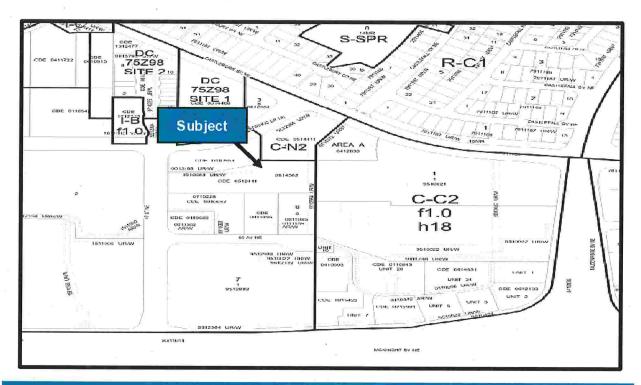
Zoning and Legal Restrictions



Zoning Map

Zoning Summary		Act of the second
Category	A STATE OF THE STA	Description
Zoning Jurisdiction	Calgary	
Zoning Designation	DC	
Description	Direct Control	
Legally Conforming?	Yes	
Zoning Change Likely?	Unlikely	8
Permitted Uses	This Direct Control District is in commercial and industrial use	

Compiled by Newmark

We are not experts in the interpretation of zoning ordinances. A qualified land use/zoning expert should be engaged if there are any zoning concerns or if a determination of compliance with zoning is required.

CONCLUSION

The site is zoned DC and which allows for this direct control district is intended to: (a) accommodate commercial and industrial uses and forms the basis of our valuation herein.

Improvements Analysis

Improvements Description		
Component Structures	the biggs of the last of the last of the	
Improvements (Structures)	Primary Use	Subtotal
General Improvement Type	Industrial	
Use Description	General Industrial	
GBA (SF)	21,064	21,064
Rentable SF	18,762	18,762
Construction Status	Existing, Stabilized Operations	
Construction Class	A-B	
Quality	Good	
Current Condition	Good	
Age/Life Depreciation Analysis		
Year Built	2007	
Year Renovated	None	
Actual Age (Yrs.)	16	
Economic Life (Yrs.)	75	
Effective Age (Yrs.)	20	
Remaining Economic Life (Yrs.)	55	
Percent Depreciation	26.67%	
Floor Area Analysis		
Number of Stories	2	2.00
Max Ceiling Height (Ft)	26	26
Est. Ground Floor Area (GBA)	10,532	10,532
Attributed Site Area (SF)	85,378	85,378
Site Coverage	12.3%	12.3%
Floor Area Ratio (FAR)	0.247	0.247
Land to Building Ratio	4.053	4.053
Parking Type	Surface	
Construction Details	General Industrial	
Foundation	Reinforced Concrete	
Basement	None	
Structural Frame/Construction Summary	Masonry	
Exterior Walls	Brick and Stone	
Windows	Double pane (Low-E) glass with	E.
Poof	metal frames	
Roof Interior Finish	Gable roof with asphalt shingles	
Floors	General Industrial Ceramic tile and vinyl plank floors	
Walls	Painted gyprock walls	
Ceilings	Gyprock and acoustic tile ceiling	
	-	
Lighting	LED Fixtures, metal halide	



Engineering & Mechanical	General Industrial
Electrical	Assumed adequate
Plumbing	One Standard Hot water Tank
Utility Meters	Individually metered

Compiled by Newmark

The subject is a Class B industrial-general industrial development known as 5150 - 47 Street NE, Units 23-29, 31-33, 36, located at 5150 47 Street NE, Calgary, AB. The subject was built in 2007.

PROPERTY CONDITION

Deferred Maintenance

Our observation and because its new construction of the property indicated no significant items of deferred maintenance.

OTHER PROPERTY CONSIDERATIONS

Functional Utility

Based on our inspection and consideration of its new construction, there won't be any significant items of functional obsolescence.

Planned Capital Expenditures

No planned capital expenditures are required.

Environmental Assessment

We did not observe any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. However, it is noted that we did not search for such materials and are not qualified to detect such materials. The existence of said hazardous materials (if any) may have an effect on the value of the property. Therefore, for the purpose of this appraisal, we have specifically assumed that the property is not affected by any hazardous materials that may be present on or in the improvements. We strongly recommend that a qualified environmental engineering firm be retained by the Client prior to making a business decision.

BUILDING IMPROVEMENTS SUMMARY

The improvements are of good quality construction and are in good condition.

- The improvements are considered to be functional for the existing use.
- Overall, the improvements are well suited for the existing use.
- Overall, the quality, condition, and functional utility of the improvements are rated as good for their age and location.

Real Estate Taxes

Property assessment is a value placed on a property for municipal and provincial taxation purposes. The City of Calgary assesses each property annually in an attempt to distribute fair and equitable taxation. The estimated value of each property comes from the measurement, analysis and interpretation of the real estate market through a mass appraisal method and is governed by the Municipal Government Act.

The property is assessed on a fee simple basis. Given our estimate of value contained herein the assessed value appears to be reasonable.

Taxes and Assessments	55 Buch	Section of the party		
Tax Year 2022	Taxes and Assessments			
Tax ID	Taxes	Assesed Value		
Plan 0814562; units 23-29, 31-33, 36	\$107,440	\$4,898,000		
	\$107,440	\$5,005,440		

Compiled by Newmark

Highest and Best Use

The principle of Highest and Best Use is fundamental to the concept of Market Value. The Highest and Best Use must meet the following four criteria:

Legally

Physically

Financially

Maximally

Permissible

Possible

Feasible

Productive

Legally Permissible

In determining the Highest and Best Use of a property, it is important for the appraiser to ascertain the range of uses that are legally permissible based on various land use controls including zoning, land use regulations, etc. In cases where amendments to Zoning By-law are likely, these uses should also be considered.

Physically Possible

A use cannot be considered its Highest and Best Use unless that use is physically and functionally possible. The size, shape, area, topography, etc., may affect the potential uses that can be developed.

Financially Feasible

The estimate of Highest and Best Use is based on the market demand for the intended use, anticipating that purchasers have a reasonable possibility of deriving a positive benefit.

Maximally Productive

The test of maximum productivity requires a measure of the cost versus benefit of various uses.

AS VACANT

Legally Permissible

The site is zoned DC and which allows for this direct control district is intended to: (a) accommodate commercial and industrial uses Based on available data and analysis, no other legal restrictions such as easements or deed covenants are present which would impair the utility of the site. Given that surrounding properties have similar zoning and the future land use plan is focused on similar uses as well, it is unlikely that there would be a change of zoning classification. Further information and analysis about the legal restrictions to the subject property is included in the Site Analysis and Zoning and Legal Restrictions sections of this report.

Physically Possible

The subject site contains (1.960 acres), has favorable topography, adequate access, and all necessary utilities to support the range of legally permissible uses. No significant physical limitations were noted. The size of the site is typical for the categories of uses allowed under zoning. In total, the site is physically capable of supporting the legally permissible uses.

Financially Feasible

Of the legally permissible and physically possible uses, residential uses appear most probable based on observation of surrounding properties as well as the location. These uses are more fully analyzed for their financial feasibility.

The following are relevant points related to the subject's market segment:

- There have been recent sales of similar properties in this market indicating good investor demand.
- The leasing market has been strong with increasing rental rates.

Given the underlying market conditions and activity, it appears that a retail development would have a sufficient degree of feasibility.

Maximally Productive

The test of maximum productivity is to determine the actual use of the property that results in the highest land value and/or the highest return to the land. It is important to consider the risk of potential uses as a use that may generate the highest returns in cash could also be the riskiest and thus not as likely for a developer to consider. In this case, the maximally productive use is a retail development. The associated risk is typical and market conditions appear to be supportive.

Highest and Best Use Conclusion – As Vacant

The highest and best use of the subject as though vacant is the development of a retail building.

AS IMPROVED

Being mindful of the above criteria, we have carried out an analysis of the Highest and Best Use of the subject property as renovated and stabilized. The subject property is improved with a 18,762 square foot industrial building that was built in 2007. Based on an interior and exterior inspection of the property the subject will be in good condition. Overall, the Highest and Best Use of the subject property, as improved, is consistent with the commercial property use.

Most Probable Buyer

The most likely buyer would be a single investor, developer and/or owner user.



Appraisal Methodology

COST APPROACH

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

SALES COMPARISON APPROACH

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the property units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

INCOME CAPITALIZATION APPROACH

The income capitalization 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 plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Application of Approaches to Value	
Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Incom e Capitalization Approach	The Income Capitalization Approach is applicable and is utilized in this appraisal.
Compiled by Newmark	

The cost approach was not used because market participants considering properties like the subject do not give consideration to the cost approach. The exclusion of this approach is not considered to impact the reliability of the appraisal.

