

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HUDSON'S BAY COMPANY ULC / COMPAGNIE DE LA BAIE D'HUDSON SRI,
HBC CANADA PARENT HOLDINGS INC., HBC CANADA PARENT HOLDINGS 2
INC., HBC BAY HOLDINGS I INC., HBC BAY HOLDINGS II ULC, THE BAY
HOLDINGS ULC, HBC CENTERPOINT GP INC., HBC YSS 1 LP INC., HBC YSS 2
LP INC., HBC HOLDINGS GP INC., SNOSPMIS LIMITED, 2472596 ONTARIO
INC., and 2472598 ONTARIO INC.**

Applicants

AFFIDAVIT OF PATRICK SULLIVAN

I, **PATRICK SULLIVAN**, of the City of Calgary in the Province of Alberta

MAKE OATH AND SAY:

1. I am a President & Chief Operating Officer with Primaris REIT ("**Primaris**").
2. This Affidavit is sworn for the purpose of opposing the forced lease assignment motion brought by Hudson's Bay Company ULC ("**HBC**") relating to the sale and assignment of twenty-five (25) leases to Ruby Liu Commercial Investment Corp. ("**RLCIC**"). Primaris accounts for five (5) of those leases.
3. In my role with Primaris, I oversee and am responsible for retail leasing at shopping centres owned, in whole or in part, and managed by Primaris across Canada. I also direct and oversee the operations of Primaris Management Inc., the property manager of properties owned in whole or part by Primaris and appointed by the site-specific landlord(s). I have been personally involved in responding to the RLCIC proposed lease assignment transaction on behalf of Primaris, and I personally met with Ruby Liu on three (3) occasions as discussed further below. As such, I have personal knowledge of the

matters set out below. Where I have been advised by others, I state the source of this information and do verily believe it to be true.

Executive Summary

- Primaris has five (5) locations subject to the forced assignment motion.
- Primaris met with Ruby Liu on three (3) occasions totaling more than five (5) hours to consider her proposal for RLCIC to take an assignment of Primaris' leases.
- Primaris has concluded that it will sustain harm if the assignment were to proceed. The reasons are elaborated on in more detail in the affidavit but at a high level include
 - RLCIC cannot comply with the requirements of the leases in respect of continuous operation or permitted use.
 - RLCIC's intended uses, even if permitted by Primaris, would in many instances harm the carefully curated tenant mix and negatively impact existing tenants including, but not limited to, restaurants, personal service providers, entertainment venues, and essential-needs merchants.
 - RLCIC's business plan:
 - Contemplates obtaining building permits, and therefore, is incapable of fruition from a construction perspective on the timelines indicated.
 - Obtaining a building permit requires life safety system compliance, which generally creates a domino effect requiring compliance with hazardous material removal and upgrades to services to current building code compliance, resulting in substantial capital expense that has not been accounted for.
 - Fails to adequately account for the capital reasonably required to facilitate the creation of the new concept.
 - Fails to define a clear differentiated product offering.
 - Fails to address the difficulty of scaling up many stores so quickly.
 - Is devoid of so many details such that it is not an actual plan, but rather a free-flowing concept document.
 - Fails to account for the fact that almost all major department stores in Canada have closed.
 - Well capitalized existing major department store chains with national and transnational brand recognition, access to experienced human capital, systems and procedures, inventory & suppliers entering the Canadian market have failed despite longer carefully planned rollouts.
 - An unproven business with no brand name recognition cannot perform the expected requirements of an anchor store.
 - RLCIC has no retail experience, no source of income, no institutional knowledge and is funded at the whim of its shareholder(s).

- RLCIC is a non-recourse tenant in that Primaris has no ability to recover damages from it the lease is not honoured.
- Commercial retail units in close proximity to a “no name” anchor store will be extremely difficult to rent.
- Some prospective tenants will choose other shopping centres with less uncertainty and risk.
- Existing tenants can be expected to:
 - seek to relocate;
 - not renew leases; and
 - seek to leverage the presence of a “no name” anchor store to their financial advantage.
- Primaris sees no realistic prospect of RLCIC’s success, and the failure of RLCIC will stigmatize its malls.
- Primaris is far better off redeveloping the former HBC premises – because we are experts. We know what our communities want in terms of uses and merchandise and what tenant mix will optimize the mall for all.
- Primaris will create real long term employment opportunities for the communities where our malls are located.

Background

4. I have over thirty (30) years of experience in the real estate industry, spanning brokerage, leasing, operations, asset management and leadership, including twenty-nine (29) years focused on enclosed shopping centres. I joined Primaris in 2003. In my current role as President and Chief Operating Officer, I am responsible for all aspects of the operation of the business including oversight and day to day management of Human Resources, Legal, Leasing, Operations and Development. Furthermore, I am on the Board of Directors of Primaris and very involved in strategic planning and investor relations.

5. I have extensive experience from other department store failures including Eaton’s, Zellers, Sears, and Target, and understand in considerable detail the redevelopment and replacement of former anchor premises. Replacement of anchor tenants requires an understanding of shopping centre merchandise mix and the development process including municipal approvals which take into consideration site plan impacts and access to and from the shopping centre.

6. Merchandise mix has evolved significantly within enclosed malls over the past twenty (20) years due to anchor tenant failures and rising costs. Anchor tenant sales have been greatly diminished since the 1990's and replacement of the stores with new brands draws additional traffic. However, the sales generated from new tenants can also negatively impact existing tenants at the property that may be in direct competition, as such, it is critically important to evolve the merchandise mix to account for new tenant openings. We work hard not to saturate categories as one of our core pillars is retailer affordability – this is challenging if too many tenants are added selling the same product.

Steps leading to forced assignment motion

Ruby Liu's successful bid

7. On or about May 23rd, 2025, HBC publicly announced that RLCIC had been selected as “Successful Bidder” for twenty-eight (28) HBC leases (including three (3) from shopping centres that she controls). Pursuant to an asset purchase agreement dated May 23rd, 2025 (“**APA**”), RLCIC is seeking the proposed statutory assignment of twenty-five (25) HBC leases, five (5) of which are with Primaris.

8. From the outset the “Successful Bid” was presented as a single, integrated transaction that would only proceed if Ruby Liu were able to obtain the consent of or otherwise compel assignments for a critical mass of HBC leases. I am advised by Primaris’ counsel, Blaney McMurtry LLP (“**Blaney**”), and verily believe that as at today’s date twenty-four (24) of those twenty-five (25) landlords (including Primaris) refused to consent to an assignment of their leases.

9. The shopping centres owned and managed by Primaris include:

- (a) Orchard Park Shopping Centre, Kelowna, British Columbia;
- (b) Southgate Shopping Centre, Edmonton, Alberta;
- (c) Oshawa Centre, Oshawa, Ontario;
- (d) Conestoga Mall, Waterloo, Ontario; and

(e) Lime Ridge Mall, Hamilton, Ontario.¹

Primaris meeting with Ruby Liu at Stikeman Elliott office on June 4th, 2025

10. Following the announcement of Ms. Liu's successful bid, Primaris was not immediately contacted by HBC or Ms. Liu about the potential assignment of leases.

11. Unusually, Primaris did not receive a written proposal about Ms. Liu's plans for each location, and even more unusually, there were no discussions between the parties or their agents about potential lease assignments, as have taken place during previous instances where potential assignees are seeking landlord consent for a lease assignment.

12. In virtually every other similar instance where potential assignees are seeking landlord consent for a lease assignment within an insolvency, a proposal and discussions occur prior to a bid being made, or at least in conjunction with that process.

13. Approximately two (2) weeks after the successful bid announcement, at the invitation of HBC's counsel, the leasing broker and Ruby Liu, me, and my team of senior executives attended in good faith at an initial scheduled one-hour meeting with Ms. Liu and her advisors at Stikeman Elliott LLP's ("**Stikeman**") offices on June 4th, 2025, expecting to receive a detailed business plan and supporting documentation. Nothing was presented.

14. During the meeting, Ms. Liu declined or was otherwise unprepared to address any basic covenant, capitalization, and operational questions put forward by Primaris and its counsel and instead advised that any further information would be provided in due course.

15. Ms. Liu discussed in the most general manner potential plans for the new concept stores she envisioned, including kids playgrounds, kids employment education

¹ Primaris acquired Lime Ridge Mall in a transaction that closed June 2025, after the commencement of this CCAA proceeding for aggregate consideration of \$416 million.

information sites, fine dining, entertainment, public events, pop-ups, etc. In other words, the concept amounted to what would be a mall within a mall.

16. Ms. Liu's emphasis was on attendees at her sites having "fun" and "experiences" incentivizing families to be frequent visitors. This would supposedly generate superior sale outcomes. Ms. Liu was either oblivious of the use provisions of Primaris' leases, or more likely sought to ignore them.

17. Ms. Liu suggested the initial stores would be renovated and opened within three to six (3-6) months, and a higher end "flagship" version of the concept would open in six to twelve (6-12) months.

18. I told Ruby Liu that based upon my decades of experience in the industry that these timelines were wholly and totally unrealistic, and virtually impossible to ever achieve in the ordinary course. Further, I added that the uses being contemplated, kids play area and education uses, would not generate enough revenue to pay rent over time based on my experience with other playcentres that operated in malls and failed.

Miller Thomson LLP letter dated June 6th, 2025

19. On Friday June 6th, 2025 at 10:36 p.m., Primaris, through counsel, received a letter from Miller Thomson LLP ("**June 6th Letter**"), which appeared to me to be a form letter sent to all landlords purporting to outline Ruby Liu's qualifications, retail experience, financial capacity, and timeline for re-launching the former HBC stores. The only information specific to Primaris was the attached Excel spreadsheet that purported to be projected financial information for the Primaris locations. Attached as **Exhibit "A"** to this affidavit is a copy of the email and attachments received by Blaney (the Lease Monetization Order that was attached to the letter has been omitted due to its size).

20. The June 6 Letter asserted that twenty (20) stores will be renovated and reopened within 180 days of closing and that all leasehold obligations will be honored "as-is, where-is."

21. Based on Primaris' and my decades of major-tenant experience and my knowledge of the current disrepair of the former HBC premises, those assertions were and are commercially impossible. They displayed a comprehensive lack of understanding of the enormity of the project that Ms. Liu seeks to undertake.

22. Many weeks later, Franco Perugini in his affidavit at paragraph 14 describes the June 6th Letter as a "preliminary package of information" for landlords. This characterization is inconsistent with the content of the June 6th Letter, and/or the absence of any subsequent events, until Ruby Liu was ordered to do so by the Court.

23. The June 6th Letter was the only written information received by Primaris from Ms. Liu about her business plans prior to being served with her record on July 29th, 2025, as ordered by the Court.

Blaney letter declining consent to Ruby Liu assignment

24. On June 12th, 2025, Blaney, on behalf of Primaris, delivered its written refusal to consent to the assignment of its leases. Attached as **Exhibit "B"** to this affidavit is a copy of Blaney's June 12th, 2025 letter ("**Blaney Letter**").

25. Primaris' refusal to consent was based on:

- (a) Ms. Liu's admitted lack of retail department-store operating experience;
- (b) Projections based on unsupported sales forecasts that are in my view incapable of being met and which materially understated capital requirements;
- (c) Failure to demonstrate the capacity to comply with continuous-operation and her advice about proposed uses which are contrary to use-clause covenants; and
- (d) Absence of credible evidence of any brand recognition, which is critical to being a department store; as well as the absence of committed supplier relationships, or inventory pipelines.

No further information about Ruby Liu seeking consent or forced assignment

26. Following the June 12th, 2025 letter, Primaris did not receive any additional or updated financial statements, construction schedules, or operational plans from Ruby Liu.

27. The only communication Primaris received was an email on June 25th, 2025 from Linda Qin, requesting that “the Court schedule a hearing at its earliest convenience to approve the application”. The email indicates there would be three (3) tiers of stores and that Ms. Liu would be investing approximately \$270 million to \$310 million on renovations. This sum does not include what she describes as essential repairs on ten (10) stores that would open within three (3) months. The planned expenditures also did not appear to include the three (3) HBC leases Ms. Liu acquired in malls that she controls. Attached as **Exhibit “C”** to this affidavit is a copy of Ms. Qin’s June 25th, 2025 email.

28. To my knowledge, Ruby Liu did not, at any material time, provide the Monitor, HBC or anyone else with any supplemental materials addressing the deficiencies identified in the Blaney Letter.

29. In this regard, based on a July 5th, 2025 letter from HBC’s lawyers, Stikeman, to Ms. Liu’s former lawyer (that was disclosed as part of Ms. Liu’s direct communications with the Court), I understand that HBC’s lawyers and others advised Ms. Liu on numerous occasions of the need to provide landlords with basic information about the proposed assignee and information relevant to a business plan and that “providing such information is standard in similar circumstances”, but Ms. Liu chose to ignore that advice.

Forced assignment motion record

30. Ultimately, HBC’s motion record was served at approximately 11:00 p.m. on July 29th, 2025. This was the first time landlords received any information in writing (other than the June 6th Letter) about Ms. Liu’s proposed assignment of the HBC leases. This left Primaris only seven (7) business days, interrupted by a long weekend, to digest Ruby Liu’s new business plan (which was received for the first time in the motion record), instruct experts, and prepare responding materials. This is notwithstanding that the

Applicant and Ms. Liu had sixty-seven (67) days of preparation from May 23rd to July 29th, 2025. The timeline imposed upon Primaris makes a fulsome considered reply impossible.

Ruby Liu's public statements

31. Since the announcement of the RLCIC bid, Ms. Liu has actively sought to be a high-profile media story. I have followed some of the articles written about Ms. Liu's plans as well as interviews with her.

32. In multiple media interviews, Ms. Liu stated that she intends to operate a mall-within-a-mall concept. For example, a June 18th, 2025, article published by the Toronto Star describes a "candid discussion" with Ms. Liu about details of her plans, which reportedly include a "children's play zone, an Asian supermarket, a bustling food court" that is "*nothing like the legendary department store Canadians once knew and loved.*" Attached as **Exhibit "D"** to this affidavit is a copy of the Toronto Star article, "I want to achieve something big': Billionaire mall owner Weihong Liu reveals plans for old Hudson's Bay leases," dated June 18th, 2025.

33. Each of Primaris' leases restricts licensing in the premises and requires a unified, first-class and/or major type department-store presentation. Ms. Liu's public-facing plan is therefore inconsistent with the contractual use covenants.

Meetings with Ruby Liu

34. In addition to the June 4th, 2025 meeting, I also attended two other meetings with Ms. Liu at her request, on June 10th, 2025, and most recently on July 31st, 2025.

35. The meetings resulted in no further progress. During those subsequent meetings, totaling almost four (4) hours, Ms. Liu exhibited extreme confidence and repeated generalized concepts, but was unable to identify: (a) committed general contractors, only referencing using smaller contractors who would complete work cheaper and faster than ones we may use - I insisted that all contractors would have to be appropriately qualified, (b) a critical path schedule for how she was going to open twenty-five (25) stores within

six (6) months or a year, (c) secured inventory suppliers, (d) any financing instruments beyond a non-binding “equity commitment” letter signed by herself, (e) an understanding of the complexity related to obtaining municipal approvals, the actual condition of the premises, including potential environmental issues and the requirement to operate a department store which could not include a food court or kids play area, or (f) how the proposed use of the premises for a kids play area and food court would generate enough revenue on an ongoing basis to pay rents.

36. I have respect for Ruby Lui and the wealth she has built for herself. I repeatedly suggested that she was embarking on a very risky path and that despite her wealth, she did not have enough money to survive the first few years as a retailer. I stated she did not fully understand the complexity and cost associated with repair, refurbishment and leasehold improvements as well as overestimating the revenue she could generate. We have replaced more than fifteen (15) Sears and Target locations, and the cost has been significantly higher than the amount Ruby believes it to be. Even strong established retailers do not generate the sales volume Ruby is projecting.

37. I suggested that rather than risk her savings, she should start with her three (3) stores, and any others she obtains on consent, which would be more manageable and realistic. If she can prove her concept is successful, landlords may be open to negotiating leases on terms that would accommodate her business concept.

38. I was left with absolutely no confidence that she had the relevant experience or understanding of the enormity of what she is seeking to undertake by opening a multi-store business concept in several provinces from the ground up.

39. I cannot think of another business that started from scratch with multiple locations. For example, even an established brand, such as Target, entered a new country with significant operational and financial resources, years of planning, and a recognized name — yet still failed.

40. I told her that Primaris could not contemplate an assignment of leases to RLCC based upon these facts and that Primaris is unable to support the assignment of leases to her at this time without an established track record and national brand awareness.

41. Based on my interactions with Ms. Liu, I believe her vision of her use of the HBC stores continues to include a children's play and education area, food area, grocery and apparel, despite recent omissions of these concepts. For reference, my understanding is that the vision would be similar to the "Flyoland" tenant at Tsawwassen Mills and "Dreamland" tenant at Mayfair Shopping Centre, which are both malls controlled by Ms. Liu. They are both located in high traffic areas that would normally be leased to destination type tenants who have high sales with the ability to draw customers. These tenants would not add to the cache of the property or align with the tenant mix at Primaris' five (5) properties. Attached as **Exhibit "E"** to this affidavit are photographs of "Flyoland" at Tsawwassen Mills and "Dreamland" at Mayfair Shopping Centre.

Ruby Liu's business plan

42. I have reviewed RLCIC's business plan filed July 29th, 2025 ("**Business Plan**"). It is unclear to me exactly what RLCIC intends to sell other than general statements about having a broad range of categories, a list of nine (9) "sample" suppliers and brands that "may be featured" in stores and names that are described as "a sample of brand accessible through J2."

43. I am not familiar with J2 Retail Management.

44. The Business Plan allocates only \$31 million of working-capital cushion. I note that the working capital cushion would only be about \$1,240,000.00 per store (less if Ms. Liu's other three (3) stores are included). It appears RLCIC intends to spend approximately \$377,608,000.00 by the end of 2026. It is unclear to me whether RLCIC would be able to open its stores by the end of 2026, as discussed further below.

45. I have reviewed the Financial Model document at Exhibit “B” of Ruby Liu’s July 29th, 2025 Affidavit. For the Primaris lease locations (Conestoga, Orchard Park, Southgate, Oshawa, and Lime Ridge), the model forecasts provided by Ruby Liu to Primaris on June 6th, 2025, are substantively identical to those included in the Financial Model served on July 29th, 2025. The only difference for each of the locations is that the updated forecast has lower costs for Selling Payroll and Benefit Allocation for each store (without any corresponding decrease in sales). Every other key financial metric and supporting line item is the same for these locations in both sets of documents.

Ruby Liu’s construction budget and construction timing are unrealistic

46. The Business Plan budgets approximately \$117.7 million (according to the Store Renovation Cost Estimate, it is approximately \$130 million, inclusive of tax) for store renovations, equating to approximately \$31 per square foot. Ms. Liu has provided a renovation cost estimate broken down by location that allocates the costs for certain purposes. Attached as **Exhibit “F”** to this affidavit is a copy of RLCIC’s Store Renovation Cost Estimate.

47. While the amount allocated for each location varies, the average is approximately \$4.72 million per location (\$5.2 million including taxes). This is extremely low.

48. By comparison, to prepare a space for a large format store, Primaris would anticipate construction costs of at least \$200 to \$250 per square foot, which would include landlord work and tenant allowances.

49. Based on my experience in comparable situations where large retailers are moving into a 120,000 square foot space, retailers have budgeted between \$30 million to \$50 million per location for their build out.

50. Based on my recollection, when Target Canada entered the market, it spent approximately \$11 million on renovations back in approximately 2013. Target spent months negotiating revised terms with landlords including a 9-month fixturing period.

Overall, Target took twelve to eighteen (12-18) months to open their Canadian stores which were essentially based on prototype's that were developed over years. Further, Target had an entire team dedicated to development and securing municipal entitlements which are complicated and time consuming. Finally, Target had a large procurement team that was able to source equipment and product to facilitate their store rollout plans.

51. Over the last several years, HBC failed to perform routine maintenance and upgrades, allowing the condition of the Primaris stores and equipment servicing the stores to fall into a state of disrepair.

52. As noted in paragraph 71 of Franco Perugini's Affidavit, landlords have been requesting that HBC address repairs for years. Mr. Perugini's Affidavit acknowledges HBC's intentional strategy of not honouring its repair and maintenance obligations, and ignoring landlord demands, for years. I note that Mr. Perugini, who is the Divisional Vice-President of Construction for HBC, would be responsible for legal and construction issues and lease compliance for the potential assignee as stated in paragraphs 74 and 75 of Mr. Perugini's Affidavit.

Scope and cost to remediate Primaris locations

53. Independent building condition reports were prepared for each of the Primaris locations by Pinchin Ltd. ("**Pinchin**") and Whalen Building Assessment Services Inc. ("**Whalen**"), both being leading firms in environmental, engineering, health & safety, and building consulting, to identify the current state of the HBC stores and the work needed to bring them into compliance with tenant lease obligations.

54. According to the building assessment reports, the cost, including the projected repair and replacement obligations that would be triggered as set out in further detail below, for the five (5) Primaris locations would be approximately \$15,649,500, plus tax for building condition work in year (1) one, plus approximately \$30,105,000, plus tax, for hazardous material remediation, for a total of \$45,754,500, plus tax, in year one (1). It is important to note that these are the costs required to bring the spaces back to operational

status without any tenant fit-out work. In addition, a further \$17,456,750, plus tax, of building condition work costs are anticipated from years two (2) through ten (10). At least part of Ruby Liu's \$117.8 million construction budget relates to tenant fit-out work, so those expenses would be in addition to the \$45,754,500, plus tax, estimated year one (1) costs to comply with anticipated repair obligations for the Primaris locations. Attached as **Exhibit "G"** to this affidavit is a summary of the anticipated costs based on the Pinchin and Whalen reports.

Renovation of stores will trigger significant repair and replacement obligations

55. The fact of the lack of information despite two (2) months to develop plans for each location begs the question of whether this was intentional as the effect of having no renovation plans is to permit the proposed assignee to be able to underestimate capital requirements.

56. According to Kevin Huynh, Primaris' Project Manager, Development and Construction, who has significant experience and knowledge of these matters, RLCIC's proposed renovation work to the stores Ms. Liu is seeking to acquire will trigger various permit and related obligations. The full extent of the repair and replacement obligations are dependent upon what improvements (alterations & disturbance of existing space) RLCIC makes. Kevin Huynh advises as follows:

57. Below is a general guideline for permit obligation depending on local authority having jurisdictions.

Typically a Building Permit Is Required	Typically a Permit is Not Required
Constructing new walls or altering layouts (adding/removing partitions)	Cosmetic, seasonal decorations in nature (painting and flooring)
Installing or modifying plumbing, HVAC or electrical system	Space under 10m2 (~107sf) without adding walls, plumbing or electrical (a closet).
Modifying life safety system to accommodate new space (sprinkler, alarms, emergency exits, etc.)	

Structural changes (foundation work, load-bearing modifications for HVAC roof support, walls, etc.)	
Making accessibility upgrades to comply with AODA standards	
Changing occupancy or use of space or within a space (having a restaurant/café inside the space)	
Expanding into a new space or reducing space.	

58. Because of the large footprint of each level of a typical HBC store, a permit will almost certainly be required because it makes no sense to renovate 100 square feet of a tens of thousands of square foot floor in multiple phases.

59. As soon as a permit is required, it will most likely trigger an obligation to bring all life safety systems (sprinkler, fire alarm, smoke alarm, carbon monoxide, emergency lighting, etc.) to meet current building code requirements.

60. There is a reasonable probability that if the life safety systems require upgrading that a domino effect may extend to electrical panel, generators, and backup systems being brought to the applicable building code standards. Lead time for electrical equipment can take many weeks (see time estimates below).

61. A permit application for renovation will also trigger hazmat obligations because of the likely disturbance of asbestos/designated substance (pipe wrap, vinyl tiles, dry wall compound, ceiling tile, and possibly roof insulation if mechanical upgrades impact the roof area); PCB light fixtures, and lead (paint and lightbulbs).

62. Estimates for remedial works are based upon a Class D budget estimate (because of lack of specifics in RLCIC plans, a 25-50% margin of error is provided from Pinchin's letters/estimates) and are therefore very rough estimates. The true cost may be significantly more or less than the estimate.

63. Primaris has requisitioned additional hazmat reports which will be more detailed and will be available in October, 2025.

64. Generally, it is impossible to pinpoint exact numbers without a specialist/detailed hazmat report and quotes available for acceptance from contractors performing the work.

65. RLCIC's general contractor will be provided the hazmat report by law (health & safety) for their renovation work, so it knows when engaging trades to estimate that they account for abatement work in their quote.

66. HVAC systems in these old spaces like the HBC spaces commonly use a cooling tower which can be very dated and poorly maintained. If there is a lack of confidence that the unit can heat and cool adequately, and function properly, this will trigger HVAC upgrade requirements.

67. Roof systems normally have a useful life of fifteen to twenty (15-20). The roofs on HBC spaces tend to be dated beyond their useful life, poorly maintained, and some may be comprised of asbestos/designated substances. Any renovation work with equipment on the roof (HVAC) will require roof work. The extent of scope may vary.

68. Vertical transportation systems (elevator, escalator, movator, etc.) in these spaces tend to be dated beyond their useful life and were poorly maintained. These items are long lead time equipment that can take 40+ weeks to supply and install. An assignee may be able to maintain such equipment and bring it to good working order to meet current code, but this will impact their operations if the equipment breaks down frequently and would stand out in a negative way in a newly renovated store.

69. If changes to exterior like exterior façade, bump out, increased height/lowered height, are part of the plan, then an SPA (Site Plan Approval/Amendment) or a minor variance will be required, which may trigger (pending on local authority of having jurisdiction) exterior to the inside wall hazmat issues like asbestos/designated substances. Timing for SPA or minor variance can take a few months up to twelve (12) months to obtain.

70. In Primaris' experience it is almost inconceivable that tenant improvements of stores of this size will not require a permit, which will trigger additional obligations the magnitude of which will depend upon the scope of work.

Supply and installation timelines

71. I have also been provided with information about the supply and installation duration for certain line items from Primaris' Development and Construction team. This information is included in the last column of the building condition chart broken down by location. As an example, for Conestoga, the time to supply and install the required mechanical systems would be up to twenty-four (24) weeks.

72. Primaris' Development and Construction team provided me with general guidance on current estimates of timing for various work based on current market conditions:

- (a) To order parts to repair vertical transportation and install escalators and elevators → 4-8 weeks for parts and 2-3 weeks for repair;
- (b) To order and replace vertical transportation and install both elevators and escalators → 8-10 week for shop drawings, 18-20 weeks for fabrication (total 26-30 weeks), 4 weeks for installation;
- (c) To order HVAC units and then install → Basic units off the shelf are 6-8 weeks; Custom units are 16-20 weeks; plus 3-4 weeks for install;
- (d) To order and install an electrical panel → Pannel only no new service 12-16 weeks, plus 3 weeks to install. Complete new switchgear and all new components 40-60 weeks;
- (e) To prepare, order materials and replace a roof → Shop drawings 3 weeks; material 4 weeks, installation 6-8 weeks; and
- (f) Typical abatement program- asbestos, lead, PCB → 12-16 weeks.

73. Since the end of Covid, there have been significant delays in securing equipment in a timely manner. As one of Canada's largest mall landlords, Primaris is able to source and obtain equipment perhaps quicker than others, but it still takes longer than pre-Covid. Further, costs have increased and continue to do so. In addition to the time to secure

equipment, municipal approvals have been slow for many reasons including work from home policy and staff reductions. We work closely with municipal officials in markets we operate in, but even so, the process to obtain plan approval can take up to a year in some cases – the more complicated the application, the longer it will take. In the case of former HBC locations, they are aged buildings with publicized deficiencies that will receive significant scrutiny.

Ruby Liu's cost and timing for Primaris renovations are not realistic

74. Ruby Liu's plan to renovate five (5) Primaris locations, approximately 740,000 square feet, within 180 days and at a total cost of \$20.566 million (according to the Store Renovation Cost Estimate) is objectively impossible. Compliance with building-code upgrades, accessibility, and base-building integration alone would exceed that budget based on the information provided by Pinchin and Whalen.

75. With respect to timing issues, I note that Ruby Liu apparently has not even identified a designer to begin work on the store design yet according to paragraph 72 of Mr. Perugini's Affidavit.

76. With respect to timing and Mr. Perugini's representations to the Court about "ensuring seamless execution of the store renovations", I note that Mr. Perugini was HBC's responsible representative overseeing HBC's failure to vacate stores in the required condition after delivering lease disclaimers. This is another "red flag" and leads me to conclude this is yet another historical reputation type issue of over promising and under delivering.

77. Despite the terms of the Liquidation Sale Approval Order ("**Liquidation Order**") and the Sale Guidelines, HBC, apparently under Mr. Perugini's direction, materially underestimated the time it needed to remove FF&E when it issued lease disclaimer notices. It is unclear whether this was done intentionally to try to avoid paying rent, or whether it was an error in judgment. Attached as **Exhibit "H"** to this affidavit is a copy of

a June 10th, 2025 letter from HBC to landlords effectively telling landlords HBC was unable to remove FF&E by the effective date of the disclaimer notices.

78. I am advised by Primaris staff that FF&E still has not been removed from many disclaimed locations and to date no compensation has been paid to Primaris in respect of HBC's breach of the Liquidation Order under Mr. Perugini's oversight.

79. As a result, over a month and a half after HBC leases were disclaimed, HBC continues to effectively occupy stores rent-free by reason of the failure to remove FF&E in breach of the Liquidation Order.

The absence of any enforceable covenant

80. The strength of a potential tenant's covenant is extremely important for landlords considering a potential tenant. A tenant with a weak covenant exposes the landlord to significant financial and operational risks.

81. The primary short-term concern once a tenant has been vetted and is a potentially acceptable tenant is an assurance that it will pay rent in full and on time and without default.

82. In addition, another key consideration is that the value of a shopping centre, is closely tied to the quality of its tenants both financially and in terms of name recognition and supporting shopping traffic flow. Strong tenants enhance the property's value and make it more attractive to investors and lenders. Conversely, a weak tenant increases the risk of default, which negatively impacts a property's market value and the landlord's ability to refinance or sell the property. In addition, the mere public perception of a risk of failure of a material tenant, especially an anchor tenant, will affect the overall environment, negatively impacting renewals, extensions and obtaining new tenants at good rental rates.

83. Tenants with no brand recognition or operational experience, such as RLCIC, do not resonate with consumers or other tenants, which may result in challenges leasing

space close to the Ruby Liu store, as well as retaining existing tenants in the area. For some brands, it takes years of marketing and operating to build a customer base – opening multiple stores all at once is a very risky and potentially disastrously expensive experiment. HBC had brand recognition, but they no longer resonated with the consumer and traffic near their store was decreasing.

84. These intangibles are absolutely real, cause damage and ultimately harm the landlord's reputation in the marketplace. This concern is amplified for a publicly traded company.

85. RLCIC is a newly incorporated entity with no assets. Ms. Liu controls RLCIC and there is no recourse for Primaris if Ms. Liu changes her mind about funding RLCIC. In terms of Ms. Liu's "commitment" to providing further funds, the July 29th, 2025 equity commitment from Ruby Liu (and entities controlled by her) at Exhibit "C" of her affidavit is expressly not enforceable by any third party pursuant to section 4 of that agreement. In other words, the proposed assignee is a shell company with no revenue stream and is wholly dependent upon Ruby Liu to provide capital if and when she elects to.

86. Primaris would generally not lease units in the five (5) Primaris shopping centres at issue to a newly incorporated entity without assets or income stream, without a material letter of credit, financial guarantee, or indemnity from a party resident within Canada or a jurisdiction with an independent judiciary and strong rule of law foundation. Primaris would never rent out a material tenancy, especially its anchor space, without these safeguards in hand.

87. HBC and the Monitor required Ruby Liu to personally guarantee the APA, but Primaris would have no such protection.

Primaris leases

General overview of Primaris leases

88. HBC occupied the Primaris shopping centres as an anchor tenant. It was an iconic retailer in Canada with nationwide brand recognition.

89. The HBC leases include tenant friendly terms that are typical of anchor tenant leases, because at the time the leases were executed, anchor tenants had relevance to the consumer, were essential to draw other tenants, and were generally needed to secure financing.

90. The Primaris leases generally contain operating covenants, which she will not be able to honour due to the extended renovations, that require the tenant to continually operate under the specified use, which can be generally described as a department store of a certain quality, and usually under the Bay trade name.

91. The leases also require the tenant to perform all repair and maintenance work for the leased premises, roofs and equipment (HVAC, plumbing, etc.) at the tenant's expense. Unfortunately, during HBC's decline, it failed to keep up with its maintenance and repair obligations and allowed the store to fall into disrepair.

92. The stores occupied by HBC are extremely important to the success of the shopping centres. The worst-case scenario would be to have a "no-name" new tenant like RLCIC tie up the space for a year or more and either never open or fail in those spaces within a short period of time.

Conestoga Mall

93. Conestoga Mall is a first-class, regional shopping centre situated in the City of Waterloo, Ontario, with approximately 681,272 square feet of gross leasable area. It is an upscale fashion and lifestyle destination in the Kitchener–Waterloo area and the broader Region of Waterloo. It contains a curated mix of over 130 stores, including national and international retailers, full-service restaurants, personal service providers, entertainment

venues, and essential-needs merchants. There is also a food court with thirteen (13) vendors. Its large format tenants include Galaxy Cinema, Sport Chek, Indigo, H&M, Winners and Zehrs. Conestoga Mall also has top retail tenants such as Apple and Lululemon.

94. The HBC department store, located at the south end of the mall, was a key driver of traffic to the mall and served as one of the principal anchors.

95. Attached as **Exhibit "I"** to this affidavit is a copy of the shopping centre floor plan and list of stores for Conestoga Mall.

96. Annual rent payable under the Conestoga Mall lease (exclusive of tax) is as follows (in addition, the tenant pays utilities directly to the service provider):

- (a) Base Rent: \$979,350 per annum
- (b) CAM: \$176,283 per annum
- (c) Tax: \$402,186 per annum
- (d) Total \$1,557,819 per annum

97. Below is a summary of some of the key Conestoga Mall lease provisions:

Name of Mall	Conestoga Mall, City of Waterloo, Ontario, Canada
Gross Leasable Area (GLA)	Approx. 130,000 sq. ft. ground-floor
Lease Expiry Date (including renewal options)	Primary Term expires September 18 th , 2028 (as extended by Lease Amending Agreement dated September 19 th , 2008); Eight (8) renewal options of ten (10) years each, potentially to September 18 th , 2108, if all exercised. (Lease subsections 2.01, 2.02, as amended by 2008 Lease Amending Agreement)
Use Clause	Must use and operate as a department store consistent with standards of a majority of the other first-class major department stores operated by Tenant in Ontario; continuous operation required; trade name "The Bay" with or without reference to the Hudson Bay Company (or other dominant trade name in use for majority of comparable stores operated by the Tenant in Ontario); outdoor sales limited to merchandise that may be sold in the department store (Lease subsection 5.01, 5.02 as amended by March 15 th , 1995 Lease Amending Agreement, 5)

Landlord Consent Terms for Assignment	No assignment, mortgage, or subletting without Landlord's prior written consent not to be unreasonably withheld if: (i) Premises retain single-tenant department store character; (ii) assignee/sub-tenant covenants to be bound by lease; and (iii) assignee/sub-tenant is a competent operator with a business name not less well known than "The G.W. Robinson Company, Limited" and financially capable of borrowing at long term interest rates no less favourable than the Tenant. Landlord consent not required for parent/affiliate/subsidiary transactions, permitted mortgages, or concessions/licences/subleases per paragraph 9.01(c) (see Lease subsection 9.01, 18.01–18.03)
Operating Covenants	Tenant must: (i) operate continuously during all business hours established for the Shopping Centre; (ii) operate as a department store consistent with standards of a majority of the other first-class major department stores operated by Tenant in Ontario; (iii) comply with all applicable laws, fire, health and safety regulations; failure to operate is a default; continuous operation required so long as Landlord operates Shopping Centre as a first-class regional shopping centre (see Lease subsections 5.01, 5.02, 5.04, 1995 Lease Amending Agreement, 5)
Tenant's Right to Alter	Tenant may make alterations, additions, replacements, or improvements provided structural elements/building systems are not affected without Landlord's prior written approval (not to be unreasonably withheld); all work must comply with laws and be performed in a first-class manner (see Lease subsection 7.01)
Restrictions on Concessions, Subletting and Licensing	Aggregate floor area for all sub-tenants, concessionaires, and licensees may not exceed 35% of Premises; all such operations must be integral to department-store operation, comply with merchandising/use provisions, and be subject to equivalent transfer/operational covenants (see Lease subsections 9.01(c), 1.01, 5.01)
Restrictions on Landlord (e.g., merchandising, other parts of mall)	Landlord must: (i) operate Shopping Centre as a first-class regional shopping centre; (ii) provide/maintain not less than 5 parking spaces per 1,000 sq. ft. GLA or municipal standard ; (iii) maintain and repair the Shopping Centre in the same manner as a prudent and reputable owner and operator and in accordance with the best standards in the shopping centre industry; (iv) obtain Tenant's consent (not to be unreasonably withheld) for relocation/construction of Shopping Centre utility services; (see Lease subsections 20.01–20.06, 12.02, , 13.01 as amended, Letter Agreement February 13 th , 1995, 1(c), Lease Amending Agreement March 15 th , 1995, 3)

98. It is clear to me that RLCIC is incapable of performing the Conestoga Mall lease because it is not the operator of other first-class major department stores. RLCIC will also be unable to comply with the continuous operating covenant based on its intention not to open for at least six to twelve (6-12) months while renovating, which is likely a material underestimate of the time required.

99. As of the Filing Date, HBC was in monetary default in the sum of \$300,893.70, exclusive of interest. Attached as **Exhibit “J”** to this affidavit is a copy of the tenant’s statement of account.

100. In addition, there are repair and replacement costs that will have to be incurred if any material renovation is undertaken.

101. Pinchin recently inspected the HBC premises at Conestoga Mall and prepared a Baseline Property Condition Assessment dated August 1st, 2025, setting out its findings. Based on Pinchin’s inspection and analysis there are no immediate repair requirements. However, over the near term (10 years) \$7,080,500.00 of repair requirements are identified, as set out in the report. These costs are identified in Appendix I of the report and are exclusive of taxes. Attached as **Exhibit “K”** to this affidavit is a copy of Pinchin’s Baseline Property Condition Assessment, dated August 1st, 2025, for Conestoga Mall.

102. In addition, Pinchin provided a Hazardous Building Materials Removal Estimate dated August 1st, 2025 for the cost of removing/abating hazardous materials from the HBC store that was visible during its inspection, including asbestos, lead, mercury, and other substances. Pinchin’s estimated costs for removal of hazardous materials is \$2,283,300.00. Attached as **Exhibit “L”** to this affidavit is a copy of Pinchin’s Hazardous Building Materials Removal Estimate, dated August 1st, 2025, for Conestoga Mall.

