i) on the date of delivery if delivered personally to the address specified below or (ii) on the date of transmission if delivered by email, or if such day is not a Business Day, on the next Business Day thereafter or (iii) on the 5th Business Day following the date of mailing if sent by registered mail provided that the postal services have not been interrupted in which case notice shall only be given by personal delivery:

In the case of Purchaser to:
The Corporation of the City of Brampton
2 Wellington Street West, 9th Floor, West Tower,
Brampton, Ontario L6Y 4R2
Attention: Senior Manager, Realty Services
Email: managerrealtyservices@brampton.ca

In the case of Vendor to:
2779927 ONTARIO INC.
Attention: Bikram Dhillon, President
Email: bikram.dhillon@bvdpetroleum.com
130 Delta Park Blvd,
Brampton, Ontario L6T 5E7

or such other address as the Parties hereinafter may in writing advise.

15. **Headings**

The headings contained herein are for convenience only and shall not affect the meaning or interpretation thereof.

16. **Amendments**

Any amendment, supplement, modification or termination of this Agreement shall be in writing and signed by the parties.

17. **Legal Fees**

Vendor and Purchaser shall be responsible for their respective legal fees in connection with the review of this Agreement and the transaction that is the subject of this Agreement.

18. **Applicable Law**

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario and shall be treated in all respects as an Ontario contract.

19. **Severability**

If any provision of this Agreement or any part of any provision of this Agreement is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision or part shall not affect the validity, legality or enforceability of any other provision of this Agreement or the balance of any provision of this Agreement absent such part and such invalid, illegal or unenforceable provision or part shall be deemed to be severed from this Agreement and this Agreement shall be construed and enforced as if such invalid, illegal or unenforceable provision or part had not been included in this Agreement at the time it had become invalid, illegal or unenforceable.

20. **Waiver**

No waiver of any provision of this Agreement shall be deemed to constitute a waiver of any other provision, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. No forbearance by any party to seek a remedy for any breach by any other party of any provision of this Agreement shall constitute a waiver of any rights or remedies with respect to any subsequent breach.

21. **Survival**

The representations and warranties contained in this Agreement shall not merge on closing but shall survive and continue in full force and effect for the benefit of the party entitled thereto.

22. **Assignment**

Purchaser shall have the right to assign its interest in this Agreement to any affiliated company or entity, provided that the assignee of this Agreement agrees in writing to be bound by, carry out and fulfill the terms and conditions hereof. Upon any such assignment and assumption, Purchaser named herein shall be released from its obligations, covenants and liabilities under this Agreement. Purchaser shall not otherwise be entitled to assign its interest in this Agreement without the prior written consent of Vendor.

23. **Confidentiality and MFIPPA**

The Vendor and Purchaser agree to take all necessary precautions to maintain the confidentiality of the terms and conditions contained herein. The parties acknowledge that this Agreement and any information or documents that are provided hereunder may be released pursuant to the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.M.56, as amended. This acknowledgment shall not be construed as a waiver of any right to object to the release of this Agreement or of any information or documents.

24. **Municipal Discretion**

Nothing in this Agreement derogates from or interferes with or fetters the exercise by the Purchaser, or its officers, employees, agents, representatives or elected and appointed officials of all of its rights as a municipality, or imposes any obligations on the Purchaser, or its officers, employees, agents, representatives or elected and appointed officials, in its role as a municipality.

25. Independent Legal Advice

The Vendor acknowledges that the Purchaser and the Purchaser's solicitor have not represented and do not represent the legal or financial interests of the Vendor, and do not provide and have not provided any legal, financial or other advice to the Vendor. The Vendor acknowledges that his interests can only be properly protected in this transaction if he obtains independent legal and financial advice, and the Purchaser has afforded the Vendor sufficient time and opportunity to do so. In executing this Agreement, the Vendor acknowledges that the Purchaser has recommended that the Vendor obtain independent legal and financial advice and confirms: (a) that the Vendor has done so; or (b) that the Vendor has made an informed decision not to do so and has waived the opportunity to obtain independent legal advice, and has elected to execute this Agreement without the benefit of independent legal and financial advice.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

SCHEDULE "B"