Income Capitalization Approach

The income capitalization 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 plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

The direct capitalization method is normally more appropriate for properties with relatively stable operating histories and expectations. The DCF analysis is more appropriate for investment properties with multiple or long-term leases, particularly leases with cancellation clauses or renewal options, and especially in volatile markets.

In this analysis, we utilized only direct capitalization because investors and market participants typically rely more on this method.

RENTABLE AREA SUMMARY

Occupancy Summary	100				19		
Type of Space (MLA Name)	Rentable Area (SF)	% Total	Leased (SF)	% Leased	Vacant (SF)	% Vacant	Contract Rent (PSF)
Industrial	18,762		18,762	100.0%	0	0.0%	\$14.00
Total	0	0.0%	0	0.0%	0	0.0%	\$0.00

Compiled by Newmark

RENT ROLL / TENANT OVERVIEW

A summary rent roll for the property is shown below, based on our review of the owner's rent roll. The following rent roll is a based on current tenant negotiations at market rates derived in the following section.

Rent Roll	Rentable	Lease	Term	Rem.		Year 1 M	Aarket Rent	Year 1	Contract Rent	Year 6
Tenant	Area (SF)	Start	End	Mos.	MLA Category	\$ Total	\$ PSF	\$ Total	\$ PSF	\$ PSF
Industrial 3 ays	18,762	Sep-23	Aug-28	60	Industrial	\$262,668	\$14.00	\$262,668	\$14.00	\$11.99
Occupied	18,762			0		\$262,668	\$14.00	\$262,668	\$14.00	\$11.99
Vacant	0									
Total (Average)	18,762			0		\$262,668	\$14.00	\$262,668	\$14.00	\$11.99
Campiled by Newmark										

 As of the effective valuation date, the subject's commercial space is partially leased and occupied on a long term lease with renewal options.

Tenancy Analysis

 Overall, the credit quality of the tenancy appears to be typical of the subject's property class.

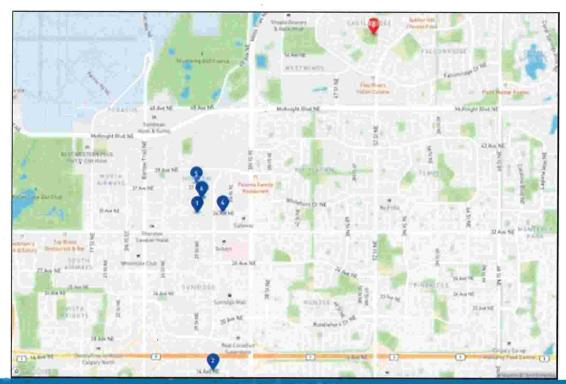
Expense Structure

Overall, the expense structure appears to be typical of the subject's property class.

MARKET RENT ANALYSIS

In estimating market rent for the subject property, we considered data and opinions from the following:

- actual recent leases from comparable buildings;
- asking rents from competitive properties (presented in the industrial market analysis section of this report); and
- opinions of market rent derived from our interviews of leasing brokers active in the local market.



Comparable Map

No.	Name	Address
Subject	5150 - 47 Street NE, Units 23-29, 31-33, 36	5150 47 Street NE, Calgary, AB
1	3501-3507 29 Street Northeast	3501 29 Street NE, Calgary, AB
2	3140 14 Avenue NE	3140 14 Avenue NE, Calgary, AB
3	3610 29 Street NE	3610 29 Street NE, Calgary, AB
4	3434 34 Avenue NE - 3 Four Centre	3434 34 Avenue NE, Calgary, AB
5	3805 - 3905 29 Street NE	3805 - 3905 29 Street NE, Calgary, AB
6	3620, 29 Street NE	3620 29 Street NE, Calgary, AB

Compiled by Newmark



Industrial Rental Survey Comparable 1

3501- 3507 29 Street Northeast

Location Information	and the little of the little o		
Location	3501 29 Street NE		
	Calgary, AB		
Market	Valuation Properties		
Submarket	Valuation Industrial		
County	Alberta		
Physical Property Summary			
Property Type	Industrial		
Rentable Area	23,000 SF		
No. of Stories	2		
Year Built (Renovated)	1 965		
Construction	Masonry		
Condition	Average		
Parking	Covered		



Lease Availability Details	Action to the Ac
Survey Date	May-2021
Overall Occupancy at Survey	90.0%
Leasing Agent	Primary Leasing
Company	Target Realty Corp.

Lease Summary	1.35	All the second second second		100	
Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF Reimb.	Rent Steps	Free Rent & TI Allowance
5/1/21 - 60 Mos.	CSE Works.	Signed Lease: 5,400	\$8.00 Net	None	No Free Rent; No TI

 $\textbf{Lease Comments:} \quad \textbf{Tenant - CSE Works signed a lease for 5,400 square feet of space at rental rate of $8.00.}$

Class B

Industrial Rental Survey Comparable 2

3140 14 Avenue NE

Location Information

Percent Office

Investment Class

Clear Height (Feet) Percent Office

Location	3140 14 Avenue NE
	Calgary, AB
Market	Valuation Properties
Submarket.	Valuation Industrial
County	Division No. 6
Physical Property Summary	200 To 100
Property Type	Industrial (General Industrial)
Rentable Area	48,878 SF
No. of Stories	1
Construction	Masonry
Condition	Average
Parking	Surface Parking
Investment Class	Class B
Clear Height (Feet)	



Lease Availability Details	And the second
Survey Date	Jul-2021
Overall Occupancy at Survey	100.00%
Leasing Agent	Primary Leasing
Company	JLL-

Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
10/1/21 - 60 Mos.	Resource Freight Solutions	Signed Lease: 7,000	\$13.88	Triple Net	None	No Free Rent; No TI
Lease Comments:	Tenant - Resource Freight Sc	olutions signed a lease for 7,000 s	quare feet of inc	dustrial space	at a rental rate of	\$13.88/sf/year.



Industrial Rental Survey Comparable 3

3610 29 Street NE

Location	nformation

Location 3610 29 Street NE

Calgary, AB

Market Valuation Properties Submarket Valuation Industrial

County Division No. 6

Physical Property Summary

Property Type Industrial (General Industrial)

Rentable Area 19,077 SF

No. of Stories Max Ceiling Height (Feet) 18 Year Built (Renovated) 1981 Construction Masonry Condition Average

Parking Surface Parking Investment Class Class B

Clear Height (Feet)

Percent Office



Lease Availability Details

Survey Date Dec-2021 100.00% Overall Occupancy at Survey Leasing Agent Primary Leasing

Company Royal LePage Solutions

Lease Summary

Start Date - Term Tenant Name Lease Status: Lease Size (SF) Base Rent/SF Reimb. **Rent Steps** Free Rent & TI Allowance 1/1/22 - 60 Mos. Signed Lease: 2,010 \$12.00 Triple Net None No Free Rent; No TI

Lease Comments: Tenant signed a lease for 2,010 square feet of industrial space at a rental rate of \$12.00/sf/year.

Retail Rental Survey Comparable 4

3434 34 Avenue NE - 3 Four Centre



Location 343434 Avenue NE Calgary, AB Market Valuation Properties Submarket Valuation Retail County Division No. 6

Physical Property Summary

Property Type Retail (Urban Retail) Gross Building Area 33,600 SF Rentable Area 33,600 SF Number of Units 7 Average Unit Size 4,800 SF No. of Stories

Construction Masonry Condition Average Parking Surface Investment Class Class C

Lease Availability Details

Survey Date Jun-2022 Overall Occupancy at Survey 83.90% Leasing Agent Primary Leasing Company Cushman & Wakefield

Start Date - Term Tenant Name Lease Status: Lease Size (SF) Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
			THE NEW OF THE OWNER
8/1/22 - 24 Mos. Undisclosed Signed Lease: 2,793 \$12.00 Ti	Triple Net	None	No Free Rent; No TI



Industrial Rental Survey Comparable 5

3805 - 3905 29 Street NE

Location	Interme	tion

Location 3805 - 3905 29 Street NE

Calgary, AB

Market Valuation Properties
Submarket Valuation Industrial
County Division No. 6

Physical Property Summary

Property Type Industrial (General Industrial)

 Gross Building Area
 95,746 SF

 Rentable Area
 95,746 SF

 No. of Stories
 1

 Max Ceiling Height (Feet)
 20

 Year Built (Renovated)
 1981

 Construction
 Masonry

 Condition
 Average

 Parking
 Surface Spaces

Investment Class C

Clear Height (Feet) Percent Office



Lease Availability Details

Survey Date Sep-2022
Overall Occupancy at Survey 100.00%
Leasing Agent Primary Leasing

Lease Summary

Start Date - Term Tenant Name Lease Status: Lease Size (SF) Base Rent/SF Reimb. Rent Steps Free Rent & TI Allowance

10/1/22 - 60 Mos. Woodland Kitchen Signed Lease: 10,884 \$8.50 Triple Net None No Free Rent; No TI

Lease Comments: Tenant - Woodland Kitchen signed a lease for 10,884 square feet of industrial space at a rental rate of \$8.50 with a TMI of \$5,62/sf/year.