103. A multiyear budget for this location should account for replacement of end-of-life systems identified in the Pinchin report.

Orchard Park Shopping Centre

104. Orchard Park Shopping Centre at 2271 Harvey Ave., Kelowna, British Columbia, is approximately 700,000 square feet, with 160 stores and a twelve (12) vendor food court.

105. Some of the large format stores are Sport Chek, Shoppers Drug Mart, Indigo, Old Navy, Mark’s, Structube, Leons and Best Buy. Orchard Park also has a curated mix of

local and national retailers such as Aritzia, Sephora, Lululemon, Rip Curl, Urban Planet, Bath & Body Works, Caposhie, Man + Woman, and a Planet Fitness fitness centre.

106. The 127,290 square foot HBC store is by far the largest unit at Orchard Park Shopping Centre.

107. Attached as **Exhibit "M"** to this affidavit is a copy of the shopping centre floor plan and list of stores for Orchard Park Shopping Centre.

108. Annual rent payable under the Orchard Park Shopping Centre lease (exclusive of tax) is as follows (in addition, the tenant pays utilities directly to the service provider):

- (a) Base Rent: \$544,801 per annum
- (b) CAM: \$294,040 per annum
- (c) Tax: \$343,683 per annum
- (d) Total \$1,182,524 per annum

109. Below is a summary of some of the key Orchard Park Shopping Centre lease provisions:

Name of Mall	Orchard Park Shopping Centre, Kelowna, B.C.
Gross Leasable Area (GLA)	127,290 sq. ft.
Lease Expiry Date (including renewal options)	Current term: August 1 st , 1972 – July 31 st , 2032 Remaining options: six (6) further 10-year renewal terms to July 31 st , 2092 (See Original Lease section 3.00 as amended 1991 & 1993; Schedule A to 2003 Estoppel).
Use Clause	Tenant to operate a department store in the name of "The Bay" or such other name as may be substituted by the original Tenant herein named or its subsidiary or associated companies in the conduct of its and their department store business in the majority of its and their department stores in British Columbia, and shall actively and diligently carry on or cause to be carried on that business therein and shall actively and diligently carry on that business therein... (Original Lease subsection 7.00(a)-(i)).
Landlord Consent Terms for Assignment	Landlord consent also required for assignment such consent not to be unreasonably withheld. Tenant may assign/sublet without Landlord consent in the circumstances set out in 18.00 (a)-(d). (Subsection 18.00, Original Lease).

Operating Covenants	Tenant to actively and diligently carry on that business ... (Subsection 7.00, Original Lease).
Tenant's Right to Alter	Tenant right to expand the Premises up to 20,000 sq. ft. horizontally or to two storeys vertically– Article XVI subsections 16.00–16.06; 1991 & 1993 Lease Amending Agreements, 2.1). Tenant may also construct kiosks with Landlord approval (Article XVII, Original Lease).
Restrictions on Concessions, Subletting and Licensing	Sub-letting or licensing of sales areas (including concessions) requires Landlord's consent unless it falls under the circumstances outlined in 18.00 (a)-d) of Original Lease. Tenant may sublet or grant concessions or licenses to use and occupy the Premises provided that the aggregate area of sublease/concessions/license is not greater than 65% of GLA, 18.00(c)
Restrictions on Landlord [ie. merchandising, other parts of mall, etc.]	Parking ratio not to fall below approximately 4.8 car parking spaces / 1,000 sq. ft. of GLA (as amended 1993 LAA, s.1.4: Landlord cannot change configuration, materially vary, relocate, or reduce Parking Areas shown outlined in yellow on the Plan without Tenant's consent, except as expressly permitted (Subsection 8.03(e), Original Lease).

110. RLCIC will be unable to comply with the continuous operating covenant based on its intention not to open for at least six to twelve (6 – 12) months.

111. As of the Filing Date, HBC was in monetary default in the sum of \$334,980.14, exclusive of interest. Attached as **Exhibit “N”** to this affidavit is a copy of the tenant's statement of account.

112. In addition, there are significant repair and replacement costs that will have to be incurred if any material renovation is undertaken.

113. Pinchin recently inspected the HBC premises at Orchard Park Shopping Centre and prepared a Baseline Property Condition Assessment dated August 8th, 2025, setting out its findings. Based on Pinchin's inspection and analysis, it identified \$3,016,000.00 of repair requirements that would have to be incurred within the first year, and over the near term (10 years), Pinchin identified \$5,860,750.00 of repair requirements (including year one), as set out in the report. Attached as **Exhibit “O”** to this affidavit is a copy of Pinchin's Baseline Property Condition Assessment, dated August 8th, 2025, for Orchard Park Shopping Centre.

114. In addition, Pinchin provided a Hazardous Building Materials Removal Estimate dated August 1st, 2025 for the cost of removing/abating hazardous materials from the HBC store that was visible during its inspection, including asbestos, lead, mercury, and other substances. Pinchin's estimated costs for removal of hazardous materials is \$12,508,500.00. Attached as **Exhibit "P"** to this affidavit is a copy of Pinchin's Hazardous Building Materials Removal Estimate, dated August 1st, 2025, for Orchard Park Shopping Centre.

115. A multiyear budget for this location should account for replacement of end-of-life systems identified in the Pinchen report.

Oshawa Centre

116. Oshawa Centre is located in Oshawa, Ontario at 419 King St. W., Oshawa, Ontario. Oshawa Centre has 1,215,200 square feet of space and is the largest mall in Durham Region and the largest in Ontario east of Toronto. Oshawa Centre has over 260 stores and a food court with fifteen (15) food vendors. Some of its larger format tenants include Sport Chek, H&M, Uniqlo, Zara, Marshalls, Staples, Shopper's Drug Mart, Indigo and Goodlife Fitness. It also has many other top retailers including Adidas, Aritzia, Foot Locker, JD Sports, etc.

117. Attached as **Exhibit "Q"** to this affidavit is a copy of the shopping centre floor plan and list of stores for Oshawa Centre.

118. Annual rent payable under the Oshawa Centre lease is as follows (in addition, the tenant pays utilities directly to the service provider):

- | | | |
|-----|------------|-----------------------|
| (a) | Base Rent: | \$284,488 per annum |
| (b) | CAM: | \$489,270 per annum |
| (c) | Tax: | \$361,741 per annum |
| (d) | Total | \$1,135,498 per annum |

119. Below is a summary of some of the key Oshawa Centre lease provisions:

Name of Mall	Oshawa Centre
Gross Leasable Area (GLA)	122,624 square feet (inclusive of a 220-square-foot kiosk space).
Lease Expiry Date (including renewal options)	Original Term: Ten (10) years commencing February 3 rd , 2024, and expiring February 2 nd , 2034. (Subsection 1.05, 2024 Lease) Landlord's Renewal Option: One (1) additional five-year term, February 3 rd , 2034, to February 2 nd , 2039, exercisable by the Landlord on twelve (12) months' prior written notice. (Subsection 3.01, 2024 Lease)
Use Clause	Premises must be operated as a department store in a manner consistent with the Tenant's other department stores in the Greater Toronto Area and for no other purpose. The business of Tenant in the Premises will be carried on under the name and style described in Article 1.08 (HUDSON'S BAY COMPANY, HUDSON'S BAY, THE BAY or any other trade name used by the Tenant in a majority of its department stores in the greater Toronto area) and under no other name and style unless approved by Landlord in writing. (Subsections 1.07, 1.08, 5.01, 2024 Lease)
Landlord Consent Terms for Assignment	The Tenant may not assign, sublease, mortgage, or otherwise transfer the Lease or any interest in it without the Landlord's prior written consent, which may be withheld arbitrarily or unreasonably. The only exceptions are: 1. Transfers to an Eligible Corporation. 2. Permitted Transfers under subsection 11.05, provided the applicable conditions are satisfied. All other Transfers, including those by operation of law, without the required consent are prohibited. If an unauthorized Transfer occurs, the Landlord may terminate the Lease or take other enforcement action, and the Tenant remains fully liable under the Lease despite the Transfer. (Subsection 11.01, 11.05, 2024 Lease)
Operating Covenants	Tenant must conduct business on those days and during those hours established by the Landlord for the Shopping Centre, subject to the Tenant's GTA store standards. (Subsection 5.02, 2024 Lease) Tenant acknowledges that it forms part of an over-all merchandising mix designed to enhance the character, quality, image and reputation of the Shopping Centre, and that its continuous operation of the Premises is essential to Landlord to maintain that character, quality, image, nature and reputation and to facilitate the leasing of vacant space and renewing leases of existing tenants. Tenant therefore, provided the Landlord is operating the Shopping Centre in accordance with this Lease in all material respects, covenants and agrees that throughout the Term it will continuously occupy and operate in the entire Premises, comply strictly with the provisions of Article 5.02 and not vacate or abandon the Premises at any time during the Term. (Subsection 5.03, 2024 Lease)
Tenant's Right to Alter	Tenant may carry out internal alterations, additions and improvements to the Premises (including installation of trade fixtures) only with the Landlord's prior written approval, such approval not to be unreasonably withheld, and subject to compliance with the Lease. Subsection 7.04 (a)-(g), 7.05, 2024 Lease

Restrictions on Concessions, Subletting and Licensing	Concessions, licences or departments operated by parties other than the Tenant (or its permitted affiliates) are prohibited unless an approved sublease or concession agreement is first obtained in accordance with Section 11. Any unapproved concession or licence constitutes a default. Tenant may, without Landlord's consent but with prior written notice, grant concessions or licenses for parts of the Premises, provided that (i) the Premises continues to operate and appear to the public as an integrated single department store in compliance with this Lease, (ii) at least 80% (by number) of such concessions or licenses are to parties operating in a majority of the Tenant's other Greater Toronto Area stores, and (iii) all such parties remain under the Tenant's day-to-day operational control to maintain the Tenant's general business standards. Subsection 11.01, 11.02, 11.05(c), 2024 Lease
Restrictions on Landlord [ie. merchandising, other parts of mall, etc.]	No substantive restrictions on the Landlord regarding merchandising, use of other parts of shopping centre, development, or related matters.

120. As of the Filing Date, HBC was in monetary default in the sum of \$269,962.96, exclusive of interest. Attached as **Exhibit "R"** to this affidavit is a copy of the tenant's statement of account.

121. In addition, there are significant repair and replacement costs that will have to be incurred if any material renovation is undertaken.

122. Pinchin recently inspected the HBC premises at Oshawa Centre and prepared a Baseline Property Condition Assessment dated August 6th, 2025, setting out its findings. Based on Pinchin's inspection and analysis, it identified \$1,655,000.00 of repair requirements that would have to be incurred within the first year, and over the near term (10 years), Pinchin identified \$3,405,000.00 of repair requirements (including year one), as set out in the report. Attached as **Exhibit "S"** to this affidavit is a copy of Pinchin's Baseline Property Condition Assessment, dated August 6th, 2025, for Oshawa Centre.

123. In addition, Pinchin provided a Hazardous Building Materials Removal Estimate dated August 1st, 2025 for the cost of removing/abating hazardous materials from the HBC store that was visible during its inspection, including asbestos, lead, mercury, and other substances. Pinchin's estimated costs for removal of hazardous materials is

\$8,442,300.00. Attached as **Exhibit “T”** to this affidavit is a copy of Pinchin’s Hazardous Building Materials Removal Estimate, dated August 1st, 2025, for Oshawa Centre.

124. A multiyear budget for this location should account for replacement of end-of-life systems identified in the Pinchin report.

Southgate Centre

125. Southgate Centre is located at 5015 111 St. NW., Edmonton, Alberta. It has 846,000 square feet of retail space, containing over 170 stores and a food court with seventeen (17) food vendors. Some of its larger format tenants include Sporting Life, Crate & Barrel, Restoration Hardware, Winners, Safeway, and London Drugs. It also has many top retailers such as Apple, Arc’teryx, Aritzia, H&M, JD Sports, Lululemon, Roots, etc.

126. The 236,551 square foot HBC store occupied two (2) floors and the largest unit in the shopping centre.

127. Attached as **Exhibit “U”** to this affidavit is a copy of the shopping centre floor plan and list of stores for Southgate Centre.

128. Annual rent payable under the Southgate Centre lease is as follows (in addition, the tenant pays utilities directly to the service provider):

- (a) Base Rent: \$290,958 per annum
- (b) CAM: \$2,273,255 per annum
- (c) Tax: \$428,157 per annum
- (d) Total \$2,992,370 per annum

129. Below is a summary of some of the key Southgate Centre lease provisions:

Name of Mall	Southgate Centre
Gross Leasable Area (GLA)	236,551 sq. ft.
Lease Expiry Date (including renewal options)	<p>Initial term: February 3rd, 2024 – February 2nd, 2034 (Subsection 11.05, 2024 Lease).</p> <p>Landlord holds one five-year renewal option that, if exercised, will extend the outside expiry to February 2nd, 2039 (Subsection 3.01, 2024 Lease).</p> <p>Conditional “Reinstated Original Lease” mechanism may be triggered on November 13th, 2028; if effected, Tenant will receive four additional ten-year renewals plus one final two-year renewal, in any event not beyond February 2nd, 2076 (Subsections 3.05 & 3.05(A), 2024 Lease).</p>
Use Clause	<p>Premises to be used for the purposes of a department store operated in a manner consistent with the standards of other department stores operated by the Tenant that are located in the province of Alberta and shall not be used for any other purpose whatsoever.</p> <p>Tenant's Store Name: HUDSON'S BAY COMPANY, HUDSON'S BAY, THE BAY or any other trade name used by the Tenant in a majority of its department stores in the province of Alberta. Tenant shall not operate its business under any other name or trade name without having first obtained Landlord's prior written consent. (Subsection 1.07, 1.08, 5.01, 2024 Lease).</p>
Landlord Consent Terms for Assignment	<p>The Tenant may not assign, sublease, mortgage, or otherwise transfer the Lease or any interest in it without the Landlord's prior written consent, which may be withheld arbitrarily or unreasonably.</p> <p>The only exceptions are:</p> <ol style="list-style-type: none"> 1. Transfers to an Eligible Corporation. 2. Permitted Transfers under subsection 11.05, provided the applicable conditions are satisfied. <p>All other Transfers, including those by operation of law, without the required consent are prohibited. If an unauthorized Transfer occurs, the Landlord may terminate the Lease or take other enforcement action, and the Tenant remains fully liable under the Lease despite the Transfer. (Subsection 11.01, 11.05, 2024 Lease)</p>
Operating Covenants	<p>Tenant will conduct its business in the Premises on such days and during such hours as is required, from time to time, by Landlord unless prevented from so doing by any Authority, however, nothing shall require the Premises to be open during hours other than those which have been generally established by the Tenant for the operation of its similar stores in the province of Alberta. (Subsection 5.02, 2024 Lease).</p> <p>Tenant acknowledges that it forms part of an over-all merchandising mix designed to enhance the character, quality, image and reputation of the Shopping Centre, and that its continuous operation of the Premises is essential to Landlord to maintain that character, quality, image, nature and reputation and to facilitate the leasing of vacant space and renewing leases of existing tenants. Tenant covenants that throughout the Term it will continuously occupy and operate in the entire Premises, comply strictly with the provisions of subsection 5.02 and not vacate or abandon the Premises at any time during the Term (Subsection 5.03, 2024 Lease).</p>

Tenant's Right to Alter	Tenant may carry out internal alterations, additions and improvements to the Premises (including installation of trade fixtures) only with the Landlord's prior written approval, such approval not to be unreasonably withheld, and subject to compliance with Subsections 7.04 and 7.05 of the Lease. Subsections 7.04 (a)-(g), 7.05, 2024 Lease.
Restrictions on Concessions, Subletting and Licensing	Concessions, licences or departments operated by parties other than the Tenant (or its permitted affiliates) are prohibited unless an approved sublease or concession agreement is first obtained in accordance with Section 11. Any unapproved concession or licence constitutes a default. Tenant may, without Landlord's consent but with prior written notice, grant concessions or licenses for parts of the Premises, provided that (i) the Premises continues to operate and appear to the public as an integrated single department store in compliance with this Lease, (ii) at least 80% (by number) of such concessions or licenses are to parties operating in a majority of the Tenant's stores in the province of Alberta, and (iii) all such parties remain under the Tenant's day-to-day operational control to maintain the Tenant's general business standards. Subsection 11.01, 11.02, 11.05(c), 2024 Lease
Restrictions on Landlord [ie. merchandising, other parts of mall, etc.]	No substantive restrictions on the Landlord regarding merchandising, use of other parts of shopping centre, development, or related matters.

130. As of the Filing Date, HBC was in monetary default in the sum of \$400,594.47, exclusive of interest. Attached as **Exhibit "V"** to this affidavit is a copy of the tenant's statement of account.

131. In addition, there are significant repair and replacement costs that will have to be incurred if any material renovation is undertaken.

132. Pinchin recently inspected the HBC premises at Southgate Centre and prepared a Baseline Property Condition Assessment dated August 1st, 2025, setting out its findings. Based on Pinchin's inspection and analysis, it identified \$ 9,632,500.00 of repair requirements that would have to be incurred within the first year, and over the near term (10 years), Pinchin identified \$ 12,435,000.00 of repair requirements (including year one), as set out in the report. Attached as **Exhibit "W"** to this affidavit is a copy of Pinchin's Baseline Property Condition Assessment, dated August 1st, 2025 for Southgate Centre.

133. In addition, Pinchin provided a Hazardous Building Materials Removal Estimate dated August 1st, 2025 for the cost of removing/abating hazardous materials from the HBC store that was visible during its inspection, including asbestos, lead, mercury, and

other substances. Pinchin's estimated costs for removal of hazardous materials is \$1,511,500.00. Attached as **Exhibit "X"** to this affidavit is a copy of Pinchin's Hazardous Building Materials Removal Estimate, dated August 1st, 2025, for Southgate Centre.

134. A multiyear budget for this location should account for replacement of end-of-life systems identified in the Pinchin report.

Lime Ridge Mall

135. Lime Ridge Mall is a premier regional enclosed shopping centre serving the greater Hamilton area comprised of approximately 793,000 square feet of gross leasable area. Since 2015 the landlord has invested roughly \$20 million in capital upgrades to roofing, electrical, HVAC, vertical transportation and site paving, ensuring the asset's long-term competitiveness.

136. The merchandise mix features an array of high-performing large-format tenants such as Sport Chek, H&M and Urban Planet, complemented by top retailers including Aritzia, Sephora, Lululemon, Shoppers Drug Mart, Browns and JD Sports.

137. The HBC department store, which occupies approximately 125,000 square feet, functioned as the centre's dominant anchor and principal traffic generator. The HBC premises anchor the south side of the shopping centre and directly abuts the surface parking lot on the south side of the site. This is a critical space to the performance of the site. A poor performing occupant of that space would materially undermine the mall's merchandising plan and erode the landlord's ability to retain and procure high-quality retail tenants.

138. Attached as **Exhibit "Y"** to this affidavit is a copy of the shopping centre floor plan and list of stores for Lime Ridge Mall.

139. Annual rent payable under the Lime Ridge Mall lease is as follows (in addition the tenant pays utilities directly to the service provider):

(a)	Base rent	\$877,149.00 per annum
(b)	Operating costs	\$160,392.96 per annum
(c)	Realty taxes	\$461,703.20 per annum
(d)	Total	\$1,499,245.16 per annum

140. Below is a summary of some of the key Lime Ridge Mall lease provisions:

Name of Mall	Lime Ridge Mall, Hamilton, Ontario
Gross Leaseable Area (GLA)	125,307 sq. ft.
Lease Expiry Date (including renewal options)	Original Term of 20 years commencing on April 1 st , 2001. There are sixteen successive options of five years each Expiry date if all extension options exercised is March 31 st , 2101. (Subsections 3.00, 3.01, April 27, 2000 Lease) Lease extended for 5 year period commencing May 2, 2025 and expiring on May 1, 2030. Letter from HBC Extending Term, dated April 16, 2024
Use Clause	The Tenant must continuously and actively operate substantially all of the Bay Department Store as a typical first-class department store suitable to the market, subject to specified exceptions (Subsection 6.00(1), April 27, 2000 Lease).
Landlord Consent Terms for Assignment	Assignments, subleases, concessions, licences and mortgages are regulated in detail (s. 21.00). Among other things, no Landlord consent is required for: transfers to an Affiliate (defined in 1.00(2)) that complies with s. 21.00(A)(1);; financing assignments or subleases to recognized financial institutions if the mortgagee delivers an undertaking to comply while in possession (s. 21.00(A)(4)). Assignments in all other circumstances require Landlord consent, which cannot be unreasonably withheld and must be dealt with within 90 days, with reasons provided if refused (s. 21.00 "Furnishing of Information" paragraph (E))., April 27, 2000 Lease
Operating Covenants	Tenant must operate continuously during Shopping Centre hours and maintain first-class standards; keep the premises clean, well-lit, heated or air-conditioned, adequately staffed and fully fixtured (Subsections 6.00(1), s. 6.02), April 27, 2000 Lease. Failure to operate is a default entitling the Landlord to remedies set out in s. 24.00, April 27, 2000 Lease.
Tenant's Right to Alter	Tenant may carry out all Tenant's Work and subsequent alterations, additions and improvements, subject to compliance with law and to repairing any damage caused by such work. Title to improvements remains with the Tenant until lease expiry, and Tenant may remove trade fixtures at the end of the Term (s. 12.00(1), s. 25.04). April 27, 2000 Lease
Restrictions on Concessions, Subletting and Licensing	Total concession/licence/sublease space may not exceed 35 % of Store GLA, and "soft goods" providers may not exceed 25 % of Store GLA (Subsection 21.00(A)(3)(iv)). All concessionaires and licensees must meet Tenant's operational standards (Subsection. 21.00(A)(3)(ii)).

	Any concession, licence or sublease must provide that the Bay Outdoor Selling Area be operated under the same name as the Bay Department Store (Subsection 21.00(A)(3)(v)). April 27, 2000 Lease
Restrictions on Landlord [ie. merchandising, other parts of mall, etc.]	No more than 3 Major Department Stores may operate in the Shopping Centre at any time without Tenant's prior written consent (consent not to be unreasonably withheld or delayed). Retail Premises existing on the Opening Date cannot be reduced in size, substantially altered in design or location, or reduced by more than 10,000 sq. ft. without Tenant's consent. Restrictions on expansion. Landlord may construct other compatible buildings (e.g., hotel) with Tenant's prior written approval, but industrial, manufacturing, warehousing, and certain retail uses are excluded. Common Facilities may be altered or expanded, but the Mall's substantial alteration requires Tenant's consent (not to be unreasonably withheld); extensions must meet specified criteria. Subsection 20.00 (1), (2)(i)(ii), (3), (4)(ii); See also subsection 20.01, April 27, 2000 Lease.

141. As of the Filing Date, HBC was in monetary default in the sum of \$1,013,208.00², exclusive of interest.

142. In addition, there are significant repair and replacement costs that will have to be incurred if any material renovation is undertaken.

143. Whalen recently inspected the HBC premises at Lime Ridge Mall and prepared a Building Condition Assessment dated May 2025, setting out its findings. Based on Whalen's inspection and analysis, it identified \$1,345,000.00 of repair requirements that would have to be incurred within the first year, and over the near term (10 years), Whalen identified \$ 4,325,000.00 of repair requirements (including year one), as set out in the report. Attached as **Exhibit "Z"** to this affidavit is a copy of Whalen's Baseline Property Condition Assessment, dated May 2025, for Lime Ridge Mall.

144. In addition, Pinchin provided a Hazardous Building Materials Removal Estimate dated August 1st, 2025 for the cost of removing/abating hazardous materials from the HBC store that was visible during its inspection, including asbestos, lead, mercury, and

² Based on Aggregate Accepted Cure Costs, Exhibit A of Second Amending Agreement to APA, Tab 5 of HBC Motion Record.

other substances. Pinchin's estimated costs for removal of hazardous materials is \$5,359,700. Attached as **Exhibit "AA"** to this affidavit is a copy of Pinchin's Hazardous Building Materials Removal Estimate, dated August 1st, 2025, for Lime Ridge Mall.

145. A multiyear budget for this location should account for replacement of end-of-life systems identified in the Whalen report.

Total cost to bring Primaris leases into good standing

146. In addition to the estimated first year costs to address repair work and hazardous material removal of \$45,754,500, plus tax, the following amounts are due and payable under each lease (exclusive of interest and costs):

(a)	Conestoga	\$300,893.70
(b)	Orchard Park	\$334,980.14
(c)	Oshawa Centre	\$269,962.96
(d)	Southgate	\$400,594.47
(e)	Lime Ridge	\$1,013,208.00 ³
(f)	Total	<u>\$2,319,639.27</u>

147. Accordingly, not including the tenant improvement renovation, in the first year the proposed assignee would have to incur an estimated \$47,800,000, just for the Primaris locations.

IC leases

148. Oshawa Centre and Southgate Centre leases are IC leases as that term is defined in the Applicant's motion record. The factual matrix surrounding the agreement with HBC

³ Based on Aggregate Accepted Cure Costs, Exhibit A of Second Amending Agreement to APA, Tab 5 of HBC Motion Record.

that led to the lease clauses that HBC is now attempting to invalidate will be addressed by Ivanhoe Cambridge.

Primaris is opposed to the forced assignment of leases to Ruby Liu

Ruby Liu is unable to perform the lease obligations

149. RLCIC cannot comply with the use clauses of the leases because it is not able to operate a retail department store (major, first class, or in a manner consistent with its other stores because it does not have any). RLCIC cannot comply with the continuous operating requirements because it requires a minimum of six to twelve (6-12) months of renovations, and likely much longer.

150. RLCIC is unable to perform the repair and maintenance obligation because its budget is entirely inadequate.

Absence of brand recognition or track record

151. The Bay is an iconic retailer in Canada that attracted shoppers to malls, with a track record dating back 355 years. In contrast, Ruby Liu has no retail experience, no brand recognition and no track record whatsoever.

152. Based on my more than twenty-five (25) years of experience negotiating anchor-tenant leases for shopping centres across Canada, Primaris would not accept RLCIC's new retail banner as an anchor tenant to its malls for the following reasons: (i) lack of meaningful brand recognition with Canadian consumers, (ii) absence of a clearly differentiated product offering, and (iii) no evidence of a disciplined, phased rollout that validates the concept before material capital is deployed.

153. Deep financial resources, standing alone, have never been sufficient. Numerous well-capitalized tenants have failed because they attempted to scale too quickly, underestimated entrenched competitors, or ignored the importance of brand resonance in this country.

154. Decathlon is the most recent and highly instructive example. When Decathlon proposed leasing large-format premises on the strength of an entirely private-label assortment positioned at an aggressive low-price point, Primaris declined to transact because, in our judgement, (a) the brand had negligible awareness outside Québec, and (b) the undifferentiated merchandise strategy would not compel Canadian consumers who already enjoy a wide selection of athletic product at Lululemon, Nike, Sport Chek, and Canadian Tire.

155. Decathlon proceeded to open stores elsewhere and, as predicted, has since closed or significantly downsized every Ontario and Western Canadian location.

156. RLCIC lacks many advantages of other large retailers that entered the market on their own timeline and failed. RLCIC faces even greater challenges because of its unrealistic schedule and lack necessary capital funding.

157. The collapse of Target Canada underscores the operational risk of an accelerated, multi-store launch. Target negotiated extensive concessions from landlords, obtained a nine-month fixturing period, and even delivered the covenant of its U.S. parent on certain sites. Despite those advantages, Target failed because it attempted to convert too many locations simultaneously, did not vet its Canadian distribution network, and could not achieve consistent in-stock levels. The result was insolvency less than two (2) years after opening. Target's failure to deliver an offering similar to their US operations resulted in a loss of traffic and low revenue generation which led to the decision to wind up operations – the cost to regain consumer confidence was high without guarantee of success.

158. RLCIC is now proposing to assume twenty eight (28) Hudson's Bay leases and to reopen as full-line department stores within six to twelve (6-12) months, without any existing Canadian brand identity, without a proven operating prototype, and without evidence of an established supply-chain infrastructure or even a warehouse. The strategy mirrors—and in several respects exceeds—the pace and scale that led to the failures described above. In my view, launching multiple large-format stores concurrently, with no

proof of concept and no demonstrated competitive advantage against entrenched banners, is commercially reckless and presents an unacceptably high probability of another high-profile and costly failure.

159. Permitting the proposed assignment would therefore expose landlords to another large retail failure in their malls similar to the cycle experienced with Decathlon and Target: an initial capital infusion, a short period of under-performance, and eventual store closures that depress co-tenant sales, erode customer traffic, and further stigmatizing the shopping centres, as well as leaving the landlord carrying significant vacancy risk and unrecovered remediation costs.

160. It would be commercially imprudent and objectively unreasonable for Primaris to lease the anchor stores at its shopping centres to a complete unknown entity with an amorphous indeterminate concept for the space, particularly where the commitment could be up to eighty (80) years. The detrimental impact to other tenants in the shopping centre should not be underestimated, as many proximate to the anchor location cannot afford to be proximate to an unbranded and unproven retailer – most will not want to take the risk and will look to relocate elsewhere in the shopping centre or outside the property.

Prior experience involving CCAA lease assignments

161. Lowe's, Walmart and Canadian Tire bought leases through the Target and Sears insolvencies. In those instances, all three (3) prospective assignees engaged in a dialogue with landlords to cooperatively negotiate the necessary amendments to the leases so the leases could be assigned on a consensual basis. The parties in those cases recognized that without consensual amendments the deal would not proceed.

162. I was directly involved in negotiations with proposed lease assignees in previous large retailer insolvencies. The approach taken by Ruby Liu in this case differs significantly.

Ruby Liu made no real effort to provide landlords with details about her plans

163. Ms. Liu did not provide any written information about her business plan before or during my meeting with her on June 4th, 2025. In fact, other than the June 6th, 2025 letter sent by Miller Thomson LLP, Ruby Liu did not provide any information in writing to landlords, before being ordered to do so by the Court.

164. I understand that the deadline for Ruby Liu to obtain landlord consent under the APA was extended from June 13th, 2025, to June 20th, 2025. During that time, Primaris did not receive any further business plan or additional documentation intended to gain Primaris' support for the proposed assignment.

165. Primaris was prepared to consider Ms. Liu's proposal with an open mind. In this regard, I have personally met with her three (3) times since the APA. However, there is no way Primaris would commit massive anchor tenant spaces in some of its most valuable real estate assets (in some cases for close to eighty (80) years of tenant control) to a retail concept with no track record or brand recognition. This is particularly true where the proposed tenant has not provided a detailed, objectively achievable plan for the use and operation of the space. I repeatedly asked for details in each meeting with Ruby, but no details were provided, simply the same generic message. In my experience, retailers without a clearly defined business plan and understanding of their target market will fail.

166. In the absence of written details of Ms. Liu's plans, Primaris could only go by Ms. Liu's statements made in the media, her social media posts, and her statements made during in person meetings.

167. Importantly, it is clear from Ms. Liu's statements, including during meetings I attended with her, that her intention is still to use the former HBC stores as "mall within a mall" concept stores, including education/entertainment space, grocery stores and food courts. I believe Ms. Liu's current stated intention to acquire the HBC leases "as is, where is" is based on what she has been told to say for the purpose of a forced lease assignment motion, and her intention remains to operate in a manner that is inconsistent with the

lease terms, by attempting to negotiate amendments after she has control of the space, as suggested in her July 10th, 2025 email to Justice Osborne.

168. I also understand that Ms. Liu may have reached a consent with the landlord of West Edmonton Mall. That mall is an outlier as it is marketed and operated as a quasi-theme park, so Ms. Liu's vision may align with its operations. However, the fact that all twenty-four (24) of the traditional shopping centre landlords strongly oppose assignment of their key long-term leases to Ms. Liu demonstrates that a forced assignment in these circumstances would be inappropriate.

169. I note that in appropriate circumstances with experienced retail operators, traditional mall landlords have come to agreements on consensual assignments of the HBC leases. I understand from my conversations with others in the industry that YM sought landlord approval when they bought HBC leases. When a few landlords objected to YM's proposal, YM did not pursue closing on those leases.

It is inappropriate to assign the Primaris leases to Ruby Liu

170. The HBC leases are unique anchor tenant leases with many favourable terms that are granted specifically to HBC as a major anchor tenant. Despite all the tenant favourable terms, there is good reason that the tenant cannot assign the leases to a third party without landlord consent. The HBC leases and the store are not appropriate for new entrants without an established track record and strong covenants.

171. HBC was an iconic departments store in Canada. HBC was an anchor tenant and occupied the largest units in these shopping centres, which units were located at entrances, the corners of the shopping centres, and in highly visible areas.

172. The "Ruby Liu" brand is new and untested in the Canadian market. The creation of a new brand identity presents significant execution risks.

173. I would not consider Ruby Liu an anchor tenant and Primaris would not consider entering into an anchor tenant lease with Ms. Liu or RLCIC on the terms contained in the Primaris leases.

Harm that would result from forced assignment over Primaris' objection

174. As a public company, Primaris is scrutinized on its exposure to weak tenants, which include ones with either no covenant or poor sales. The exposure is magnified when the tenant occupies a key space in one of our shopping centres, and even more so when the tenant is occupying the anchor tenant space in multiple shopping centres with lease term that spans decades.

175. Ruby Liu has no retail experience, and the proposed assignee is a newly incorporated entity with no assets. The "commitment" by Ruby Liu to fund the proposed assignee is unenforceable by landlords or other third parties.

176. Investors expect us to manage our shopping centres prudently. Committing anchor tenant spaces at marquee properties for several decades to an inexperienced operator and unproven concept, without any track record, covenant or even a clear business plan would be considered a reckless and unacceptable risk for investors.

177. Primaris would not accept that level of exposure for one shopping centre asset, let alone (5) five.

Impact on the shopping centres

178. Having a weak operator occupying a prime anchor tenant space is a drag on the entire shopping centre. Having a non-performing operator in the former HBC spaces would diminish the value of the shopping centre assets and negatively impact other tenants.

179. In terms of Franco Perugini's comments in his affidavit about timelines for redevelopment or absorption of the premises that are subject to the Ruby Liu bid, Primaris is strongly of the view that being forced into a decades long tenancy in the anchor units

of its shopping centres with an unproven retailer with no track record is a materially worse outcome than having no tenant at all by orders of magnitude. Having a bad anchor tenant is not only a burden in respect of the premises it occupies, but it has a profound negative impact on the asset as a whole, as it diminishes the value of the adjoining space and harms other retailers in the area that rely on traffic generated by the adjacent tenants.

180. Based on my decades of experience in commercial leasing, it is clear to me that the leases contain unique terms (e.g., below-market rent, special rights, or long-term arrangements) that were negotiated based on the original tenant's identity, because part of the value the landlord would receive is increased foot traffic and customers to the shopping centre, which helps attract other high performing tenants and increase the value of the asset as a whole. Many of these terms are antiquated concepts that have largely been ignored over the past two (2) decades, such as merchandising controls, however, the low rents and long-term leases were largely provided as incentives in order to permit the landlord to secure financing, which is no longer the case.

181. While HBC stores declined over the past several years, it was still an iconic retail department store in Canada that was an asset for the shopping centres.

182. Assignment of these leases to Ruby Liu, with no brand identity, no experience or track record of driving traffic to shopping centres would unfairly deprive the landlord of the benefit of their bargain made by landlords to have a true anchor tenant at their shopping centres.

183. Comments about Ruby Liu's plan preserving HBC jobs are disingenuous. HBC workers can hardly be expected to wait for twelve to eighteen (12-18) months for employment with Ms. Liu. Those employees in my view have already or will have sought re-employment long before any Ruby Liu store would open.

184. If the leases are returned to Primaris, then Primaris has plans to move on to re-demise the sites for alternative uses that will involve creating design and construction work; and there will be far more new long-term jobs generated from reconfiguration of

space and from alternative uses of the space as the scope of work would far exceed the repair obligations under the lease and any cosmetic tenant improvements.

185. The HBC business has ended. The assignment of leases to Ruby Liu will not advance a restructuring of HBC. It would only enrich one secured creditor while prejudicing Primaris. In my view, if Primaris is forced to accept the assignment for these leases, it would not advance the objectives of fairness, equity, and maximizing value for all stakeholders, but instead unfairly shifts risk to Primaris and transfers value to one creditor at the expense of Primaris. HBC, like Sears, is owned by a US based investor who has run each business into bankruptcy because it operates the business like a real estate investment not a retail business. Both operations extracted value from selling rights contained in leases to the Landlords and used the money to further their investments in the United States to the detriment of their long-term employees.

186. I am advised by Blaney that it has been argued that landlords cannot lose because under a lease assignment scenario they will recover arrears/interest and costs, continue to receive rent, and can expect repair and site deficiencies to be addressed - and in the absence of lease compliance, retake the space through lease termination. Of course, Primaris considered this scenario itself.

187. Primaris, after completing its analysis, concluded that it would be worse off by consenting to the proposed assignment. The shopping centres at issue are worth hundreds of millions of dollars each. The anchor tenant is the most important and valuable component of the shopping centres. Entering into a defacto business relationship with a newly incorporated entity, with no relevant experience, with capital that can be moved with the stroke of a pen, with no brand recognition, no existing business operations, no contracted suppliers, no inventory, no warehouse, no sales staff, and a business plan which is materially undercapitalized, premised upon an opening schedule that is impossible to achieve and being guided by executives who have declared in evidence that while at HBC they were part of a plan to deliberately not honour terms and conditions of the leases, would be utterly foolhardy.

188. Primaris wants to control its realty, even it means forfeiting arrears, some short term rent and the possibility of some improvements. The value of the investment in the shopping centre as a whole and the potential for (in my view, foreseeable) harm and losses dwarf any short-term financial recovery.

189. The shopping centres Primaris operates are often the largest employer and taxpayers within their respective communities. People in the communities we operate in take pride in the shopping centres and we work diligently to provide a safe, secure shopping environment that offers brands that consumers seek. Primaris is best suited to determine the types of uses and merchandise that consumers want in a particular market, and we are best suited to understand the optimal uses to add to the mall which will enhance the existing merchandise mix.

Conclusion

190. Retail is hard. Some of the most successful and well capitalized international retailers who attempted to enter the Canadian market after extensive planning and with access to significant expertise failed.

191. Ruby Liu's vision of opening twenty-eight (28) large retail department stores within twelve (6-12) months is based on optimism and not reality. Ms. Liu wants to create a new department store, however, the department store concept has been failing for three (3) decades, replaced by specialty stores.

192. Ruby Liu's complete absence of any retail experience, and deficient business plan ought to be sufficient reason not to force Primaris to accept an inappropriate tenant occupying its most valuable retail spaces with decades of lease term remaining.

193. I make this affidavit in response to the Applicant's motion to force the assignment of the Primaris leases over Primaris' objection.