LEGAL DESCRIPTION OF THE PROPERTY

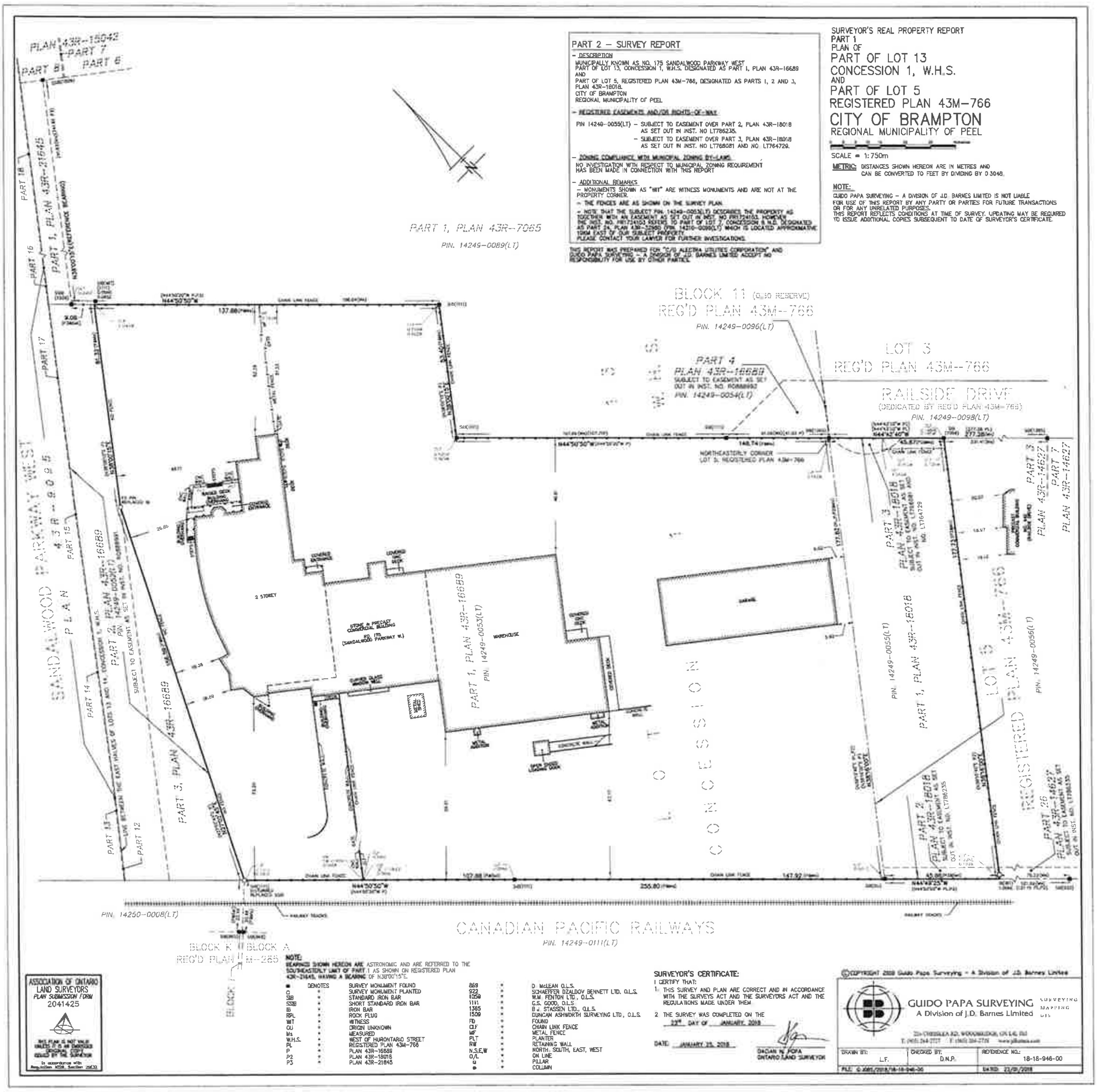
PIN 14249 – 0053 (LT)

PT LT 13 CON 1 WHS CHINGUACOUSY PT 1, 43R16689; BRAMPTON; TOGETHER WITH AN EASEMENT OVER PT LT 7 CONC 8 N.D. (TOR.GORE) DES PT 24, 43R32980 AS IN PR1724103; CITY OF BRAMPTON

PIN 14249 0055 (LT)

PCL 5-2, SEC 43M766; PT LT 5, PL 43M766; PTS 1 TO 3, 43R18108; S/T A RIGHT AS IN LT766081; S/T LT764729, LT786235 BRAMPTON