Industrial Rental Survey Comparable 6

3620, 29 Street NE

Location Information

Physical Property Summary

Property Type Industrial (General Industrial)
Gross Building Area 19,077 SF

Rentable Area 19,077 SF

No. of Stories 1

Max Ceiling Height (Feet) 18

Year Built (Renovated) 1981

Construction Masonry

Condition Average

Parking Surface Parking

Investment Class Class B

Clear Height (Feet)
Percent Office



Lease Availability Details

Survey Date Jul-2023
Overall Occupancy at Survey 100.00%
Leasing Agent Primary Leasing
Company Royal LePage Solutions

Lease Summary.

Start Date - Term Tenant Name Lease Status: Lease Size (SF) Base Rent/SF Reimb. Rent Steps Free Rent & TI Allowance

8/1/23 - 60 Mos. Undisclosed Signed Lease: 828 \$11.00 Triple Net None No Free Rent; No TI

Lease Comments: Tenant signed a lease for 828 square feet of industrial space at a rental rate of \$11.00/sf/year.



Market Participants

Discussions with brokers and other market participants indicate that rental rates are rising and that current rent levels for the subject should fall in the range of \$8.00 to \$14.00.

MARKET RENT CONCLUSION

Base Rent Conclusions

After analysis, the overall range adjusted range and concluded market base rent for the subject is as follows:

Base Rent Conclusions				
MLA Category	Newmark Estimate			
Industrial Space:	\$14.00			
Compiled by Newmark	70			

The subject is zoned for both commercial and industrial uses. The current uses are light industrial our lease comparables are industrial leases that are most comparable to the subject. Given the subject's size and location a rent toward the high end of the range is most applicable to the subject.

Market Rent Conclusions

Based on the preceding analysis, the following is the concluded market lease terms for the subject:

MLA Category	Rentable SF	Market Rent	Me asure	Rent Esc	alations	Reiml	bursement Method	Term (Mos.)	Mos. Free
Industrial Space:	18,762	\$14.00	\$/SF/Year	Infla	tion		NNN	60	3
MLA Category	Renewal %	Rollover Vacant Mos.	Weighted Down-time	TI/SF (New)	TI/SF (Renewal)	Weighted TI/SF	LC (New)	LC (Renewal)	Weighted LO
Industrial Space:	75%	0	0	\$10.00	\$5.00	\$6.25	5.00%	2.50%	3.135

GROSS INCOME ESTIMATE

Potential Gross Rent

Figures presented below reflect the 12-month period following the effective date of the appraisal.

Potential Gross Rent						
	Rentable	Potential Rent	At Contract*	Potential Ren	it At Market	Contract as
MLA Category	SF	Annual	\$/SF/Yr	Annual	\$/SF/Yr	% of Market
Industrial Space:	18,762	\$262,668	\$14.00	\$262,668	\$14.00	100.0%
Total	18,762	\$262,668	\$14.00	\$262.668	\$14.00	100.0%

^{*} Contract rent for leased space plus market rent for vacant space

Compiled by Newmark

For the direct capitalization analysis, potential gross rent is based on market rents.

Scheduled Base Rent	William Sec.	5-630-5	100		
Subject Historical and Projections	\$/SF	Total		· ·	7 \$50
Nov-2023 Budget	\$24.70	\$463,408		0 _	
Newmark Projection	\$14.00	\$262,668	Rudget		\$0
Compiled by Newmark			o Hildust	Newmark Projection	- 1015

Operating History

A current budget for the property were requested. Requested information was not provided. Where appropriate, the owner's operating expenses are reclassified into standard categories and exclude items that do not reflect normal operating expenses for this type of property.

Period Length	Budget		Newmark	
Period Ending	11/30/2023		Projection	
Occupancy	95.0%	ŧv	95.0%	
Industrial Income	Total \$	\$/SF	Total \$	\$/SF
Potential Base Rent	\$463,408	\$24.70	\$262,668	\$14.00
Scheduled Base Rent	\$463,408	\$24.70	\$262,668	\$14.00
Expense Recoveries	\$187,620	\$10.00	\$187,620	\$10.00
Percentage Rent Income	\$0	\$0.00	\$0	\$0.00
Total Tenant Revenue	\$651,028	\$34.70	\$450,288	\$24.00
Potential Gross Income	\$651,028	\$34.70	\$450,288	\$24.00
Vacancy Allowance	(\$32,551)	(\$1.73)	(\$22,514)	(\$1.20)
Effective Gross Income	\$618,477	\$32.96	\$427,774	\$22.80
Operating Expenses	Total \$	\$/SF	Total \$	\$/SF
Management	\$30,924	\$1.65	\$21,389	\$1.14
Other Expenses	\$18,554	\$0.99	\$18,574	\$0.99
Common Area Maintenance	\$187,620	\$10.00	\$187,620	\$10.00
Replacement Reserves	\$6,185	\$0.33	\$4,278	\$0.23
Total Operating Expenses	\$243,283	\$12.97	\$231,861	\$12.36
Operating Expense Ratio	39.3%		54.2%	
Net Operating Income	\$375,194	\$20.00	\$195,913	\$10.44

Compiled by Newmark

Expense Recoveries

Expense Recoveries					
Subject Historical and Projections	\$/SF	Total			7 \$20
Nov-2023 Budget	\$10.00	\$187,620		0	
Newmark Projection	\$10.00	\$187,620			\$0
Compiled by Newmark			Rudaet	Newmark Projection	

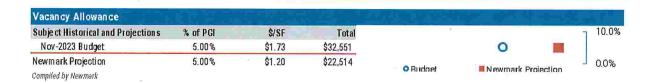
Expense recoveries are based on typical operating expenses for industrial buildings.
 The lease is assumed to be on a net basis with the tenant paying all operating costs.

Vacancy & Collection Loss Allowance

Vacancy Allowance

The subject's occupancy history is depicted as follows:





The vacancy estimate for the subject was previously developed in the market analysis section of this report.

Effective Gross Income

Effective Gross Income	A	45.00				
Subject Historical and Projections	\$/SF	Total			7 5	\$50
Nov-2023 Budget	\$32.96	\$618,477		0		
Newmark Projection	\$22.80	\$427,774	- Dodger			\$0
Compiled by Newmark			Rudaet	Newmark Proje	ection	

Our pro forma is below the budget figures due to applying expense recoveries and reasonable considering this is typical office income and expense structure.

OPERATING EXPENSE ANALYSIS

Expense Analysis Per SF	्राप्त करायांच्या है। जो	9 B
	Subject Historical and	Projections
Year Built	2007	
SF	18,762	
Operating Data Type	Budget	Newmark
Year	2023	Projection
Effective Gross Industrial Income Per Square Fc	\$32.96	\$22.80
Operating Expenses Per SF		
Common Area Maintenance	\$10.00	\$10.00
Total Operating Expenses Per SF	\$12.97	\$12.36
Net Operating Income Per SF	\$20.00	\$10.44
Operating Expense KPIs (% of EGI)		
Management	5.00%	5.00%
Operating Expense Ratio (% of EGI)	39.34%	54.20%
Net Operating Income (% of EGI)	60.66%	45.80%
Compiled by Newmark		

Total Operating Expenses \$20 % of EGI \$/SF Total 0 Subject Historical and Projections 2023 (Budget Operations) 39.3% \$12.97 \$243,283 \$0.00 Newmark Projection 54.2% \$12.36 \$231,861 Budget Newmark Projection Compiled by Newmark



 The projected rate is consistent with the budgeted and operating history for the subject and total operating expenses at comparable properties.

NET OPERATING INCOME



Our estimate does not vary from the subject's projected NOI.

DIRECT CAPITALIZATION

The following subsections represent the common technique for deriving an overall capitalization rate.