SWORN or Affirmed before me: (select one): ☐ in person OR ☒ by video conference by Patrick Sullivan being at the Municipality of Sicamous, in the Province of British Columbia, before me at Municipality of Picton, in the Province of Ontario, on the 9th day of August, 2025 in accordance with O.Reg 431/20, Administering Oath or Declaration Remotely.



Brendan Jones
A Commissioner for Taking Affidavits



PATRICK SULLIVAN

**THIS IS EXHIBIT "A" TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", written over a horizontal line.

Commissioner, etc.

Brendan Jones

Gail Fairhart

From: Wang, Wendy <wwang@millerthomson.com>
Sent: Friday, June 6, 2025 10:35 PM
To: John C. Wolf; David T. Ullmann; Brendan Jones
Cc: Darcy Eveleigh; Adam Zalev; jeff@oberfeldsnowcap.com; jay@oberfeldsnowcap.com; jmann@stikeman.com; ataylor@stikeman.com; zweigs@bennettjones.com; shakram@bennettjones.com; ahutchens@alvarezandmarsal.com; gkarpel@alvarezandmarsal.com; Wayne Drummond; Ellis, Larry; Finlayson, Gavin; Cressatti, Matthew; Ward, David; Passilidis, Linda
Subject: Lease Assignment Consents – CCAA Sale Process – Hudson’s Bay [MTDMS-Legal.FID13587471]
Attachments: Primaris Real Estate - Letter to Landlord re Lease Assignment Consents HBC - June 6, 2025.pdf; Privileged and Confidential - Ruby Liu Investment Corp - Operating Model Forecast (6-6-2025) vPrimaris.xlsx
Follow Up Flag: Follow up
Flag Status: Completed
DOCID: 5235603

Please find attached correspondence on behalf of Mr. Ellis in connection with the HBC matter.

We look forward to hearing from you.

Sincerely,

Wendy

WENDY WANG

Associate

Pronouns: She, Her, Hers

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 6600
Toronto, Ontario | M5H 3S1
T +1 416.597.6079
wwang@millerthomson.com



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MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 6600
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

June 6, 2025

Larry Ellis
Direct Line: +1 416.595.8639
lellis@millerthomson.com

File No. 0292565.0001

Private and Confidential

Blaney McMurtry LLP
2 Queen Street East
Suite 1500
Toronto, ON
M5C 3G5

Attention: John C. Wolf, David T. Ullmann & Brendan Jones

Dear Mr. Wolf, Mr. Ullmann & Mr. Jones:

Re: Lease Assignment Consents – CCAA Sale Process – Hudson’s Bay

We write on behalf of our clients, Weihong Liu (“**Ms. Liu**”) and Ruby Liu Commercial Investment Corp. (the “**Purchaser**”), the successful bidder in the court-supervised lease monetization process under the *Companies’ Creditors Arrangement Act* (“**CCAA**”) in respect of certain leaseholds and assets of Hudson’s Bay Company and certain affiliates (“**HBC**”).

As you may be aware, the Honourable Mr. Justice Osborne of the Ontario Superior Court of Justice (Commercial List) approved the Lease Monetization Process by order dated March 21, 2025 (the “**Lease Monetization Process Order**”). Attached to this letter as **Appendix “A”** is a copy of the Lease Monetization Process Order.

Pursuant to the Lease Monetization Process Order, the Purchaser’s bid was selected as a Successful Bid (as defined in the Lease Monetization Process Order), subject to certain conditions. Foremost among these is obtaining the necessary consents from landlords for the assignment of twenty-eight commercial leases.

We write to you in your capacity as counsel to Primaris Real Estate (the “**Landlord**”). More specifically, we write to you to request the Landlord’s consent to the assignment of the following leases:

- Orchard Park Shopping Centre, Kelowna, BC
- Southgate Shopping Centre, Edmonton, AB
- Oshawa Centre, Oshawa, ON
- Conestoga Mall, Waterloo, ON

To assist your client's assessment of Ms. Liu, and the Purchaser, as the proposed assignee, this letter provides information in the following five sections:

1. Ms. Liu's qualifications and operational experience;
2. The strategic Canadian retail business plan;
3. Financial readiness to perform lease obligations;
4. Benefits to key CCAA stakeholders; and
5. The path forward and landlord engagement strategy.

1. Ms. Liu's Business Experience

a) Ms. Liu's Chinese Business Experience

Ms. Liu is an accomplished entrepreneur with decades of experience operating multi-location retail platforms in competitive global markets. Her ventures have demonstrated success in concept development, brand scaling, and supply chain execution, supporting profitable and resilient operations.

Ms. Liu's career began in Harbin, China, where she worked in multiple small businesses throughout high school. In 1988, Ms. Liu moved to the rapidly-growing city of Shenzhen to pursue her entrepreneurial dreams. Leveraging her early business experience, Ms. Liu opened and managed six restaurants across Shenzhen, with locations including Sungang Warehouse, Shangbu Road, Nigang Village, and Meilin. In 1994, she founded Yijing Investment & Development Co., Ltd., marking her entry into real estate development with the construction and management of Meilin Yijing Tower, a high-rise urban project. Ms. Liu gained further national recognition when she partnered with Vanke Real Estate Co., Ltd. to co-develop Phase V of the Vanke Four Seasons Flower City in 2001, a project subsequently honored as China's top residential development.

Most notably, in 2002, Ms. Liu co-developed Central Walk Shopping Center with Excellence Group, a landmark commercial project that proved pivotal in her career. Located in the heart of Shenzhen's Central Business District, Central Walk Shopping Center spans 140,000 square meters and is one of the largest and most advanced shopping centers in China, with approximately 50,000 to 100,000 visitors per day. Ms. Liu pioneered the concept of an eco-leisure shopping mall—an integration of retail, dining, entertainment, wellness and tourism to create a comprehensive "one-stop" consumer experience. As a mother of two, Ms. Liu was frustrated by Shenzhen's lack of indoor recreational spaces and envisioned Central Walk Shopping Center to have a large family-oriented space. Under her management, Central Walk Shopping Center developed one of Shenzhen's largest family entertainment parks. Central Walk Shopping Center addressed a critical gap in Shenzhen's commercial landscape and helped redefine the model for urban mixed-use developments across China.

Ms. Liu's success in developing Central Walk Shopping Center is supported by her selection of a strong team of experts and the integration of stakeholder feedback. At a time when international collaboration in commercial projects was still uncommon in China, Ms. Liu engaged several globally renowned firms, including: Callison Architecture (USA) for



architectural design; Japan Design Corporation for landscaping; DTZ (Hong Kong) as construction advisor; and Pacific Group (Taiwan) for strategic planning.

During this time, Ms. Liu also owned and managed another mall, Central Walk Shenzhen, a five-story retail complex spanning 83,900 square meters. As of December 2018, the mall had a 100% occupancy rate and generated a gross monthly income of \$4.5 million (RMB 23.8 million). The mall features a diverse tenant mix, including fashion retailers, restaurants, a cinema, and a supermarket.

In February 2019, Ms. Liu sold Central Walk Shenzhen to Hong Kong's Link Real Estate Investment Trust for \$1.25 billion (RMB 6.6 billion). Following this sale, Ms. Liu moved to Vancouver, Canada and founded Central Walk, which has since become a leading commercial real estate firm.

b) Ms. Liu's Canadian Landlord Operations

Ms. Liu has been actively involved as owner and investor in substantial Canadian business operations for more than a decade. Ms. Liu owns and actively manages more than 2.5 million square feet of Canadian shopping centre assets, including:

- i) Woodgrove Centre (Nanaimo, BC): Acquired in 2020. Vancouver Island's largest shopping centre with 748,000 sq. ft., over 140 stores, and annual foot traffic of 5.6 million visitors.
- ii) Mayfair Shopping Centre (Victoria, BC): Acquired in 2021. A 518,000 sq. ft. retail centre hosting over 120 stores and welcoming approximately 4.1 million visitors per year.
- iii) Tsawwassen Mills (Delta, BC): Acquired in 2022. A regional shopping centre with 1.2 million sq. ft. and more than 200 stores and services. Attached to this letter as **Appendix "B"** is a summary of Ms. Liu's shopping centre holdings.

Ms. Liu's considerable experience operating as a landlord in Canada provides her considerable insight into landlord sensitivities. Landlord issues, including the critical importance of protecting mall related exclusivities and operational restrictions are well understood and respected. Attached to this letter as **Appendix "C"** is a listing of current retail stores across Ms. Liu's three shopping centres.

In addition to retail and landlord operations, Ms. Liu owns the Arbutus Ridge Golf Club (Vancouver Island, BC), an 18-hole championship golf course acquired in 2019. Rated four stars by Golf Digest and awarded Best Destination Golf Course in British Columbia, the property illustrates her ability to manage regulated service operations in Canada.



2. Strategic Business Plan for Canadian Retail Operations

HBC's business, while in distress, possessed strong operational fundamentals – a deep supplier network, prime locations, loyal customers, and experienced staff. Ms. Liu intends to preserve and modernize those foundational elements, using them as the framework for launching a refreshed Canadian retail platform (the “**Retail Business**”). The value chain already exists. Ms. Liu and her team's focus will be to reactivate and enhance it.

HBC's Value Chain Reactivation

To maintain and reengage the existing HBC value chain, Ms. Liu has taken the following steps:

1. Working from her existing contacts and team members, Ms. Liu has already established an executive organizational chart to fill the roles of CEO, CFO, CMO, COO, CMO (Merchandising) and CHRO. Attached to this letter as **Appendix “D”** is a list of the people that have agreed to take on these critical roles and responsibilities, together with a brief overview of their experience and expertise.
2. Working from the HBC's current and former org chart, Ms. Liu has met with twelve store level managers and has secured commitments from ten to stay on and assist with the reactivation. Ms. Liu intends to continue meetings with key managers in an effort to return as many as possible. Ms. Liu believes that returning store managers is the best path to preserving institutional knowledge of the entire Hudson's Bay value chain, which in turn is the most effective strategy to open stores as quickly as possible. It is worth noting that the ten store managers that have committed each have more than ten years of HBC operational experience and in many cases more than twenty years of HBC operational experience.
3. Ms. Liu has engaged Wayne Drummond, the former President of Hudson's Bay, for the purpose of assisting with everything from securing suppliers and inventory to reviewing product mix. Mr. Drummond's intimate knowledge of Hudson's Bay's operations will be critical in ensuring that stores open quickly and effectively. Attached to this letter as **Appendix “E”** is a copy of Mr. Drummond's bio.
4. Ms. Liu and her team have already reviewed more than 500 resumes from current and former Hudson's Bay employees that would like to return to work as store employees. As Ms. Liu progresses to general support from the landlords her intent is to work with Alvarez & Marsal Canada Inc. in its capacity as monitor of HBC (in such capacity, the “**Monitor**”) and HBC's counsel to establish a formal communication and process whereby all prior store level employees will be offered the opportunity to apply for employment with Ms. Liu's stores. The projected expectation for total employees required to open the stores is between 2,500 and 3,000.
5. Ms. Liu has already met with more than fifty of HBC's suppliers to assess their ability and willingness to supply her 28 stores. Each of the suppliers have indicated interest and excitement in the opportunity to continue a supplier relationship with Ms. Liu. As Ms. Liu progresses to general support from the landlords, her intent is to work with the



Monitor and HBC's counsel to establish a formal communication and process whereby all prior suppliers will be offered the opportunity to work with Ms. Liu to establish go-forward supply terms and timelines.

6. Ms. Liu has already met with several landlords in an effort to understand critical pain points, including necessary refurbishments/renovations, Ms. Liu's ability to fund the operation and various other concerns. Ms. Liu intends to schedule meetings with each landlord for early next week to continue those conversations and move pain points into a more detailed and specific dialogue so that detailed solutions can begin to formulate.

Timelines and Milestones

Ms. Liu and her team have detailed a working operational and store opening timeline with critical milestones. The timeline commences on the day the lease assignment transaction closes. The critical condition precedent to closing the assignment transaction is court approval. Ms. Liu intends to close the transaction immediately after the lease assignment transaction is approved by the Court.

Milestone	Target (From Lease Assignment Close)
Hire Key Executives	30 days
Hire Key Managers	30 days
Hire Store Level Staff	90 days
Store Design Mock-Ups to Landlords	30 days
Inventory Ordering	90 days
Permit Applications	As soon as possible. Will require Landlord input.
Renovations Begin (Permit-Dependent)	As soon as possible. Permit dependent.
Store-Level Financial Forecasts	Updated and delivered to applicable landlord every 30 days with a view to finalizing for day 90.
Marketing Campaign Launch	120 days
Completion of Renovations	Target 150 days, but as previously noted dependent on applicable permits.
Inventory Delivery & Merchandising	150 days
Grand Opening	180 days



The overall goal is to open at least twenty stores within 180 days. Permitting related to necessary renovations is the most significant unknown factor as it relates to adhering to the timeline.

Financial Forecasting

Given the business plan to reactivate HBC's value chain and given the above timeline, Ms. Liu and her team have prepared an integrated financial forecast for the Retail Business. Attached to this letter as **Appendix "F"** is an Excel file that sets out certain aspects of the forecasting, together with store specific P&L analysis as it relates to your client's specific lease(s).

The forecasting sets out the key assumptions at the "Inputs" tab. The assumptions were driven by actual historical data related to HBC's business. Key highlights as it relates to the forecasting, include:

As it relates to the three-year forecasted P&L:

- The Retail Business is forecasted to lose \$32.5 million for the balance of 2025.
- The Retail Business is forecasted to profit \$31 million during the 2026 calendar year.
- The Retail Business is forecasted to profit \$35.5 million during the 2027 calendar year.
- Total sales for the balance of 2025, 2026 and 2027, respectively, are forecasted to be \$867 million.
- The Retail Business is expected to contribute \$9.5 million in income taxes during the forecasted period.

As it relates to the three-year forecasted cash flow:

- In reviewing the total expected cash needs to ramp the business up and launch within the targeted timeframe, Ms. Liu has committed to making an initial advance of \$325 million, which is reflected as the initial equity investment to open the cash balance.
- The inventory ramp up cost is estimated at approximately \$96 million over the course of eight months.
- Ms. Liu has allocated \$84 million for leasehold improvements, over the course of six months.
- With the initial equity injection of \$325 million, the Purchaser's cash position never drops below \$36 million, which amount reflects a very healthy cash buffer to deal with contingencies.
- In addition to the \$36 million contingency buffer, the cash flow forecast reflects a line item for \$80 million to account for transaction costs and other contingencies. It is noteworthy that the estimated contingency would cover more than ten months of estimated total rent cost.



As it relates to the three-year forecasted Store P&L:

- Total aggregated sales in the first twelve months is \$438.5 million.
- Total aggregated store payroll cost in the first twelve months of stores being opened is \$51.7 million.
- Total aggregated store rent cost, plus property taxes and CAM in the first twelve months is \$43.7 million.
- Total aggregated store remodel expense cost in the first twelve months is \$84 million.
- Landlord store specifics noted in a separate tab.

As a general comment, Ms. Liu expects that the financial forecasting will continuously evolve to reflect real time information received during the period where the broader team is working through the store opening operations. As noted in the timeline, Ms. Liu doesn't expect to have final forecasting until 90 days from the close of the lease assignment transaction. However, to ensure that Ms. Liu is able to work through issues that arise, Ms. Liu has intentionally built tens of millions of dollars of contingency funding into the Retail Business forecasting.

Ms. Liu fully appreciates that specific sites may require refurbishment/renovation. Ms. Liu intends to work through those expectations with each landlord and ultimately reflect the cash outlay required as part of the forecasting.

All in all, the total Retail Business, including costs of refurbishment/renovation, store launch and contingency, will require a cash investment of approximately \$325 million. Ms. Liu has these funds available and as part of the lease assignment transaction intends to invest these funds, in the form of equity, into the Retail Business, in accordance with the cash flow forecast.

Critical Mass/Economies of Scale

Based upon support already expressed from certain landlords, Ms. Liu believes that she has achieved her critical mass targets to ensure overall business viability.

Improving Operations and Marketing

While secondary to the obvious need to establish fundamental operations, Ms. Liu has a strong vision for an approach to improve HBC's strategies. At a very high level the vision and approach are as follows:

- Expanded demographic targeting, adding younger consumer segments.
- Modernization of stores, including upgrades to interiors, signage, and technology.
- Experience-focused brand development to drive traffic and loyalty.

Ms. Liu looks forward to discussing her vision to improve on the HBC business model and drive her vision for retail sales in accordance with the three stated guiding principles.



3. Financial Capacity and Commitment

Ms. Liu provided HBC and its advisors with proof of funding in connection with the Lease Monetization Process. The proof of funding provided to HBC and its advisors establishes cash sufficient to support the Retail Business.

To the extent the Landlord wishes to have proof of funding confirmed, we are prepared to establish terms of a non-disclosure agreement and provide directly, or, alternatively Ms. Liu is prepared to have our firm share proof of funding directly to legal counsel on the undertaking that counsel can review for the purpose of providing their client a summary of the funding proof.

Funds will be invested directly by Ms. Liu into the Purchaser. To the extent Landlords require, Ms. Liu is prepared to provide covenants to ensure exclusive application to the retail operations. Annual financial and operational reporting will be provided to landlords upon request and/or in accordance with Lease terms.

4. Benefits to CCAA Stakeholders

The lease assignment transaction provides the Landlord with a material improvement to the covenant that HBC offered over these past few years. The Landlord will receive an experienced tenant that is incredibly well capitalized and motivated to build a dominant Canadian retail brand. As noted above, tens of millions in rent is well supported by the Retail Business, together with tens of millions in store improvements.

Additionally, many other impacted stakeholders will receive tremendous and meaningful benefits:

1. Employees – Ms. Liu will offer store manager and senior positions to dozens of Canadians and store level employment to thousands of Canadians.
2. Suppliers – renewed contracts and minimal disruption to supply chains will provide much needed relief to many Canadian suppliers.
3. Creditors – creditors of HBC stand to benefit from the proceeds of sale from the lease assignment transaction.
4. Canadian Economy – in the first year alone total sales of \$438.5 million are projected. These sales represent a meaningful economic boost to local Canadian economies, not to mention the approximate \$9.5 million of income tax to be paid to the CRA resulting from projected profit over the next thirty months.

Simply put, while the landlords receive the most significant improvement to overall position, there are thousands of employees, hundreds of suppliers and millions of dollars of benefit to the overall Canadian stakeholders and Canadian economy.



5. Path Forward

This letter serves as a general communication to all landlords. We recognize that each landlord and location has unique circumstances. Accordingly:

1. Ms. Liu looks forward to individualized discussions to understand site-specific concerns and co-develop customized launch plans.
2. All leases will be assumed on an "as is, where is" basis. Ms. Liu is not asking for lease related concessions and will comply with lease terms.
3. Ms. Liu will engage with each landlord to identify capital requirements, marketing opportunities, and modernization strategies.
4. Beyond obtaining consent, Ms. Liu is committed to earning landlord trust and collaboratively revitalizing the Canadian retail landscape.

We would be pleased to meet with you and your client to review our plans in more detail and address any specific concerns. Please contact the undersigned at your convenience.

Yours truly,

MILLER THOMSON LLP

Per: *Larry Ellis*

Larry Ellis

LE/lp

Encls.

cc. Greg Karpel, Alvarez & Marsal Canada Inc.
Alan J. Hutchens, Alvarez & Marsal Canada Inc.
Sean Zweig, Bennett Jones LLP
Michael Shakra, Bennett Jones LLP
Ashley Taylor, Stikeman Elliott LLP
Jonah Mann, Stikeman Elliott LLP



Appendix “A” – Lease Monetization Process Order



Appendix “B” – Summary of Ms. Liu’s Shopping Centre Holdings



Central Walk’s Portfolio

Over the past decade, Central Walk has invested more than \$750 million in British Columbia recreational and commercial real estate assets. Central Walk employs over 120 employees, contributing to the growth of local economies. This investment was financed through the sale of Central Walk Shenzhen in 2019 for approximately C\$1.25 billion.

Arbutus Ridge Golf Club (Vancouver, BC)



6,152 yards


★★★★★
by Golf Digest

Award Winning

- Located in Cobble Hill, a 25-minute drive from the outskirts of Victoria and 15 minutes from Duncan
- 18-hole golf course rated Four Stars by Gold Digest, Best Destination Golf Course in British Columbia by Golf Nerve Magazine, and One of Canada’s Ten Best Courses for Your Money by WestJet
- Achieved a Sustainability Award from Tourism Vancouver Island

Acquired 2019

Woodgrove Centre (Nanaimo, BC)



748k sq.ft.
(Island’s largest shopping centre)

140+ stores & services

5.6mm visitors annually

- Home to a purposefully designed play space, Fly O’Land (9,925 sq.ft), and an arcadium (5,400 sq.ft)

Redevelopment Plans:

- Short-Term: Development of 100,000 sq.ft. outdoor park featuring performance stage & recreational areas
- Medium- to Long-Term: Addition of residential towers (incl. affordable housing) & potential retail expansion

* Location of HBC store #1118

Acquired Sept. 2020

Mayfair Shopping Centre (Victoria, BC)



~518k sq.ft.
4.1mm visitors annually

120+ stores & services

Highest sales / sq.ft. In Victoria

- Home to two children’s playlands: Dreamland (4,676 sq.ft.) and Deerland (27,269 sq.ft.) (by Fly O’Land)

Redevelopment Plans:

- Long-Term: transforming the centre into a mixed-use destination with housing, retail, recreation, and educational components

* Location of HBC store #1108

Acquired June 2021

Tsawwassen Mills (Delta, BC)



1.2mm sq.ft.

200+ stores & services

Largest indoor outlet shopping centre in BC

Redevelopment Plans:

- Expansion of food services and enhancement of entertainment offerings
- Development of Asian-inspired cultural lane featuring restaurants, artificial sky ceiling and a performance stage

* Location of Saks Fifth Avenue store

Acquired May 2022

Appendix “C” – List of Current Retail Stores



Woodgrove Tenant

- A
- A & W
- A Step Ahead Footwear
- Ardene
- Avalon Cinema Centre
- B
- B.C. Lottery Corporation
- B.C. Lottery Corporation (Walmart)
- Bath & Body Works
- Bell
- Below the Belt
- Bentley
- Best Buy Mobile
- Blenz Coffee
- Bluenotes
- Boathouse
- Bobatime
- Booster Juice
- Bootlegger
- C
- Cali Nails
- Caposhie
- CellNxt
- Chachi's
- Chapters
- Chatters Salon
- Chevron
- Claire's
- Cleo
- Culture Craze
- Cultured Coast
- D
- Dairy Queen / Orange Julius
- E
- Eclipse
- Eddie Bauer
- Edo Japan
- F
- Flip Flop Shops
- FlyO'Land
- Freshly Squeezed Bubble Tea
- G
- GameStop
- Garage
- George Richards Big & Tall
- H
- Happy Styling
- Hearing Life
- Hohoemi
- House of Knives
- I
- Icing

- [Island Savings](#)
- [ISPA Lounge](#)
- J
- K
- [Kachvi Crystals](#)
- [Kamikaze Sushi](#)
- [KFC](#)
- [Koodo](#)
- [KPK Goldsmith](#)
- [Kurves Brow Bar](#)
- L
- [La Senza](#)
- [La Vie En Rose](#)
- [LensCrafters](#)
- [Lids](#)
- [Lululemon](#)
- [Lush](#)
- M
- [Manchu Wok](#)
- [Manhattan Home](#)
- [Maritime Travel](#)
- [McDonald's](#)
- [Michael Hill](#)
- [Miniso](#)
- [Mobile Klinik](#)
- [Mobile Snap](#)
- [Mobiling](#)
- [Mobiling Kiosk](#)
- [Mountain Warehouse](#)
- N
- [Nevada Bob's Golf](#)
- [New Look Eyewear](#)
- [New York Fries](#)
- [Northern Reflections](#)
- O
- [Ocean Star](#)
- [Old Navy](#)
- [Opa! of Greece](#)
- P
- [Paris Jewellers](#)
- [Peoples Jewellers](#)
- [Pho 11 Noodle Bar](#)
- [Polished Perfect](#)
- [Purdys Chocolatier](#)
- [Purple Cactus Lingerie](#)
- Q
- [QE Home](#)
- [Quarks](#)
- [Queen Bee Beauty](#)
- R
- [Reitmans](#)
- [Ricki's](#)
- [Rocky Mtn Chocolate](#)
- [Rogers](#)
- [Royal Bank](#)
- [RW & Co.](#)
- S

- [Save On Foods](#)
- [Sephora](#)
- [Showcase](#)
- [SoftMoc](#)
- [Specsavers](#)
- [Spencer Gifts](#)
- [Sport Chek](#)
- [Starbucks \(Chapters\)](#)
- [STOXX Vintage](#)
- [Subway](#)
- [Sunglass Hut](#)
- [Sunrise Records](#)
- [Sweet Dreams Boutique](#)
- [Sweet Hohoemi](#)
- T
- [Taco Time](#)
- [Tea Desire](#)
- [TELUS](#)
- [The Body Shop](#)
- [The Gift Source](#)
- [The Health Shop](#)
- [The Shoe Company](#)
- [Tim Hortons](#)
- [Tiny Hoppers](#)
- [Tip Top Tailors](#)
- [Tommy Gun's Original Barbershop](#)
- [Totes By Design](#)
- [Toys R Us](#)
- [Two Sparrows Cupcakes](#)
- U
- [Urban Planet](#)
- V
- W
- [Walmart](#)
- [Warehouse One](#)
- [West 49](#)
- [White Spot](#)
- [Winners](#)
- [WIRELESSWAVE](#)
- [Wolf Pack Apparel](#)
- [Woodgrove Optometry](#)
- [WOW! mobile boutique](#)
- X
- Y
- Z
- [Zumiez](#)

Mayfair Tenant

- A
- A & W
- Aerie
- Aldo
- American Eagle Outfitters
- Ann-Louise Jewellers
- Aritzia
- Aveda
- Avologi Eneo
- B
- B.C. Lottery Corporation
- Bath & Body Works
- Bell/Virgin Plus
- Bellissima
- Ben+Moss
- Best Buy Mobile
- Big Orange Juice Bar. The
- Bikini Village
- Bluenotes
- C
- Call It Spring
- Champs Sports
- Chatters Hair & Beauty Salon
- CIBC
- Claire's
- Cofe+ Robo Cafe
- Culture Craze
- D
- Dreamland
- Dynamite
- E
- E-Bike Canada
- Eddie Bauer
- Epic Menswear
- F
- Flux & Stone
- Freedom Mobile
- Freshly Squeezed
- G
- GameStop
- Gap
- Garage
- Grill Master
- H
- H-Mart
- House of Knives
- Hudson's Bay
- I
- Indigo
- Island Savings
- J
- JD Sports
- Journeys

- K
- Kernels
- KFC
- KH Silver Nails
- Kurves Brow Bar
- L
- L.L. Bean
- L'Occitane En Provence
- La Vie En Rose
- LensCrafters
- Levi's
- Lids
- Lindt Chocolate Shop
- Local Pizza
- Lululemon
- Lush
- M
- MAC
- Maie
- Manchu Wok
- Mayfair Dental Centre
- Melanie Lyne
- Menbow Ramen
- Michael Hill
- Mind Games
- Miniso
- Mobiling
- Mobiling (Kiosk)
- Mountain Warehouse
- Mr. Pretzel's
- N
- Nail Art 360
- Nespresso
- New York Fries
- O
- OAK + FORT
- Olsen Europe
- Ono Poké
- OPA! Of Greece
- OSO Cookies
- P
- Pandora
- Peoples Jewellers
- Perpetual Insurance
- Pho Tru
- PhoneCare+
- Polished Perfect
- Primrose Collective
- Purdys Chocolatier
- Q
- R
- Reitmans
- Rogers Wireless
- Roots
- RW & Co
- S
- Saje Natural Wellness

- Sephora
- Soft Moc
- Specsavers
- SportChek
- Starbucks
- Stitch It, Canada's Tailor
- Subway
- Sunglass Hut
- Sunrise Records (Temporarily closed)
- Swarovski
- Sweet Dreams Boutique
- T
- Taco Time
- Talbots
- TBooth Wireless
- TELUS
- The Body Shop
- The Latest Scoop
- U
- Umi Sushi Express
- V
- W
- Walk In Comfort
- WirelessWave
- X
- Y
- Z
- Zumiez

Tsawwassen Mill

- [Clarks](#)
- [Samsonite Outlet](#)
- [Epic Menswear](#)
- [PUMA Outlet Store](#)
- [Elements](#)
- [Slipslide](#)
- [Little Mountain Vancouver](#)
- [Levi's](#)
- [VACANT](#)
- [JD SPORT](#)
- [Under Armour Factory House](#)
- [Bath & Body Works](#)
- [JD SPORT](#)
- [SEPHORA](#)
- [Lindt Outlet](#)
- [Roots](#)
- [Swarovski Canada](#)
- [MAC Cosmetics](#)
- [Aldo Outlet](#)
- [La Senza](#)
- [Eddie Bauer](#)
- [Banana Republic Factory Store](#)
- [Guess? Outlet](#)
- [Aritzia](#)
- [Peoples](#)
- [Lee's Donuts](#)
- [Dihsan](#)
- [Mind Games](#)
- [L'Occitane](#)
- [Michael Kors Outlet](#)
- [Storage \(Dihsan\)](#)
- [Melanie Lyne](#)
- [Kate Spade](#)
- [Browns Outlet](#)
- [Lululemon Outlet](#)
- [Sheer Room](#)
- [Coach](#)
- [Herman Menswear](#)
- [Canada Cousin](#)
- [Laura](#)
- [After Five](#)
- [Royal Roland](#)
- [Deconeko](#)
- [La Vie En Rose](#)
- [Say Cheese](#)
- [Storage \(leasing\)](#)
- [First Light Café](#)
- [Ecco](#)
- [Ispe](#)
- [Nature's Design Dental](#)
- [HC Eyewear Professionals](#)
- [Shoppers Drug Mart](#)
- [New Stitch Tailoring](#)
- [Chatters Salon & Beauty Supply Outlet](#)
- [Mannacan Health](#)
- [Trishna](#)
- [Saje Natural Wellness](#)

- [Lindt Outlet](#)
- [Woody Bakery](#)
- [Xpress Engravers](#)
- [VACANT](#)
- [Blue Heron Pizza](#)
- [Emoji Planet](#)
- [Big Orange](#)
- [Customer Service](#)
- [Lotto!](#)
- [Miniso](#)
- [Showcase](#)
- [VACANT](#)
- [West Coast Leathers](#)
- [Michael Hill](#)
- [Ardenes](#)
- [Espot2](#)
- [Stuffy Riders](#)
- [Elite Kids](#)
- [Just Cozy](#)
- [QE Home](#)
- [RW&CO](#)
- [Classic Home](#)
- [Claire's](#)
- [Classic Designs](#)
- [Famous Footwear Outlet](#)
- [STORAGE \(The Rack by After Five\)](#)
- [Carter's Osh Kosh babies and kids](#)
- [Skechers](#)
- [Fairweather](#)
- [Smart Frames and Accent](#)
- [Thinka](#)
- [The Children's Place Outlet](#)
- [Mastermind Toys](#)
- [Art box](#)
- [Limeberri](#)
- [Dihsan](#)
- [Soft-Moc Shoe Rack](#)
- [Polo Ralph Lauren Factory Store](#)
- [RW & Co.](#)
- [Bikini Village](#)
- [Calvin Klein](#)
- [OK Boot Corral](#)
- [Gap Factory Store](#)
- [LOVISA](#)
- [Zwilling](#)
- [Presotea](#)
- [Danier](#)
- [Aeropostale](#)
- [Purdy's Chocolates](#)
- [Magikchest](#)
- [Menbow Ramen Bar](#)
- [Call It Spring Outlet](#)
- [American Eagle Outfitters/Aerie](#)
- [Storage \(Classic\)](#)
- [Dynamite/Garage](#)
- [REITMANS](#)
- [Flyoland](#)
- [Suzy Shier](#)
- [Adidas Outlet](#)
- [Columbia](#)
- [Fly-O-Land](#)

- Men's Club
- Espot2
- Hot Topic
- Anastasia Jewel
- Foot Locker
- Urban Kids
- Champs Sports
- Boathouse
- Spencers Gifts
- Beaver
- Telus
- Zumiez
- Tim Hortons
- International Clothiers
- South St. Burger Co.
- DARUMA
- Bell
- Pepper Palace
- Lids Outlet
- Chai Samosa
- InchArt
- Kernels Popcorn/Baskin Robbins
- Jugo Juice
- Starbucks
- Mr.Pretzels
- Unit 649 no longer in existence
- Gateway Newstands
- Togo Sushi
- Flyoland 5D
- Tommy Gun's
- Unit 657 no longer in existence
- Running Room
- Dollarama
- Rogers/Fido
- CoCo Fresh Tea
- Mountain Warehouse
- Bentley
- Sunrise Records
- Blackwell
- Tip Top Tailors
- The Lounge
- Macabaka
- Bluenotes
- Weshop Cotton Candy
- Bass Pro Shops Outdoor World
- DSW - Designer Shoe WarehOUSE
- Nike Factory Store
- Tommy Hilfiger
- Saks OFF 5th
- Accents @ Home
- Atsuta Formerly : Umi Teriyaki & Sushi
- Vina Vietnamese
- Chachi's
- Bourbon Street Grill
- Hula Poke
- A&W
- K&S BarBeQue
- Edo Japan
- Shanghai 360
- KFC
- OPA! Souvlaki

- California Thai
- New York Fries
- Freshly Squeezed
- Crepe De Licious
- Fly O'Land
- Miaojie Market
- Winners
- Marshalls
- Old Navy
- Cellicon
- Weshop Cotton Candy
- VACANT
- CellNxt
- Yogen Früz
- Mobiling
- H&M
- Designer Depot
- Urban Planet/West 49/Skatepark
- Pro Hockey Life
- Sport Chek
- Montana's BBQ & Bar
- VACANT
- Boston Pizza
- Milestone's Grill & Bar

Appendix “D” – Organizational Chart



Central Walk’s dedicated execution team for The New Bay

A dedicated execution team with decades of experience and proven expertise in managing and owning retail-focused properties in the Canadian and Chinese markets.

Execution team for The New Bay

The Purchaser will dedicate significant management resources to the acquisition and launch of the stores through an experienced team of experts within the retail properties sector under the strategic direction of Ms. Liu.

Remaining C-Suite Executive Team		Ruby Liu <i>Founder</i>	<ul style="list-style-type: none">Over 30 years of experience in the commercial real estate industry, including but not limited to large-scale urban commercial development, development of mixed-use shopping centres, etc.Since transitioning to Canada, Ruby has successfully led Central Walk in acquiring three major shopping centres in BC in 2020, overcoming the challenges posed by the global pandemic.Will be responsible for overseeing critical investment decisions and strategic direction of The New Bay.
		Linda Qin <i>CEO</i>	<ul style="list-style-type: none">15 years of Canadian real estate sales experience; extensive business management experience gained from working for UPS, ExxonMobil, and Macdonald Realty (one of the largest real estate corporations in Western Canada).A proven author with two published books on business transitions and technology implementation.Will be responsible for the overall strategic direction and management of The New Bay.
		Karen Liu <i>CFO</i>	<ul style="list-style-type: none">Finance and people management background, including diverse experience at a major Canadian bank and a wealth management company. Will be responsible for the financial direction of The New Bay.
		Andrew Grimley <i>CMO (Marketing)</i>	<ul style="list-style-type: none">Over a decade of leadership experience in manufacturing and international supply chain sectors; currently manages enterprise-level operational planning, team coordination, and performance improvement across Central Walk’s flagship assets. Will be responsible for overseeing the planning, development, and execution of all marketing and advertising initiatives at The New Bay.
		Charles Thurlow <i>COO</i>	<ul style="list-style-type: none">Over 20 years of leadership experience in operations management across various sectors (e.g., consulting, financial services). Will be responsible for overseeing the day-to-day operations of The New Bay, ensuring efficiency, effectiveness and alignment with the company’s strategic goals.
		Michael Zhang <i>CMO (Merchandising)</i>	<ul style="list-style-type: none">Decades of experience driving revenue growth through specialty leasing, strategic brand partnerships, and community initiatives; extensive senior leadership experience in launching and managing major commercial projects. Will be responsible for overseeing and driving the strategic direction of The New Bay’s retail offerings.
		Mae Wang <i>CHRO</i>	<ul style="list-style-type: none">Decades of human resources experience including as CHRO at Central Walk; oversees all HR functions at Central Walk across the portfolio. Will be responsible for overseeing all aspects of HR management and industrial relations policies at The New Bay.

Appendix “E” – Wayne Drummond’s Biography





Wayne Drummond

President | Visionary Leader | Omni-Merchant

About Me

Results-driven retail executive with a strong focus on execution, delivering sustained top- and bottom-line performance across international markets. Experienced in solving complex business challenges—including start-ups, scalable expansion, turnarounds, and transformations—through strategic thinking, analytical insight, and operational discipline. Proven ability to drive business growth and efficiency across department stores, off-price, mass discount, and specialty retail formats. Skilled in multi-unit expansion, unified commerce, and operational reinvention. A strong communicator and active listener who fosters collaboration, builds high-performing teams, and leads with clarity, purpose, and an unwavering commitment to outcomes.

Selected Areas of Expertise and Board Membership

Expertise

- Strategy Development & Execution
- Multi-Unit Expansion
- Business Restructuring/ Turnaround
- Multi-Category Retailing
- People Coach and Mentor
- Format & Market Differentiation

Board Membership

- Executive Member- Program Advisory Committee (PAC) Humber College

Recent Experience

2016 - 2025

Founder/President, BBE Advisors Inc. March 2025- Present
Chief Executive Officer, Thriftys Family of Brands, 2022 - 2024
President, Hudson's Bay Company, 2021 – 2022
Co-President, & Chief Merchant HBC 2018 – 2021
President – Saks Off 5th European Division, 2016 - 2018
Hudson's Bay Company, Toronto/Cologne, Germany

Founder/President: BBE Advisors Inc. is a growth-focused advisory firm supporting founders, executives, and Boards in unlocking business potential through strategic planning, innovation, and operational excellence—built on 40 years of retail leadership.

Chief Executive Officer: Lead a Canadian Omnichannel specialty retailer of apparel and accessories for Men's, Women's, and Kids. Guided company to its best year in sales and operating profit in first year of appointment.

President: Stabilized the organization following an unprecedented turbulent business climate and into post-pandemic recovery. -developed a three-year strategic roadmap to re-imagine and re-invigorate the omni-experience.

Chief Merchant & Interim Co-President: Returned HBC to profitable growth through new customer acquisition - Revitalized the merchandising strategy and asserted style authority, through targeted digital and print marketing programs.

Notable Accomplishments:

- ✓ Led Thriftys Family of Brands to its highest operating profit in seven years, with a **+30% improvement in the first year.**
- ✓ Transformed the merchandise strategy **increasing market share by +12%.**
- ✓ Re-engineered marketing, improving all KPI's, **Increasing gross profit by 400bps.** 1989 - 2016
- ✓ Engineered cost-cutting initiatives of \$100million **while invigorating staff engagement and growing Net Promoter Scores.**
- ✓ Led transformational assortment shifts across all categories of the business, focused on the acquisition of a style-seeking consumer.