SCHEDULE "C"


PART 2 – SURVEY REPORT
– DESCRIPTION
MUNICIPALLY KNOWN AS NO. 175 SANDALWOOD PARKWAY WEST
PART OF LOT 13, CONCESSION 1, W.H.S. DESIGNATED AS PART 1, PLAN 43R–16689
AND
PART OF LOT 5, REGISTERED PLAN 43M–766, DESIGNATED AS PARTS 1, 2 AND 3, PLAN 43R–18018.
CITY OF BRAMPTON
REGIONAL MUNICIPALITY OF PEEL
PIN 14249–0055(LT) – SUBJECT TO EASEMENT OVER PART 2, PLAN 43R–18018 AS SET OUT IN INST. NO LT786235.
– SUBJECT TO EASEMENT OVER PART 3, PLAN 43R–18018 AS SET OUT IN INST. NO LT768081 AND NO. LT764729.
NO INVESTIGATION WITH RESPECT TO MUNICIPAL ZONING REQUIREMENT HAS BEEN MADE IN CONNECTION WITH THIS REPORT
– ADDITIONAL REMARKS
– MONUMENTS SHOWN AS "WIT" ARE WITNESS MONUMENTS AND ARE NOT AT THE PROPERTY CORNER.
SURVEYOR'S REAL PROPERTY REPORT
PART 1
PLAN OF
PART OF LOT 13
CONCESSION 1, W.H.S.
AND
PART OF LOT 5
REGISTERED PLAN 43M–766
CITY OF BRAMPTON
REGIONAL MUNICIPALITY OF PEEL
SCALE = 1:750m
METRIC: DISTANCES SHOWN HEREON ARE IN METRES AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048.
NOTE:
GUIDO PAPA SURVEYING – A DIVISION OF J.D. BARNES LIMITED IS NOT LIABLE FOR USE OF THIS REPORT BY ANY PARTY OR PARTIES FOR FUTURE TRANSACTIONS OR FOR ANY UNRELATED PURPOSES.
THIS REPORT REFLECTS CONDITIONS AT TIME OF SURVEY. UPDATING MAY BE REQUIRED TO ISSUE ADDITIONAL COPIES SUBSEQUENT TO DATE OF SURVEYOR'S CERTIFICATE.
PART 1, PLAN 43R–7065
PIN. 14249–0089(LT)
BLOCK 11
REG'D PLAN 43M–766
PIN. 14249–0096(LT)
LOT 3
REG'D PLAN 43M–766
RAILSIDE DRIVE
PIN. 14249–0098(LT)
PART 4
PLAN 43R–16689
PIN. 14249–0054(LT)
SANDALWOOD PARKWAY WEST
PLAN 43R–9095
PART 1, PLAN 43R–16689
PIN. 14249–0053(LT)
PART 1, PLAN 43R–18018
PIN. 14249–0055(LT)
LOT 5
REGISTERED PLAN 43M–766
PIN. 14249–0056(LT)
CONCESSION
CANADIAN PACIFIC RAILWAYS
PIN. 14249–0111(LT)
PIN. 14250–0008(LT)
BLOCK K
BLOCK A
REG'D PLAN M–265
ASSOCIATION OF ONTARIO LAND SURVEYORS
PLAN SUBMISSION FORM
2041425
SURVEYOR'S CERTIFICATE:
I CERTIFY THAT:
1. THIS SURVEY AND PLAN ARE CORRECT AND IN ACCORDANCE WITH THE SURVEYS ACT AND THE SURVEYORS ACT AND THE REGULATIONS MADE UNDER THEM.
2. THE SURVEY WAS COMPLETED ON THE 23rd DAY OF JANUARY, 2018
DATE: JANUARY 25, 2018
DAGAN N. POPA
ONTARIO LAND SURVEYOR
GUIDO PAPA SURVEYING
A Division of J.D. Barnes Limited
DRAWN BY: L.F.
CHECKED BY: D.N.P.
REFERENCE NO.: 18-18-946-00

SCHEDULE "D"

CHATTELS, FIXTURES AND RENTAL ITEMS

1. CHATTELS INCLUDED: All ~~(the Vendor to provide the itemized list of all furniture and chattels)~~ (the Vendor to provide the itemized list of all furniture and chattels)
2. FIXTURES EXCLUDED: None
3. RENTAL ITEMS: None