Comparable Sales

Con	parable Industrial Sales Summary		11 11 11		4	100	1.5
No.	Property Location	Yr. Built	Sale Date	Rentable Area	Occ. %	Price per SF	OAR
1	6173-6145 6 Street SE, Calgary, AB	1972	May-2020	6,713	100%	\$155	6.69%
2	2710 3 Avenue NE, Calgary, AB	2006	Mar-2021	1,924	97%	\$200	7.33%
3	3730 108 Avenue NE Unit 2138, Calgary, AB	2019	Nov-2022	1,873	97%	\$418	5.34%
4	12221 44 Street SE, Calgary, AB	2006	May-2023	7,561	97%	\$171	5.32%
5	5120 47 Street NE, Calgary, AB	2001	Jun-2023	969		\$506	6.98%
Avera	rge (Mean) Cap Rate:						6.33%

Compiled by Newmark

- All of the investment sales represent retail buildings that have sold with income in place.
- Sale 2 represents the high end of the range. This is a dated transaction and an overall smaller transaction size. A rate below that achieved here is warranted. Sale 4 represents the low end of the range. The property is newer construction and superior location. A rate above that achieved here is warranted. The subject would achieve a higher cap rate based on its inferior tenancy covenant and older construction. Capitalization rates have been increasing due to increasing interest and bond rates. Based on discussion with industry participants a cap rate at the higher end of the range is warranted for all the reasons listed above.
- Based on this information, a capitalization rate within a range of 6.25% to 6.75% could be expected for the subject.



Capitalization Rate Conclusion

Positive Attributes

- Good quality and appeal commensurate with competing properties in the submarket.
- Good location within this node of the city.
- Strong market acceptance of the subject with upward trending rent collections.
- Barriers to entry reduce risk of competition from new construction

Negative Attributes

 New construction that continues to enter the market.

Capitalization Rate Conclusion	A 10 10 10 10 10 10 10 10 10 10 10 10 10
Source	Indication
Comparable Sales	5.32% - 7.33%
Concluded Going-In Capitalization Rate	6.50%
Compiled by Newmark	

Direct Capitalization Summary

Net operating income is divided by the capitalization rate to derive the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the table immediately following.

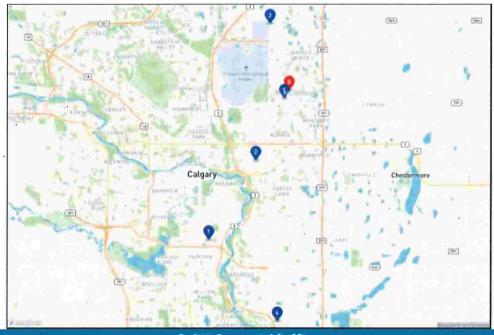
tem Description	% of Income	\$ / SF	Tot
ndustrial Income	18	,762 SF	100
Potential Base Rent		\$14.00	\$262,6
Scheduled Base Rent		\$14.00	\$262,6
Expense Recoveries		\$10.00	\$187,6
otal Tenant Revenue		\$24.00	\$450,
Potential Gross Income		\$24.00	\$450,2
Vacancy Allowance		(\$1.20)	(\$22,
ffective Gross Income		22.80	\$427,
perating Expenses	18,	,762 SF	4.1
lanagement	5.00%	\$1.14	\$21,
ther Expenses		\$0.99	\$18,
ommon Area Maintenance		\$10.00	\$187,
eplacement Reserves		\$0.23	\$4,
otal Operating Expenses	54.20%	12.36	\$231,
et Operating Income		10.44	\$195,
		\$ / SF \$10.44	\$195,
abilized Net Operating Income Overall Capitalization Rate	Effective Date: 8/31/2023	\$10.44	\$195, 6.
abilized Net Operating Income Overall Capitalization Rate s Stabilized Value	Effective Date: 8/31/2023	\$10.44	\$195, 6. \$3,014,
abilized Net Operating Income Overall Capitalization Rate s Stabilized Value	Effective Date: 8/31/2023	60.43	\$195,9 6. \$3,014,0
abilized Net Operating Income Overall Capitalization Rate s Stabilized Value	Effective Date: 8/31/2023	60.43	\$195, 6. \$3,014,
abilized Net Operating Income Overall Capitalization Rate s Stabilized Value	Effective Date: 8/31/2023 \$1	60.43 atrix	\$195,9 6. \$3,014,0 \$3,010,0 /alue
abilized Net Operating Income Overall Capitalization Rate	Effective Date: 8/31/2023 \$1 Valuation Ma	60.43	\$195,9 6. \$3,014,0 \$3,010,0 /alue \$3,265,2
abilized Net Operating Income Overall Capitalization Rate s Stabilized Value	Effective Date: 8/31/2023 \$1 Valuation Ma OAR 6.00%	60.43	\$195,5 6. \$3,014,6 \$3,010,6 /alue \$3,265,2 \$3,134,6
abilized Net Operating Income Overall Capitalization Rate s Stabilized Value	Effective Date: 8/31/2023 \$1 Valuation Me OAR 6.00% 6.25%	60.43	\$195, 6. \$3,014, \$3,010, /alue \$3,265, \$3,134,6 \$3,014,1
abilized Net Operating Income Overall Capitalization Rate s Stabilized Value	Effective Date: 8/31/2023 \$1 Valuation Ma OAR 6.00% 6.25% 6.50%	60.43	\$195, 6. \$3,014, \$3,010, /alue \$3,265, \$3,134, \$3,014, \$2,902,
abilized Net Operating Income Overall Capitalization Rate s Stabilized Value	Effective Date: 8/31/2023 \$1 Valuation Ma OAR 6.00% 6.25% 6.50% 6.75%	60.43	\$195, 6. \$3,014, \$3,010, \$3,010, \$3,265,2 \$3,265,2 \$3,134,4 \$3,014,1 \$2,902,4
abilized Net Operating Income Overall Capitalization Rate s Stabilized Value Rounded ark et Value "Liquidation Value"	Effective Date: 8/31/2023 \$1 Valuation Ma OAR 6.00% 6.25% 6.50% 6.75%	60.43	\$195, 6. \$3,014, \$3,010, \$3,010, \$3,265,2 \$3,265,2 \$3,134,4 \$3,014,1 \$2,902,4
abilized Net Operating Income Overall Capitalization Rate s Stabilized Value Rounded arket Value "Liquidation Value"	Effective Date: 8/31/2023 \$1 Valuation Ma OAR 6.00% 6.25% 6.50% 6.75%	60.43 atrix	\$195,5 6. \$3,014,1 \$3,010,6 \$3,265,2 \$3,134,6 \$3,014,0 \$2,902,4 \$2,798,7
s Stabilized Value	Effective Date: 8/31/2023 \$1 Valuation Ma OAR 6.00% 6.25% 6.50% 6.75% 7.00%	60.43 atrix	\$195,9 6. \$3,014,0 \$3,010,0 /alue \$3,265,2 \$3,134,6 \$3,014,0 \$2,902,4 \$2,798,7
abilized Net Operating Income Overall Capitalization Rate s Stabilized Value Rounded ark et Value "Liquidation Value" s Stabilized Value as of Current Date Stabilization Discount	Effective Date: 8/31/2023 \$1 Valuation Ma OAR 6.00% 6.25% 6.50% 6.75% 7.00%	60.43 atrix	\$195, 6. \$3,014, \$3,010, \$3,265,; \$3,265,; \$3,134,6 \$3,014,1 \$2,902,4 \$2,798,7
abilized Net Operating Income Overall Capitalization Rate s Stabilized Value Rounded ark et Value "Liquidation Value" s Stabilized Value as of Current Date Stabilization Discount Deferred Maintenance	Effective Date: 8/31/2023 \$1 Valuation Ma OAR 6.00% 6.25% 6.50% 6.75% 7.00%	60.43 atrix	\$195,5 6. \$3,014,1 \$3,010,6 \$3,265,2 \$3,134,6 \$3,014,0 \$2,902,4 \$2,798,7
abilized Net Operating Income Overall Capitalization Rate s Stabilized Value Rounded ark et Value "Liquidation Value" s Stabilized Value as of Current Date	Effective Date: 8/31/2023 \$1 Valuation Ma OAR 6.00% 6.25% 6.50% 6.75% 7.00%	60.43	Tot \$195,9 6. \$3,014,0 \$3,010,0 /alue \$3,265,2 \$3,134,6 \$3,014,0 \$2,798,7

Sales Comparison Approach

The sales comparison approach value is derived by analyzing closed sales, listings, or pending sales of properties that are similar to the subject. The sales comparison approach includes the following steps.

- Research and verify information on properties in the competitive market that are similar to the subject and that have recently sold, are listed for sale, or are under contract.
- Select the most relevant units of comparison in the market and develop a comparative analysis.
- Examine and quantify via adjustments differences between the comparable sales and the subject property using all appropriate elements of comparison.
- Reconcile the various value indications to a value bracket and then a single value indication.

The unit of comparison applied in this sales comparison analysis is price per square foot as it mirrors the primary comparison method used by market participants.