Prior Hudson's Bay Experience

- **Senior Vice President Apparel,** Hudson's Bay/Lord & Taylor – 4 years
- **General Merchandise Manager,** Hudson's Bay & Zellers – 10 years
- **Marketing Manager** – 3 years
- **Buyer and Store Management** – 10 years

Appendix “F” – Financial Forecast

(See attached)



Ruby Liu Commercial Investment Corp.

Income Statement

DRAFT - FOR DISCUSSION PURPOSES ONLY

Income Statement			
	5 Months		
\$'000	Ended Dec-25	2026	2027
Sales	-	416,250	446,835
Other Revenue	-	1,960	2,145
Total Sales	-	418,209	448,980
Cost of Goods Sold	-	(248,400)	(262,692)
Gross Profit	-	169,810	186,288
<i>Gross Margin</i>	<i>0.0%</i>	<i>40.6%</i>	<i>41.5%</i>
Store Payroll	(5,443)	(50,955)	(52,670)
Occupancy	(19,951)	(55,150)	(56,351)
Credit Card Processing	-	(5,258)	(5,631)
Other Costs	-	(9,497)	(10,516)
Total Store Costs	(25,393)	(120,860)	(125,167)
Store Contribution	(25,393)	48,950	61,121
Corporate SG&A	(7,083)	(18,000)	(16,160)
Income Taxes	-	-	(9,501)
Net Income	(32,477)	30,950	35,460

Ruby Liu Commercial Investment Corp.

Balance Sheet

DRAFT - FOR DISCUSSION PURPOSES ONLY

Balance Sheet			
\$'000	Dec-25	Dec-26	Dec-27
Assets			
Cash	93,808	147,508	193,448
Inventory	55,835	69,794	69,794
PP&E	70,000	84,000	84,000
Goodwill	80,000	80,000	80,000
Total Assets	299,642	381,301	427,241
Liabilities			
Accounts Payable	(7,119)	(57,828)	(58,807)
Income Tax Liability	-	-	(9,501)
Total Liabilities	(7,119)	(57,828)	(68,308)
Retained Earnings	(292,523)	(323,473)	(358,933)
Total Equity & Liabilities	(299,642)	(381,301)	(427,241)

Ruby Liu Commercial Investment Corp.

Cash Flow

DRAFT - FOR DISCUSSION PURPOSES ONLY

Cash Flow			
	5 Months		
\$'000	Ended Dec-25	2026	2027
Cash from Operations			
Net Income	(32,477)	30,950	35,460
Change in Working Capital	(81,192)	67,700	36,439
Change in Income Tax Liability	-	-	9,501
Cash from Operations	(113,669)	98,650	81,400
Cash from Investing			
PP&E Additions/(Disposals)	(70,000)	(14,000)	-
Cash from Investing	(70,000)	(14,000)	-
Cash from Financing			
Equity Investment	325,000	-	-
Transaction Costs and Other Contingencies	(80,000)	-	-
Cash from Financing	245,000	-	-
Opening Cash	-	93,808	147,508
Net Cash Flow	93,808	53,700	45,940
Ending Cash	93,808	147,508	193,448

Ruby Liu Commercial Investment Corp.

Forecast Model Assumptions

DRAFT - FOR DISCUSSION PURPOSES ONLY

Forecast Model Assumptions	
Input	Assumption
Inflation	2%
Income Tax Rate	28%
DPO (Days)	30
Preliminary Equity Investment	325,000
Transaction Costs and Other Contingencies	(80,000)
Leases Assigned	28
Ronavation Costs/Store	(3,000)
Renovation Period Utilities	50%
Renovation Store Payroll	
Month 1	10%
Month 2	10%
Month 3	20%
Month 4	20%
Month 5	50%
Month 6	80%
Corporate Payroll	(2,000)
Marketing Year 1	(10,000)
Marketing Year 2	(8,000)
IT	(2,000)
Professional Fees	(2,000)
Insurance	(2,000)
Corporate Payroll Ramp Up	
Month 1	20%
Month 2	40%
Month 3	50%
Month 4	60%
Month 5	80%
Month 6	100%
Average Inventory per Store	3,000
Inventory Ramp Up	
Month 1	20%
Month 2	40%
Month 3	50%
Month 4	60%
Month 5	80%
Month 6	100%

Ruby Liu Commercial Investment Corp.
4-Wall P&L Forecast
DRAFT - FOR DUSCUSSION PURPOSES ONLY

Ruby Liu Commercial Investment Corp.													
4-Wall P&L Forecast	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	Full Year
Total Store P&Ls													
External Sales	16,752,425	25,968,127	31,308,343	27,993,178	34,842,802	24,932,197	27,466,355	38,633,059	41,217,734	56,367,931	90,767,374	22,260,722	438,510,247
COGS	(10,180,378)	(14,763,485)	(17,958,645)	(16,486,046)	(20,555,307)	(14,937,298)	(15,977,666)	(22,105,544)	(23,124,828)	(35,936,106)	(56,374,295)	(9,324,543)	(257,724,142)
Gross Margin	6,572,047	11,204,642	13,349,698	11,507,131	14,287,495	9,994,899	11,488,690	16,527,514	18,092,906	20,431,824	34,393,080	12,936,179	180,786,105
Gross Margin %	39.2%	43.1%	42.6%	41.1%	41.0%	40.1%	41.8%	42.8%	43.9%	36.2%	37.9%	58.1%	41.2%
Selling Payroll (Store)	(3,575,223)	(4,043,113)	(4,050,802)	(3,459,590)	(4,317,834)	(3,193,121)	(3,262,754)	(4,304,319)	(4,187,290)	(3,589,778)	(5,615,566)	(3,438,378)	(47,037,768)
Other Payroll (Store)	22,098	41,244	62,269	47,587	59,713	36,597	44,332	107,711	108,111	210,818	454,453	93,322	1,288,255
Benefit Allocation (Store)	(462,149)	(520,697)	(519,194)	(444,084)	(554,213)	(410,751)	(418,883)	(546,744)	(531,483)	(441,584)	(675,944)	(435,884)	(5,961,608)
Supplies (Store)	(119,312)	(144,577)	(168,174)	(102,189)	(129,257)	(164,600)	(215,881)	(155,663)	(239,578)	(204,617)	(177,805)	(153,941)	(1,975,595)
Credit/Cash Trans Costs (Store)	(210,752)	(337,378)	(422,942)	(359,748)	(465,608)	(322,082)	(352,512)	(480,709)	(541,462)	(676,372)	(1,088,115)	(267,896)	(5,525,578)
Services (Store)	(577,431)	(654,319)	(512,280)	(522,931)	(515,739)	(586,396)	(560,441)	(582,622)	(641,497)	(802,930)	(787,808)	(606,720)	(7,351,115)
Unclassified (Store)	(43,886)	(55,945)	(87,947)	(66,583)	(70,435)	(66,945)	(55,941)	(70,001)	(99,839)	(111,588)	(139,355)	(62,097)	(930,562)
Travel (Store)	(2,801)	(3,396)	(3,792)	(3,499)	(3,994)	(3,322)	(3,464)	(4,120)	(4,410)	(5,059)	(7,036)	(3,101)	(47,995)
Rent	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(21,509,073)
Property Tax	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(9,104,534)
CAM	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(13,132,018)
Utilities (Store)	(685,253)	(748,519)	(631,322)	(586,919)	(860,576)	(615,094)	(674,510)	(793,220)	(621,778)	(602,014)	(754,905)	(591,746)	(8,165,855)
Repair/Mtce (Store)	(279,987)	(396,192)	(252,368)	(286,873)	(381,021)	(283,539)	(300,426)	(343,953)	(275,163)	(275,163)	(343,953)	(275,152)	(3,693,790)
Exp Trans (Store)	(100)	(100)	479	(100)	(100)	479	(100)	(100)	479	(100)	(100)	479	1,115
Outside Rev (Store)	137,746	202,911	171,973	135,048	150,150	126,847	144,267	161,458	223,081	263,744	242,728	146,058	2,106,011
Other Non-Payroll Exp (Store)	729	748	748	(976)	(995)	(995)	(3,581)	(3,581)	(3,581)	(3,581)	(3,581)	(3,581)	(22,229)
Remodel Exp (Store)	-	(46,042)	(40,165)	(4,310)	-	(4,506)	(12,343)	(8,229)	-	-	-	-	(115,596)
Total SG&A	(9,441,790)	(10,350,845)	(10,098,989)	(9,300,635)	(10,735,376)	(9,132,897)	(9,317,705)	(10,669,561)	(10,459,879)	(9,883,692)	(12,542,455)	(9,244,107)	(121,177,933)
EBITDA	(2,869,743)	853,797	3,250,709	2,206,496	3,552,118	862,002	2,170,985	5,857,953	7,633,027	10,548,132	21,850,624	3,692,072	59,608,173

Ruby Liu Commercial Investment Corp.
Store Level P&L
DRAFT - FOR DUSCUSSION PURPOSES ONLY

Ruby Liu Commercial Investment Corp.													
4-Wall P&L Forecast													
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	Full Year
x Orchard Park Shopping Centre													
External Sales	548,509	944,821	1,116,234	989,846	1,259,105	952,003	1,033,746	1,478,986	1,353,461	1,920,192	3,014,933	764,570	9,565,888
COGS	(331,031)	(519,780)	(654,768)	(596,156)	(740,447)	(563,010)	(614,402)	(1,002,753)	(783,087)	(1,245,907)	(1,925,116)	(359,626)	(5,930,891)
Gross Margin	217,478	425,041	461,466	393,690	518,658	388,993	419,345	476,233	570,374	674,285	1,089,816	404,944	3,634,998
Gross Margin %	39.6%	45.0%	41.3%	39.8%	41.2%	40.9%	40.6%	32.2%	42.1%	35.1%	36.1%	53.0%	38.0%
Selling Payroll (Store)	(125,366)	(141,772)	(142,042)	(121,311)	(151,405)	(111,967)	(114,409)	(150,931)	(146,828)	(125,876)	(196,910)	(120,567)	(855,521)
Other Payroll (Store)	775	1,446	2,183	1,669	2,094	1,283	1,555	3,777	3,791	7,392	15,935	3,272	35,722
Benefit Allocation (Store)	(16,205)	(18,258)	(18,206)	(15,572)	(19,434)	(14,403)	(14,688)	(19,172)	(18,636)	(15,484)	(23,702)	(15,284)	(106,967)
Supplies (Store)	(3,965)	(5,068)	(7,074)	(3,460)	(4,459)	(7,245)	(7,714)	(5,593)	(9,217)	(6,757)	(5,560)	(6,557)	(41,398)
Credit/Cash Trans Costs (Store)	(6,948)	(12,219)	(15,040)	(12,708)	(16,750)	(12,176)	(13,162)	(18,266)	(17,944)	(23,078)	(36,251)	(9,212)	(117,913)
Services (Store)	(20,844)	(22,844)	(18,783)	(18,771)	(18,843)	(21,445)	(19,686)	(21,916)	(24,554)	(29,482)	(30,012)	(22,391)	(148,041)
Unclassified (Store)	(494)	(1,466)	(2,082)	(1,329)	(1,250)	(1,322)	(929)	(1,570)	(2,556)	(2,820)	(3,496)	(1,403)	(12,774)
Travel (Store)	(40)	(64)	(77)	(66)	(85)	(64)	(68)	(94)	(94)	(118)	(182)	(51)	(607)
Rent	(45,404)	(45,404)	(45,404)	(45,404)	(45,404)	(45,404)	(45,404)	(45,404)	(45,404)	(45,404)	(45,404)	(45,404)	(272,425)
Property Tax	(21,392)	(21,392)	(21,392)	(21,392)	(21,392)	(21,392)	(21,392)	(21,392)	(21,392)	(21,392)	(21,392)	(21,392)	(128,353)
CAM	(24,306)	(24,306)	(24,306)	(24,306)	(24,306)	(24,306)	(24,306)	(24,306)	(24,306)	(24,306)	(24,306)	(24,306)	(145,833)
Utilities (Store)	(16,829)	(18,320)	(14,859)	(13,157)	(16,150)	(16,146)	(19,883)	(22,321)	(13,932)	(13,437)	(18,759)	(14,598)	(102,930)
Repair/Mtce (Store)	(9,818)	(13,893)	(8,849)	(10,059)	(13,361)	(9,942)	(10,534)	(12,061)	(9,649)	(9,649)	(12,061)	(9,648)	(63,601)
Exp Trans (Store)	(4)	(4)	17	(4)	(4)	17	(4)	(4)	17	(4)	(4)	17	20
Outside Rev (Store)	4,739	7,122	6,012	4,709	5,307	4,555	5,107	5,727	7,969	9,362	8,603	5,248	42,016
Other Non-Payroll Exp (Store)	(28)	(27)	(27)	(88)	(88)	(88)	(179)	(179)	(179)	(179)	(179)	(179)	(1,074)
Remodel Exp (Store)	-	(1,614)	(1,408)	(151)	-	(158)	(433)	(289)	-	-	-	-	(721)
Total SG&A	(286,127)	(318,083)	(311,337)	(281,399)	(325,531)	(280,202)	(286,128)	(333,993)	(322,914)	(301,230)	(393,678)	(282,457)	(1,920,400)
EBITDA	(68,649)	106,958	150,129	112,291	193,127	108,791	133,217	142,240	247,460	373,055	696,138	122,487	1,714,597
	-	0	(0)	(0)	-	-	-	-	-	-	-	-	0
x Southgate Shopping Centre													
External Sales	1,106,381	1,641,405	1,876,100	1,742,750	2,216,246	1,601,046	1,720,591	2,463,125	2,571,016	3,533,287	5,796,030	1,441,469	17,525,518
COGS	(673,193)	(935,582)	(975,016)	(871,353)	(1,180,528)	(1,003,533)	(946,716)	(1,609,127)	(1,359,058)	(2,151,182)	(3,495,540)	(624,070)	(10,185,693)
Gross Margin	433,188	705,824	901,084	871,398	1,035,718	597,512	773,875	853,998	1,211,958	1,382,105	2,300,490	817,399	7,339,824
Gross Margin %	39.2%	43.0%	48.0%	50.0%	46.7%	37.3%	45.0%	34.7%	47.1%	39.1%	39.7%	56.7%	41.9%
Selling Payroll (Store)	(225,918)	(255,484)	(255,970)	(218,611)	(272,844)	(201,773)	(206,173)	(271,990)	(264,595)	(226,838)	(354,847)	(217,271)	(1,541,714)
Other Payroll (Store)	1,396	2,606	3,935	3,007	3,773	2,313	2,801	6,806	6,832	13,322	28,717	5,897	64,375
Benefit Allocation (Store)	(29,203)	(32,903)	(32,808)	(28,062)	(35,021)	(25,955)	(26,469)	(34,549)	(33,584)	(27,904)	(42,713)	(27,543)	(192,762)
Supplies (Store)	(7,572)	(8,798)	(6,569)	(5,882)	(7,607)	(6,913)	(13,235)	(9,267)	(10,974)	(11,808)	(9,792)	(6,235)	(61,310)
Credit/Cash Trans Costs (Store)	(13,859)	(21,325)	(25,566)	(22,436)	(29,586)	(20,643)	(22,105)	(30,624)	(33,835)	(42,415)	(69,444)	(17,323)	(215,746)
Services (Store)	(35,459)	(40,567)	(34,270)	(33,127)	(33,411)	(36,055)	(34,090)	(37,859)	(43,496)	(53,970)	(57,035)	(37,048)	(263,498)
Unclassified (Store)	(3,010)	(3,819)	(6,367)	(4,155)	(5,382)	(4,842)	(4,322)	(5,885)	(8,268)	(9,730)	(13,672)	(4,330)	(46,207)
Travel (Store)	(77)	(113)	(133)	(118)	(151)	(109)	(116)	(159)	(175)	(216)	(345)	(96)	(1,107)
Rent	(24,241)	(24,241)	(24,241)	(24,241)	(24,241)	(24,241)	(24,241)	(24,241)	(24,241)	(24,241)	(24,241)	(24,241)	(145,445)
Property Tax	(34,381)	(34,381)	(34,381)	(34,381)	(34,381)	(34,381)	(34,381)	(34,381)	(34,381)	(34,381)	(34,381)	(34,381)	(206,288)
CAM	(150,232)	(150,232)	(150,232)	(150,232)	(150,232)	(150,232)	(150,232)	(150,232)	(150,232)	(150,232)	(150,232)	(150,232)	(901,393)
Utilities (Store)	(35,688)	(38,331)	(34,526)	(14,521)	(38,727)	(37,231)	(33,415)	(37,622)	(32,702)	(21,005)	(38,411)	(30,693)	(193,847)
Repair/Mtce (Store)	(17,692)	(25,035)	(15,947)	(18,128)	(24,077)	(17,917)	(18,984)	(21,734)	(17,388)	(17,388)	(21,734)	(17,387)	(114,615)

	Exp Trans (Store)	(6)	(6)	30	(6)	(6)	30	(6)	(6)	30	(6)	30	35	
	Outside Rev (Store)	8,560	12,639	10,620	8,336	9,307	7,836	8,920	10,032	13,852	16,435	15,155	9,041	73,435
	Other Non-Payroll Exp (Store)	(11)	(10)	(10)	(119)	(120)	(120)	(284)	(284)	(284)	(284)	(284)	(284)	(1,701)
	Remodel Exp (Store)	-	(2,909)	(2,538)	(272)	-	(285)	(780)	(520)	-	-	-	-	(1,300)
	Total SG&A	(567,396)	(622,910)	(608,973)	(542,948)	(642,705)	(550,520)	(557,112)	(642,514)	(633,440)	(590,661)	(773,265)	(552,096)	(3,749,088)
	EBITDA	(134,208)	82,914	292,112	328,450	393,013	46,993	216,763	211,484	578,518	791,445	1,527,224	265,303	3,590,736
		-	(0)	0	(0)	-	-	(0)	(0)	-	-	-	-	-
x	Oshawa Centre													
	External Sales	384,001	648,566	683,221	609,149	792,292	545,525	659,773	874,521	919,533	1,340,019	2,179,437	512,796	6,486,079
	COGS	(229,370)	(415,303)	(489,834)	(403,904)	(523,369)	(365,557)	(426,475)	(615,400)	(559,143)	(930,924)	(1,444,205)	(262,243)	(4,238,390)
	Gross Margin	154,631	233,263	193,387	205,245	268,922	179,968	233,298	259,121	360,391	409,095	735,232	250,553	2,247,689
	Gross Margin %	40.3%	36.0%	28.3%	33.7%	33.9%	33.0%	35.4%	29.6%	39.2%	30.5%	33.7%	48.9%	34.7%
	Selling Payroll (Store)	(82,745)	(93,573)	(93,751)	(80,068)	(99,931)	(73,901)	(75,513)	(99,619)	(96,910)	(83,081)	(129,966)	(79,577)	(564,667)
	Other Payroll (Store)	511	955	1,441	1,101	1,382	847	1,026	2,493	2,502	4,879	10,518	2,160	23,578
	Benefit Allocation (Store)	(10,696)	(12,051)	(12,016)	(10,278)	(12,827)	(9,506)	(9,695)	(12,654)	(12,301)	(10,220)	(15,644)	(10,088)	(70,601)
	Supplies (Store)	(2,731)	(3,446)	(4,029)	(2,232)	(2,907)	(3,958)	(5,050)	(3,503)	(5,658)	(4,726)	(4,106)	(3,806)	(26,849)
	Credit/Cash Trans Costs (Store)	(4,835)	(8,348)	(9,319)	(7,886)	(10,616)	(7,097)	(8,432)	(10,904)	(12,141)	(16,056)	(26,076)	(6,173)	(79,781)
	Services (Store)	(16,231)	(18,288)	(14,458)	(15,028)	(14,607)	(15,767)	(15,444)	(16,252)	(17,537)	(21,362)	(21,203)	(16,391)	(108,189)
	Unclassified (Store)	(874)	(1,228)	(3,039)	(696)	(634)	(750)	(476)	(749)	(1,415)	(1,663)	(2,189)	(699)	(7,192)
	Travel (Store)	(27)	(44)	(48)	(42)	(54)	(38)	(44)	(57)	(63)	(81)	(129)	(34)	(409)
	Rent	(23,725)	(23,725)	(23,725)	(23,725)	(23,725)	(23,725)	(23,725)	(23,725)	(23,725)	(23,725)	(23,725)	(23,725)	(142,347)
	Property Tax	(29,381)	(29,381)	(29,381)	(29,381)	(29,381)	(29,381)	(29,381)	(29,381)	(29,381)	(29,381)	(29,381)	(29,381)	(176,288)
	CAM	(40,806)	(40,806)	(40,806)	(40,806)	(40,806)	(40,806)	(40,806)	(40,806)	(40,806)	(40,806)	(40,806)	(40,806)	(244,837)
	Utilities (Store)	(29,293)	(32,292)	(27,906)	(9,036)	(22,898)	(17,962)	(18,254)	(15,365)	(16,041)	(24,537)	(25,302)	(20,168)	(119,667)
	Repair/Mtce (Store)	(6,480)	(9,169)	(5,841)	(6,639)	(8,818)	(6,562)	(6,953)	(7,960)	(6,368)	(6,368)	(7,960)	(6,368)	(41,979)
	Exp Trans (Store)	(2)	(2)	11	(2)	(2)	11	(2)	(2)	11	(2)	(2)	11	13
	Outside Rev (Store)	3,346	4,852	4,089	3,237	3,568	2,991	3,466	3,848	5,114	6,138	5,645	3,399	27,610
	Other Non-Payroll Exp (Store)	45	46	46	6	5	5	(54)	(54)	(54)	(54)	(54)	(54)	(327)
	Remodel Exp (Store)	-	(1,066)	(930)	(100)	-	(104)	(286)	(190)	-	-	-	-	(476)
	Total SG&A	(243,923)	(267,567)	(259,662)	(221,574)	(262,253)	(225,703)	(229,622)	(254,880)	(254,774)	(251,046)	(310,382)	(231,702)	(1,532,407)
	EBITDA	(89,293)	(34,304)	(66,275)	(16,330)	6,670	(45,735)	3,676	4,241	105,616	158,049	424,850	18,850	715,282
		-	-	-	-	(0)	-	(0)	-	-	(0)	-	0	(0)
x	Conestoga Mall													
	External Sales	449,779	695,582	860,096	751,648	945,475	620,203	710,032	976,084	1,048,927	1,457,383	2,355,274	578,711	7,126,411
	COGS	(261,886)	(375,233)	(462,621)	(429,074)	(548,493)	(351,308)	(392,184)	(643,033)	(565,471)	(908,304)	(1,449,835)	(282,502)	(4,241,330)
	Gross Margin	187,893	320,349	397,475	322,574	396,981	268,896	317,848	333,051	483,456	549,079	905,439	296,208	2,885,081
	Gross Margin %	41.8%	46.1%	46.2%	42.9%	42.0%	43.4%	44.8%	34.1%	46.1%	37.7%	38.4%	51.2%	40.5%
	Selling Payroll (Store)	(93,347)	(105,563)	(105,764)	(90,327)	(112,736)	(83,370)	(85,188)	(112,383)	(109,327)	(93,727)	(146,618)	(89,774)	(637,017)
	Other Payroll (Store)	577	1,077	1,626	1,242	1,559	956	1,157	2,812	2,823	5,504	11,865	2,437	26,599
	Benefit Allocation (Store)	(12,066)	(13,595)	(13,556)	(11,595)	(14,470)	(10,724)	(10,937)	(14,275)	(13,877)	(11,529)	(17,648)	(11,381)	(79,647)
	Supplies (Store)	(3,093)	(3,675)	(4,434)	(2,495)	(3,205)	(4,260)	(5,458)	(3,714)	(6,030)	(4,853)	(3,957)	(4,065)	(28,077)
	Credit/Cash Trans Costs (Store)	(5,643)	(9,008)	(11,527)	(9,628)	(12,562)	(8,061)	(9,124)	(12,182)	(13,828)	(17,497)	(28,245)	(6,966)	(87,841)
	Services (Store)	(15,857)	(17,629)	(14,609)	(15,014)	(14,283)	(16,238)	(15,272)	(16,527)	(18,078)	(22,609)	(22,235)	(17,063)	(111,783)
	Unclassified (Store)	(400)	(667)	(1,776)	(1,070)	(1,055)	(1,152)	(965)	(1,037)	(1,884)	(2,168)	(2,681)	(937)	(9,672)
	Travel (Store)	(32)	(47)	(59)	(50)	(64)	(43)	(48)	(64)	(72)	(89)	(141)	(39)	(452)
	Rent	(81,613)	(81,613)	(81,613)	(81,613)	(81,613)	(81,613)	(81,613)	(81,613)	(81,613)	(81,613)	(81,613)	(81,613)	(489,675)
	Property Tax	(31,231)	(31,231)	(31,231)	(31,231)	(31,231)	(31,231)	(31,231)	(31,231)	(31,231)	(31,231)	(31,231)	(31,231)	(187,385)
	CAM	(14,953)	(14,953)	(14,953)	(14,953)	(14,953)	(14,953)	(14,953)	(14,953)	(14,953)	(14,953)	(14,953)	(14,953)	(89,718)

Utilities (Store)	(18,192)	(19,809)	(17,124)	(12,670)	(29,735)	(21,546)	(16,138)	(34,939)	(20,075)	(26,932)	(20,073)	(15,792)	(133,949)
Repair/Mtce (Store)	(7,310)	(10,344)	(6,589)	(7,490)	(9,948)	(7,403)	(7,844)	(8,980)	(7,184)	(7,184)	(8,980)	(7,184)	(47,357)
Exp Trans (Store)	(3)	(3)	12	(3)	(3)	12	(3)	(3)	12	(3)	(3)	12	15
Outside Rev (Store)	3,554	5,215	4,436	3,459	3,819	3,137	3,652	4,099	5,525	6,643	6,052	3,589	29,561
Other Non-Payroll Exp (Store)	25	25	25	(20)	(20)	(20)	(88)	(88)	(88)	(88)	(88)	(88)	(528)
Remodel Exp (Store)	-	(1,202)	(1,049)	(113)	-	(118)	(322)	(215)	-	-	-	-	(537)
Total SG&A	(279,583)	(303,022)	(298,183)	(273,571)	(320,499)	(276,628)	(274,373)	(325,290)	(309,878)	(302,328)	(360,548)	(275,046)	(1,847,463)
EBITDA	(91,691)	17,327	99,292	49,003	76,483	(7,732)	43,475	7,761	173,578	246,751	544,891	21,162	1,037,618
	-	0	(0)	0	-	(0)	0	-	-	-	-	0	0

Ruby Liu Commercial Investment Corp.

Inventory Roll

DRAFT - FOR DUSCUSSION PURPOSES ONLY

Inventory Roll																													
\$'000	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27
Opening Inventory	-	16,129	35,258	43,796	48,716	55,835	68,873	91,129	95,984	92,556	88,638	84,205	79,246	80,645	88,145	87,593	81,193	69,794	68,873	91,129	95,984	92,556	88,638	84,205	79,246	80,645	88,145	87,593	81,193
Purchases	16,129	19,129	8,538	4,919	7,119	13,038	32,437	19,618	14,531	12,567	16,123	9,978	17,377	29,605	22,573	29,536	44,975	8,404	32,640	19,914	14,890	12,897	16,534	10,277	17,696	30,047	23,035	30,255	46,103
COGS	-	-	-	-	-	-	(10,180)	(14,763)	(17,959)	(16,486)	(20,555)	(14,937)	(15,978)	(22,106)	(23,125)	(35,936)	(56,374)	(9,325)	(10,384)	(15,059)	(18,318)	(16,816)	(20,966)	(15,236)	(16,297)	(22,548)	(23,587)	(36,655)	(57,502)
Ending Inventory	16,129	35,258	43,796	48,716	55,835	68,873	91,129	95,984	92,556	88,638	84,205	79,246	80,645	88,145	87,593	81,193	69,794	68,873	91,129	95,984	92,556	88,638	84,205	79,246	80,645	88,145	87,593	81,193	69,794

HBC Inventory Analysis												
\$'000	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Inventory	735,357	774,532	746,873	715,252	679,483	639,467	650,758	711,273	706,818	655,177	563,192	555,763
# Stores	97	97	97	97	97	97	97	97	97	97	97	97
Inventory per Store	7,581	7,985	7,700	7,374	7,005	6,592	6,709	7,333	7,287	6,754	5,806	5,730
% of Average	108.5%	114.3%	110.2%	105.5%	100.2%	94.3%	96.0%	104.9%	104.3%	96.7%	83.1%	82.0%

Income Tax Analysis																													
\$'000	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27
Net Income	(5,713)	(5,916)	(6,295)	(6,144)	(8,408)	(8,466)	(4,370)	(646)	1,751	706	2,052	(638)	671	4,358	6,133	9,048	20,351	2,166	(4,238)	(440)	2,005	940	2,186	(432)	800	3,644	5,058	7,381	16,388
Income Tax Rate	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%
Income Taxes	(1,600)	(1,657)	(1,763)	(1,720)	(2,354)	(2,371)	(1,224)	(181)	490	198	575	(179)	188	1,220	1,717	2,533	5,698	607	(1,187)	(123)	561	263	612	(121)	224	1,020	1,416	2,067	4,589
Opening Loss Carryforward	-	(1,600)	(3,256)	(5,019)	(6,739)	(9,093)	(11,464)	(12,688)	(12,868)	(12,378)	(12,180)	(11,606)	(11,784)	(11,597)	(10,376)	(8,659)	(6,126)	(427)	-	(1,187)	(1,310)	(748)	(485)	-	(121)	-	-	-	-
Income Taxes	(1,600)	(1,657)	(1,763)	(1,720)	(2,354)	(2,371)	(1,224)	(181)	490	198	575	(179)	188	1,220	1,717	2,533	5,698	607	(1,187)	(123)	561	263	612	(121)	224	1,020	1,416	2,067	4,589
Ending Loss Carryforward	(1,600)	(3,256)	(5,019)	(6,739)	(9,093)	(11,464)	(12,688)	(12,868)	(12,378)	(12,180)	(11,606)	(11,784)	(11,597)	(10,376)	(8,659)	(6,126)	(427)	-	(1,187)	(1,310)	(748)	(485)	-	(121)	-	-	-	-	-
Net Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(179)	-	-	-	-	(127)	-	(103)	(1,020)	(1,416)	(2,067)	(4,589)

**THIS IS EXHIBIT "B" TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

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

Commissioner, etc.
Brendan Jones

John C. Wolf
D: 416-593-2994 F: 416-596-2044
jwolf@blaney.com

June 12th, 2025

Via Email

ALVAREZ & MARSAL CANADA INC.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 29000
P.O. Box 22
Toronto, ON M5J 2J1

Attention: Alan J. Hutchens

BENNETT JONES LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4

Attention: Sean Zweig, Michael Shakra, Preet Gill, Thomas Gray and Linda Fraser-Richardson

Dear Sir/Madam:

Re: Hudson's Bay Company ULC by lease dated February 1st, 2024 ("Southgate Lease") at Southgate Centre, Edmonton, AB ("Southgate Shopping Centre")

And Re: Hudson's Bay Company ULC by lease February 1st, 2024 ("Oshawa Lease") at Oshawa Centre, Oshawa, ON ("Oshawa Shopping Centre")

And Re: Hudson's Bay Company ULC by lease dated August 1st, 1972, amended and extended ("Orchard Park Lease") at Orchard Park Shopping Centre, Kelowna, BC ("Orchard Park Shopping Centre")

And Re: Hudson's Bay Company ULC by lease dated June 15th, 1978, amended and extended ("Conestoga Lease") at Conestoga Mall, Waterloo, ON ("Conestoga Mall")

And Re: In the matter of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36, as Amended - Court File No. CV-25-00738613-00CL ("Estate")

And Re: Proposed statutory assignment of Lease to Ruby Liu Commercial Investment Corp

As you know, we are the lawyers for Primaris REIT.

Our client has met the proposed assignee on two separate occasions for a total of approximately four (4) hours so as to permit the proposed assignee to present her plans in the event of an assignment of any of the leases at issue.

Our client has also reviewed Mr. Ellis' letter of June 6th, 2025 and attachment.

Our client has advised us, that after carefully listening to Ms. Liu and reviewing the information that she has provided in support of the proposal to assign our clients' leases, that our client will not consent to assignment of any of its leases.

This decision has been made after careful consideration of the terms of each lease, as well as applicable statutory and common law provisions and jurisprudence, the commercial realities of the marketplace, and the economic impact of the proposed assignment.

This is not the appropriate forum to set forth each and every fact to be relied upon in the event of a contested assignment. Having said that, reasons include, but are not limited, to:

- inability to honour provisions of the lease related to continuous operation;
- lack of any relevant major department store experience;
- absence of any existing major department store business operations;
- absence of brand recognition;
- projections which are incapable of being met;
- understatement of repair and maintenance costs; and
- overstatement of projected revenue in at least years one and two.

Our client notes that, to the best of their knowledge, there is no successful example in recent history in North America where any brand new full scale department store opened numerous department store locations in three (3) months or even in any year. Typically, such tenants may open one or two locations in a year, not twenty-eight (28). Target is an example of a retailer that attempted to open numerous stores in Canada in a short period of time. However, Target is distinguishable from the current situation because Target had significant brand recognition, a massive existing infrastructure, including suppliers and backroom administration, and extensive, sophisticated and targeted advance planning. Despite these advantages, Target still became insolvent and failed within two (2) years.

By way of overview, Ms. Liu's plans are, in our client's view, predicated upon hope, optimism and not on experience in respect of the minimum timelines and costs to refurbish twenty-eight (28) locations, in various degrees of disrepair, in three (3) provinces. Our client's four (4) premises are in significant states of disrepair and there is no reasonable prospect that plans, approvals, permits, trades, and product supply can be completed in three (3) months as projected. All assumptions in the plan that flow from such a materially unrealistic time proposal render all projections inaccurate.

The only commercially reasonable conclusion is that an objective person with industry experience would conclude that the proposed assignments would not result in compliance with the tenant's obligations under the applicable leases and would materially adversely affect the landlord's rights under the leases.

Yours very truly,

Blaney McMurtry LLP



John C. Wolf
JCW/gf

**THIS IS EXHIBIT "C" TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", written over a horizontal line.

Commissioner, etc.
Brendan Jones

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From: Linda Qin <Linda.Qin@centralwalk.com>
Sent: June 25, 2025 11:43 AM
To: Patrick Sullivan <psullivan@primarisreit.com>
Cc: Hong Liu <liu8451@hotmail.com>; Mae Wang <Mae.Wang@centralwalk.com>; Valen Tam <Valen.Tam@centralwalk.com>
Subject: Ruby Liu's Intended Purchase and Revitalization Plan for HBC Stores

CAUTION: Email originated outside the organization. Do not open attachments or click links unless you are certain the sender and content are safe.

June 25, 2025

Dear All,

Ruby Liu intends to acquire the leases for 25 Hudson's Bay Company stores located across Ontario, Alberta, and British Columbia. We respectfully request that the Court schedule a hearing at its earliest convenience to approve the application.

Ruby plans to assume the lease obligations and continue the permitted use of the premises under the terms of the existing leases.

As part of the revitalization strategy, Ruby proposes the following three-tiered approach:

1. Flagship Stores

Ruby intends to select up to eight locations to develop into flagship stores in collaboration with the respective landlords. With the support and approval of landlords, for each of these flagship locations, she plans to invest approximately \$30 million in renovation and redevelopment.

2. Operational Continuity Stores

Ten stores will undergo essential repairs to ensure they are functional and customer-ready. These locations are expected to reopen to the public within three months and will operate in a format similar to the original HBC stores.

3. Enhanced Retail Experience Stores

The remaining stores will undergo interior renovation and visual merchandising upgrades to offer an enhanced retail experience. The estimated investment for each of these locations ranges from \$5 million to \$10 million, with a targeted reopening timeline of six months.

Ruby had hoped to communicate these plans with you sooner but was delayed due to specific circumstances. We appreciate your understanding and thank you for your attention.

Please do not hesitate to contact us at the emails below:

Linda Qin: linda.qin@centralwalk.com

Mae Wang: mae.wang@centralwalk.com

Valen Tam: valen.tam@centralwalk.com

Sincerely,

Ruby Liu
Founder and Chairwoman
Centralk Walk Canada



Linda Qin MBA
CEO
Central Walk Canada

5000 Canoe Pass Way,
Tsawwassen, British Columbia V4M 0B3

Ph: 604-260-4971
Cell: 604-782-6160
E: linda.qin@centralwalk.com

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in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
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A handwritten signature in black ink, appearing to read "Brendan Jones", written in a cursive style.

Commissioner, etc.

Brendan Jones

'I want to achieve something BIG'; Billionaire details her plans for Hudson's Bay leases

The Toronto Star

19 Jun 2025 8:00 AM

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Author: Estella Ren Toronto Star

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Body

A children's play zone, an Asian supermarket, a bustling food court. B.C. billionaire Weihong Liu has revealed new details about her plan to assume more than two dozen Hudson's Bay leases, and what she has in mind is nothing like the legendary department store Canadians once knew and loved.

Clutching three Hudson's Bay employee training manuals from 1938, Liu, the petite Chinese entrepreneur, seated in a restaurant at the downtown Toronto Marriott Hotel on Tuesday morning, said in a rare in-person interview with the Star that she understands why the iconic Canadian retailer closed its doors - and that she knows the secret to building something new and successful.

In a candid discussion, the 59-year-old chair of B.C. shopping mall owner Central Walk outlined her next steps after months of touting her plan to acquire Hudson's Bay in various videos on the Chinese social platform Rednote, and signing a deal with the retailer on May 23 to take over up to 28 of its leases for the launch of "a new modern department store concept."

Ms. Liu, dressed in a pale pink patterned blouse with a collar and a necklace adorned with tiny diamonds and a heart-shaped red gem, told the Star that the stores she's targeting won't be as large as the flagship location next to Toronto's Eaton Centre, but rather around 150,000 square feet in size - and that she plans to invest as much as \$5 million to renovate each one.

"I want to bring to Toronto, Vancouver, Calgary, and the cities where my favourite stores are a shopping centre full of dining, entertainment and experiences that truly connect with people emotionally," she said in Mandarin.

Apart from the three leases tied to her own shopping centres - Tsawwassen Mills just south of Vancouver, Mayfair Shopping Centre in Victoria and Woodgrove Centre in Nanaimo - the remaining leases are still subject to landlord consent and court approval.

Liu's efforts to win over landlords appear to have encountered some hurdles. Court documents reveal that "certain landlords" have submitted letters to Hudson's Bay outlining their concerns and conditions, while Liu claimed on Tuesday that she has faced "discrimination" and "rude treatment" while seeking consent for the leases she hopes to acquire.

Currently living in an Airbnb apartment in Toronto to facilitate meetings with her legal team and Hudson's Bay landlords, Liu is expected to seek court approval on Monday for the reassignment of the three leases on her properties - a transaction valued at \$6 million, according to court documents filed last Monday.

During the hour-long interview with the Star ahead of Liu's meeting with her law firm, Liu said she has met with Richard Baker, the chair of Hudson's Bay, Saks Fifth Avenue and Saks Off 5th and newly acquired Neiman Marcus, in the U.S., who she said has given her his full support.

All she wanted from him, she said, was to get information about the retailer's former merchandise vendors. Liu claims Baker responded, "I can give it to you - but only if you agree to hire my employees first," adding that he said he wants her to operate as many stores as possible. Liu said she offered to buy the Hudson's Bay downtown Vancouver store in 2019 for \$580 million, but her offer was rejected.

The Star reached out to Baker and Hudson's Bay for comment but did not receive a response by the time of publication.

Liu says she sees Baker as a hardworking person like herself, but believes Hudson's Bay went out of business because he was trying to run too many companies at once.

"Why did the Bay fail? Because it didn't value young people. It didn't create spaces or events for them to gather, nor did it invest and renovate. It was only focused on making money, money, money," said Liu.

She added that she believes today's young people are increasingly absorbed in the internet and spending less time in physical spaces, and she hopes her future malls built on Hudson's Bay leases can change that.

Liu said her plan is to fill her future malls with "fun" activities, such as interactive role-playing games, to attract young people. She pointed to the LED floor at her Woodgrove Mall, which she said has proven popular with families, and that she's eager to bring more interactive technology to old Hudson's Bay locations.

In a previous video on Rednote, Liu said she planned to operate the old Hudson's Bay stores under the name "New Bay." However, she told the Star she has since changed her mind and now wants to brand them simply as "Ruby Liu."

For most of her conversation with the Star, Liu spoke with optimism and excitement about her retail ambitions. But when the topic turned to a recent meeting with a landlord, she slammed her coffee cup down on the table in frustration.

Liu said she met with five or six landlords in early June, and most were friendly - but one representative from a major Toronto landlord whom she refused to name was "extremely rude" and "stormed out" after just five or six minutes, making it clear he did not support Liu's proposal. The Star was not able to independently verify this claim.

"I was treated unfairly and rudely - you could even call it outright discrimination," Liu said. "They told me I had no experience and no track record."

She pushed back on that view, arguing that even Hudson's Bay, despite being founded in 1670 and conducting business for more than 300 years, still ended up shutting down.

What truly matters, she said, is understanding consumers.

"I'm deeply grateful to Canada. I want to give back - to all consumers, to the Canadian people. As a Chinese person, I want to achieve something big," she said. "I'm not just investing money - I'm investing my energy and effort too."

Classification

Industry:

Grocery Stores & Supermarkets (90%), Retail & Wholesale Trade (90%), Retailers (90%), Commercial Rental Property (89%), Rental Property (89%), Retail Property (89%), Shopping Centers & Malls (89%), On Demand Services (78%), Property Leases (77%), Vacation Rentals (76%), Lawyers (75%), Restaurants (73%), Hotels & Motels (71%), Meeting Facilitation (69%)

Subject:

Talks & Meetings (89%), Wealthy People (89%), Entrepreneurship (79%), Discrimination (78%), Law & Legal System (78%), Law Courts & Tribunals (78%), Lawyers (75%), Children, Adolescents & Teens (73%), Closings (72%), Approvals (66%), Employee Training (56%), Employee Training & Assistance (56%)

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**THIS IS EXHIBIT “E” TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", written over a horizontal line.

Commissioner, etc.
Brendan Jones



KIDS' PLAYCENTER

Flyoland

FLYOLAND CAFE
COFFEE / MILK TEA / JUICE / FRUIT TEA / ICE CREAM

WELCOME

WELCOME





NO TRESPASSING
NO SITTING

CLIMBERS' RANKING

CLIMBER	TIME	SCORE
1	0:00	100
2	0:00	100
3	0:00	100
4	0:00	100
5	0:00	100
6	0:00	100
7	0:00	100
8	0:00	100
9	0:00	100
10	0:00	100

Achieve your best

HARNES RETURN

LARGE HARNES

MEDIUM HARNES

SMALL HARNES

Timer Race

Timer Race

DO NOT CLIMB
RETRACTED ROPES

DO NOT CLIMB
RETRACTED ROPES

DO NOT CLIMB
RETRACTED ROPES



DREAMLAND

00
75

ROGERS
fido
chotr





DREAMLAND

DREAMLAND
Monday - Friday
10:00 AM - 6:00 PM

CHATTERS
HAIR BEAUTY

CHAO ZHUA ZHUA
EASY
CHAO ZHUA ZHUA

LENNIS CRAFTERS

DREAM

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Commissioner, etc.

Brendan Jones

Store Renovation Analysis

Date : 2025-07-20

Province	Location	Shopping Mall	Renovation Cost (CAD) Without Tax																	Tax	Total With Tax
			Celling	Floor	Washroom	Fitting Room	Elevator/ Escalator	HVAC	Lights	Interior Wall	Electrical Inspection & Repair	Exterior Wall Restoration	Logo Sign	Fire Safety Inspection & Repair	CCTV system	Security Alarm	Roof	Other	Total		
BC	Kelowna	Orchard Park Shopping Centre	\$190,935	\$572,805	\$50,000	\$100,000		\$350,000	\$40,000	\$636,450	\$30,000	\$549,893	\$120,000	\$12,900	\$76,374	\$37,000	\$614,811	\$150,000	\$3,531,168	12%	\$3,954,908
BC	Richmond	Richmond Centre	\$509,076	\$1,018,152	\$100,000	\$320,000	\$297,000	\$12,000	\$55,000	\$848,460	\$40,000	\$733,069	\$300,000	\$13,350	\$101,815	\$47,000	\$585,437	\$350,000	\$5,330,360	12%	\$5,970,003
BC	Surrey	Guildford Town Centre	\$915,926	\$1,831,851	\$100,000	\$320,000	\$235,000	\$1,250,000	\$60,000	\$872,310	\$45,000	\$753,676	\$300,000	\$13,500	\$104,677	\$47,000	\$842,651	\$350,000	\$8,041,591	12%	\$9,006,582
BC	Coquitlam	Coquitlam Centre	\$180,129	\$540,387	\$100,000	\$200,000	\$227,000	\$380,000	\$40,000	\$600,430	\$30,000	\$518,772	\$300,000	\$11,700	\$72,052	\$37,000	\$580,015	\$150,000	\$3,967,485	12%	\$4,443,583
BC	Langley	Willowbrook Shopping Centre	\$229,506	\$688,517	\$100,000	\$200,000	\$186,000	\$80,000	\$40,000	\$655,730	\$30,000	\$566,551	\$300,000	\$13,000	\$78,688	\$47,000	\$633,435	\$150,000	\$3,998,426	12%	\$4,478,237
AB	Calgary	CF Market Mall	\$500,000	\$1,000,000	\$100,000	\$260,000	\$260,000	\$50,000	\$45,000	\$1,000,000	\$30,000	\$864,000	\$300,000	\$11,250	\$120,000	\$37,000	\$4,000,000	\$250,000	\$8,827,250	5%	\$9,268,613
AB	Calgary	Southcentre Mall	\$329,028	\$658,056	\$100,000	\$260,000	\$260,000	\$310,000	\$45,000	\$822,570	\$30,000	\$710,700	\$300,000	\$14,925	\$98,708	\$47,000	\$283,787	\$250,000	\$4,519,775	5%	\$4,745,763
AB	Calgary	Chinook Centre	\$619,542	\$1,239,084	\$100,000	\$320,000	\$300,000	\$365,000	\$55,000	\$1,032,570	\$40,000	\$892,140	\$300,000	\$10,500	\$123,908	\$37,000	\$356,237	\$350,000	\$6,140,982	5%	\$6,448,031
AB	Edmonton	West Edmonton Mall	\$739,125	\$1,478,250	\$100,000	\$320,000	\$300,000	\$200,000	\$60,000	\$821,250	\$45,000	\$709,560	\$300,000	\$14,450	\$98,550	\$47,000	\$396,664	\$350,000	\$5,979,849	5%	\$6,278,841
AB	Edmonton	Southgate Shopping Centre	\$354,827	\$709,653	\$100,000	\$260,000	\$345,000	\$0	\$45,000	\$1,182,755	\$30,000	\$1,021,900	\$300,000	\$14,300	\$141,931	\$37,000	\$326,440	\$250,000	\$5,118,806	5%	\$5,374,746
ON	Toronto	Fairview Mall	\$457,260	\$914,520	\$100,000	\$260,000	\$205,000	\$108,000	\$50,000	\$762,100	\$35,000	\$658,454	\$300,000	\$13,650	\$91,452	\$37,000	\$368,094	\$250,000	\$4,610,531	13%	\$5,209,900
ON	Toronto	Sherway Garden	\$446,954	\$893,908	\$100,000	\$260,000	\$207,500	\$250,000	\$45,000	\$1,117,385	\$30,000	\$965,421	\$300,000	\$13,975	\$134,086	\$47,000	\$385,498	\$250,000	\$5,446,727	13%	\$6,154,801
ON	Toronto	Centerpoint Mall	\$183,753	\$551,259	\$50,000	\$100,000	\$37,500	\$10,000	\$40,000	\$612,510	\$116,377	\$529,209	\$120,000	\$12,805	\$73,501	\$47,000	\$295,842	\$150,000	\$2,929,756	13%	\$3,310,624
ON	Richmond Hill	Hillcrest Mall	\$273,830	\$547,660	\$50,000	\$130,000		\$70,000	\$45,000	\$684,575	\$30,000	\$591,473	\$120,000	\$13,700	\$82,149	\$37,000	\$236,178	\$250,000	\$3,161,565	13%	\$3,572,569
ON	London	Masonville Place	\$127,392	\$382,176	\$100,000	\$200,000	\$300,000	\$150,000	\$40,000	\$424,640	\$30,000	\$366,889	\$300,000	\$13,475	\$50,957	\$47,000	\$205,101	\$150,000	\$2,887,630	13%	\$3,263,022
ON	Ottawa	Bayshore Shopping Centre	\$542,088	\$1,084,176	\$150,000	\$390,000	\$293,000	\$574,000	\$50,000	\$903,480	\$35,000	\$780,607	\$360,000	\$13,075	\$108,418	\$47,000	\$436,381	\$250,000	\$6,017,224	13%	\$6,799,463
ON	Ottawa	St.Laurent Shopping Centre	\$217,611	\$652,833	\$100,000	\$200,000	\$150,000	\$250,000	\$40,000	\$725,370	\$137,820	\$626,720	\$300,000	\$12,950	\$87,044	\$37,000	\$350,354	\$150,000	\$4,037,702	13%	\$4,562,603
ON	Kitchener	Fairview park	\$831,213	\$1,662,426	\$50,000	\$160,000		\$275,000	\$60,000	\$923,570	\$45,000	\$797,964	\$120,000	\$13,600	\$110,828	\$47,000	\$446,084	\$350,000	\$5,892,686	13%	\$6,658,735
ON	Newmarket	Upper Canada Mall	\$285,560	\$571,120	\$100,000	\$260,000	\$135,000	\$1,307,000	\$45,000	\$713,900	\$30,000	\$616,810	\$300,000	\$13,075	\$85,668	\$37,000	\$246,296	\$250,000	\$4,996,428	13%	\$5,645,964
ON	Burlington	Mapleview Centre	\$96,800	\$290,399	\$100,000	\$200,000	\$260,000	\$337,000	\$35,000	\$645,330	\$25,000	\$1,400,000	\$300,000	\$12,700	\$77,440	\$37,000	\$178,111	\$150,000	\$4,144,779	13%	\$4,683,600
ON	Oshawa	Oshawa Centre	\$183,936	\$551,808	\$100,000	\$200,000	\$120,000	\$130,000	\$40,000	\$613,120	\$30,000	\$529,736	\$300,000	\$13,120	\$73,574	\$37,000	\$296,137	\$150,000	\$3,368,431	13%	\$3,806,327
ON	Waterloo	Conestoga Mall	\$163,225	\$489,675	\$50,000	\$100,000		\$200,000	\$35,000	\$652,900	\$25,000	\$564,106	\$120,000	\$12,500	\$78,348	\$37,000	\$270,301	\$150,000	\$2,948,054	13%	\$3,331,301
ON	Brampton	Bramalea City Centre	\$262,876	\$788,628	\$100,000	\$200,000	\$260,000	\$100,000	\$40,000	\$657,190	\$30,000	\$567,812	\$300,000	\$12,525	\$78,863	\$37,000	\$317,423	\$150,000	\$3,902,317	13%	\$4,409,618
ON	Hamilton	Limeridge Mall	\$187,961	\$563,882	\$100,000	\$200,000	\$120,000	\$330,000	\$40,000	\$626,535	\$30,000	\$541,326	\$300,000	\$13,125	\$75,184	\$47,000	\$302,616	\$150,000	\$3,627,629	13%	\$4,099,221
ON	Markham	Markville Shopping Centre	\$175,118	\$525,353	\$100,000	\$200,000	\$135,000	\$227,000	\$35,000	\$700,470	\$25,000	\$1,400,000	\$300,000	\$12,250	\$84,056	\$47,000	\$193,330	\$150,000	\$4,309,576	13%	\$4,869,821
Total			\$9,003,668	\$20,206,576	\$2,300,000	\$5,620,000	\$4,633,000	\$7,315,000	\$1,125,000	\$19,235,600	\$1,004,197	\$18,256,787	\$6,660,000	\$326,400	\$2,308,272	\$1,045,000	\$13,147,223	\$5,550,000	\$117,736,724		\$130,346,875

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THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
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British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", written in a cursive style.

Commissioner, etc.
Brendan Jones

SUMMARY: HBC Capital Investments

Property		Replacement Reserve Costs											
	Immediate Hazmat Remediation 2026 Year 1	Immediate Term					Long Term					Total Costs Years 1 - 10 (Exclude Remediation)	Total Capital Investments Years 1 - 10 (Include Remediation)
		2026 Year 1	2027 Year 2	2028 Year 3	2029 Year 4	2030 Year 5	2031 Year 6	2032 Year 7	2033 Year 8	2034 Year 9	2035 Year 10		
Conestoga	\$ 2,283,300	\$ -	\$ -	\$ 2,924,000	\$ 2,889,000	\$ 547,500	\$ 547,500	\$ -	\$ 172,500	\$ -	\$ -	\$ 7,080,500	\$ 9,363,800
Lime Ridge	\$ 5,359,700	\$ 1,345,000	\$ 260,000	\$ 90,000	\$ 225,000	\$ 220,000	\$ 40,000	\$ -	\$ 80,000	\$ 10,000	\$ 2,055,000	\$ 4,325,000	\$ 9,684,700
Orchard Park	\$ 12,508,500	\$ 3,017,000	\$ 1,393,500	\$ 60,000	\$ 15,000	\$ 40,000	\$ 10,000	\$ 656,375	\$ 633,875	\$ 20,000	\$ 15,000	\$ 5,860,750	\$ 18,369,250
Oshawa	\$ 8,442,000	\$ 1,655,000	\$ 1,250,000	\$ 35,000	\$ 125,000	\$ 80,000	\$ -	\$ 190,000	\$ -	\$ 30,000	\$ 40,000	\$ 3,405,000	\$ 11,847,000
Southgate	\$ 1,511,500	\$ 9,632,500	\$ 925,000	\$ 260,000	\$ 327,500	\$ 1,130,000	\$ 35,000	\$ 40,000	\$ 35,000	\$ 20,000	\$ 30,000	\$ 12,435,000	\$ 13,946,500
TOTALS (UNINFLATED)	\$ 30,105,000	\$ 15,649,500	\$ 3,828,500	\$ 3,369,000	\$ 3,581,500	\$ 2,017,500	\$ 632,500	\$ 886,375	\$ 921,375	\$ 80,000	\$ 2,140,000	\$ 33,106,250	\$ 63,211,250
INFLATION FACTOR		1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305		
TOTALS (INFLATED)		\$ 15,649,500	\$ 3,943,355	\$ 3,574,509	\$ 3,914,580	\$ 2,271,705	\$ 733,068	\$ 1,058,332	\$ 1,133,291	\$ 101,360	\$ 2,792,700		

Conestoga BCR												
Source: Pinchin Report, 2025												
ITEM	Replacement Reserve Costs											Supply & Install Duration (wks)
	Immediate Term					Long Term					Total Cost Years 1 - 10	
	2026 Year 1	2027 Year 2	2028 Year 3	2029 Year 4	2030 Year 5	2031 Year 6	2032 Year 7	2033 Year 8	2034 Year 9	2035 Year 10		
Roof Systems	\$ 2,341,500 \$ 2,341,500										\$ 4,683,000	15
Wall Systems - Building Envelope											\$ -	
Balcony Systems											\$ -	
Structural Elements											\$ -	
Underground Parking Garage											\$ -	
Vertical Transportation Systems											\$ -	
Interior Finishes											\$ -	
Site Features											\$ -	
Mechanical Systems	\$ 547,500 \$ 547,500 \$ 547,500					\$ 547,500		\$ 22,500			\$ 2,212,500	24
Electrical Systems	\$ 35,000					\$ 150,000					\$ 185,000	19
TOTALS (UNINFLATED)	\$ -	\$ -	\$ 2,924,000	\$ 2,889,000	\$ 547,500	\$ 547,500	\$ -	\$ 172,500	\$ -	\$ -	\$ 7,080,500	
INFLATION FACTOR	1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305		
TOTALS (INFLATED)	\$ -	\$ -	\$ 3,102,364	\$ 3,157,677	\$ 616,485	\$ 634,553	\$ -	\$ 212,175	\$ -	\$ -		

Lime Ridge BCR													
Source: Whalen Report, 2025													
ITEM	Replacement Reserve Costs											Supply & Install Duration (wks)	
	Immediate Term					Long Term					Total Cost Years 1 - 10		
	2026 Year 1	2027 Year 2	2028 Year 3	2029 Year 4	2030 Year 5	2031 Year 6	2032 Year 7	2033 Year 8	2034 Year 9	2035 Year 10			
Roof Systems						\$ 1,880,000					\$ 1,880,000	15	
Wall Systems - Building Envelope	\$ 15,000	\$ 260,000	\$ 90,000	\$ 100,000		\$ 50,000					\$ 515,000	12	
Balcony Systems											\$ -		
Structural Elements											\$ -		
Underground Parking Garage											\$ -		
Vertical Transportation Systems	\$ 930,000										\$ 930,000	34	
Interior Finishes											\$ -		
Site Features											\$ -		
Mechanical Systems	\$ 160,000			\$ 125,000		\$ 170,000	\$ 40,000		\$ 20,000	\$ 10,000		\$ 525,000	24
Electrical Systems	\$ 240,000					\$ 50,000	\$ 60,000			\$ 125,000		\$ 475,000	43
TOTALS (UNINFLATED)	\$ 1,345,000	\$ 260,000	\$ 90,000	\$ 225,000	\$ 220,000	\$ 40,000	\$ -	\$ 80,000	\$ 10,000	\$ 2,055,000	\$ 4,325,000		
INFLATION FACTOR	1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305			
TOTALS (INFLATED)	\$ 1,345,000	\$ 267,800	\$ 95,490	\$ 245,925	\$ 247,720	\$ 46,360	\$ -	\$ 98,400	\$ 12,670	\$ 2,681,775			

Orchard Park BCR

Source: Pinchin, 2025

ITEM	Replacement Reserve Costs											Supply & Install Duration (wks)
	Immediate Term					Long Term					Total Cost Years 1 - 10	
	2026 Year 1	2027 Year 2	2028 Year 3	2029 Year 4	2030 Year 5	2031 Year 6	2032 Year 7	2033 Year 8	2034 Year 9	2035 Year 10		
Roof Systems	\$ 1,996,000	\$ 633,500	\$ 10,000		\$ 10,000		\$ 633,875	\$ 623,875	\$ 10,000		\$ 3,917,250	15
Wall Systems - Building Envelope	\$ 55,000										\$ 55,000	4
Balcony Systems											\$ -	
Structural Elements											\$ -	
Underground Parking Garage											\$ -	
Vertical Transportation Systems											\$ -	
Interior Finishes											\$ -	
Site Features	\$ 5,000			\$ 5,000			\$ 5,000		\$ 5,000		\$ 20,000	6
Mechanical Systems	\$ 760,000	\$ 760,000	\$ 50,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 17,500	\$ 10,000	\$ 10,000	\$ 10,000	\$ 1,647,500	24
Electrical Systems	\$ 201,000				\$ 20,000						\$ 221,000	19
TOTALS (UNINFLATED)	\$ 3,017,000	\$ 1,393,500	\$ 60,000	\$ 15,000	\$ 40,000	\$ 10,000	\$ 656,375	\$ 633,875	\$ 20,000	\$ 15,000	\$ 5,860,750	
INFLATION FACTOR	1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305		
TOTALS (INFLATED)	\$ 3,017,000	\$ 1,435,305	\$ 63,660	\$ 16,395	\$ 45,040	\$ 11,590	\$ 783,712	\$ 779,666	\$ 25,340	\$ 19,575		

Oshawa BCR

Source: Pinchin, 2025

ITEM	Replacement Reserve Costs											Supply & Install Duration (wks)
	Immediate Term					Long Term					Total Cost Years 1 - 10	
	2026 Year 1	2027 Year 2	2028 Year 3	2029 Year 4	2030 Year 5	2031 Year 6	2032 Year 7	2033 Year 8	2034 Year 9	2035 Year 10		
Roof Systems											\$ -	
Wall Systems - Building Envelope	\$ 125,000 \$ 60,000					\$ 120,000 \$ 40,000					\$ 345,000	6
Balcony Systems											\$ -	
Structural Elements											\$ -	
Underground Parking Garage											\$ -	
Vertical Transportation Systems	\$ 975,000 \$ 550,000										\$ 1,525,000	34
Interior Finishes											\$ -	
Site Features	\$ 55,000										\$ 55,000	
Mechanical Systems	\$ 290,000	\$ 345,000	\$ 35,000	\$ 35,000	\$ 30,000	\$ 70,000			\$ 30,000		\$ 835,000	24
Electrical Systems	\$ 265,000	\$ 300,000		\$ 30,000	\$ 50,000						\$ 645,000	19
TOTALS (UNINFLATED)	\$ 1,655,000	\$ 1,250,000	\$ 35,000	\$ 125,000	\$ 80,000	\$ -	\$ 190,000	\$ -	\$ 30,000	\$ 40,000	\$ 3,405,000	

INFLATION FACTOR	1.00	1.03	1.06	1.09	1.12	1.15	1.18	1.21	1.24	1.27	
TOTALS (INFLATED)	\$ 1,655,000	\$ 1,287,500	\$ 37,100	\$ 136,250	\$ 89,600	\$ -	\$ 224,200	\$ -	\$ 37,200	\$ 50,800	

Southgate BCR

Source: Pinchin Report, 2025

ITEM	Replacement Reserve Costs											Supply & Install Duration (wks)
	Immediate Term					Long Term					Total Cost Years 1 - 10	
	2026 Year 1	2027 Year 2	2028 Year 3	2029 Year 4	2030 Year 5	2031 Year 6	2032 Year 7	2033 Year 8	2034 Year 9	2035 Year 10		
Roof Systems	\$ 465,000	\$ 315,000	\$ 150,000	\$ 297,500	\$ 1,095,000	\$ 10,000		\$ 10,000			\$ 2,342,500	15
Wall Systems - Building Envelope	\$ 265,000	\$ 25,000		\$ 20,000	\$ 25,000	\$ 20,000		\$ 25,000		\$ 20,000	\$ 400,000	12
Balcony Systems											\$ -	
Structural Elements											\$ -	
Underground Parking Garage											\$ -	
Vertical Transportation Systems	\$ 8,425,000	\$ 550,000									\$ 8,975,000	34
Interior Finishes											\$ -	
Site Features	\$ 25,000					\$ 25,000					\$ 50,000	6
Mechanical Systems	\$ 137,500	\$ 10,000	\$ 110,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 327,500	24
Electrical Systems	\$ 340,000										\$ 340,000	19
TOTALS (UNINFLATED)	\$ 9,632,500	\$ 925,000	\$ 260,000	\$ 327,500	\$ 1,130,000	\$ 35,000	\$ 40,000	\$ 35,000	\$ 20,000	\$ 30,000	\$ 12,435,000	
INFLATION FACTOR	1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305		
TOTALS (INFLATED)	\$ 9,632,500	\$ 952,750	\$ 275,860	\$ 357,958	\$ 1,272,380	\$ 40,565	\$ 47,760	\$ 43,050	\$ 25,340	\$ 39,150		

**THIS IS EXHIBIT “H” TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", written in a cursive style.

Commissioner, etc.
Brendan Jones



June 10, 2025

To HBC Landlords:

As you know, Hudson's Bay Company ULC Compagnie de la Baie D'Hudson SRI ("**Hudson's Bay**" or the "**Company**") has now completed the sale of its inventory pursuant to the Amended and Restated Liquidation Sale Approval Order granted by the Court on March 26, 2025 (the "**Liquidation Order**"). Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Liquidation Order, a copy of which is attached for ease of reference.

Hudson's Bay and its advisors are undertaking steps to vacate the disclaimed Stores in accordance with the Court-approved Sale Guidelines attached as Schedule "A" to the Liquidation Order. Specifically, the following provisions in the Sale Guidelines govern the manner in which the Company will vacate the Store, including the condition of the Store and treatment of any FF&E remaining on-site.

Section 8 of the Sale Guidelines provides that at the conclusion of the Sale in each Store, the Company is required to return the Store to the Landlord in a "broom-swept" and clean condition and otherwise ensure that the Store is returned in the same condition as it was on the commencement of the Sale, ordinary wear and tear excepted. The Company's personal property, including trade fixtures, furnishings, furniture, and equipment, must also be removed unless the Landlord otherwise consents. This section states:

"At the conclusion of the Sale in each Store, Consultant shall arrange that the premises for each Store are in "broom-swept" and clean condition and shall arrange that the Stores are in the same condition as on the commencement of the Sale, ordinary wear and tear excepted. No property of any Landlord of a Store shall be removed or sold during the Sale. No permanent fixtures (other than FF&E (as defined below) for clarity) may be removed without the applicable Landlord's written consent unless otherwise provided by the applicable Lease and in accordance with the Initial Order and the Approval Order. In addition to the foregoing, Merchant shall remove all of its personal property including, without limitation, any inventory, trade fixtures, furnishings, furniture and equipment from each Store. With the consent of the applicable Landlord, any trade fixtures or personal property left in a Store after the applicable Vacate Date in respect of which the applicable Lease has been disclaimed by Merchant shall be deemed abandoned, with the applicable Landlord having the right to dispose of the same as the Landlord chooses, without any liability whatsoever on the part of such Landlord. Nothing in this paragraph shall derogate from or expand upon Consultant's obligations under the Consulting Agreement."

We note that while the Company's "personal property" which must be removed at the conclusion of the Sale in each Store includes "trade fixtures", it does not include "fixtures" as referenced in Section 9 of the Sale Guidelines. Fixtures that are physically attached to the Store are part of the premises and are not considered trade fixtures which must be removed by the Company at the conclusion of the Sale in each Store.

Section 9 of the Sale Guidelines states:

“Subject to the terms of paragraph 8 above, Consultant may also sell existing furniture, fixtures and equipment owned by Merchant and located in the Stores during the Sale that are (i) fully owned by Merchant; (ii) owned jointly by Merchant and one or more third-party vendors of Merchant, as directed by Merchant with the consent of the Monitor and agreed to by such third-parties; or (iii) fully owned by a third party if agreed to by such third-party and Merchant with the consent of the Monitor (collectively, the “FF&E”). For greater certainty, FF&E does not include any fixtures and affixed equipment that comprise all or any portion of the Stores’ mechanical, electrical, plumbing, security, HVAC, fire suppression and fire alarm or sprinkler systems. Merchant and Consultant may advertise the sale of FF&E consistent with these Sale Guidelines on the understanding that the Landlord may require such signs to be placed in discreet locations within the Stores reasonably acceptable to the applicable Landlord. Additionally, the purchasers of any FF&E sold during the Sale shall only be permitted to remove such FF&E either through the back shipping areas designated by the applicable Landlord or through other areas after regular Store business hours or, through the front door of the Store during Store business hours if such FF&E can fit in a shopping bag, with the Landlord’s supervision as required by the Landlord and in accordance with the Initial Order and the Approval Order. Consultant shall repair any damage to the Stores or the shopping mall resulting from the removal of any FF&E by Consultant or by third party purchasers of FF&E from the Consultant.”

The Company and its Liquidation Consultants have been able to sell a majority of the FF&E. However, despite these sales efforts, the market for FF&E was softer than originally estimated. The Company and its advisors have been coordinating and undertaking the removal of FF&E that has been sold and/or that is more readily removable, and those steps are continuing through the upcoming days. The Company will need to remove the remaining FF&E with a focused disposal team over the next several weeks, assuming that is the landlords’ preference. Certain of the personal property referred to above requires material disposal work to be completed in order to efficiently remove same from the Stores. The Company has commenced planning to undertake such work directly. The Company is also prepared to discuss the landlord’s plans for the various Stores, including any planned renovations, in order for efforts to be coordinated regarding the aforementioned disposal work. Such coordination may include the landlord consenting to certain personal property remaining in the Store, in exchange for a negotiated remediation payment in respect of same.

The Company and its advisors are also in the process of coordinating the removal of exterior signage at each Store. As you can appreciate, given the size of the Hudson’s Bay Stores, the removal of signage can be a large undertaking that will take time and resources. The Company and its advisors are obtaining estimates from third parties with respect to the costs and timing for removal of signage at the Stores and will correspond with you in respect of same in due course.

A walk through has been or will be scheduled with each of the Landlords to coordinate the logistics and timing of the final vacating of the premises. Representatives in charge of these logistics from the Company and Monitor are:

- Daniel Sobel (dsobel@reflectadvisors.com)
- Zach Gold (zgold@alvarezandmarsal.com)
- Franco Perugini (franco.perugini@hbc.com)

The Company and the Monitor look forward to working with each of the Landlords to vacate the Stores in accordance with the Sale Guidelines.

Yours truly,

HUDSON'S BAY COMPANY ULC

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	WEDNESDAY, THE 26 TH
JUSTICE OSBORNE)	DAY OF MARCH, 2025
)	

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI, HBC
CANADA PARENT HOLDINGS INC., HBC CANADA PARENT HOLDINGS 2 INC., HBC BAY
HOLDINGS I INC., HBC BAY HOLDINGS II ULC, THE BAY HOLDINGS ULC, HBC
CENTERPOINT GP INC., HBC YSS 1 LP INC., HBC YSS 2 LP INC., HBC HOLDINGS GP
INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., and 2472598 ONTARIO INC.

AMENDED AND RESTATED
LIQUIDATION SALE APPROVAL ORDER

THIS MOTION, made by Hudson's Bay Company ULC Compagnie de la Baie D'Hudson SRI, HBC Canada Parent Holdings Inc., HBC Canada Parent Holdings 2 Inc., HBC Bay Holdings I Inc., HBC Bay Holdings II ULC, The Bay Holdings ULC, HBC Centerpoint GP Inc., HBC YSS 1 LP Inc., HBC YSS 2 LP Inc., HBC Holdings GP Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "**Applicants**" or the "**Merchants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, among other things, (a) approving the consulting agreement between the Applicants and Hilco Merchant Retail Solutions ULC (the "**Consultant**") dated as of March 20, 2025, as amended on March 25, 2025 (as may be further amended and/or restated in accordance with the terms of this Order, the "**Consulting Agreement**") and the transactions contemplated thereby, and (b) granting certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario and via videoconference.

ON READING the Notice of Motion of the Applicants, the affidavit of Jennifer Bewley sworn March 14, 2025, (the "**Second Bewley Affidavit**"), and March 21, 2025 (the "**Third Bewley Affidavit**") and the Exhibits thereto, and the affidavit of Philip Yang sworn March 26, 2025 (the "**Yang Affidavit**") and the Exhibits thereto, the pre-filing report of Alvarez & Marsal

Canada Inc. (“**A&M**”), in its capacity as proposed monitor of the Applicants dated March 7, 2025, and the First Report of A&M, in its capacity as monitor of the Applicants (in such capacity, the “**Monitor**”) dated March 16, 2025 (the “**First Report**”), and the Supplement to the First Report of the Monitor dated March 21, 2025, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, the Monitor, and such other counsel as were present, no one else appearing although duly served as appears from the Affidavits of Service of Brittney Ketwaroo sworn March 17, 2025, March 21, 2025 and March 26, 2025.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Amended and Restated Initial Order in these proceedings dated March 21, 2025 (the “**Amended and Restated Initial Order**”), the Sales Guidelines (as defined below), or the Consulting Agreement (attached as Exhibit “A” to the Yang Affidavit), as applicable.

THE CONSULTING AGREEMENT

3. **THIS COURT ORDERS** that the Consulting Agreement, and including the sale guidelines attached as Schedule “A” hereto (the “**Sale Guidelines**”), and the transactions contemplated thereunder are hereby approved, and that the execution of the Consulting Agreement by the Applicants is hereby approved, authorized, and ratified, *nunc pro tunc*, with such minor amendments to the Consulting Agreement (but not the Sale Guidelines) as the Merchants (with the consent of the Monitor) and the Consultant may agree to in writing. Subject to the provisions of this Order and the Amended and Restated Initial Order, the Merchants are hereby authorized and directed to take any and all actions as may be necessary or desirable to implement the Consulting Agreement and the transactions contemplated therein. Without limiting the foregoing, the Merchants are authorized to execute any other agreement, contract, deed or document, or take any other action, that is necessary or desirable to give full and complete effect to the Consulting Agreement.

THE SALE

4. **THIS COURT ORDERS** that the Merchants, with the assistance of the Consultant, are authorized to conduct the Sale in accordance with this Order, the Consulting Agreement and the Sale Guidelines and to advertise and promote the Sale within the Stores in accordance with the Sale Guidelines. If there is a conflict between this Order, the Consulting Agreement and the Sale Guidelines, the order of priority of documents to resolve such conflicts is as follows: (a) this Order; (b) the Sale Guidelines; and (c) the Consulting Agreement.

5. **THIS COURT ORDERS** that, subject to paragraph 15 of the Amended and Restated Initial Order, and in accordance with the agreement reached between the Merchants and the Applicants' landlords, the Merchants, with the assistance of the Consultant, are authorized to market and sell, or otherwise dispose of, the Merchandise, FF&E and Additional Goods and Additional Consultant Goods on a "final sale" and/or "as is" basis in accordance with the Sale Guidelines and the Consulting Agreement, free and clear of all liens, claims, encumbrances, security interests, mortgages, charges, trusts, deemed trusts, executions, levies, and financial, monetary or other claims, whether or not such claims have attached or been perfected, registered or filed and whether secured, unsecured, quantified or unquantified, contingent or otherwise, whensoever and howsoever arising, and whether such claims arose or came into existence prior to or following the date of this Order (in each case, whether contractual, statutory, arising by operation of law, in equity or otherwise) (all of the foregoing, collectively "**Claims**"), including, without limitation, (a) the Administration Charge, the Directors' Charge, the KERP Charge, the DIP Lender's Charge, the JV Rent Charge, and any other charges hereafter granted by this Court in these proceedings (collectively, the "**CCAA Charges**"); and (b) all Claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), *Personal Property Security Act* (Alberta), *Personal Property Security Act* (British Columbia), *Personal Property Security Act* (Manitoba), *Personal Property Security Act*, 1993 (Saskatchewan), *Personal Property Security Act* (Nova Scotia), *Civil Code of Quebec* or any other personal or movable property registration system (all of such Claims (including the CCAA Charges) collectively referred to herein as the "**Encumbrances**"), which Encumbrances will attach instead to the proceeds of the Sale (other than amounts specified in paragraph 16 of this Order) in the same order and priority as they existed immediately prior to the Sale.

6. **THIS COURT ORDERS** that, subject to the terms of this Order, the Amended and Restated Initial Order and the Sale Guidelines, the Consultant shall have the right to enter and

use the Stores and Distribution Centres and all related services and all facilities and all furniture, trade fixtures and equipment, including the FF&E, for the purpose of conducting the Sale in accordance with the terms of the Consulting Agreement, the Sale Guidelines, and this Order, and for such purposes, the Consultant shall be entitled to the benefit of the stay of proceedings granted in favour of the Applicants under the Amended and Restated Initial Order, as such stay of proceedings may be extended by further Order of the Court.

7. **THIS COURT ORDERS** that until two weeks following the Sale Termination Date (which shall in no event be later than June 30, 2025, or such later date as may be agreed between the Merchant and Consultant or ordered by this Court), the Consultant shall have access to (a) the Stores in accordance with the applicable Leases and (b) the Distribution Centres in accordance with the applicable contractual agreements between the applicable Applicant or Applicants or Non-Applicant Stay Parties and the third party operator of the applicable Distribution Centre, in each case in accordance with the Sale Guidelines, as applicable, and on the basis that the Consultant is assisting the Merchants, and the Merchants have granted their right of access to the Stores and Distribution Centres to the Consultant, in accordance with the terms of the Consulting Agreement, the Sale Guidelines, and this Order. To the extent that the terms of the applicable Leases are in conflict with any term of this Order or the Sale Guidelines, the terms of this Order and the Sale Guidelines shall govern. With respect to the Distribution Centres, the Consultants shall be deemed to be authorized representatives of the Merchants.

8. **THIS COURT ORDERS** that nothing in this Order shall amend or vary, or be deemed to amend or vary, the terms of the Leases. Nothing contained in this Order or the Sale Guidelines shall be construed to create or impose upon the Merchants or the Consultant any additional restrictions not contained in the applicable Lease.

9. **THIS COURT ORDERS** that, subject to and in accordance with the Consulting Agreement, the Sale Guidelines and this Order, the Consultant is authorized to advertise and promote the Sale, without further consent of any Person other than (a) the Merchants and the Monitor as provided under the Consulting Agreement; or (b) a Landlord as provided under the Sale Guidelines.

10. **THIS COURT ORDERS** that until the Sale Termination Date (which shall in no event be later than June 15, 2025, or such later date as may be agreed between the Merchant, Consultant, and applicable Landlord, or ordered by this Court), the Consultant shall have the right to use,

without interference by any Person (including any licensor), all licenses and rights granted to the Merchants to use trade names, trademarks, logos, copyrights or other intellectual property of any Person, solely for the purpose of advertising and conducting the Sale of the Merchandise, FF&E, the Additional Goods and Additional Consultant Goods in accordance with the terms of the Consulting Agreement, the Sale Guidelines, and this Order. Any Person with access to such information, shall cooperate and provide access to such information to the Consultant to facilitate the Sale.

11. **THIS COURT ORDERS** that notwithstanding any other term contained herein and paragraph 12 of the ARIO, on or before July 15, 2025, the Applicants shall send a notice of disclaimer with respect to any Lease that is not subject to a Successful Bid pursuant to the SISP or the Lease Monetization Order that has not been terminated in accordance with terms thereof (each as defined in the Lease Monetization Order and SISP Order in these proceedings dated March 21, 2025).