Comparable Sales Summ	ary		100	C	1000	11.35
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Property Name	5150 - 47 Street NE, Units 23-29, 31-33, 36	Unit 13 - 6173-6145 6 Street SE	Unit 20 - 2710 3 Avenue NE	Jacksonport Professional Centre	Unit 1,2 - 12221 44 Street SE	5120 47 St NE
A ddress	5150 47 Street NE	6173-6145 6 Street SE	2710 3 Avenue NE	3730 108 Avenue NEUnit 2138	12221 44 Street SE	5120 47 Street NE
City, Province	Calgary, A3	Calgary, A3	Calgary, A3	Calgary, A3	Calgary, A3	Calgary, A3
Rentable Area (SF)	18,762 SF	6,713 SF	1,924 SF	1,873 SF	7,561 SF	969 SF
Year 3 uilt (Renovated)	, 2007	1972	2006	2019	2006	2001
Construction		Concrete/3lk/Stucco	Concrete/3 lk/Stucco	Steel frame	Concrete/3 lk/Stucco	Concrete
Condition	Good	G cood	Good	Good	Good	Good
Total Loading Doors		1	1			
Buyer		Calsim Holdings Inc	2311790 Alberta Ltd.	AAA Express Ltd.	Rivera Investment Corp.	2512182 Alberta Ltd
Seller	₩.	Jones & Song Inc	1274521 Alberta Ltd.	2252857 Alberta Ltd.	1084919 Alberta Ltd	Fahad Holdings Ltd
nterest Conveyed	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Fransaction Status	#	Closed	Closed	Closed	Closed	Closed
Fransaction Date	-	May-20	Mar-21	Nov-22	May-23	Jun-23
Price	-	\$1,038,000	\$385,000	\$783,000	\$1,295,000	\$490,000
Operating Status at Sale		Stabilized Operations	Stabilized Operations	Stabilized Operations	Stabilized Operations	Stabilized Operation
Price per SF	-	\$154.63	\$200.10	\$418.05	\$171.27	\$505.68
NOI/SF	\$10.44	\$10.35	\$14.67	\$22.31	\$9.11	\$35.32
Cap Rate		6.69%	7.33%	5.34%	5.32%	6.98%

ANALYSIS OF SALES

All the comparable analyzed involve recent sales of investment properties and as such they are considered to be most comparable to the subject. In this method, we have compared the sales to the subject primarily along economic lines rather than on physical characteristics. Economic measures such as the relationship of sales price to net operating income are inclusive of all the physical and economic attributes of a property.

In our opinion, a buyer's criteria for the purchase of properties such as the subject are predicated primarily on the property's net income characteristics. Thus, we have identified a relationship between the net operating income and the sales price of the subject and the comparables. The income analysis accounts for differences between the comparables and the subject relative to differences in location, construction quality, age/condition, exposure, access and other physical characteristics. Inferior properties generally achieve lower rent levels resulting in a lower net operating income per square foot. In addition, we have also trended the subject properties projected NOI per square foot and unit against the comparable properties NOI per square foot and unit and sale price per square foot and unit to estimate a value per unit for the subject property.

Comparable One

Sale Comparable One represents the May 2020 sale of a 6,713 square foot general industrial property located at 6173-6145 6 Street SE, Calgary, Alberta. The Land Use Designation for the property is Industrial General. The property is improved with one condominium-titled industrial building, constructed in 1972. This transaction involved the sale of one condominium-titled unit containing a total gross leasable area of 6,713 square feet. The property was sold in May 2020 for \$1,038,000 at \$155 per square foot. The reported cap rate at the time of sale was 6.69%. No transaction adjustments were warranted. After consideration of the individual elements of comparison, a net upward property adjustment was required. Applying transaction and property adjustments results in a price per SF indication of \$156.03.

Comparable Two

Sale Comparable Two represents the March 2021 sale of a 1,924 square foot general industrial property located at 2710 3 Avenue NE, Calgary, Alberta. The Zoning By-law designates the property as IG, an Industrial General designation. The property is an industrial condominium unit of 1,924 square feet. The total consideration of \$385,000 represents \$200 per square foot. The vendor in this transaction was 1274521 Alberta Ltd. and 2311790 Alberta Ltd. was the buyer. The reported cap rate at the time of sale was 7.33% and the NOI was \$28,233. No transaction adjustments were warranted. After consideration of the individual elements of comparison, a net downward property adjustment was required. Applying transaction and property adjustments results in a price per SF indication of \$142.39.



Comparable Three

Sale Comparable Three represents the November 2022 sale of a 1,873 square foot general industrial property located at 3730 108 Avenue NE Unit 2138, Calgary, Alberta. The Zoning Bylaw designates the property as I--B, an Industrial Business designation. The property is an industrial condominium unit of 1,873 square feet. The total consideration of \$783,000 represents \$418 per square foot. The vendor in this transaction was 2252857 Alberta Ltd. and AAA Express Ltd. was the buyer. The reported cap rate at the time of sale was 5.34% and the NOI was \$41,782. No transaction adjustments were warranted. After consideration of the individual elements of comparison, a net downward property adjustment was required. Applying transaction and property adjustments results in a price per SF indication of \$195.68.

Comparable Four

Sale Comparable Four represents the May 2023 sale of a 7,561 square foot general industrial property located at 12221 44 Street SE, Calgary, Alberta. The Zoning By-law designates the property as IG, an Industrial General designation. The property represents 2 industrial condominium units totaling 7,561 square feet. The total consideration of \$1,295,000 represents \$171 per square foot. The vendor in this transaction was 1084919 Alberta Ltd and Rivera Investment Corp. was the buyer. The reported cap rate at the time of sale was 5.32% and the NOI was \$68,908. No transaction adjustments were warranted. After consideration of the individual elements of comparison, a net upward property adjustment was required. Applying transaction and property adjustments results in a price per SF indication of \$196.24.

Comparable Five

Sale Comparable Five represents the June 2023 sale of a 969 square foot gas station/convenience store property located at 5120 47 Street NE, Calgary, Alberta. The zoning bylaw classifies the property as DC. The property is a retail building constructed circa 2001. The total consideration of \$490,000 represents a price per square foot of \$506. The reported cap rate at the time of sale was 6.98%. The vendor in this transaction was Fahad Holdings Ltd and 2512182 Alberta Ltd was the buyer. No transaction adjustments were warranted. After consideration of the individual elements of comparison, a net downward property adjustment was required. Applying transaction and property adjustments results in a price per SF indication of \$149.51.

Based on our comparative analysis, the following table summarizes the adjustments warranted to each comparable.

SALES COMPARISON APPROACH

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Property Name	5150 - 47 Street NE, Units 23-29, 31-33, 36	Unit 13 - 6173-6145 6 Street SE	Unit 20 - 2710 3 Avenue NE	Unit 20 - 2710 3 Avenue Jacksonport Professional Unit 1,2 - 12221 44 Street NE SE	Jnit 1,2 - 12221 44 Street SE	5120 47 St NE
Address	5150 47 Street NE	6173-6145 6 Street SE	2710 3 Avenue NE	3730 108 Avenue NE Unit 2138	12221 44 Street SE	5120 47 Street NE
City	Calgary, AB	Calgary, AB	Calgary, AB	Calgary, AB	Calgary, AB	Calgary, AB
Land Size	1.96 Acres	2.16 Acres	4.64 Acres	3.00 Acres	1.32 Acres	1.34 Acres
Size (Rentable Area)	18,762 SF	6,713 SF	1,924 SF	1,873 SF	7,561 SF	₹ 696
Year Built (Renovated)	2007	1972	2006	2019	2006	2001
Total Loading Doors		·	Var			
NOI/SF	\$10.44	\$10.35	\$14.67	\$22.31	\$9.11	\$35.32
Transaction Type		Closed	Closed	Closed	Closed	Closed
Transaction Date		May-20	Mar-21	Nov-22	May-23	Jun-23
Actual Sale Price	ı	\$1,038,000	\$385,000	\$783,000	\$1,295,000	\$490,000
Price per SF	ı	\$154.63	\$200.10	\$418.05	\$171.27	\$505.68
Cap Rate	ı	6.69%	7.33%	5.34%	5.32%	6.98%
Transaction Adjustments						
Property Rights		%0	%0	%0	%0	%0
Financing		%0	%0	%0	%0	%0
Conditions of Sale		%0	%0	%0	%0	%0
Market Conditions (Time)	8/31/2023	%0	%0	%0	%0	%0
Subtotal (adjustments are multiplied)	tiplied)	%0	%0	%0	%0	%0
Fransaction Adjusted Price per SF	اج. ا	\$154.63	\$200.10	\$418.05	\$171.27	\$505.68
Property Adjustments						
Location		%0	%0	%0	%0	%0
Size		%0	%0	%0	%0	%0
Age/Condition		%0	%0	%0	%0	%0
Parking		%0	%0	%0	%0	%0
Features/Amenities		%0	%0	%0	%0	%0
Quality		%0	%0	%0	%0	%0
Other		%0	%0	%0	%0	%0
Economic Attributes		1%	-29%	-53%	15%	-70%
Subtotal (adjustments are summed)	ımed)	1%	-29%	-53%	15%	-70%
Gross Adjustment		1%	29%	53%	15%	70%
Overall Adjustment		0.91%	-28.84%	-53.19%	14.58%	-70.43%
Indicated Price per SF		\$156.03	\$142.39	\$195.68	\$196.24	\$149.51
Compiled by Newmark		*				

NEWMARK

SALES COMPARISON APPROACH CONCLUSION

- Prior to adjustments, the sales reflect a range of \$154.63 to \$505.68 per SF.
- After adjustment, the range is narrowed to \$142.39 to \$196.24 per SF, with an average of \$167.97 per SF.
- Overall, all of the comparable sales contained similar properties to the subject.
- The subject property represents average quality construction and is located in a desirable node within Calgary.
- The sale comparables represent a tight range of adjusted price per unit. Given the subject's economic attributes a rate per unit at the lower end of the range is warranted.