CONSULTANT LIABILITY

12. **THIS COURT ORDERS** that the Consultant shall act solely as an independent consultant to the Merchants and that it shall not be liable for any claims against the Merchants other than as expressly provided in the Consulting Agreement (including the Consultant's indemnity obligations thereunder) or the Sale Guidelines and, for greater certainty:

- (a) the Consultant shall not be deemed to be an owner or in possession, care, control or management of the Stores or the Distribution Centres, of the assets located therein or associated therewith or of the Merchants' employees located at the Stores, or the Distribution Centres or of any other property of the Merchants;
- (b) the Consultant shall not be deemed to be an employer, or a joint or successor employer, related or common employer or payor within the meaning of any legislation, statute or regulation or rule of law or equity governing employment, labour standards, pension benefits or health and safety for any purpose whatsoever in relation to the Merchants' employees, and shall not incur any successorship liabilities whatsoever (including without limitation, losses, costs, damages, fines or awards); and
- (c) subject to and without limiting the Consultant's indemnification of the Merchant Indemnified Parties pursuant to the Consulting Agreement, the Consultant shall bear

no responsibility for any liability whatsoever (including without limitation, losses, costs, damages, fines or awards) relating to Claims of customers, the Merchants' employees and any other Persons arising from events occurring at the Stores during and after the term of the Sale or at the Distribution Centres, or otherwise in connection with the Sale, except to the extent that such Claims are the result of events or circumstances caused or contributed to by the gross negligence or wilful misconduct of the Consultant, its employees, Supervisors, independent contractors, agents or other representatives, or otherwise in accordance with the Consulting Agreement.

13. **THIS COURT ORDERS** that, to the extent (a) any Landlord has a claim against a Merchant arising solely out of the conduct of the Consultant in conducting the Sale; and (b) such Merchant has a claim against the Consultant under the Consulting Agreement arising from such conduct, such Merchant shall be deemed to have assigned such claim against the Consultant under the Consulting Agreement free and clear to the applicable Landlord (the "**Assigned Landlord Rights**"); provided that, each such Landlord shall only be permitted to advance the Assigned Landlord Rights against the Consultant if written notice, including the reasonable details of such claim, is provided by such Landlord to the Consultant, the Merchants and the Monitor during the period commencing on the Sale Commencement Date and ending on the date that is thirty (30) days following the Sale Termination Date for the applicable Store(s); provided, however, that, the Landlords shall be provided with access to the Stores to inspect the Stores within fifteen (15) days following the two weeks following the Sale Termination Date for the applicable Store(s).

CONSULTANT AN UNAFFECTED CREDITOR

14. **THIS COURT ORDERS** that the Consulting Agreement shall not be repudiated, resiliated or disclaimed by the Merchants nor shall the claims of the Consultant pursuant to the Consulting Agreement be compromised or arranged pursuant to any Plan or compromise among the Merchants and their creditors, or any other transaction involving the sale of the Merchants' assets and business, including without limitation, a sale of the Merchants' assets or the Merchants' shares, however implemented (each, a "**Transaction**"). For greater certainty, the Consultant shall be treated as an unaffected creditor in these proceedings, under any Plan or Transaction.

15. **THIS COURT ORDERS** that the Merchants are hereby authorized and directed, in accordance with the Consulting Agreement, to remit all amounts that become due to the Consultant thereunder.

16. **THIS COURT ORDERS** that no Encumbrances shall attach to any amounts payable or to be credited or reimbursed to, or retained by, the Consultant pursuant to the Consulting Agreement, including without limitation any amounts to be reimbursed by any Merchant to the Consultant pursuant to the Consulting Agreement including, for greater certainty, the proceeds of the Additional Goods and Additional Consultant Goods (other than the Additional Consultant Goods Fee) which Additional Goods and Additional Consultant Goods shall be consigned to the Merchant as a true consignment under applicable law) and at all times the Consultant will retain such amounts, free and clear of all Encumbrances, notwithstanding any enforcement or other process or Claims, all in accordance with the Consulting Agreement.

17. **THIS COURT ORDERS** that notwithstanding:

- (a) the pendency of these proceedings;
- (b) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") in respect of any Applicant, or any bankruptcy order made pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of any Applicant;
- (d) the provisions of any federal, or provincial statute; or
- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other document or agreement to which any Applicant is a party;

the Consulting Agreement and the transactions and actions provided for and contemplated therein, including without limitation, the payment of amounts due to the Consultant and the Assigned Landlord Rights shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by any Person, including any creditor of the Applicants, nor shall they, or any of them, constitute or be deemed to be a preference, fraudulent conveyance, transfer at undervalue or other challengeable or reviewable transaction, under the CCAA or BIA or any applicable law, nor shall they constitute oppressive or unfairly prejudicial conduct under any applicable law.

PIPEDA

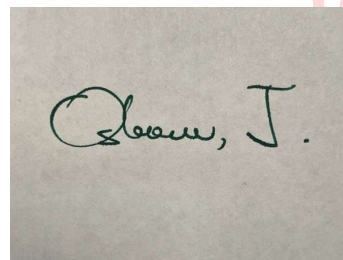
18. **THIS COURT ORDERS** that the Merchants are authorized and permitted to transfer to the Consultant personal information in the Merchants' custody and control solely for the purposes of assisting with and conducting the Sale and only to the extent necessary for such purposes and the Consultant is hereby authorized to make use of such personal information solely for the purposes as if it were a Merchant, subject to and in accordance with the Consulting Agreement.

GENERAL

19. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their respective powers and duties hereunder.

20. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

21. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern /Daylight Time on the date of this Order.



Digitally
signed by
Osborne J.
Date:
2025.04.01
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SCHEDULE “A”
Sale Guidelines

SALE GUIDELINES

The following procedures (the “**Sale Guidelines**”) shall apply to the sale (the “**Sale**”) of any merchandise, inventory, furniture, fixtures and equipment at the Hudson’s Bay Company ULC Compagnie de la Baie D’Hudson SRI’s (“**Merchant**”) retail stores (collectively, the “**Stores**”), each set out in Exhibits to the Consulting Agreement (as defined below).

Terms capitalized but not defined in these Sale Guidelines have the meanings ascribed to them in the amended and restated initial order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted on March 19, 2025 in the CCAA Proceedings (as may be amended and restated from time to time, the “**Initial Order**”), or the Consulting Agreement (as defined below), as applicable.

1. Except as otherwise expressly set out herein, and subject to: (i) the Order of the Court granted on March 21, 2025 in the CCAA Proceedings (the “**Approval Order**”), approving the Consulting Agreement between a contractual joint venture comprised of Hilco Merchant Retail Solutions, ULC, Gordon Brothers Canada ULC, Tiger Asset Solutions, ULC, GA Capital Solutions Canada, Inc. (fka B. Riley Retail Canada, ULC) (“**Consultant**”) and Merchant, dated March 20, 2025 (as amended from time to time, the “**Consulting Agreement**”) and the transactions contemplated thereunder, (ii) any further Order of the Court, or (iii) any subsequent written agreement between Merchant and its applicable landlord(s) (individually, a “**Landlord**” and, collectively, the “**Landlords**”) and approved by Consultant, the Sale shall be conducted in accordance with the terms of the applicable leases/or other occupancy agreements for each of the affected Stores (individually, a “**Lease**” and, collectively, the “**Leases**”). However, nothing contained herein shall be construed so as to create or impose upon Merchant or Consultant any additional restrictions not contained in the applicable Lease.
2. The Sale shall be conducted so that each of the Stores remain open during their normal hours of operation provided for in the respective Leases for the Stores until the applicable premises vacate date for each Store under the Consulting Agreement (the “**Vacate Date**”), and in all cases no later than June 30, 2025. Rent payable under the respective Leases shall be paid as provided in the Initial Order.
3. The Sale shall be conducted in accordance with applicable federal, provincial and municipal laws and regulations, unless otherwise set out herein or ordered by the Court.
4. All display and hanging signs used by Consultant in connection with the Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. Notwithstanding anything to the contrary contained in the Leases, Consultant may advertise the Sale at the Stores as a “everything on sale”, “everything must go”, “store closing” or similar theme sale at the Stores (provided, however, that no signs shall advertise the Sale as a “bankruptcy”, a “liquidation” or a “going out of business” sale, unless otherwise agreed between the Consultant and Landlord, it being understood that the French equivalent of “clearance” is “liquidation” and is permitted to be used). Forthwith upon request from a Landlord, the Landlord’s counsel, Merchant or the Monitor, Consultant shall provide the proposed signage packages along with proposed dimensions by email to the applicable Landlords or to their counsel of record and the applicable Landlord shall notify Consultant of any requirement for such signage to otherwise comply with the terms of the Lease and/or the Sale Guidelines and where the provisions of the Lease conflicts with these Sale Guidelines, these Sale Guidelines shall govern. Consultant shall not use neon or day-glow signs or any handwritten signage (save that handwritten “you pay” or “topper” signs may be used). If a Landlord is concerned with “Store Closing” signs being placed in the front window of a Store or with the number or size of the signs in the front window, Merchant, Consultant and the Landlord will work together to resolve the dispute. Furthermore, with respect to enclosed mall Store locations without a separate entrance from the exterior of the enclosed mall, no exterior signs or signs in common areas of a mall shall be used unless explicitly permitted by the applicable Lease and shall otherwise be subject to all applicable laws. In addition, Consultant shall be permitted to utilize exterior banners/signs at stand alone or strip mall Stores or enclosed mall Store locations with a

separate entrance from the exterior of the enclosed mall; provided, however, that: (i) no signage in any other common areas of a mall shall be used unless explicitly permitted by the applicable Lease; and (ii) where such banners are not explicitly permitted by the applicable Lease and the applicable Landlord requests in writing that banners are not to be used, no banners shall be used absent further Order of the Court, which may be sought on an expedited basis on notice to the service list for the CCAA Proceedings. Any banners used shall be located or hung so as to make clear that the Sale is being conducted only at the affected Store and shall not be wider than the premises occupied by the affected Store. All exterior banners shall be professionally hung and to the extent that there is any damage to the facade of the premises of a Store as a result of the hanging or removal of the exterior banner, such damage shall be professionally repaired at the expense of Consultant.

5. Consultant shall be permitted to utilize sign-walkers and street signage; provided, however, such sign-walkers and street signage shall not be located on the shopping centre or mall premises.
6. Conspicuous signs shall be posted in the cash register areas of each Store to the effect that all sales are “final” and customers with any questions or complaints are to call Merchant’s hotline number.
7. Consultant shall not distribute handbills, leaflets or other written materials to customers outside of any of the Stores on Landlord’s property, save that Consultant may solicit customers in the Stores themselves. Consultant shall not use any giant balloons, flashing lights or amplified sound to advertise the Sale or solicit customers, except as explicitly permitted under the applicable Lease or agreed to by the applicable Landlord, and no advertising trucks shall be used on Landlord property or mall ring roads, except as explicitly permitted under the applicable Lease or otherwise agreed to by the Landlord.
8. At the conclusion of the Sale in each Store, Consultant shall arrange that the premises for each Store are in “broom-swept” and clean condition, and shall arrange that the Stores are in the same condition as on the commencement of the Sale, ordinary wear and tear excepted. No property of any Landlord of a Store shall be removed or sold during the Sale. No permanent fixtures (other than FF&E (as defined below) for clarity) may be removed without the applicable Landlord’s written consent unless otherwise provided by the applicable Lease and in accordance with the Initial Order and the Approval Order. In addition to the foregoing, Merchant shall remove all of its personal property including, without limitation, any inventory, trade fixtures, furnishings, furniture and equipment from each Store. With the consent of the applicable Landlord, any trade fixtures or personal property left in a Store after the applicable Vacate Date in respect of which the applicable Lease has been disclaimed by Merchant shall be deemed abandoned, with the applicable Landlord having the right to dispose of the same as the Landlord chooses, without any liability whatsoever on the part of such Landlord. Nothing in this paragraph shall derogate from or expand upon Consultant’s obligations under the Consulting Agreement.
9. Subject to the terms of paragraph 8 above, Consultant may also sell existing furniture, fixtures and equipment owned by Merchant and located in the Stores during the Sale that are (i) fully owned by Merchant; (ii) owned jointly by Merchant and one or more third-party vendors of Merchant, as directed by Merchant with the consent of the Monitor and agreed to by such third-parties; or (iii) fully owned by a third party if agreed to by such third-party and Merchant with the consent of the Monitor (collectively, the “**FF&E**”). For greater certainty, FF&E does not include any fixtures and affixed equipment that comprise all or any portion of the Stores’ mechanical, electrical, plumbing, security, HVAC, fire suppression and fire alarm or sprinkler systems. Merchant and Consultant may advertise the sale of FF&E consistent with these Sale Guidelines on the understanding that the Landlord may require such signs to be placed in discreet locations within the Stores reasonably acceptable to the applicable Landlord. Additionally, the purchasers of any FF&E sold during the Sale shall only be permitted to remove such FF&E either through the back shipping areas designated by the applicable Landlord or through other areas after regular Store business hours or, through the front door of the Store during Store business hours if such FF&E can fit in a shopping

bag, with the Landlord's supervision as required by the Landlord and in accordance with the Initial Order and the Approval Order. Consultant shall repair any damage to the Stores or the shopping mall resulting from the removal of any FF&E by Consultant or by third party purchasers of FF&E from the Consultant.

10. Consultant shall not make any alterations to interior or exterior Store lighting, except as authorized pursuant to the affected Lease. The hanging of exterior banners or other signage, where permitted in accordance with the terms of these Sale Guidelines, shall not constitute an alteration to a Store.
11. Merchant hereby provides notice to the Landlords of Merchant and Consultant's intention to sell and remove FF&E from the Stores. Consultant shall make commercially reasonable efforts to arrange with each Landlord represented by counsel on the Service List and with any other Landlord that so requests, a walk-through with Consultant to identify FF&E subject to the Sale. The relevant Landlord shall be entitled upon request to have a representative present in the applicable Stores to observe such removal. If the Landlord disputes Consultant's entitlement to sell or remove any FF&E under the provisions of the Lease, such FF&E shall remain on the premises and shall be dealt with as agreed between Merchant, Consultant and such Landlord, or by further Order of the Court upon application by Merchant on at least two (2) days' notice to such Landlord and the Monitor. If Merchant has disclaimed or resiliated the Lease governing such Store in accordance with the CCAA and the Initial Order, it shall not be required to pay rent under such Lease pending resolution of any such dispute (other than rent payable for the notice period provided for in the CCAA and the Initial Order), and the disclaimer or resiliation of the Lease shall be without prejudice to Merchant's or Consultant's claim to FF&E in dispute.
12. If a notice of disclaimer or resiliation is delivered pursuant to the CCAA and the Initial Order to a Landlord while the Sale is ongoing and the Store in question has not yet been vacated, then: (i) during the notice period prior to the effective time of the disclaimer or resiliation, the Landlord may show the affected leased premises to prospective tenants during normal business hours, on giving Merchant, the Monitor and Consultant twenty-four (24) hours' prior written notice; and (ii) at the effective time of the disclaimer or resiliation, the relevant Landlord shall be entitled to take possession of any such Store without waiver of or prejudice to any claims or rights such Landlord may have against Merchant in respect of such Lease or Store, provided that nothing herein shall relieve such Landlord of any obligation to mitigate any damages claimed in connection therewith.
13. Consultant and its agents and representatives shall have the same access rights to the Stores as Merchant under the terms of the applicable Lease, and the Landlords shall have the rights of access to the Stores during the Sale provided for in the applicable Lease (subject, for greater certainty, to any applicable stay of proceedings and the terms of the Initial Order).
14. Merchant and Consultant shall not conduct any auctions of Merchandise or FF&E at any of the Stores.
15. Consultant shall designate a party to be contacted by the Landlords should a dispute arise concerning the conduct of the Sale. The initial contact person for Consultant shall be Hilco Merchant Retail Solutions, ULC c/o Hilco Merchant Resources, LLC, 5 Revere Drive, Suite 206, Northbrook, IL 60062, Attention: T. Kellan Grant, Email: kgrant@hilcoglobal.com, with a copy to counsel to the Consultant at: Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre — North Tower, 40 Temperance St, Toronto, Ontario M5H 0B4 Canada, Attn: Monique Sassi, Esq., Email: msassi@cassels.com. If the parties are unable to resolve the dispute between themselves, the Landlord or Merchant shall have the right to schedule a "status hearing" before the Court on no less than two (2) days' written notice to the other party or parties and the Monitor, during which time Consultant shall cease all activity in dispute other than activity expressly permitted herein, pending determination of the matter by the Court; provided, however, subject to paragraph 4 of these Sale Guidelines, if a banner has been hung in accordance with these Sale Guidelines and is the subject of a dispute, Consultant shall not be required to take any such banner down pending determination of any dispute.

16. Consultant shall be entitled to include in the Sale additional inventory and other goods ("**Additional Goods**"), provided that: (i) the Additional Goods are currently in the possession or control of Merchant (including any distribution centre used by Merchant) or has previously been ordered by or on behalf of Merchant and is currently in transit to Merchant (including any distribution centre used by Merchant) or a Store, or is ordered from an existing supplier in respect of Merchant's existing SKUs by or on behalf of a Merchant; and (ii) the additional merchandise is of like kind or category and no lesser quality to the Merchandise.
17. Nothing herein or in the Consulting Agreement is, or shall be deemed to be a sale, assignment or transfer of any Lease to the Consultant nor a consent by any Landlord to the sale, assignment or transfer of any Lease, or shall, or shall be deemed to, or grant to the Landlord any greater rights in relation to the sale, assignment or transfer of any Lease than already exist under the terms of any applicable Lease.
18. These Sale Guidelines may be amended by written agreement between Consultant, Merchant and the applicable Landlord, in consultation with the Monitor; provided, however, that such amended Sale Guidelines shall not affect or bind any other Landlord not privy thereto without further Order of the Court approving such amended Sale Guidelines.
19. If there is a conflict between the Approval Order, the Consulting Agreement and these Sale Guidelines, the order of priority of documents to resolve such conflicts is as follows: (1) the Approval Order; (2) these Sale Guidelines; and (3) the Consulting Agreement.

Ontario
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

AMENDED AND RESTATED
LIQUIDATION SALE APPROVAL ORDER

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Ashley Taylor LSO#: 39932E
Email: ataylor@stikeman.com
Tel: +1 416-869-5236

Elizabeth Pillon LSO#: 35638M
Email: lpillon@stikeman.com
Tel: +1 416-869-5230

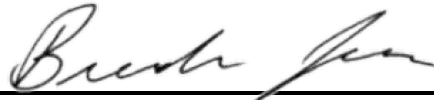
Maria Konyukhova LSO#: 52880V
Email: mkonyukhova@stikeman.com
Tel: +1 416-869-5230

Philip Yang LSO#: 82084O
Email: PYang@stikeman.com
Tel: +1 416-869-5593

Brittney Ketwaroo LSO#: 89781K
Email: bketwaroo@stikeman.com
Tel: +1 416-869-5524

Lawyers for the Applicants

**THIS IS EXHIBIT "I" TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", is written over a solid black horizontal line.

Commissioner, etc.

Brendan Jones



Unit ID	Type	Occupant Name	ANSI Sqft
A10A	utretail	Saje	982
A11	utretail	Sunrise Records	1,826
A12	utretail	Journeys	2,212
A13	utretail	Roots	3,165
A19	utretail	Nails For You	911
A2	utretail	Stars Mens Wear	2,966
A20A	utretail	Trillium Dental Centre	1,968
A21	utmanoff	Primaris - Management Office	1,664
A3A	utretail	Envy + Grace	4,057
A5	utretail	Foot Locker	2,725
A6	utretail	Bluenotes	3,689
A7	utretail	Peoples Jewellers	1,358
A8	utretail	Icing	900
A9	utretail	Nespresso	1,267
B10A	utretail	The Body Shop	1,104
B12A	utretail	Tip Top	2,706
B15B	utretail	Soft Moc	3,530
B15C	utretail	Hallmark Cards	2,197
B17	utretail	Bailey Nelson	765
B17B	utretail	Rocky Mountain Chocolate	497
B18	utretail	Best Buy Express	2,154
B1A	utretail	Aldo	1,507
B1B	utretail	Swarovski	647
B1C	utretail	Sunglass Hut	707
B2B	utretail	Brown's Shoes	4,985
B4A	utretail	Apple	5,964
B6A	utretail	Lululemon Athletica	4,876
B7B	utretail	Raffi Jewellers	3,443
C10A	utretail	Aritzia	6,744
C13A	utretail	Sephora	5,400
C14A	utanchor	H&M	21,888
C16	utretail	Bath & Body Works	4,041
C17A	utext	The Pickle Barrel	5,383
C17AM	utmezz	The Pickle Barrel	831
C1A	utretail	TD Canada Trust	4,868
C3A	utretail	Gateway	586

C3B	utretail	Freedom Mobile	828
C4A	utretail	Specsavers	1,624
C5A	utretail	FIDO	1,074
C6	utretail	Real Fruit Bubble Tea	705
C7	utretail	Swatch	1,210
C8C	utretail	Dynamite	3,497
C9A	utretail	Bikini Village	2,442
CM1	utoffice	Art Gallery	4,041
E1	utanchor	Old Navy	19,011
E11	utretail	Aerie	3,472
E12	utretail	American Eagle Outfitters	5,217
E2B	utretail	The Children's Place	3,493
E4A	utretail	Pandora	1,281
E5A	utretail	Danier	1,987
E8	utretail	Gap	9,814
F1	utfood	A & W	451
F10	utfood	Subway	362
F11	utfood	BarBurrito	336
F12	utfood	Poppy's Bagels	387
F2	utfood	Famous Wok	419
F3	utfood	Amaya	418
F4	utfood	KFC/Taco Bell	454
F5	utfood	Tim Hortons	660
F6	utfood	New York Fries	355
F7	utfood	California Thai	359
F8	utfood	Jimmy the Greek	414
F9	utfood	Bourbon Street Grill	414
G10A	utretail	Charm Diamond Centres	1,083
G10B	utretail	Love and Peace For All	938
G11	utretail	Stokes	2,273
G12	utretail	Harmony	820
G12A	utretail	Cellicon	647
G13	utretail	Future Tech	798
G14A	utretail	Telus Mobility	1,015
G15	utretail	Mind Games	2,269
G16A	utretail	Anna Bella	3,551
G16B	utretail	Sirens	3,344
G17A	utretail	Mountain Warehouse	3,564
G1A	utretail	Build-a-Bear Workshop	1,620

G2A	utretail	T-Shirt Time	1,289
G3A	utretail	Quarks	1,863
G4	utretail	Bell Canada	1,248
G4A	utext	Stacked Pancakes and Breakfast	2,751
G5	utretail	Rogers	1,285
G6	utretail	Showcase	1,279
G7A	utretail	Lenscrafters	3,018
G9A	utretail	Ashby Grove Barbershop	866
H10	utretail	GameStop	1,350
H10A	utretail	Michael Hill Jewellers	1,400
H11	utretail	Freshly Squeezed	557
H13	utretail	Laura Secord	848
H14	utretail	Lids	771
H15	utretail	Tbooth Wireless	696
H16	utretail	Best Buy Mobile	944
H17	utretail	Bentley	1,459
H2	utretail	Boathouse	4,299
H3	utretail	RW & Co.	4,295
H4	utretail	La Senza	3,669
H6	utretail	La Vie en Rose	3,834
H7	utretail	Call It Spring	1,852
H9	utretail	Garage	3,390
K13	utkiosk	Cellicon	150
K14	utmanoff	Primaris - Guest Services	200
K2	utkiosk	Kernels	165
K3	utkiosk	chatr wireless	100
K3A	utkiosk	WirelessWave	180
K4A	utkiosk	WOW! Mobile Boutique (Rogers)	150
K6	utkiosk	Mac's Sushi	200
K7	utkiosk	Value Mobile	150
K9	utkiosk	Virgin Plus	150
MAJOR1	utanchor	Hudson's Bay	130,580
MAJOR3	utanchor	Winners	26,116
MAJOR3	utmezz	Winners	1,478
MAJOR4	utanchor	Shoppers Drug Mart	16,902
N1	utanchor	Sport Chek	30,118
N10	utanchor	Indigo	25,266
N14	utretail	Levi's	2,943
N14B	utretail	Carter's OshKosh	4,126

N15	utretail	Lindt	1,220
N16	utretail	Resveralife	1,190
N17	utretail	Suzy Shier	2,986
N18	utretail	Exotic Empire	2,364
N19	utretail	Miniso	3,462
N20	utretail	Quilts Etc	1,717
N21	utretail	Chatters Salon	1,884
N22	utretail	Vava	4,968
N24	utretail	Mado	1,497
N2B	utretail	Volum	1,909
N3	utretail	Mobile Klinik	1,054
N4	utretail	Steel n Ink	1,088
N5	utretail	Make It Fit Alteration	1,533
N7	utretail	Kurves Brow Bar	753
N8	utretail	Batteries and Gadgets	882
N9A	utretail	Blg Orange	400
N9B	utretail	Mr. Pretzels	406
PAD1	utrepad	Galaxy Cinemas	40,123
PAD2	utrepad	CIBC	7,203

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THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", is written over the printed name.

Commissioner, etc.
Brendan Jones



Statement of Account
Statement As of 2025-07-30

The Bay
Hudson's Bay Company ULC
401 Bay Street, Suite 600
Toronto, ON M5H 2Y4

Lease Code	t0005682	Deposit	Conestoga Mall
Unit	MAJOR1A	Prepaid Rent	550 King St N
Lease Area	130,580	Security Deposit	Waterloo ON N2L 5W6
Lease Expiry	09/18/2028	Other Deposit	

Trans. Date	Inv Num	Description	Invoice Amount	Tax (GST)	Tax (QST)	Gross Amount	Payment	Balance
		Opening Balance						0.00
02/28/2025	11070225974	Water and Sewer Jan. 15 - Feb. 13, 2025	362.47	47.12	0.00	409.59	0.00	409.59
03/01/2025		03/2025 - Rent	96,302.75	12,519.36	0.00	108,822.11	0.00	109,231.70
03/06/2025	11070226186	2024 Final CAM Adjustment	1,469.88	191.08	0.00	1,660.96	0.00	110,892.66
03/06/2025	11070226187	Water/Sewer Feb. 15 to Mar. 6/25	324.60	42.20	0.00	366.80	0.00	111,259.46
03/07/2025	11070226219	2025 estimated annualized tax	402,955.00	52,384.15	0.00	455,339.15	0.00	566,598.61
03/14/2025		Payment - ACH	0.00	0.00	0.00	0.00	42,609.79	523,988.82
03/18/2025		Payment - ACH	0.00	0.00	0.00	0.00	75,750.73	448,238.09
04/01/2025		Payment - ACH	0.00	0.00	0.00	0.00	73,383.52	374,854.57
04/01/2025		04/2025 - Rent	96,302.75	12,519.36	0.00	108,822.11	0.00	483,676.68
04/15/2025		Payment - ACH	0.00	0.00	0.00	0.00	73,383.52	410,293.16
04/22/2025	11070231695	2024 Final Billing CAM	1,469.88	191.08	0.00	1,660.96	0.00	411,954.12
04/23/2025	11070231140	Water and Sewer Charges ar. 13 - Apr. 15, 2025	438.21	56.97	0.00	495.18	0.00	412,449.30
05/01/2025		Payment - ACH	0.00	0.00	0.00	0.00	73,383.52	339,065.78
05/01/2025		05/2025 - Rent	96,302.75	12,519.36	0.00	108,822.11	0.00	447,887.89
05/15/2025		Payment - ACH	0.00	0.00	0.00	0.00	73,878.70	374,009.19
05/21/2025	11070233438	Water and Sewer Apr.15-May13, 2025	135.25	17.58	0.00	152.83	0.00	374,162.02
05/30/2025		Payment - ACH	0.00	0.00	0.00	0.00	73,383.52	300,778.50
06/01/2025		06/2025 - Rent	96,302.75	12,519.36	0.00	108,822.11	0.00	409,600.61
06/13/2025		Payment - ACH	0.00	0.00	0.00	0.00	73,536.35	336,064.26
06/17/2025	11070236213	Water charges May 13 - June 13 2025	108.20	14.07	0.00	122.27	0.00	336,186.53
06/27/2025		Payment - ACH	0.00	0.00	0.00	0.00	216,625.33	119,561.20
06/27/2025		Payment - ACH	0.00	0.00	0.00	0.00	-216,625.33	336,186.53
06/27/2025		Payment - ACH	0.00	0.00	0.00	0.00	73,505.79	262,680.74
07/01/2025		07/2025 - Rent	96,302.75	12,519.36	0.00	108,822.11	0.00	371,502.85
07/02/2025	11070239456	Reverse duplicate charge Mar6	1,469.88	191.08	0.00	1,660.96	0.00	373,163.81
07/02/2025	11070239457	reverse correction done July 2 2025,reverse duplicate CAM bill 2025	-2,939.76	-382.16	0.00	-3,321.92	0.00	369,841.89
07/09/2025	11070236749	reversed 2025 annualized tax,revised annualized tax 2025	3,925.07	510.26	0.00	4,435.33	0.00	374,277.22
07/15/2025		Payment - ACH	0.00	0.00	0.00	0.00	73,383.52	300,893.70



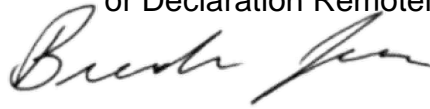
Statement of Account
Statement As of 2025-07-30

The Bay
Hudson's Bay Company ULC
401 Bay Street, Suite 600
Toronto, ON M5H 2Y4

Lease Code	t0005682	Deposit	Conestoga Mall
Unit	MAJOR1A	Prepaid Rent	550 King St N
Lease Area	130,580	Security Deposit	Waterloo ON N2L 5W6
Lease Expiry	09/18/2028	Other Deposit	

Trans. Date	Inv Num	Description	Invoice Amount	Tax (GST)	Tax (QST)	Gross Amount	Payment	Balance
Cheque payable to:								Amount Due
PRIMARIS MANAGEMENT INC., RE: Conestoga Mall								300,893.70
550 King Street North , Waterloo, ON, N2L 5W6								

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Commissioner, etc.
Brendan Jones



FINAL **Baseline Property** **Condition Assessment**

550 King Street North
Waterloo, Ontario

Prepared for:

Primaris REIT
181 Bay Street, Suite 2720
Toronto, ON M5J 2T3

August 1, 2025

Pinchin File: 355039.001



Baseline Property Condition Assessment

550 King Street North, Waterloo, Ontario
Primaris REIT

August 1, 2025
Pinchin File: 355039.001
FINAL

Issued to: Primaris REIT
Issued on: August 1, 2025
Pinchin File: 355039.001
Issuing Office: Hamilton, ON
Primary Pinchin Contact: Donna Ballentyne, Operations Manager
289.678.0685
dballentyne@pinchin.com

A blue ink signature of Brandon Lane, consisting of a large 'B' followed by 'L' and 'L' in a cursive style.

Author: Brandon Lane, C.Tech.
Senior Project Technologist

A black ink signature of Majid MilaniNia, written in a cursive script.

Reviewer: Majid MilaniNia, P.Eng.
Senior Project Engineer



EXECUTIVE SUMMARY

Pinchin Ltd. (Pinchin) was retained by Primaris REIT (Client) to conduct a Baseline Property Condition Assessment (BPCA), subject to the limitations outlined in Section 6.0 of this report. As discussed with the Client this service did not include any specialist review of items such as mechanical/electrical systems, structural components, fire and life safety systems, etc. The municipal address for the property is 550 King Street North, Waterloo, Ontario (the Site). Pinchin conducted a visual assessment of the Site on July 25, 2025, at which time Pinchin interviewed and was accompanied by the Operations Manager of Conestoga Mall and a Representative of the Bay (hereafter referred to as the Site Representatives).

Pinchin was advised by the Client that the purpose of the BPCA was to assess visible deficiencies as part of their internal due diligence for the potential leasing of the Site.

The subject of this report is the vacant unit previously occupied by "Hudson's Bay Company" (the Site Building) located at the southwest portion of the larger "Conestoga Mall" building. For the purposes of this report the total area of the Site consists of the footprint area of the vacant unit at approximately 133,800 SF or 3.07 acres.

The Site Building is reported to have been constructed as an addition to the southwest portion of "Conestoga Mall" in approximately 2008. The Site Building possesses asphalt surfaced parking areas adjacent to the south, east and west elevations of the Site Building.

The Site Building is constructed with a cast-in-place concrete slab-on-grade (i.e., no basement level) with cast-in-place concrete foundation walls. The superstructure of the Site Building is comprised of a steel-framed support structure (i.e., beams, columns and open web steel joists) supporting steel roof decks. The exterior walls of the Site Building are clad with a combination of architectural concrete block masonry and Exterior Insulation and Finishing System (EIFS).

The Site Building appeared to be in satisfactory condition at the time of the Site assessment. Based on our visual assessment the Site Building appears to have been constructed in general accordance with standard building practices in place at the time of construction. The assessment did not reveal any visual evidence of major structural failures, soil erosion or differential settlement.

No immediate repair requirements were noted. Repair requirements (under replacement reserves) over the term of the analysis (i.e., 10 years) of \$7,080,500 have been identified.

During the Site visit, deficiencies relating to the roof systems, wall systems, interior finishes, Site features and mechanical/electrical systems were noted. Of particular note, recommendations, repairs and replacements for the following items are included throughout the term of the analysis:



- Pinchin recommends and has included allowances for the replacement of the Thermoplastic Polyolefin (TPO) membrane systems within the term of analysis;
- Based on age, Pinchin recommends and has included allowances for the phased replacement of the 25 rooftop packaged HVAC units within the term of analysis;
- Based on age, Pinchin recommends and has included a contingency allowance for the replacement of the 5 suspended unit heaters within the term of analysis;
- Pinchin recommends that a specialist review of the generator systems and automatic transfer switch be completed prior to replacement to determine a precise scope for replacement requirements.
- Pinchin recommends and has included a preliminary allowance for the replacement of the emergency generator and the automatic transfer switch in the latter portion of the term of analysis;
- Pinchin recommends that a specialist review of the fire alarm systems be completed prior to replacement to determine a precise scope for replacement requirements of the fire alarm system and concealed components of the fire alarm system including wiring, annunciators, etc.; and
- Pinchin recommends and has included a preliminary allowance for the replacement of the fire alarm panel and annunciator panel within the term of analysis.

Regular maintenance should be conducted on the roof systems, wall systems, structural elements, interior finishes, Site features and the mechanical/electrical systems to ensure that the Expected Useful Life (EUL) of the major components is realized. Repair costs for the aforementioned items have been included over the term of the analysis (i.e., 10 years) included within Appendix I. The specific deficiencies identified during the BPCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report. Costs associated with desired upgrades have not been carried.

Consideration has been given regarding required ongoing maintenance and repairs of the major elements and at the direction of the Client, Pinchin has utilized a threshold of \$5,000.00 per system, per year as a limit in determining and carrying anticipated expenditures.

Anticipated expenditures associated with maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and excluded from the Summary of Anticipated Expenditures.

This Executive Summary is subject to the same standard limitations as contained in the report and must be read in conjunction with the entire report.



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APPENDICES

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1.0 INTRODUCTION

Pinchin Ltd. (Pinchin) was retained by Primaris REIT (Client) to conduct a Baseline Property Condition Assessment (BPCA), subject to the limitations outlined in Section 6.0 of this report. As discussed with the Client this service did not include any specialist review of items such as mechanical/electrical systems, structural components, fire and life safety systems, etc. The municipal address for the property is 550 King Street North, Waterloo, Ontario (the Site). Pinchin conducted a visual assessment of the Site on July 25, 2025, at which time Pinchin interviewed and was accompanied by the Operations Manager of Conestoga Mall and a Representative of the Bay (hereafter referred to as the Site Representatives).

Pinchin was advised by the Client that the purpose of the BPCA was to assess visible deficiencies as part of their internal due diligence for the potential leasing of the Site.

The Client has advised Pinchin that the following documents are available for review:

- *"Building Condition Assessment – Conestoga Mall, Waterloo, Ontario"*, prepared by Whalen Building Assessment Services Inc., prepared for Ivanhoe Cambridge and dated January 2019; and
- *"Strategic Property Condition Assessment – Conestoga Mall, 550 King Street North, Waterloo, Ontario"*, prepared by GHD Consultants Limited, prepared for Ivanhoe Cambridge and dated April 5, 2016.

It should be noted that no Reliance was given to Pinchin as it relates to the aforementioned reports, and all such reports were provided only for general information purpose. It was beyond our scope of work to comment on the findings and or conclusions, any comment would be limited to identifying significant material differences that would warrant further review which would need to be authorized by the Client.

It was reported to Pinchin that the costs associated with ongoing general maintenance of the major components of the Site Building are carried as part of the annual operating budget for the Site. At the direction of the Client a threshold of \$5,000.00 per system, per year has been utilized in determining anticipated expenditures. Anticipated expenditures associated with maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and excluded from the Summary of Anticipated Expenditures. The term of analysis requested by the Client was 10 years.

The results of the BPCA are presented in the following report. This report is subject to the Terms and Limitations discussed in Section 6.0.



2.0 SCOPE AND METHODOLOGY

The scope of the BPCA included a visual examination (without any intrusive testing or demolition of finishes to observe hidden areas) of the following:

- The building envelope, comprised of the exterior walls, windows, exterior doors and roof systems;
- The structural elements (i.e., slabs, beams, columns and walls);
- The interior finishes of the common areas and a selection of the individual premises;
- The Site features;
- The mechanical systems (i.e., HVAC, domestic hot water, plumbing, etc.); and
- The electrical systems.

The object of the BPCA included the following:

- A visual examination of the property in order to assess the condition of the major elements;
- Review of general documentation on the repair/maintenance history of the elements, if available;
- cursory review of previous reports pertaining to the Site Building, if made available by the Site Representatives;
- Interviews and discussions with on-Site personnel regarding the repair/maintenance conducted on the Site Building;
- Documentation of observed existing deficiencies observed within the various elements;
- Photographic documentation of various components and observed deficiencies; and
- Compilation of Pinchin's findings in a formal written report including observed deficiencies, together with a list of recommendations for repair/replacement with associated estimated costs for both short and long term.

The report provides:

- A basic description of each of the various major components of the Site Building;
- A list of deficiencies noted with respect to the components examined; and
- Recommendations and cost estimates for the corrections recommended.

Cost estimates provided in this report are preliminary Class "D" and provided only as an indication of the order of magnitude of the remedial work. These values have been arrived at by determining a

representative quantity from the visual observations made at the time of our Site visit and by applying current market value unit costs to such quantities and or a reasonable lump sum allowance for the work. More precise cost estimates would require more detailed investigation to define the scope of work. They are not intended to warrant that the final costs will not exceed these amounts or that all costs are covered. The estimates assume the work is performed at one time and do not include costs for potential de-mobilization and re-mobilization if repairs/replacement are spread out over the term of analysis.