PRICE PER UNIT CONCLUSION

Industrial Sales Adjustment S	ummary		1014 78
Price per SF	Low	High	Average
Unadjusted Range	\$154.63	\$505.68	\$289.94
Adjusted Range	\$142.39	\$196.24	\$167.97
Concluded Price per SF Indication			\$160.00

Compiled by Newmark

SALES COMPARISON APPROACH CONCLUSION

In this method, we have compared the sales to the subject primarily along economic lines rather than on physical characteristics. Economic measures such as the relationship of sales price to net operating income are inclusive of all the physical and economic attributes of a property.

In our opinion, a buyer's criteria for the purchase of properties such as the subject are predicated primarily on the property's net income characteristics. Thus, we have identified a relationship between the net operating income and the sales price of the subject and the comparables. The income analysis accounts for differences between the comparables and the subject relative to differences in location, construction quality, age/condition, exposure, access and other physical characteristics. Inferior properties generally achieve lower rent levels resulting in a lower net operating income per square foot. In addition, we have also trended the subject properties projected NOI per square foot and unit against the comparable properties NOI per square foot and unit and sale price per square foot and unit to estimate a value per unit for the subject property.

Based on the preceding analysis, the value indication by the sales comparison approach is as follows:

Sales Comparison Approach Conclusion		
Reconciliation of Price per SF Indication		Value Indication
Adjusted Value Range - Low		\$142.39
Adjusted Value Range - High		\$196.24
Reconciled As Stabilized Value - Price per SF	Effective Date: 8/31/2023	\$160.00
Subject Rentable Area (SF)		18,762
Reconciled As Stabilized Value - Price per SF Analysis		\$3,001,920
Reconciled As Stabilized Value - Sales Comparison Approach	Effective Date: 8/31/2023	\$3,001,920

Value Indications		
Market Value "Liquidation Value"		Value Indication
Reconciled As Stabilized Value	Effective Date: 8/31/2023	\$3,001,920
Stabilization Discount		\$0
Deferred Maintenance		\$0
Capital Expenditures		\$0
Market Value "Liquidation Value"	Effective Date: 8/31/2023	\$3,001,920
Rounded		\$3,000,000

Compiled by Newmark

FORCED SALE VALUE

Typical situations where a seller is forced to sell a property is somewhat rare, however there are circumstances especially during an insolvency situation that the market value of a parcel of property is discounted to achieve an expedient sale. A court ordered decision that relies on third party appraisals is required prior to acceptance of any below market offers. That being said, discussions with accountants and lawyers that practice exclusively with insolvency cases suggest that sale price discounts for real property can range between 5% and 15% from market value. Applying the low end of the range in discounts results in a forced sale value as shown below.



Reconciliation of Value

The values indicated by our analyses are as follows:

Market Value Indications	landy, Alana inter-
Market Value Premise As of Date:	Market Value "As Is" August 31, 2023
Cost Approach:	Not Used
Sales Comparison Approach:	\$3,000,000
Income Capitalization Approach:	\$3,010,000
Market Value Conclusion	\$3,010,000
Compiled by Newmark	

Value Conclusions	and the second	433	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	8/31/2023	\$3,010,000
Market Value "Liquidation Value"	Fee Simple	8/31/2023	\$2,859,500
Compiled by Newbrark			

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in CUSPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

None

A hypothetical condition is defined in CUSPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

None

Compiled by Newmark

EXPOSURE TIME

Exposure time is the estimated length of time the subject property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Recent sales transaction data for similar properties, supply and demand characteristics for the local industrial market, and the opinions of local market participants were reviewed and analyzed. Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market value / values stated previously is 6 months.

MARKETING TIME

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6 months.

Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein "Report") is subject to the following assumptions and limiting conditions:

- 1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein "Property") is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
- 2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
- 3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.

- 4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.
- 5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
- 6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any 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. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
- 7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
- 8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes

in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

- 9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
- 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute of Canada) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.
- 11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.
- 12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
- 13. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.

Addendum A
Glossary of Terms

The following definitions are derived from the AIC.

- Absorption Period: The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- Absorption Rate: 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- Ad Valorem Tax: A tax levied in proportion to the value of the thing(s) being taxed.
 Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (International Association of Assessing Officers [IAAO])
- Assessed Value: The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- Cash Equivalency: An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.
- Contract Rent: The actual rental income specified in a lease.
- Disposition Value: The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.
- Effective Rent: Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- Excess Land: Land that is not needed to serve or support the existing use. The highest
 and best use of the excess land may or may not be the same as the highest and best use

of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also *surplus land*.

- Excess Rent: The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.
- Exposure Time: 1) The time a property remains on the market. 2) [The] estimated length
 of time that the property interest being appraised would have been offered on the market
 prior to the hypothetical consummation of a sale at market value on the effective date of
 the appraisal.
- Extraordinary Assumption: An assumption, directly related to a specific assignment, as
 of the effective date of the assignment results, which, if found to be false, could alter the
 appraiser's opinions or conclusions. See also hypothetical condition.
- Fee Simple Estate: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- Floor Area Ratio (FAR): The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- Frictional Vacancy: The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- Full Service Lease: See gross lease.
- General Vacancy: A method of calculating any remaining vacancy and collection loss
 considerations when using discounted cash flow (DCF) analysis, where turnover vacancy
 has been used as part of the income estimate. The combined effects of turnover vacancy
 and general vacancy relate to total vacancy and collection loss.
- Going-Concern Premise: One of the premises under which the total assets of a business
 can be valued; the assumption that a company is expected to continue operating well into
 the future (usually indefinitely).
- Going Concern Value: An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business.



- Gross Building Area (GBA): 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.
- Gross Lease: A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- Hypothetical Condition: 1) A condition that is presumed to be true when it is known to
 be false. (Appraisal Institute of Canada) A condition, directly related to a specific
 assignment, which is contrary to what is known by the appraiser to exist on the effective
 date of the assignment results, but is used for the purpose of analysis. See also
 extraordinary assumption.
- Intended Users: 1) The party or parties the valuer intends will use the report. The client
 and any other party as identified, by name or type, as users of the appraisal or appraisal
 review report by the appraiser, based on communication with the client at the time of the
 assignment. (CUSPAP)
- Investment Value: 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (International Valuation Standards [IVS])
- Land-to-Building Ratio: The proportion of land area to gross building area; one of the factors determining comparability of properties.
- Lease: A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- Leased Fee Interest: The ownership interest held by the lessor, which includes the right
 to receive the contract rent specified in the lease plus the reversionary right when the
 lease expires.
- Leasehold Interest: The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- Lessee: One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.

- Lessor: One who conveys the rights of occupancy and use to others under a lease agreement.
- Liquidation Value: The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) 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. This definition can also be modified to provide for valuation with specified financing terms.
- Market Rent: The most probable rent that a property should bring in a competitive and
 open market reflecting the conditions and restrictions of a specified lease agreement,
 including the rental adjustment and revaluation, permitted uses, use restrictions, expense
 obligations, term, concessions, renewal and purchase options, and tenant improvements
 (TIs).
- Market Value: A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following. 1) The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. 2) Market value is described, not defined, in the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. 1
- Market Value of the Going Concern: The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.

NEWMARK

¹ The actual definition of value used for this appraisal is contained within the body of the report. The definition of market value given above is general in viewpoint and is only provided for amplification.

- Marketing Time: An opinion of the amount of time it might take to sell a real or personal
 property interest at the concluded market value level during the period immediately after
 the effective date of an appraisal. Marketing time differs from exposure time, which is
 always presumed to precede the effective date of an appraisal.
- Modified Gross Lease: A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.
- Net Lease: A lease in which the landlord passes on all expenses to the tenant. See also
 gross lease; modified gross lease.
- Net Net Net Lease: An alternative term for a type of net lease. In some markets, a net
 net net lease is defined as a lease in which the tenant assumes all expenses (fixed and
 variable) of operating a property except that the landlord is responsible for structural
 maintenance, building reserves, and management; also called NNN lease, triple net lease,
 or fully net lease.
- Occupancy Rate: 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were
 - 2) The ratio of occupied space to total rentable space in a building.
- Overage Rent: The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- Percentage Rent: Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.
- Prospective Opinion of Value: A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.
- Rentable Area: For office or retail buildings, the tenant's pro rata portion of the entire
 office floor, excluding elements of the building that penetrate through the floor to the areas
 below. The rentable area of a floor is computed by measuring to the inside finished surface
 of the dominant portion of the permanent building walls, excluding any major vertical

penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.

- Retrospective Value Opinion: A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- Shell Rent: The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- Surplus Land: Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also excess land.
- Turnover Vacancy: A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.
- Usable Area: 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.
- Use Value: The value of a property assuming a specific use, which may or may not be
 the property's highest and best use on the effective date of the appraisal. Use value may
 or may not be equal to market value but is different conceptually. See also value in use.
- Value In Use: The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. See also use value.
- Value Indication: A valuer's conclusion of value resulting from the application of an approach to value, e.g., the value indication by the sales comparison approach.

Addendum B

Comparable Data

Improved Sales



Unit 13 - 6173-6145 6 Street SE

Location Information

Location

6173-6145 6 Street SE

Calgary, AB

Market

Valuation Properties Valuation Industrial

Submarket

Physical Property Summary

Property Type

Industrial (General Industrial)

Rentable Area

6,713 SF

Clear Height

14 Feet (Avg.)

Percent Office

0%

Land Acres

2.16 Acres

Land SF

94,090 SF

Land to Building Ratio

14.02

No. of Buildings

No. of Stories

Year Built (Renovated)

1972

Construction

Concrete/Blk/Stucco

Condition

Good Surface

Parking

Investment Class Class B

Elevators

Financial Data The Network Source

100.0%

Property Operations Status

Occupancy Stabilized Operations

Financial Indicators

Effective Gross Income

8.82 Operating Expense Ratio

Reported Cap Rate

41.0%

\$117,687

6.69%

Verification Secondary Verification

Comments

The Land Use Designation for the property is Industrial General. The property is improved with one condominium-titled industrial building, constructed in 1972. This transaction involved the sale of one condominium-titled unit containing a total gross leasable area of 6,713 square feet. The property was sold in May 2020 for \$1,038,000 at \$155 per square foot. The reported cap rate at the time of sale was 6.69%.

Sale Data

Date

Grantor

Grantee

Price

Transaction Type

Marketing Time

Document No.

Financing Terms

Financing

Other

Price Per SF

Price Adjustments For.

Conditions of Sale

Adjusted Price

Closed

N/A

39526

May 14, 2020

Jones & Song Inc

Calsim Holdings Inc

\$1,038,000

\$0

\$0

\$0

\$1,038,000

\$154.63

Cash to Seller - Buyer Obtained Financing



Unit 20 - 2710 3 Avenue NE

Location Information

Location 2710 3 Avenue NE

Calgary, AB

Market Valuation Properties Submarket Valuation Industrial

Physical Property Summary

Property Type Industrial (General Industrial)

Rentable Area 1,924 SF Clear Height 22 Feet (Avg.)

Percent Office 63%

Land Acres 4.64 Acres Land SF 202,118 SF Land to Building Ratio 105.05

No. of Buildings No. of Stories

Year Built (Renovated) 2006

Construction Concrete/Blk/Stucco

Condition Good Surface Parking Investment Class Class B

Elevators

Financial Data The Network Source 97.0%

Occupancy Property Operations Status

Stabilized Operations

Sale Data

Transaction Type Closed Date March 9, 2021 Marketing Time 7 months

Grantor 1274521 Alberta Ltd. Grantee 2311790 Alberta Ltd.

Document No. 41221 Price

\$385,000 Financing Terms Cash to Seller - Buyer Obtained Financing

Price Adjustments For.

Financing \$0 Conditions of Sale \$0 Other \$0

Adjusted Price \$385,000 \$200.10 Price Per SF

Financial Indicators

Effective Gross Income \$28,817 13.36 2.0% Operating Expense Ratio

Reported Cap Rate

7.33%

Verification

Secondary Verification

Comments

The Zoning By-law designates the property as IG, an Industrial General designation. The property is an industrial condominium unit of 1,924 square feet. The total consideration of \$385,000 represents \$200 per square foot. The vendor in this transaction was 1274521 Alberta Ltd. and 2311790 Alberta Ltd. was the buyer. The reported cap rate at the time of sale was 7.33% and the NOI was \$28,233.



Jacksonport Professional Centre

Location Information

Location 3730 108 Avenue NE Unit 2138

Calgary, AB

Market Valuation Properties Submarket Valuation Industrial

Physical Property Summary

Industrial (General Industrial) Property Type

Rentable Area 1,873 SF Land Acres 3.00 Acres Land SF 130,680 SF Land to Building Ratio 69.77 No. of Buildings

No. of Stories Year Built (Renovated) 2019 Construction Steel frame

Condition Good Parking Surface Class B

Investment Class Elevators

Financial Data The Network Source

Occupancy 97.0% Property Operations Status Stabilized Operations

Financial Indicators Effective Gross Income \$69,848

EGIM 11.21 Operating Expense Ratio 40.2%

5.34%

reported cap rate at the time of sale was 5.34% and the NOI was \$41,782.

Verification

Reported Cap Rate Secondary Verification The Zoning By-law designates the property as I-B, an Industrial Business designation. The property is an industrial condominium unit of 1,873 square feet. The total consideration of \$783,000 represents \$418 per square foot. The vendor in this transaction was 2252857 Alberta Ltd. and AAA Express Ltd. was the buyer. The



Transaction Type Closed November 8, 2022 Date Marketing Time 6 months

Grantor 2252857 Alberta Ltd. Grantee AAA Express Ltd. Document No. 45195

Price

\$783,000 Cash to Seller - Buyer Obtained Financing Financing Tems

Price Adjustments For.

Financing \$0 Conditions of Sale \$0 Other

\$0. Adjusted Price \$783,000 Price Per SF

\$418.05

Unit 1,2 - 12221 44 Street SE

Location Information

Location 12221 44 Street SE

Calgary, AB

Market Valuation Properties
Submarket Valuation Industrial
APN Units 1,2/0710586

Physical Property Summan

Property Type Industrial (General Industrial)

Rentable Area 7,561 SF

Clear Height

Land Acres 1.32 Acres
Land SF 57,499 SF
Land to Building Ratio 7.60
No. of Buildings 1

No. of Stories 2 Year Built (Renovated) 2006

Construction Concrete/Blk/Stucco

Class B

Condition , Good Parking Surface

Investment Class

Elevators

Financial Data
Source Client
Occupancy 97.0%

Property Operations Status Stabilized Operations

Financial Indicators

Effective Gross Income \$110,025 EGIM 11.77 Operating Expense Ratio 37.4% a material and a second a second and a second a second and a second a second and a second and a second and a

Sale Data

Transaction Type Closed
Date May 16, 2023

Marketing Time N/

Grantor 1084919 Alberta Ltd Grantee Rivera Investment Corp.

Document No. 46723

Price \$1,295,000

Financing Terms Cash to Seller Price Adjustments For.

 Financing
 \$0

 Conditions of Sale
 \$0

 Other
 \$0

 Adjusted Price
 \$1,295,000

Price Per SF \$171.27

Reported Cap Rate 5.32% Verification Secondary Verification

Comments

The Zoning By-law designates the property as IG, an Industrial General designation. The property represents 2 industrial condominium units totaling 7,561 square feet. The total consideration of \$1,295,000 represents \$171 per square foot. The vendor in this transaction was 1084919 Alberta-Ltd and Rivera Investment Corp. was the buyer. The reported cap rate at the time of sale was 5.32% and the NOI was \$68,908.



ADDENDA

Retail Sale Comparable 5

5120 47 St NE

Location Information

Location 5120 47 Street NE

Calgary, AB

Market Valuation Properties
Submarket Valuation Retail
APN 12/0010657

Physical Property Summary

Property Type Retail (Gas Station/Convenience Store)

Rentable Area 969 SF Land Acres 1.34 Acres Land SF 58,370 SF Land to Building Ratio 60.24 No. of Buildings 1 No. of Stories Year Built (Renovated) 2001 Construction Concrete Condition Good

Parking Paved parking
Investment Class B

Investment Class
Elevators

Financial Data

Source The Network



Sale Dat

Transaction Type Closed
Date June 19, 2023
Marketing Time N/A

Grantor Fahad Holdings Ltd Grantee 2512182 Alberta Ltd

Document No. 28339208

Price \$490,000
Financing Terms Cash to Seller

Price Adjustments For.