All costs are identified in 2025 Canadian Dollars, and do not include consulting fees or applicable taxes. (For consulting fees, Pinchin typically recommends a budget allowance of 10% to 15% of the costs identified).

All cost estimates assume that regular annual maintenance and repairs will be performed to all building elements at the facility. No cost allowance is carried for this regular maintenance.

The cost estimates provided in this report are based on costs of past repairs at similar buildings, recent costing data such as “RS Means Repair and Remodelling Cost Data – Commercial/Residential” and “Hanscomb’s Yardsticks for Costing”, or Pinchin’s professional judgment.

Unless otherwise stated, the replacement costs identified for an element reflects the cost to remove and replace the existing element with the same type of element.

3.0 OBSERVATIONS AND COMMENTS

3.1 Site Information



General view of the east elevation of the Site Building.



Baseline Property Condition Assessment

550 King Street North, Waterloo, Ontario

Primaris REIT

August 1, 2025

Pinchin File: 355039.001

FINAL



General view of the south elevation of the Site Building.



General view of the west elevation of the Site Building.

Table 3.1 - Site Information

Site Occupant/Name	Commercial Retail Building		
Site Address	550 King Street North, Waterloo, Ontario		
<i>Existing Land Use Type</i>	Commercial	<i>Primary On-Site Activity</i>	Retail Building
<i>Multi-Tenant/Single Occupant</i>	Vacant	<i>Number of Units</i>	One
<i>Date First Developed</i>	Unknown	<i>Site Area</i>	~ 3.07 acres
<i>Number of Buildings</i>	One	<i>Building Footprint Area</i>	~ 133,800 SF
<i>Number of Stories (Excluding Basement)</i>	Single	<i>Total Building Area</i>	~ 133,800 SF
<i>Date Building(s) Constructed</i>	~ 2008	<i>Area of Tenant Spaces</i>	~ 133,800 SF
<i>Date Building(s) Renovated</i>	Ongoing	<i>Basement and/or U/G Parking</i>	N/A

Table 3.1 - Site Information

Site Occupant/Name	Commercial Retail Building		
<i>Type of Roof System(s)</i>	Thermoplastic Polyolefin (TPO) membrane	<i>Number of Levels U/G</i>	N/A
<i>Type of Wall Cladding</i>	Architectural concrete block masonry Exterior Insulation and Finishing Systems (EIFS)	<i>Area of Roof System(s)</i>	~ 133,800 SF
<i>Type of Doors</i>	Insulated Glass (IG) units within aluminum frames Hollow metal doors within metal frames Sectional metal and IG panel overhead doors	<i>Types of Windows</i>	Fixed IG units within aluminum frames
<i>Number of Above Grade Parking Spaces</i>	N/A	<i>Electrical Source</i>	Enova Power
<i>Surface Type</i>	Asphalt paved parking areas Cast-in-place concrete walkways	<i>Type of Heating/Cooling</i>	Natural gas-fired heating and electrically-powered cooling rooftop mounted HVAC units Natural gas-fired suspended unit heaters Electrically-powered baseboard heaters

3.2 Roof Systems

The roof systems of the Site Building consist of conventionally designed, “near-flat” Thermoplastic Polyolefin (TPO) membrane systems installed atop a layer of rigid insulation, atop metal roof decks. Neither the presence of a vapour barrier, nor the type or the thickness of the insulation could be verified, as the scope of the work did not include destructive testing.

Drainage of the roof systems is provided by internal roof drains which presumably drain to the municipal sewer system. The roof systems consist of one main roof system and three secondary roof systems atop the main entrance vestibules at the west, south and east portions of the building. The Site Representatives reported that the roof systems are original to the construction of the Site Building in 2008 (i.e., ~ 17 years old).

Penetrations through the roof system consist of plumbing vents, roof drains, a roof hatch, HVAC curbing and pitch pockets serving conduits. The total area of the roof systems is similar to the footprint area of the Site Building at approximately 133,800 SF. No active leaking within the roof systems was reported during the assessment.

Table 3.2 outlines the findings of the inspection of the roof systems:

Table 3.2 – Roof Systems

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> The TPO membrane systems are approximately 17 years old and are anticipated to reach the end of their Expected Useful Life (EUL) within the term of analysis. 	<ul style="list-style-type: none"> Pinchin recommends and has included allowances for the replacement of the TPO membrane systems within the term of analysis.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> Several damaged walkway pavers noted atop the main TPO membrane system. 	<ul style="list-style-type: none"> Replace the damaged walkway pavers.
<ul style="list-style-type: none"> Partially obstructed debris guards noted at the roof drains. 	<ul style="list-style-type: none"> Ensure roof drains are unobstructed as part of ongoing general maintenance of the roof systems.
<ul style="list-style-type: none"> Perimeter flashing sealants noted to be deteriorated (i.e., aged, de-bonded, etc.). 	<ul style="list-style-type: none"> Replacement of deteriorated sealants is recommended as part of ongoing general maintenance of the roof systems.
<ul style="list-style-type: none"> Areas of organic growth noted around walkway pavers. 	<ul style="list-style-type: none"> Clear organic growth from the surface of the roof systems as part of ongoing general maintenance of the roof systems.



General view of the main TPO membrane system.



View of a secondary TPO membrane system atop an entrance vestibule.



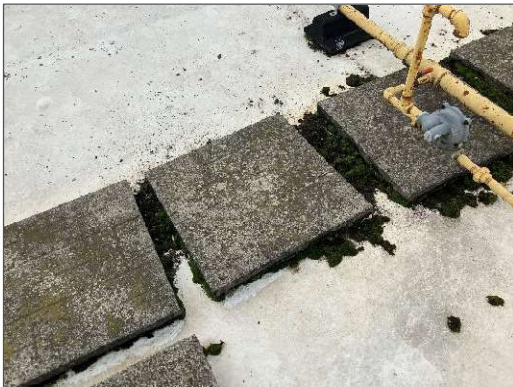
View of a damaged concrete walkway paver.



View of a partially obstructed roof drain debris guard.



View of a deteriorated metal perimeter flashing sealant.



View of organic growth noted around walkway pavers.

It has been Pinchin's experience that the Expected Useful Life (EUL) of a TPO membrane system typically ranges between 17 to 20 years, depending on the quality of building materials used, the quality of workmanship during installation and the level to which the roof system has been maintained. The Site Representatives reported that the roof systems are original to the construction of the Site Building in 2008 (i.e., ~ 17 years old). Based on age, Pinchin recommends and has included allowances for the replacement of the roof systems within the term of analysis. Pinchin also recommends that regular annual maintenance be performed on the roof systems throughout the term of the analysis. Annual walk-on roof inspections are recommended to ensure any deficiencies or issues are discovered in a timely manner.

3.3 Wall Systems

The exterior walls of the Site Building are clad with a combination of architectural concrete block masonry and Exterior Insulation and Finishing System (EIFS). The back-up wall systems serving the Site Building were noted to consist of concrete block masonry walls.

The window systems serving the Site Building consist of fixed Insulated Glass (IG) units set within aluminum frames within curtain wall systems at the main entrances. Manufacture date stamps within the window assemblies indicate 2008 (i.e., ~ 17 years old) as the year of manufacture.

Exterior doors serving the Site Building are comprised of IG units set into aluminum frames located at the main entrances on the west, south and east elevations of the building. Secondary entrance doors and doors leading into the mechanical rooms consist of painted hollow metal doors within metal frames. Overhead doors serving the shipping and receiving area of the Site Building are located on the south elevation and consist of sectional, tempered glass panel doors.

It should be noted that the as-built condition of the fasteners which secure the curtain wall systems framing to the building structural frame could not be determined at the time of the Site visit as these components are concealed and could not be observed through a visual inspection.

Table 3.3 outlines the findings of the inspection of the wall systems:

Table 3.3 – Wall Systems

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> None observed/reported. 	<ul style="list-style-type: none"> None required.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> Minor corrosion noted at the base of several metal door frames. 	<ul style="list-style-type: none"> Clean corrosion from the affected door frames and apply a corrosion inhibitive coating.
<ul style="list-style-type: none"> Minor impact damage observed at the EIFS. 	<ul style="list-style-type: none"> Repair the areas of minor impact damage and monitor for further deterioration throughout the term of analysis.
<ul style="list-style-type: none"> Linear cracking observed at the control joints of sections of EIFS. 	<ul style="list-style-type: none"> Seal areas of cracking in the EIFS.
<ul style="list-style-type: none"> Areas of minor step cracking noted at the concrete block masonry walls. 	<ul style="list-style-type: none"> Repoint the mortar in the affected areas and monitor for further deterioration throughout the term of analysis.
<ul style="list-style-type: none"> Minor impact damage noted at an aluminum frame at the south entrance. 	<ul style="list-style-type: none"> Monitor the affected frame for further deterioration.
<ul style="list-style-type: none"> Deteriorated EIFS perimeter sealants noted at the decorative glass feature at the southwest corner of the Site Building and at door perimeters. 	<ul style="list-style-type: none"> Replacement of deteriorated sealants is recommended as part of ongoing general maintenance of the exterior wall systems.



View of minor corrosion at the base of a metal door frame.



View of minor impact damage at EIFS.



View of a linear crack at an EIFS panel joint.



View of an area of minor step cracking in a masonry wall.



View of minor impact damage at an aluminum frame at the south entrance to the Site Building.



View of a deteriorated EIFS perimeter sealant.

The wall, window and door systems of the Site Building were generally noted to be in serviceable condition at the time of the Site assessment.

It has been Pinchin's experience that EIFS is prone to micro cracking which may permit water infiltration over time. Pinchin recommends that the EIFS be monitored throughout the term of the analysis and if deficiencies are observed that they be repaired.



As long as the above-mentioned deficiencies are addressed and that regular annual maintenance is performed the walls, windows and door systems of the Site Building should continue to perform in a satisfactory manner throughout the term of the analysis. Pinchin anticipates that general repairs to the wall systems, including the application of masonry sealers and painting/sealants can be undertaken under the normal operations and maintenance budget for the Site.

3.4 Structural Elements

As outlined in the scope of work, a visual assessment of the condition of the structural elements was carried out on the elements which were visible at the time of the inspection. The Site Building is constructed with a cast-in-place concrete slab-on-grade (i.e., no basement level) with cast-in-place concrete foundation walls. The superstructure of the Site Building is comprised of a steel-framed support structure (i.e., beams, columns and open web steel joists) supporting steel roof decks. No structural drawings were available to Pinchin for review.

Table 3.4 outlines the findings of the inspection of the structural elements:

Table 3.4 – Structural Elements	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• None observed/reported.	• None required.
Minor Deficiencies/Findings	
• None observed/reported.	• None required.

Assessment of the original or existing building design, compliance with prior or current Building Code or detection or comment upon concealed structural deficiencies are outside the scope of work. Accordingly, the findings are limited to the extent that the assessment has been made based on a walk-through visual inspection of accessible areas of the structure. Pinchin's visual review of the structural elements and information provided by the Site Representatives indicated that no major deterioration existed within the visibly accessible components of the Site Building.

3.5 Elevator Systems

The Site Building is not equipped with vertical transportation systems.

Table 3.5 – Elevator Systems	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• N/A	• N/A

Table 3.5 – Elevator Systems

Findings	Remarks/Recommendations
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A

3.6 Interior Finishes

As outlined in the scope of work, the interior finishes of the Site Building were reviewed during the Site assessment. The floor finishes within the retail areas of the Site Building consist of a combination of carpeting and ceramic floor tiles. Floor finishes within the product storerooms consist of vinyl floor tiles. Flooring within the mechanical and electrical rooms and within the shipping/receiving areas consist of exposed concrete floor slabs. Wall finishes within the retail areas consist primarily of painted gypsum board while wall finishes within the mechanical/electrical rooms and within the shipping/receiving area consist primarily of unfinished gypsum board and concrete block masonry. The ceiling finishes within the Site Building primarily consist of suspended ceiling assemblies complete with lay-in ceiling tiles, with areas of painted gypsum board, and exposed roof structure/roof decking.

Table 3.6 outlines the findings of the inspection of the interior finishes:

Table 3.6 – Interior Finishes

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> None observed/reported. 	<ul style="list-style-type: none"> None required.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> Several stained ceiling tiles noted within the Site Building. 	<ul style="list-style-type: none"> Remove the affected ceiling tiles, identify and repair any source of moisture and replace the ceiling tiles.
<ul style="list-style-type: none"> Moisture damaged gypsum board noted around a mop sink within a janitorial closet. 	<ul style="list-style-type: none"> Remove and replace the affected gypsum board. Consider applying a waterproof finish at the gypsum board around the mop sink to prevent further deterioration.
<ul style="list-style-type: none"> An isolated location of suspected mould growth was observed at the base of a gypsum board wall within the main mechanical room. 	<ul style="list-style-type: none"> Remove and replace the affected gypsum board and monitor the affected area for further deterioration throughout the term of analysis.
<ul style="list-style-type: none"> Moisture staining noted at the gypsum board below the decorative glass exterior feature at the southwest corner of the Site Building. 	<ul style="list-style-type: none"> Replacement of the exterior sealants at the glass feature is recommended. Monitor the affected area for further leaking throughout the term of analysis. Remove and replace the affected gypsum board.

Table 3.6 – Interior Finishes

Findings	Remarks/Recommendations
<ul style="list-style-type: none"> Damaged vinyl baseboards noted in select locations. 	<ul style="list-style-type: none"> Replace the damaged vinyl baseboards.
<ul style="list-style-type: none"> Moisture damaged gypsum board noted at the ceiling within the retail area at the southwest portion of the Site Building. 	<ul style="list-style-type: none"> It was reported to Pinchin that the damage is the result of a roof leak that has since been repaired. Remove and replace the affected gypsum board.



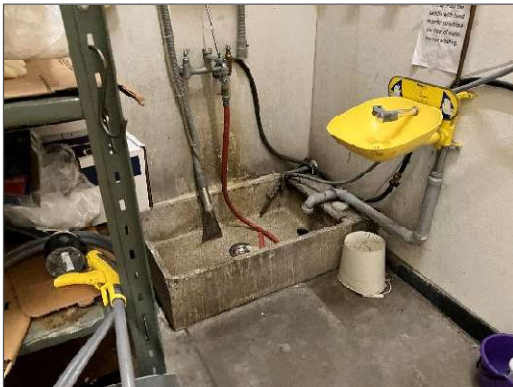
View of typical interior finishes within the retail area.



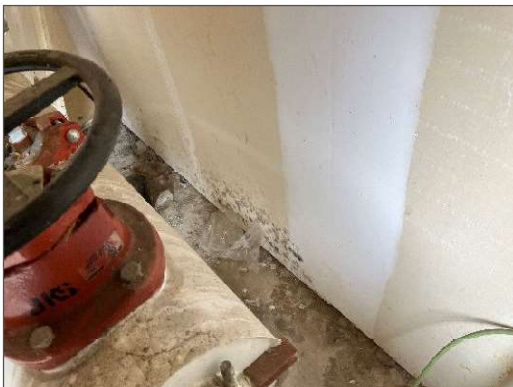
View of typical interior finishes within a product storeroom.



View of moisture-stained ceiling tiles.



View of moisture stained gypsum board around a mop sink within a janitorial closet.



View of minor suspected mould noted at a gypsum board wall within the main mechanical room.



View of moisture staining noted at the gypsum board below the decorative glass exterior feature at the southwest corner of the Site Building.



View of a damaged vinyl baseboard.



View of moisture damaged gypsum board noted at the ceiling within the retail area at the southwest portion of the Site Building.

The interior finishes within the Site Building were generally observed to be in serviceable condition at the time of the Site assessment. Pinchin recommends that regular annual maintenance of the interior finishes be performed throughout the term of the analysis.

It is anticipated that future tenant improvements will include the restoration of interior finishes to a satisfactory condition. Therefore, no cost allowances have been included in this report, as these repairs are assumed to be the responsibility of incoming tenants as part of their fit-out work.



Given water damaged materials were noted during the assessment, mould may be present. If present, Pinchin recommends that the Client undertake mould mitigation procedures in accordance with Canadian Construction Association (CCA) guidelines based on area. Please note that other materials may be affected by the reported roof leak; as such, an investigation should be conducted prior to any tenant improvement work or remedial work being undertaken to determine the full extent of impacted materials. Given the full extent of impacted materials is not known at this time, Pinchin recommends that the Client carry construction contingencies during tenant improvement works to address this potential issue.

3.7 Site Features

The Site Building occupies 100% of the 3.07 acre Site. Asphalt surfaced parking areas and cast-in-place concrete walkways are located adjacent to the east, south and west elevations of the Site Building. It was reported to Pinchin that the asphalt surfaced parking areas, concrete walkways and surrounding Site features are maintained by “Conestoga Mall”.

Table 3.7 outlines the findings of the inspection of the Site features:

Table 3.7 – Site Features	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• None observed/reported.	• None required.
Minor Deficiencies/Findings	
• None observed/reported.	• None required.

3.8 Mechanical Systems

3.8.1 Major Service Providers

The following providers serve the subject property:

Water	- City of Waterloo
Electric	- Enova Power
Sewer	- City of Waterloo
Natural Gas	- Enbridge
Police	- Waterloo Regional Police Service
Fire	- Waterloo Fire Department

3.8.2 Heating, Ventilation and Air Conditioning (HVAC)

Heating, cooling and ventilation throughout the Site Building is provided primarily by natural gas-fired heating and electrically powered cooling rooftop HVAC units and natural gas-fired suspended unit heaters. A summary of the rooftop packaged HVAC units is provided in the table below:

Manufacturer	Age	Heating Capacity (BTUH*)	Cooling Capacity (Tons)	Number of Units
Lennox	2008	360,000	20	20
Lennox	2008	240,000	10	3
Lennox	2008	Unknown**	5	1
Lennox	2008	Unknown**	3	1

*British Thermal Units per Hour (BTUH)

**The heating capacities of these units could not be determined due to deteriorated data plates.

- Heating within the shipping and receiving area is provided by 5 natural gas-fired suspended unit heaters. The suspended unit heaters were noted to have been manufactured by “Reznor”. The exact ages and heating capacities of the units could not be determined due to height limitations; however, given their observed condition Pinchin estimates the suspended unit heaters to be original to the construction of the Site Building in 2008 (i.e., ~ 17 years old).
- Supplemental heating within select areas is provided by electrically powered baseboard heaters.

The inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated mechanical, etc., was beyond the scope of work. It should be noted that the heating and cooling duct work within the Site Building may contain interior insulation. The Site Representatives were unaware of the presence of insulation within the duct work within the Site Building. It is Pinchin’s experience that interior insulation within duct work is prone to deterioration or development of mould which may require removal of the insulation. In the case where interior insulation is present within the duct work, Pinchin recommends that the duct work insulation be inspected for the presence of mould.

3.8.3 Domestic Hot Water

Domestic Hot Water (DHW) within the Site Building is provided by a combination of an electrically powered self-contained unit and a natural gas-fired self-contained unit. The electrically powered unit was noted to have been manufactured by “GSW” and is estimated to have an approximate storage capacity of



12 gallons. The exact, age and storage capacity could not be determined due to height limitations as it was suspended from the ceiling within a janitorial closet. The natural gas-fired, self-contained unit was noted to have been manufactured by “Rheem” in 2008 (i.e., ~ 17 years old) and possesses an approximate input heating capacity of 125,000 BTUH and an approximate storage capacity of 73 gallons. There was no reported shortage of hot water within the Site Building.

3.8.4 Plumbing

Drainage piping within the Site Building consists of Acrylonitrile Butadiene Styrene (ABS) and Polyvinyl Chloride (PVC) as observed where visible. It was noted, where visible, that the plumbing for the domestic cold and hot water consisted of copper piping. Due to the concealed nature of the plumbing systems, the condition of the systems could not be verified. The main water lines are located in the main sprinkler room of the Site Building. A backflow prevention device was observed at the main incoming domestic water line; however, no inspection tag was noted.

3.8.5 Fire Protection

Fire protection within the Site Building is provided by sprinkler systems which provide protection throughout all accessed areas of the building. A cabinet containing an extra supply of sprinkler heads and an installation tool were noted within the sprinkler room. The sprinklers are reportedly equipped with electronic flow alarms which are tied to the fire alarm panel and monitored by “Johnson Controls” an independent contractor. The fire protection systems are reportedly serviced annually by “All Star Fire Protection Services Inc.” and were last inspected in January 2025. Supplemental fire protection within the Site Building is provided by stand-alone chemical fire extinguishers.

Table 3.8 outlines the findings of the inspection of the mechanical systems:

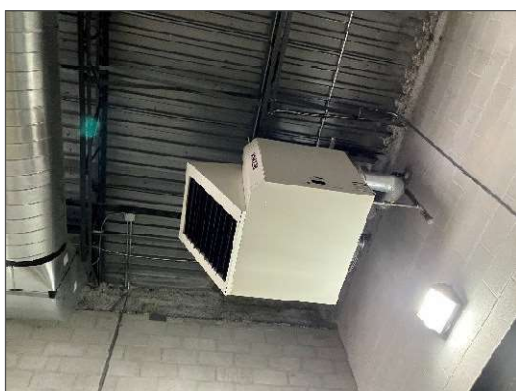
Table 3.8 – Mechanical Systems (including HVAC, DHW, Plumbing, and Fire Protection)	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">The 25 rooftop packaged HVAC units are approximately 18 years old and are anticipated to reach the end of their EUL within the term of analysis.	<ul style="list-style-type: none">Based on age, Pinchin recommends and has included allowances for the phased replacement of the 25 rooftop packaged HVAC units within the term of analysis.
<ul style="list-style-type: none">The 5 natural gas-fired suspended unit heaters are estimated to be approximately 17 years old and are anticipated to reach the end of their EUL within the term of analysis.	<ul style="list-style-type: none">Based on age, Pinchin recommends and has included a contingency allowance for the replacement of the 5 suspended unit heaters within the term of analysis.

Table 3.8 – Mechanical Systems (including HVAC, DHW, Plumbing, and Fire Protection)

Findings	Remarks/Recommendations
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> No inspection tag was observed at the backflow prevention device at the main incoming domestic water line. 	<ul style="list-style-type: none"> Annual testing and inspection of the backflow prevention device is recommended.
<ul style="list-style-type: none"> The DHW heaters are approximately 17 years old and are anticipated to reach the end of their EUL within the term of analysis. 	<ul style="list-style-type: none"> Replacement of the DHW heaters is recommended as they reach the end of their EUL. Replacement can be completed at a below threshold cost.
<ul style="list-style-type: none"> A drain within the shipping/receiving area was noted to be filled with debris. 	<ul style="list-style-type: none"> Clear the affected drain as part of regular ongoing maintenance of the Site Building.



View of a typical rooftop packaged HVAC unit serving the Site Building.



View of a typical suspended unit heater serving the shipping and receiving area of the Site Building.



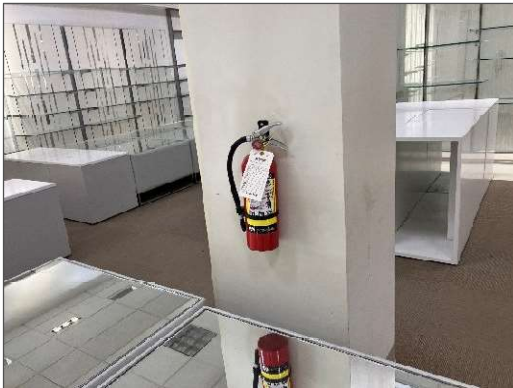
View of the natural gas-fired DHW heater.



View of the backflow prevention device at the main incoming domestic water line.



View of the main sprinkler risers.



View of a typical fire extinguisher serving the Site Building.



View of the obstructed drain within the shipping/receiving area.

It has been Pinchin's experience that the EUL of a packaged HVAC unit typically ranges between 15 to 20 years and the EUL of suspended unit heaters typically ranges between 20 to 25 years, depending on the quality of the unit the level to which the unit has been maintained.

In summary, the mechanical systems within the Site Building are reportedly performing in a satisfactory manner. Due to the current ages of the rooftop packaged HVAC units and suspended unit heaters and Pinchin has included allowances for the replacement of select units as noted above. Assuming that the aforementioned replacements are undertaken and regular annual maintenance is performed, the mechanical systems should continue to perform satisfactorily throughout the term of the analysis.

In accordance with the proposed scope of work, no physical or destructive testing or design calculations were conducted on any of the major components of the building. Similarly, the inspection of the interior of ductwork or associated mechanical components was not included in the scope of work. Accordingly, the findings are limited to the extent that the assessment was made visually from the exterior of the systems.



3.9 Electrical Systems

3.9.1 Electrical Power

The electrical power for the Site Building is presumably supplied from the main electrical service of the "Conestoga Mall" which feeds the main electrical room in the Site Building via underground wires. The electrical service for the Site Building includes an "Eaton/Cutler-Hammer" main switchgear unit with a maximum rating of 1,600 Amperes based on the attached data plates.

The Site Building possesses a 200 kW "Doosan" natural gas-fired emergency power generator which is mounted to the roof. Power to the Site Building is automatically transferred via an automatic transfer switch which was noted to be manufactured by "ASCO". Based on data plates attached to the generator set and automatic transfer switch, the generator equipment appears to have been manufactured in 2007 (i.e., ~ 18 years old). Inspection records indicate 2021 as the last year of recorded inspection and testing of the generator. It was reported that the emergency generator supplies power to the fire alarm panel and associated systems (i.e., pull stations and heat detectors), the emergency lighting and emergency exit signs.

No problems were reported relating to the electrical systems of the Site Building.

3.9.2 Fire Alarm System and Life Safety

The fire alarm system serving the Site Building consists of a multi-zone and single stage system complete with a "Mircom FX-2000" fire alarm panel. The main fire alarm panel is located within the electrical room on the first floor while the annunciator panel was noted within the west entrance vestibule. The fire alarm monitors hardwired pull stations and heat detectors which are located throughout the building. The systems are reportedly monitored by "Johnson Controls" an independent contractor. Inspections and servicing of the fire alarm system is reportedly performed by "All Star Fire Protection Services Inc." an independent contractor. The inspection label affixed to the main fire alarm panel indicates the last date of inspection for the fire alarm panel and associated systems took place in February 2025. Emergency lighting and illuminated exit signs are located throughout the Site Building which are powered by the emergency generator.

Table 3.9 outlines the findings of the inspection of the electrical systems:

Table 3.9 – Electrical Systems (including Electrical Power and Fire Alarm and Life Safety)

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> The emergency generator and automatic transfer switch are approximately 18 years old and are anticipated to reach the end of their EUL in the latter portion of the term of analysis. 	<ul style="list-style-type: none"> Pinchin recommends and has included a preliminary allowance for the replacement of the emergency generator and the automatic transfer switch in the latter portion of the term of analysis. It is recommended that a specialist review of the generator systems and automatic transfer switch be completed prior to replacement to determine a precise scope for replacement requirements.
<ul style="list-style-type: none"> The fire alarm panel and annunciator panel are approximately 18 years old and are anticipated to reach the end of their EUL within the term of analysis. 	<ul style="list-style-type: none"> Pinchin recommends and has included a preliminary allowance for the replacement of the fire alarm panel and annunciator panel within the term of analysis. It is recommended that a specialist review of the fire alarm systems be completed prior to replacement to determine replacement requirements for concealed components of the fire alarm system including wiring, annunciators, etc.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> The previous testing and inspection of the emergency generator appears to have taken place in 2021. 	<ul style="list-style-type: none"> Annual testing and inspection of the emergency generator systems is recommended.



View of the main switchgear unit serving the Site Building.



View of the emergency generator serving the Site Building.



View of the automatic transfer switch.



View of the main fire alarm panel serving the Site Building.



View of the annunciator panel.

Upon assessment the electrical and life safety systems were noted to be performing in a satisfactory manner. As the current assessment was performed as a Baseline Property Condition Assessment without Specialist review, our information of the electrical systems is solely based on review of the above-noted on-site labeling. The Client should contact the electrical service provider to verify the incoming electrical supply capacities, if required. Based on age, Pinchin recommends and has included a preliminary allowance for the replacement of the emergency generator and the automatic transfer switch in the latter portion of the term of analysis. Additionally, Pinchin recommends and has included a preliminary allowance for the replacement of the fire alarm panel and annunciator panel within the term of analysis. It is recommended that specialist reviews of the emergency generator and fire alarm systems be completed prior to replacement to determine a precise scope for replacement of the systems. The costs included for the replacement of the emergency generator, automatic transfer switch and fire alarm panel are preliminary and provided only as an indication of the order of magnitude of replacing the equipment. The costs are subject to change following the conclusions of specialist reviews. The electrical and life safety systems should continue to perform satisfactorily throughout the term of analysis assuming regular annual maintenance is provided.

4.0 KNOWN VIOLATIONS OF CODE

It was reported to Pinchin by the Site Representatives that no outstanding violations from the Building Department existed pertaining to the property. Compliance with the National Building Code (NBC) and National Fire Code (NFC) was not reviewed as it was beyond the scope of this survey.

5.0 CONCLUSIONS AND RECOMMENDATIONS

Based on Pinchin's review of the property, conducted on July 25, 2025 the Site Building appears to be in satisfactory condition. Based on our visual assessment the Site Building appears to have been constructed in general accordance with standard building practices in place at the time of construction.



The assessment did not reveal any evidence of major structural failures, soil erosion or differential settlement.

No immediate repair requirements were noted. Repair requirements (under replacement reserves) over the term of the analysis (i.e., 10 years) of \$7,080,500 have been identified.

During the Site visit, deficiencies relating to the roof systems, wall systems, interior finishes, Site features and mechanical/electrical systems were noted. Of particular note, recommendations, repairs and replacements for the following items are included throughout the term of the analysis:

- Pinchin recommends and has included allowances for the replacement of the TPO membrane systems within the term of analysis;
- Based on age, Pinchin recommends and has included allowances for the phased replacement of the 25 rooftop packaged HVAC units within the term of analysis;
- Based on age, Pinchin recommends and has included a contingency allowance for the replacement of the 5 suspended unit heaters within the term of analysis;
- Pinchin recommends that a specialist review of the generator systems and automatic transfer switch be completed prior to replacement to determine a precise scope for replacement requirements.
- Pinchin recommends and has included a preliminary allowance for the replacement of the emergency generator and the automatic transfer switch in the latter portion of the term of analysis;
- Pinchin recommends that a specialist review of the fire alarm systems be completed prior to replacement to determine a precise scope for replacement requirements of the fire alarm system and concealed components of the fire alarm system including wiring, annunciators, etc.; and
- Pinchin recommends and has included a preliminary allowance for the replacement of the fire alarm panel and annunciator panel within the term of analysis.

Regular maintenance should be conducted on the roof systems, wall systems, structural elements, interior finishes, Site features and the mechanical/electrical systems to ensure that the EUL of the major components is realized. Repair costs for the aforementioned items have been included over the term of the analysis (i.e., 10 years) included within Appendix I. The specific deficiencies identified during the BPCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report. Costs associated with desired upgrades have not been carried.



Consideration has been given regarding required ongoing maintenance and repairs of the major elements and at the direction of the Client, Pinchin has utilized a threshold of \$5,000.00 per system, per year as a limit in determining and carrying anticipated expenditures.

Anticipated expenditures associated with maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and excluded from the Summary of Anticipated Expenditures.

6.0 TERMS AND LIMITATIONS

This work was performed subject to the Terms and Limitations presented or referenced in the proposal for this project.

Information provided by Pinchin is intended for Client use only. Pinchin will not provide results or information to any party unless disclosure by Pinchin is required by law. Any use by a third party of reports or documents authored by Pinchin or any reliance by a third party on or decisions made by a third party based on the findings described in said documents, is the sole responsibility of such third parties. Pinchin accepts no responsibility for damages suffered by any third party as a result of decisions made or actions conducted. No other warranties are implied or expressed.

In accordance with the proposed scope of work, no physical or destructive testing or design calculations were conducted on any of the components of the buildings. Assessment of the original or existing building design, or detection or comment upon concealed structural deficiencies and any buried/concealed utilities or components are outside the scope of work. Similarly, the assessment of any Post Tension reinforcing is not included in the scope of work. Determination of compliance with any Codes is beyond the scope of this Work. The Report has been completed in general conformance with the ASTM Designation: *E 2018 – 24 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process*.

It should be noted that Pinchin has attempted to identify all the deficiencies required by this Standard associated with this project. Pinchin does not accept any liability for deficiencies that were not within the scope of the investigation.

As indicated above the personnel conducting the building assessment, where applicable, have performed a non-specialist review of the building and all associated finishes and related systems including the mechanical and electrical (including fire alarm and life safety) systems, Site features, etc. The personnel conducting the assessment are knowledgeable of building systems and construction, but not technical specialists in each of these fields. The intent of Pinchin's comments on these systems are for the sole purpose of identifying areas where Pinchin has observed a noteworthy condition which will lead to a likely significant expenditure during the term of the assignment and/or where Pinchin would recommend that



the Client consider a further, more detailed investigation. The budget costs for remedial work for each specific item has been provided to the best of our ability and will provide an order of magnitude cost for the individual item and the overall possible remedial work. Our experience has shown that the costs that Pinchin have provided are appropriate and of reasonable accuracy for the purpose intended. It should be noted that the budget cost or reserve costs for any specific item may vary significantly based on the fact that the schedule or phasing of the future remedial work is unknown at this time, the impact on building operations of this remedial work is unknown at this time and that no intrusive inspection or detailed design work is included in the BPCA. If a more accurate, detailed or documented reserve cost is required at this time the Client should request Pinchin to provide the additional proposal to provide a more accurate cost estimate.

It should be noted that recommendations and estimates outlined in this report do not include allowances for future upgrading of components pertaining to Client or tenant fit-up that may be necessary or required by Authorities Having Jurisdiction (AHJ).

The assessment is based, in part, on information provided by others. Unless specifically noted, Pinchin has assumed that this information was correct and has relied on it in developing the conclusions.

It is possible that unexpected conditions may be encountered at the Site that have not been explored within the scope of this report. Should such an event occur, Pinchin should be notified in order to determine if we would recommend that modifications to the conclusions are necessary and to provide a cost estimate to update the report.

The inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated mechanical, etc., was beyond the scope of work. It should be noted that the heating and cooling duct work within the Site Building may contain interior insulation. The Site Representatives were unaware of the presence of insulation within the duct work within the Site Building. It is Pinchin's experience that interior insulation within duct work is prone to deterioration or development of mould which may require removal of the insulation. In the case where interior insulation is present within the duct work, Pinchin recommends that the duct work insulation be inspected for the presence of mould.

Due to the concealed nature of the plumbing system the condition of the risers could not be verified.

Environmental Audits or the identification of designated substances, hazardous materials, PCBs, insect/rodent infestation, concealed mould and indoor air quality are excluded from this BPCA report.

Further to the aforementioned, determination of the presence of asbestos containing material within the building such as drywall joint compound or the lead content within the older paint finishes was beyond the scope of work.



This report presents an overview on issues of the building condition, reflecting Pinchin's best judgment using information reasonably available at the time of Pinchin's review and Site assessment. Pinchin has prepared this report using information understood to be factual and correct and Pinchin is not responsible for conditions arising from information or facts that were concealed or not fully disclosed to Pinchin at the time of the Site assessment.

J:\362000s\0362095.000 Primaris,5Sites,ON,BC,AB,BPCAs\Deliverables\Conestoga\362095.000 final BPCA HBC Conestoga Mall, Waterloo - Primaris, Aug 2025.docx
Template: Master Report for Single Storey Retail Building, PCA, March 4, 2025

APPENDIX I

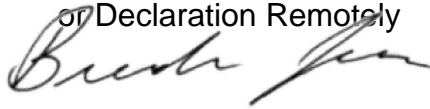
Table 1 – Summary of Anticipated Expenditures

ITEM	Calculation Summary							Immediate Costs	Replacement Reserve Costs										Total Cost Years 1 - 10	
	Expected Useful Life (Years)	Effective Age (Years)	Remaining Useful Life (Years)	Quantity	Unit	Unit Rate	System Total		2025 Year 1	2026 Year 2	2027 Year 3	2028 Year 4	2029 Year 5	2030 Year 6	2031 Year 7	2032 Year 8	2033 Year 9	2034 Year 10		
Roof Systems																				
Roof Structures and Roofing (TPO Membrane System Replacement)	~17.20	~17	~0.3	133,800	SF	\$35	\$4,683,000				\$2,341,500	\$2,341,500							\$4,683,000	
Roof Structures and Roofing (General Maintenance)	OMM Budget																			
Wall Systems																				
Exterior Walls (General Repairs)	OMM Budget																			
Exterior Windows and Doors (General Maintenance)	OMM Budget																			
Structural Elements																				
Foundations																				
Superstructure																				
Vertical Transportation Systems																				
Elevator Systems	N/A	N/A	N/A																	
Interior Finishes																				
Interior Finishes (General Maintenance)	OMM Budget																			
Site Features																				
Parking and Paving	N/A	N/A	N/A																	
Mechanical Systems																				
Building Heating and Cooling (RoofTop Packaged HVAC units Replacement Allowance - 25 Units)	~20	~17	~3	1	LS	\$2,190,000	\$2,190,000				\$947,500	\$947,500	\$947,500	\$947,500					\$2,190,000	
Building Heating and Cooling (Suspended Unit Heaters Replacement Allowance - 5 Units)	~20.25	~17	~3.8	5	EA	\$4,500	\$22,500									\$22,500			\$22,500	
Plumbing (General Maintenance)	OMM Budget																			
Hot Water (DHW Heaters Replacement)	Below Threshold																			
Fire Protection (General Maintenance)	OMM Budget																			
Electrical Systems																				
Electrical Systems (Emergency Generator and Automatic Transfer Switch Specialist Review)	Below Threshold																			
Fire and Life Safety Systems (Fire Alarm Panel Replacement - Specialist Review)	Below Threshold																			
Electrical Systems (Emergency Generator and Automatic Transfer Switch Replacement Preliminary Allowance)	~25	~17	~8	1	LS	\$150,000	\$150,000									\$150,000			\$150,000	
Fire and Life Safety Systems (Fire Alarm Panel Replacement - Preliminary Allowance)	~20	~17	~3	1	LS	\$35,000	\$35,000				\$35,000								\$35,000	
TOTALS (UNINFLATED)								\$0	\$0	\$0	\$2,934,000	\$2,889,000	\$547,500	\$547,500	\$0	\$172,500	\$0	\$0	\$7,888,500	
INFLATION FACTOR								3.0%	1.00	1.030	1.061	1.093	1.126	1.169	1.194	1.230	1.267	1.305		
TOTALS (INFLATED)								\$0	\$0	\$3,162,072	\$3,166,888	\$616,216	\$634,703	\$0	\$212,163	\$0	\$0	\$7,722,832		
Term of Analysis		10																		
Cost Threshold		\$5,000																		
Total SF within the Site Building(s)		133,800																		
Average Cost per SF per Year (Uninflated)		\$6.29																		
Average Cost per SF per Year (Inflated)		\$6.77																		

LS - Lump Sum
SF - Square Foot
EA - Each (per unit component)
LF - Linear Foot

Pinchin Project #362095.000

**THIS IS EXHIBIT "L" TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", is written over the text "or Declaration Remotely".