 Financing
 \$0

 Conditions of Sale
 \$0

 Other
 \$0

 Adjusted Price
 \$490,000

Price Per SF \$505.68

Financial Indicators

Verification

Secondary Verification

Comment

The zoning bylaw classifies the property as DC. The property is a retail building constructed circa 2001. The total consideration of \$490,000 represents a price per square foot of \$506. The reported cap rate at the time of sale was 6.98%. The vendor in this transaction was Fahad Holdings Ltd and 2512182. Alberta Ltd was the buyer.

Lease Comparables

Industrial Rental Survey Comparable 1 3501- 3507 29 Street Northeast

Location Information	
Location	3501 29 Street NE
	Calgary, AB
Market	Valuation Properties
Submarket	Valuation Industrial
County	Alberta
Physical Property Summary	447.50
Property Type	Industrial
Rentable Area	23,000 SF
No. of Stories	2
Year Built (Renovated)	1965
Construction	Masonry
Condition .	Average



Lease Availability Details	
Survey Date	May-2021
Overall Occupan cy at Survey	90.0%
Leasing Agent	Primary Leasing
Company	Target Realty Corp.

Lease Summary	31.9	Performance of the second	100	100	7 3 T T	
Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
5/1/21 - 60 Mos.	CSE Works	Signed Lease: 5,400	\$8.00	Net	None	No Free Rent; No TI

Lease Comments: Tenant - CSE Works signed a lease for 5,400 square feet of space at rental rate of \$8.00.

Covered

Class B

Industrial Rental Survey Comparable 2

3140 14 Avenue NE

Percent Office

Parking

Investment Class

Clear Height (Feet) Percent Office

3140 14 Avenue NE
Calgary, AB
Valuation Properties
Valuation Industrial
Division No. 6
Industrial (General Industrial)
48,878 SF
1
Masonry
Average
Surface Parking
Class B



Lease Availability Details	
Survey Date	Jul-2021
Overall Occupancy at Survey	100.00%
Leasing Agent	Primary Leasing
Company	JLL

Lease Summary					7-2-4-	
Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
10/1/21 - 60 Mos.	Resource Freight Solutions	Signed Lease: 7,000	\$13.88	Triple Net	None	No Free Rent; No TI
Lease Comments:	se Comments: Tenant - Resource Freight Solutions signed a lease for 7,000 square feet of industrial space at a rental rate of \$13.88/sf/year.					



Industrial Rental Survey Comparable 3

3610 29 Street NE

Location Information	
Location	3610 29 Street NE
	Calgary, AB
Market	Valuation Properties
Submarket	Valuation Industrial

Physical Property Summary

County

Property Type Industrial (General Industrial)
Rentable Area 19,077 SF

No. of Stories 1
Max Ceiling Height (Feet) 18
Year Built (Renovated) 1981
Construction Masonry
Condition Average

Parking Surface Parking Investment Class Class B

Clear Height (Feet) Percent Office



Lease Availability Details

Survey Date Dec-2021

Overall Occupancy at Survey 100.00%

Leasing Agent Primary Leasing

Company Royal LePage Solutions

Free Rent & TI Allowance

Lease Summary	2.7	A STATE OF STATE	7.1	Street, and	
Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps

1/1/22 - 60 Mos. Undisclosed Signed Lease: 2,010 \$12.00 Triple Net None No Free Rent; No TI

Lease Comments: Tenant signed a lease for 2,010 square feet of industrial space at a rental rate of \$12.00/sf/year.

Division No. 6

Retail Rental Survey Comparable 4

3434 34 Avenue NE - 3 Four Centre

Location Information		
Location	3434 34 Avenue NE	
	Calgary, AB	
Market	Valuation Properties	
Submarket	Valuation Retail	
County	Division No. 6	
Physical Property Summary		
Property Type	Retail (Urban Retail)	
Gross Building Area	33,600 SF	
Rentable Area	33,600 SF	
Number of Units	7	

 Number of Units
 7

 Average Unit Size
 4,800 SF

 No. of Stories
 1

 Construction
 Masonry

 Condition
 Average

 Parking
 Surface

 Investment Class
 Class C



Lease Availability Details Survey Date

Overall Occupan cy at Survey 83.90%
Leasing Agent Primary Leasing
Company Cushman & Wakefield

Lease Summary						
Start Date - Term	Tenant Name	Lease Status: Lease Size (SF)	Base Rent/SF	Reimb.	Rent Steps	Free Rent & TI Allowance
8/1/22 - 24 Mos.	Undisclosed	Signed Lease: 2,793	\$12.00	Triple Net	None	No Free Rent; No TI



Jun -2022

Industrial Rental Survey Comparable 5

3805 - 3905 29 Street NE

Location Information

Location 3805 - 3905 29 Street NE

Calgary, AB

Market Valuation Properties
Submarket Valuation Industrial

County Division No. 6

Physical Property Summary

Property Type Industrial (General Industrial)

 Gross Building Area
 95,746 SF

 Rentable Area
 95,746 SF

 No. of Stories
 1

 Max Ceiling Height (Feet)
 20

 Year Built (Renovated)
 1981

 Construction
 Mas only

Condition Average
Parking Surface Spaces

Investment Class Class C

Clear Height (Feet) Percent Office



Lease Availability Details

Survey Date Sep-2022
Overall Occupancy at Survey 100.00%

Leasing Agent

Primary Leasing

Lease Summary
Start Date - Term Tenant Name Lease Status: Lease Size (SF) Base Rent/SF Reimb. Rent Steps Free Rent & TI Allowance

10/1/22 - 60 Mos. Woodland Kitchen Signed Lease: 10,884 \$8.50 Triple Net None No Free Rent; No TI
Lease Comments: Tenant - Woodland Kitchen signed a lease for 10,884 square feet of industrial space at a rental rate of \$8.50 with a TMI of \$5.62/sf/year.

Industrial Rental Survey Comparable 6

3620, 29 Street NE

 Location Information
 3620 29 Street NE Calgary, AB

 Market
 Valuation Properties

 Submarket
 Valuation Industrial

 County
 Division No. 6

Physical Property Summary

Percent Office

Property Type Industrial (General Industrial)

Gross Building Area 19,077 SF
Rentable Area 19,077 SF
No. of Stories 1
Max Ceiling Height (Feet) 18
Year Built (Renovated) 1981
Construction Masonry
Condition Average

Parking Surface Parking
Investment Class Class B

Investment Class C
Clear Height (Feet)

Lease Availability Details

Survey Date Jul-2023
Overall Occupancy at Survey 100.00%
Leasing Agent Primary Leasing Agent

Leasing Agent Primary Leasing
Company Royal LePage Solutions

 Lease Summary

 Start Date - Term
 Tenant Name
 Lease Status: Lease Size (SF)
 Base Rent/SF
 Reimb.
 Rent Steps
 Free Rent & TI Allowance

 8/1/23 - 60 Mos.
 Undisclosed
 Signed Lease: 828
 \$11.00
 Triple Net
 None
 No Free Rent; No TI

Lease Comments: Tenant signed a lease for 828 square feet of industrial space at a rental rate of \$11.00/sf/year.



Addendum C

Appraiser Qualifications and Licenses



Chris Chornohos AACL MRICS

Vice President m 403-808-2224 chris.chornohos@nmrk.com

YEARS OF EXPERIENCE

20+

AREAS OF SPECIALTY

Industrial

Office

Multifamily

Feasibility Studies

Market Rent Studies

Appraisal Review Services

Chris Chornohos, AACI, MRICS, joined Newmark Valuation & Advisory in 2019 as a Vice President with the firms Canadian practice. Chris brings to Newmark more than 20 years real estate valuation and advisory services to a broad range of clients located throughout Canada.

Since beginning his career in 2002, Chris' experience has evolved to encompass a diverse and thorough understanding of commercial real estate with both regional and international real estate firms. He most recently served as director of business development for a large general contractor where he managed business development for the southern Alberta district. In this position, Chris was responsible for the origination and closing of \$100M in construction and development projects in Calgary and Southern Alberta.

Prior to this role Chris worked for four years as vice president of investment and land sales for Jones Lang LaSalle where he specialized in brokerage of investment and development properties suited for private, institutional and corporate investors in Calgary, secondary markets and across Western Canada.

Professional Affiliations

- Urban Development Institute Calgary (UDI)
- Urban Land Institute ULI Alberta
- CFA Institute (CFA)
- CFA Society of Calgary
- ICSC (International Council of Shopping Centres)

Licenses and Designations

- Associate Real Estate License
- Member, Royal Institution of Chartered Surveyors (MRICS)
- AACI Designation, Accredited Appraiser Canadian Institute

Education

Chris earned a Bachelor of Science degree in business operations from DeVry Institute of Technology, and a post graduate certificate in Real Property Valuation from UBC.