Commissioner, etc.
Brendan Jones



August 1, 2025

Primaris REIT
181 Bay Street, Suite 2720
Toronto, Ontario, M5J 2T3

E-mail: khuynh@primarisreit.com

Attention: Kevin Huynh
Project Manager, Development and Construction

Re: Hazardous Building Materials Removal - Budget Estimate Letter
550 King Street North, Waterloo, Ontario
Pinchin File: 362375

Pinchin Ltd. (Pinchin) was retained by Primaris REIT (Client) to develop a High-Level Budget Estimate for hazardous building materials abatement work within the Hudson's Bay Company (HBC) space within The Conestoga Mall located at 550 King Street North, Waterloo, Ontario.

The costing provided is a Class D budget estimate $\pm 25\text{--}50\%$ or more based on the quantities of materials identified or assumed within the HBC spaces. The estimates are around 40% higher than standard Class D estimates due to the presumption that some materials contain asbestos and because their quantities have been estimated conservatively.

This is provided only for general guidance as costs will vary considerably based on site specific conditions (such as schedule, difficulty of access, size of individual work areas, whether the work is for renovation or demolition, if work is conducted concurrently or piecemeal, etc.). Costs may also vary depending on seasonal work patterns, availability of contractors, or local market/economic conditions.

1.0 METHODS AND LIMITATIONS

Pinchin performed a desktop review of existing hazardous building materials reports for the HBC spaces. Pinchin relied on the reports for to identify confirmed asbestos-containing materials, and their respective quantities. The reports were developed for long-term management and compliance with asbestos regulations and did not for provide sufficient detail for building renovation and/or demolition. Where materials were not identified or quantities were not available, Pinchin made best effort assumptions based on our experience in similar buildings, historical knowledge of the asbestos materials, their typical usage, and estimations based on floor plans and building area. These assumptions introduce significant room for error in the budget estimates.



A number of specific limitations exist to the thoroughness of reports used to develop these budget estimates. These limitations include:

- Assessment of only the most accessible and visible materials.
- Limited observation into partially concealed areas.
- Non-intrusive and no observations into concealed areas.
- Assuming some materials contain asbestos (presumed asbestos).
- Data collection and data entry methodology varying between reports.
- Quantities are visual estimates.

The costs associated with presumed asbestos-containing materials that are visible were included in the estimate based on professional judgement and Pinchin's previous knowledge/experience of the buildings/wings and the probability of the material being asbestos based on historical use and knowledge of the material. The following assumptions were made for presumed asbestos-containing materials that were visible:

1. Roofing materials: Quantities were calculated by taking the total square feet of the building (Facility Size provided by the Client) and dividing by the number of floors above and below grade.
2. Caulking and butyl sealant: Quantities were calculated based on the approximate number of windows/doors multiplied by 50 linear feet per window/door has been allocated, this value includes both the window caulking and butyl sealant on the glazing units. The total approximate number of windows/doors was estimated based on the floor plans in the previous reports.
3. Drywall/Plaster Wall Finishes: Where quantities were presented in existing reports and appeared accurate, these values were used. In building with no quantities provided, Pinchin estimated wall lengths based on floor plans and building areas and used wall heights of 8 feet within residential and commercial/office buildings and 15 feet for warehouse and equipment/material storage buildings, to determine quantity estimates.
4. Vermiculite in block walls was calculated by taking the perimeter length of the building and assuming a height of 15 feet for the walls.
5. Disposal costs were including using ten percent (10%) of the asbestos abatement costs.
6. Some materials were presumed to be present in the building based on historical and industry knowledge of the use of these materials and the assumption that it may be hidden within the spaces.



Hazardous Building Materials Removal - Budget Estimate Letter

550 King Street North, Waterloo, Ontario

Primaris REIT

August 1, 2025

Pinchin File: 362375

2.0 COST ESTIMATES

Hazardous Material	Class D Cost Estimate
Asbestos Abatement	\$1,800,000.00
Lead Abatement/Removal	\$250,000.00
Mercury Removal	\$2,800.00
Polychlorinated biphenyl (PCB) Removal	\$7,500.00
Ozone Depleting Substances (ODS) Removal	\$13,000.00
Disposal Fees	\$210,000.00
TOTAL ESTIMATE (Class D $\pm 25-50\%$)	\$2,283,300.00

3.0 TERMS AND LIMITATIONS

This work was performed subject to the Terms and Limitations presented or referenced in the proposal for this project.

Information provided by Pinchin is intended for Client use only. Pinchin will not provide results or information to any party unless disclosure by Pinchin is required by law. Any use by a third party of reports or documents authored by Pinchin or any reliance by a third party on or decisions made by a third party based on the findings described in said documents, is the sole responsibility of such third parties. Pinchin accepts no responsibility for damages suffered by any third party as a result of decisions made or actions conducted. No other warranties are implied or expressed.

4.0 CLOSURE

Should you have any questions or concerns regarding the contents of this letter, please contact the Project Manager at 905.245.0691 or mhorobin@pinchin.com.

Yours truly,

Pinchin Ltd.

Prepared by:

Mike Horobin, C.E.T., EP
Team Leader/Senior Project Manager

Reviewed by:

Tanya Stanistic, B.Sc. Hons. EMA Dip.
Operations Manager

\\pinchin.com\pet\Job\362000s\0362372.000 Primaris,National\VariousLocations,Haz,AR\Deliverables\362372 HAZ Budgets Letter HBC Space 550 King N Waterloo ON Primaris Aug 1 2025.docx

Template: Master Letter Template, January 24, 2023

**THIS IS EXHIBIT "M" TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

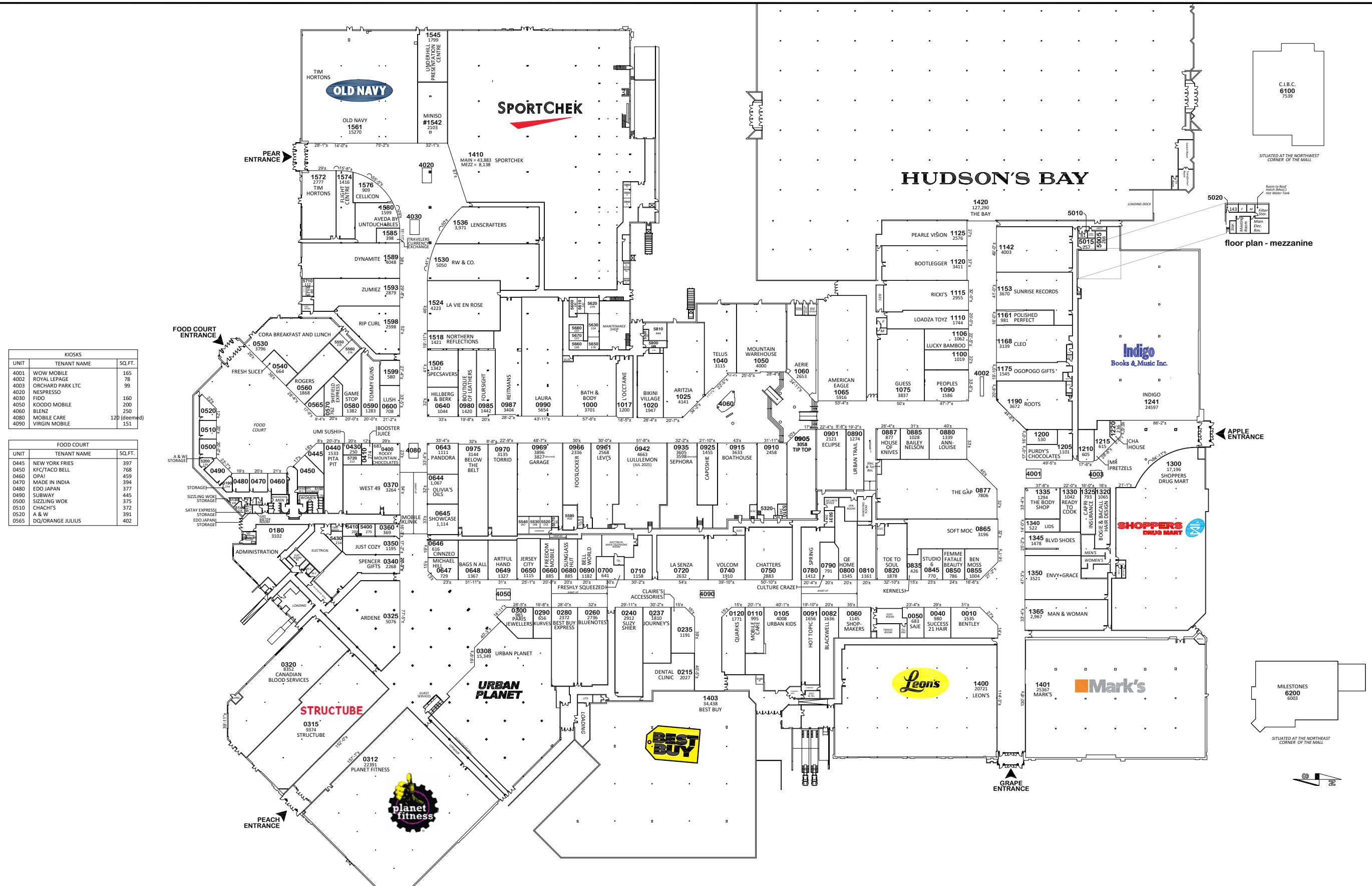
A handwritten signature in black ink, appearing to read "Brendan Jones", is written over a horizontal line.

Commissioner, etc.

Brendan Jones

ORCHARD PARK

Kelowna, British Columbia



floor plan - main level

Primaris * July 04, 2025

The Purpose of this plan is to identify the approximate location, size and dimension of the Lease premises in the Shopping Centre.
The Landlord reserves the right at anytime to relocate, rearrange or alter the buildings and structures, other leased premises, and Common Area and Facilities, and the Lease Premises from that shown on the plan.
All information, dimensions, sizes and areas are approximate only and are to be verified on site.
In-premises washroom locations are subject to verification.

Bldg ID: opk001 Orchard Park Shopping Centre

Unit ID	Type	Occupant Name	ANSI Sqft
0010	utretail	Bentley	1,535
0040	utretail	21 Hair	980
0050	utretail	Saje	683
0060	utretail	Shop Makers	1,145
0082	utretail	Blackwell	1,636
0091	utretail	Hot Topic	1,656
0105	utretail	Urban Kids	4,008
0110	utretail	Mobile Care	995
0120	utretail	Quarks	1,771
0180	utmanoff	Primaris - Management Office	3,102
0215	utretail	Orchard Park Dental Clinic	2,027
0235	utretail	Claire's	1,191
0237	utretail	Journeys	1,810
0240	utretail	Suzy Shier	2,912
0260	utretail	Bluenotes	2,736
0280	utretail	Best Buy Express	2,372
0290	utretail	Kurves Brow Bar	656
0300	utretail	Paris Jewellers	985
0308	utanchor	Urban Planet	15,349
0312	utanchor	Planet Fitness	22,391
0315	utext	Structube	9,374
0320	utext	Canadian Blood Services	8,352
0325	utretail	Ardene	5,076
0340	utretail	Spencer Gifts	2,268
0350	utretail	Just Cozy	1,195
0360	utretail	Mobile Klinik	369
0370	utretail	West 49	3,264
0400	utretail	Rocky Mountain Chocolate	683
0410	utretail	Booster Juice	274
0430	utretail	Umi Sushi Express	250
0440	utretail	Pita Pit	1,533
0445	utfood	New York Fries	397
0450	utfood	KFC/Taco Bell	768
0460	utfood	OPA Souvlaki	459
0470	utfood	Made In India	394
0480	utfood	Edo Japan	377
0490	utfood	Subway	445
0500	utfood	Sizzling Wok	375
0510	utfood	Chachi's	372
0520	utfood	A & W	391
0530	utext	Cora's Breakfast and Lunch	3,796
0540	utfood	Happy Slice	664
0560	utretail	Rogers	1,868
0565	utfood	Orange Julius	402

0570	utretail	Sheffield Express	762
0580	utretail	GameStop	1,382
0590	utretail	Tommy Guns Original Barbershop	1,283
0600	utretail	Lush	708
0640	utretail	Hillberg & Berk	1,044
0643	utretail	Pandora	1,111
0644	utretail	Olivia's Oils & Vinegars	1,067
0645	utretail	Showcase	1,114
0646	utretail	Cinnzeo	616
0647	utretail	Michael Hill Jewellers	729
0648	utretail	Bags N All	1,367
0649	utretail	The Artful Hand	1,327
0650	utretail	Jersey City	1,115
0660	utretail	Freedom Mobile	885
0680	utretail	Sunglass Hut	885
0690	utretail	Bell Mobility	1,182
0700	utretail	Freshly Squeezed	641
0720	utretail	La Senza	2,632
0740	utretail	Volcom	1,910
0750	utretail	Chatters Salon	2,883
0780	utretail	Call It Spring	1,412
0790	utretail	Culture Craze	791
0800	utretail	Quilts Etc	1,545
0820	utretail	ToeToSoul Relax Lounge	1,878
0835	utretail	Kernels	426
0845	utretail	Studio 6 by BodyMods	770
0850	utretail	Femme Fatale Beauty Co.	786
0855	utretail	Ben Moss Jewellers(3300393 NS)	1,004
0865	utretail	Soft Moc	3,196
0877	utretail	Gap	7,806
0880	utretail	Ann-Louise Jewellers	1,339
0885	utretail	Bailey Nelson	1,028
0887	utretail	House of Knives	877
0890	utretail	Urban Trail	1,274
0901	utretail	Eclipse	2,121
0905	utretail	Tip Top	3,058
0915	utretail	Boathouse	3,633
0925	utretail	Caposhie	1,455
0935	utretail	Sephora	3,605
0942	utretail	Lululemon Athletica	4,682
0961	utretail	Levi's	2,568
0966	utretail	Foot Locker	2,336
0969	utretail	Garage	3,904
0970	utretail	Torrid	3,135
0975	utretail	Below the Belt	3,144
0980	utretail	Boutique of Leathers	1,420
0985	utretail	Foursight	1,442

0987	utretail	Reitmans	3,404
0990	utretail	Laura	5,654
1000	utretail	Bath & Body Works	3,701
1017	utretail	L'Occitane	1,231
1020	utretail	Bikini Village	1,947
1025	utretail	Aritzia	4,141
1040	utretail	Telus Mobility	3,115
1050	utretail	Mountain Warehouse	4,000
1060	utretail	Aerie	2,653
1065	utretail	American Eagle Outfitters	5,916
1075	utretail	Guess?	3,837
1090	utretail	Peoples Jewellers	1,586
1100	utretail	Polished Perfect	1,019
1106	utretail	Lucky Bamboo	1,062
1110	utretail	Loadza Toyz	1,744
1115	utretail	Ricki's	2,955
1120	utretail	Bootlegger	3,411
1125	utretail	Pearle Vision	2,576
1153	utretail	Sunrise Records	3,670
1168	utretail	Cleo	3,139
1175	utretail	Ogopogo Giftland	1,545
1190	utretail	Roots	3,672
1200	utretail	SweetLegs	530
1205	utretail	Purdys Chocolatier	1,101
1215	utretail	Mr. Pretzels	617
1220	utretail	Cha House	236
1241	utanchor	Indigo	23,274
1264	utanchor	Starbucks	1,323
1300	utanchor	Shoppers Drug Mart	17,196
1320	utretail	Bogie & Bacall	1,065
1325	utretail	Acera Insurance	793
1330	utretail	Ready To Cook	1,042
1335	utretail	The Body Shop	1,294
1340	utretail	Lids	522
1345	utretail	BLVD Shoes	1,478
1350	utretail	Envy + Grace	3,521
1365	utretail	Man Woman	2,967
1400	utanchor	Leon's Furniture	20,721
1401	utanchor	Mark's Work Wearhouse	25,367
1403	utanchor	Best Buy	34,438
1410	utanchor	Sport Chek	43,883
1420	utanchor	Hudson's Bay	127,290
1506	utretail	Specsavers	1,342
1518	utretail	Northern Reflections	1,421
1524	utretail	La Vie en Rose	4,223
1530	utretail	RW & Co.	5,050
1536	utretail	Lenscrafters	3,971

1542	utretail	Miniso	2,103
1545	utext	Lorval Developments	1,799
1561	utanchor	Old Navy	15,270
1572	utretail	Tim Hortons	2,777
1574	utretail	Flight Centre	1,416
1576	utretail	Cellicon	909
1580	utretail	Untouchables in Hair Care	1,599
1585	utretail	Travelers Currency Exchange	398
1589	utretail	Dynamite	4,048
1593	utretail	Zumiez	2,879
1598	utretail	Rip Curl	2,598
4000	utmanoff	Primaris - Guest Services	237
4001	utkiosk	WOW! Mobile Boutique (Telus)	165
4002	utkiosk	Royal LePage	78
4003	utkiosk	lotto!	99
4030	utkiosk	FIDO	160
4050	utkiosk	Koodo Mobile	200
4060	utkiosk	Nara and Gamba's Coffee Ltd.	260
4080	utkiosk	Mobile Care	160
4090	utkiosk	Virgin Plus	151
6100	utrepad	CIBC	7,629
6200	utrepad	Milestone's Grill & Bar	6,003

**THIS IS EXHIBIT “N” TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", written in a cursive style.

Commissioner, etc.
Brendan Jones



Statement of Account
Statement As of 2025-07-30

Hudson's Bay
Hudson's Bay Company ULC
401 Bay Street, Suite 2302
Toronto, ON M5H 2Y4

Lease Code	t0000946	Deposit	Orchard Park Shopping Centre
Unit	1420	Prepaid Rent	- 2271 Harvey Avenue
Lease Area	127,290	Security Deposit	- Kelowna BC V1Y 6H2
Lease Expiry	07/31/2032	Other Deposit	-

Trans. Date	Inv Num	Description	Invoice Amount	Tax (GST)	Tax (QST)	Gross Amount	Payment	Balance
		Opening Balance						0.00
01/01/2025		01/2025 - Rent	72,133.33	3,606.67	0.00	75,740.00	0.00	75,740.00
01/02/2025		01/2025 - Rent	536.42	26.82	0.00	563.24	0.00	76,303.24
01/20/2025		Payment - ACH	0.00	0.00	0.00	0.00	75,740.00	563.24
02/01/2025		02/2025 - Rent	72,133.33	3,606.67	0.00	75,740.00	0.00	76,303.24
02/02/2025		02/2025 - Rent	536.42	26.82	0.00	563.24	0.00	76,866.48
03/01/2025		03/2025 - Rent	72,133.33	3,606.67	0.00	75,740.00	0.00	152,606.48
03/02/2025		03/2025 - Rent	536.42	26.82	0.00	563.24	0.00	153,169.72
03/07/2025	33168	2025 Property Taxes	360,855.32	18,042.77	0.00	378,898.09	0.00	532,067.81
03/07/2025	33169	2024 Final Billing GAS,2024 Final Billing WATER	4,472.98	223.65	0.00	4,696.63	0.00	536,764.44
03/14/2025		Payment - ACH	0.00	0.00	0.00	0.00	31,155.92	505,608.52
03/18/2025		Payment - ACH	0.00	0.00	0.00	0.00	55,388.30	450,220.22
04/01/2025		Payment - ACH	0.00	0.00	0.00	0.00	54,393.27	395,826.95
04/01/2025		04/2025 - Rent	72,669.75	3,633.49	0.00	76,303.24	0.00	472,130.19
04/15/2025		Payment - ACH	0.00	0.00	0.00	0.00	53,939.04	418,191.15
05/01/2025		Payment - ACH	0.00	0.00	0.00	0.00	53,939.04	364,252.11
05/01/2025		05/2025 - Rent	72,669.75	3,633.49	0.00	76,303.24	0.00	440,555.35
05/15/2025		Payment - ACH	0.00	0.00	0.00	0.00	53,939.06	386,616.29
05/30/2025		Payment - ACH	0.00	0.00	0.00	0.00	53,939.06	332,677.23
06/01/2025		06/2025 - Rent	72,669.75	3,633.49	0.00	76,303.24	0.00	408,980.47
06/13/2025		Payment - ACH	0.00	0.00	0.00	0.00	53,939.04	355,041.43
06/27/2025		Payment - ACH	0.00	0.00	0.00	0.00	53,939.04	301,102.39
07/01/2025		07/2025 - Rent	72,669.75	3,633.49	0.00	76,303.24	0.00	377,405.63
07/10/2025	35195	2025 Property Taxes	-360,855.32	-18,042.77	0.00	-378,898.09	0.00	-1,492.46
07/10/2025	35196	2025 Property Taxes	371,820.61	18,591.03	0.00	390,411.64	0.00	388,919.18
07/15/2025		Payment - ACH	0.00	0.00	0.00	0.00	53,939.04	334,980.14

Cheque payable to:

PRIMARIS MANAGEMENT INC., RE: Orchard Park Shopping Centre
2271 Harvey Avenue, Suite 180 , Kelowna , BC, V1Y 6H2

Amount Due
334,980.14

**THIS IS EXHIBIT "O" TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely



Commissioner, etc.
Brendan Jones



FINAL **Baseline Property** **Condition Assessment**

2271 Harvey Avenue
Kelowna, British Columbia

Prepared for:

Primaris REIT
181 Bay Street, Suite 2720
Toronto, ON M5J 2T3

August 8, 2025

Pinchin File: 362095.002



Issued to: Primaris REIT
Issued on: August 8, 2025
Pinchin File: 362095.002
Issuing Office: Richmond, BC
Primary Pinchin Contact: Donna Ballentyne, Operations Manager
289.678.0685
dballentyne@pinchin.com

Author:



Michael Hatch.
Project Manager

Reviewer:



Majid MilaniNia, P.Eng.
Senior Project Engineer



EXECUTIVE SUMMARY

Pinchin Ltd. (Pinchin) was retained by Primaris REIT (Client) to conduct a Baseline Property Condition Assessment (BPCA), subject to the limitations outlined in Section 6.0 of this report. As discussed with the Client this service did not include any specialist review of items such as mechanical/electrical systems, structural components, fire and life safety systems, etc. The municipal address for the property is 2271 Harvey Avenue, Kelowna, British Columbia (the Site). Pinchin conducted a visual assessment of the Site on July 31, 2025, at which time Pinchin interviewed and was accompanied by the Operations Manager of Orchard Park Shopping Centre and a Representative of the Bay (hereafter referred to as the Site Representatives).

Pinchin was advised by the Client that the purpose of the BPCA was to assess visible deficiencies as part of their internal due diligence for the potential leasing of the Site.

The Site is an irregular-shaped property approximately 2.73 acres in area which encompasses the former "Hudson's Bay" tenant space and its surrounding exterior walkways. The scope of work requested by the Client includes only the vacant, single-storey (complete with mezzanine areas), commercial space formerly occupied by "Hudson's Bay", referred to as the Site Building. The Site Building is adjoined to "Orchard Park Shopping Centre" on the east elevation. Parking for the entire Site is provided as part of the "Orchard Park Shopping Centre" facilities.

The Site Building is reported to have been constructed in approximately 1975 with an approximate footprint area and total combined building area of approximately 109,350 Square Feet (SF) (excluding mezzanine areas).

The Site Building is constructed with a cast-in-place concrete slab-on-grade (i.e., no basement level) with cast-in-place concrete foundation walls. The superstructure of the Site Building is comprised of a steel-framed support structure (i.e., beams, columns and open web steel joists) supporting steel roof decks. Steel framed mezzanine areas structures utilized for storage were noted in various locations of the Site Building. The exterior walls of the Site Building are clad primarily with brick veneer masonry with localized areas of clay wall tiles noted at the main entrances/egresses on the north and west elevations.

The Site Building appears to be in serviceable condition, commensurate with its age and in comparable standing to other similar commercial properties in the area.

Based on our visual assessment the Site Building appears to have been constructed in general accordance with standard building practices in place at the time of construction.

The assessment did not reveal any visual evidence of major structural failures, soil erosion or differential settlement.



An immediate cost of **\$1,000** has been identified for the following:

- Inspection of the fire alarm system that was observed to be past-due its annual inspection date.

Repair requirements (under replacement reserves) over the term of the analysis (i.e., 10 years) of **\$5,860,750** have been identified. As noted during the Site visit, deficiencies relating to the roof systems, wall systems, interior finishes, Site features and mechanical/electrical systems require correction to re-establish a satisfactory level of performance. Of particular note, recommendations, repairs and replacements for the following items are included throughout the term of the analysis:

- Phased replacement of the modified bitumen membrane roof systems atop Roof Sections A1 to A5 of the Site Building beginning in the early portion of the term of the analysis;
- Replacement of the Built-Up asphalt Roof (BUR) membrane roof system atop Roof Section A6 of the Site Building within the early portion of the term of the analysis;
- Replacement of the glazed roof areas atop the Site Building of the Site Building within the early portion of the term of the analysis;
- Repairs to the roof systems (contingency allowance);
- Preliminary allowance for a sealant replacement program (preliminary allowance);
- Repairs to the wall systems (preliminary allowance);
- Repairs to the interior finishes (excluded);
- General repairs to the Site features;
- Phased replacement of the 24 rooftop packaged Heating, Ventilation and Air Conditioning (HVAC) units within the term of analysis;
- Replacement of the Reznor® Make-Up Air (MUA) unit atop the Site Building within the mid portion of the term of analysis;
- Replacement of the “York” condensing unit atop the Site Building in conjunction with the associated MUA unit replacement;
- Replacement of the “A.O. Smith” Domestic Hot Water (DHW) heater within the mid portion of the term of the analysis;
- Repairs to the mechanical systems (below threshold);
- Specialist review of the high voltage switchgear to verify its condition, cost, timing of potential replacement and identify additional upgrade/replacement requirements (below threshold);



- Repairs and replacement of the electrical components and distribution systems; however, this cost can vary greatly depending on the results of the specialist review (preliminary allowance);
- Specialist review of the fire alarm system is recommended prior to replacement to verify its condition, cost, timing of replacement and identify additional upgrade/replacement requirements within the mid portion of the term of the analysis (below threshold);
- Replacement of the fire alarm and annunciator panel serving the Site Building however, this cost can vary greatly depending on the results of the specialist review (preliminary allowance);
- Repairs to the electrical systems (below threshold).

Consideration has been given regarding required ongoing maintenance and repairs of the major elements and at the direction of the Client, Pinchin has utilized a threshold of \$5,000.00 per system, per year as a limit in determining and carrying anticipated expenditures. Anticipated expenditures associated with maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and excluded from the Summary of Anticipated Expenditures.

Regular maintenance should be conducted on the roof systems, wall systems, structural elements, interior finishes, Site features and the mechanical/electrical systems to ensure that the Expected Useful Life (EUL) of the major components is realized. Repair costs for the aforementioned items have been included over the term of the analysis (i.e., 10 years) included within Appendix I. The specific deficiencies identified during the BPCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report. Costs associated with desired upgrades have not been carried.

This Executive Summary is subject to the same standard limitations as contained in the report and must be read in conjunction with the entire report.



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APPENDICES

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1.0 INTRODUCTION

Pinchin Ltd. (Pinchin) was retained by Primaris REIT (Client) to conduct a Baseline Property Condition Assessment (BPCA), subject to the limitations outlined in Section 6.0 of this report. As discussed with the Client this service did not include any specialist review of items such as mechanical/electrical systems, structural components, fire and life safety systems, etc. The municipal address for the property is 2271 Harvey Avenue, Kelowna, British Columbia (the Site). Pinchin conducted a visual assessment of the Site on July 31, 2025, at which time Pinchin interviewed and was accompanied by the Operations Manager of Orchard Park Shopping Centre and a Representative of the Bay (hereafter referred to as the Site Representatives).

Pinchin was advised by the Client that the purpose of the BPCA was to assess visible deficiencies as part of their internal due diligence for the potential leasing of the Site.

It was reported to Pinchin that the costs associated with ongoing general maintenance of the major components of the Site Building are carried as part of the annual operating budget for the Site. At the direction of the Client a threshold of \$5,000.00 per system, per year has been utilized in determining anticipated expenditures. Anticipated expenditures associated with maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and excluded from the Summary of Anticipated Expenditures. The term of analysis requested by the Client was 10 years.

The results of the BPCA are presented in the following report. This report is subject to the Terms and Limitations discussed in Section 6.0.

2.0 SCOPE AND METHODOLOGY

The scope of the BPCA included a visual examination (without any intrusive testing or demolition of finishes to observe hidden areas) of the following:

- The building envelope, comprised of the exterior walls, windows, exterior doors and roof systems;
- The structural elements (i.e., slabs, beams, columns and walls);
- The interior finishes of the common areas and a selection of the individual premises;
- The Site features;
- The mechanical systems (i.e., HVAC, MUA units, condensing units, domestic hot water, plumbing, etc.); and
- The electrical systems.



The object of the BPCA included the following:

- A visual examination of the property in order to assess the condition of the major elements;
- Review of general documentation on the repair/maintenance history of the elements, if available;
- cursory review of previous reports pertaining to the Site Building, if made available by the Site Representatives;
- Interviews and discussions with on-Site personnel regarding the repair/maintenance conducted on the Site Building;
- Documentation of observed existing deficiencies observed within the various elements;
- Photographic documentation of various components and observed deficiencies; and
- Compilation of Pinchin's findings in a formal written report including observed deficiencies, together with a list of recommendations for repair/replacement with associated estimated costs for both short and long term.

The report provides:

- A basic description of each of the various major components of the Site Building;
- A list of deficiencies noted with respect to the components examined; and
- Recommendations and cost estimates for the corrections recommended.

Cost estimates provided in this report are preliminary Class "D" and provided only as an indication of the order of magnitude of the remedial work. These values have been arrived at by determining a representative quantity from the visual observations made at the time of our Site visit and by applying current market value unit costs to such quantities and or a reasonable lump sum allowance for the work. More precise cost estimates would require more detailed investigation to define the scope of work. They are not intended to warrant that the final costs will not exceed these amounts or that all costs are covered. The estimates assume the work is performed at one time and do not include costs for potential de-mobilization and re-mobilization if repairs/replacement are spread out over the term of analysis.

All costs are identified in 2025 Canadian Dollars, and do not include consulting fees or applicable taxes. (For consulting fees, Pinchin typically recommends a budget allowance of 10% to 15% of the costs identified).

All cost estimates assume that regular annual maintenance and repairs will be performed to all building elements at the facility. No cost allowance is carried for this regular maintenance.

The cost estimates provided in this report are based on costs of past repairs at similar buildings, recent costing data such as “RS Means Repair and Remodelling Cost Data – Commercial/Residential” and “Hanscomb’s Yardsticks for Costing”, or Pinchin’s professional judgment.

Unless otherwise stated, the replacement costs identified for an element reflects the cost to remove and replace the existing element with the same type of element.

3.0 OBSERVATIONS AND COMMENTS

3.1 Site Information



General view of the partial east elevation of the Site Building.



General view of the south elevation of the Site Building.



General view of the west elevation of the Site Building.



General view of the north elevation of the Site Building.



Aerial view of the Site Building.

(Courtesy of Kelowna Map Viewer 2025)



Table 3.1 - Site Information

Site Occupant/Name	Vacant “Formerly Hudson’s Bay”		
Site Address	2271 Harvey Avenue, Kelowna, British Columbia		
<i>Existing Land Use Type</i>	C2DT – (Vehicle-Oriented Commercial zone with a drive-thru)	<i>Primary On-Site Activity</i>	Retail
<i>Multi-Tenant/Single Occupant</i>	Vacant	<i>Number of Units</i>	One
<i>Date First Developed</i>	Unknown	<i>Site Area</i>	~ 2.73 acres
<i>Number of Buildings</i>	One	<i>Building Footprint Area</i>	~ 109,350 SF
<i>Number of Stories (Excluding Basement)</i>	Single	<i>Total Building Area</i>	~ 109,350 SF
<i>Date Building(s) Constructed</i>	~ 1975	<i>Area of Tenant Spaces</i>	~ 109,350 SF
<i>Date Building(s) Renovated</i>	Ongoing interior fit-ups	<i>Basement and/or U/G Parking</i>	N/A
<i>Type of Roof System(s)</i>	Built-Up asphalt Roof (BUR) Modified bitumen Membrane Sloped Metal mansard style roof areas Glazed roof areas	<i>Number of Levels U/G</i>	N/A
<i>Type of Wall Cladding</i>	Brick veneer masonry Clay wall tiles	<i>Area of Roof System(s)</i>	Modified bitumen ~ 91,350 SF BUR ~ 18,000 SF Sloped Metal ~ 20,000 SF Glazed roof areas ~ 200 SF
<i>Type of Doors</i>	Single Glazed (SG) units within aluminum frames Hollow metal doors within metal frames Sectional metal overhead doors	<i>Types of Windows</i>	Fixed IG units within aluminum frames
<i>Number of Above Grade Parking Spaces</i>	Offsite	<i>Electrical Source</i>	BC Hydro



Table 3.1 - Site Information

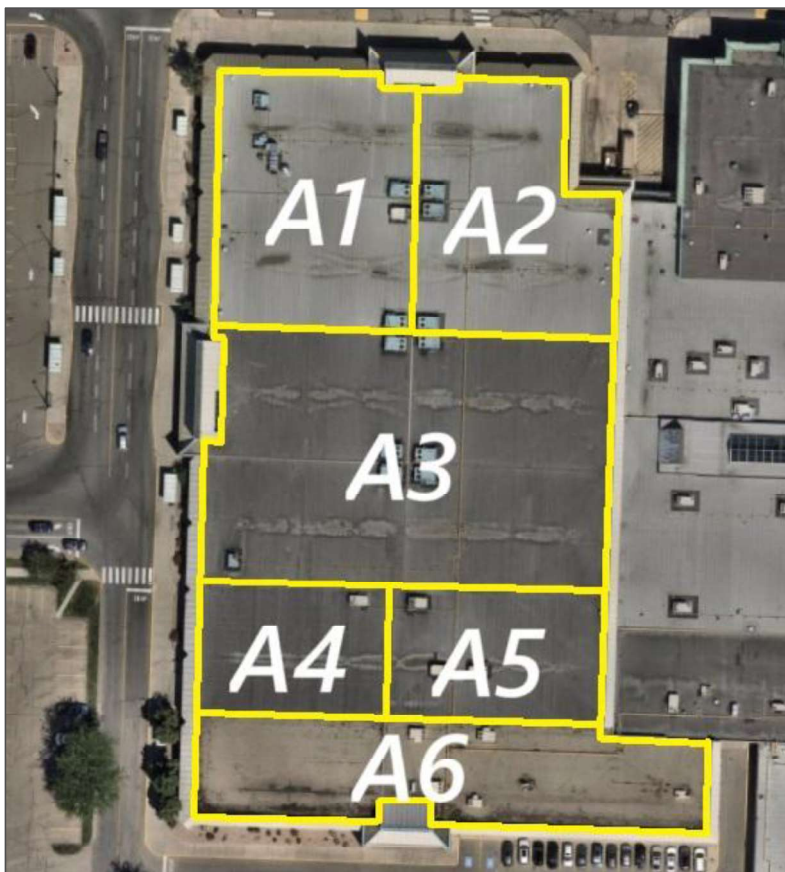
Site Occupant/Name	Vacant “Formerly Hudson’s Bay”		
<i>Surface Type</i>	Asphalt pavement Concrete walkways, and pads Soft landscaping (i.e., with trees)	<i>Type of Heating/Cooling</i>	Natural gas-fired heating and electrically-powered cooling rooftop mounted Heating, Ventilation and Air Conditioning (HVAC) units Natural gas-fired Make-Up Air (MUA) units Electrically powered condensing unit Hydronic unit heaters Natural gas-fired suspended unit heaters Electrically-powered baseboard/space heaters

3.2 Roof Systems

The roof systems of the Site Building consist of a combination of conventionally-designed, low-sloped gravel-surfaced, Built-Up asphalt Roof (BUR) and modified bitumen roof systems installed atop a layer of rigid insulation, atop steel and concrete roof decks. Neither the presence of a vapour barrier, nor the type or the thickness of the insulation could be verified, as the scope of the work did not include destructive testing.

Sloped metal mansard style roof areas were noted serving the perimeters of the Site Building while glazed roof areas were noted serving the main entrance areas noted on the north and west elevations.

Drainage of the roof systems is provided by internal roof drains which presumably drain to the municipal sewer system. Penetrations through the roof systems of the Site Building consist of a plumbing vents, roof drains, roof access hatch, service penetration, and pitch pockets serving conduits.



Aerial view of the Roof

(Courtesy of Kelowna Map Viewer 2025).

The details of the roof systems atop the Site Building are summarized in the following table:

Reference	Roof System	Estimated Roof Area	Estimated Age
A1	Modified bitumen	~ 19,000 SF	~ 2008 (i.e., ~ 17 years old)
A2	Modified bitumen	~ 16,650 SF	~ 2009 (i.e., ~ 16 years old)
A3	Modified bitumen	~ 36,200 SF	~ 1997 (i.e., ~ 28 years old)
A4	Modified bitumen	~ 9,000 SF	~ 2000 (i.e., ~ 25 years old)
A5	Modified bitumen	~ 10,500 SF	~ 1996 (i.e., ~ 29 years old)
A6	BUR	~ 18,000 SF	~ 1994 (i.e., ~ 31 years old)
Roof Perimeters	Sloped metal	~ 20,000 SF	25+
North and west main entrances	Glazed roof areas	~ 200 SF	25+



The total combined area of the roof systems is slightly larger than the total footprint of the Site Building at approximately 129,550 SF due to the sloped mansard style and glazed roof areas.

No active roof leaks were reported at the time of the Site visit; however, historical roof leaks were reported in various locations of the Site Building. Furthermore, stained ceiling tiles were noted in multiple locations of the Site Building.

Due to the fact that the scope of the work did not include for destructive testing, Pinchin could not ascertain whether Phenolic insulation was present within the roof systems at the time of the Site visit.

Table 3.2 outlines the findings of the inspection of the roof systems:

Table 3.2 – Roof Systems

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">The modified bitumen membrane systems atop Roof Sections A1 to A5 are approximately 16 to 29 years old and either have or will have exceeded their Expected Useful Life (EUL) within the term of analysis. In addition, the roof systems were noted to be exhibiting signs of age and ware (i.e., membrane wrinkling/crazing/blistering, etc.).	<ul style="list-style-type: none">Based on estimate age and observed conditions, Pinchin recommends phased replacement of the modified bitumen membrane systems atop Roof Sections A1 to A5 of the Site Building beginning in the early portion of the term of the analysis.
<ul style="list-style-type: none">The BUR membrane system atop Roof Section A6 is approximately 31 years old and has attained its EUL. In addition, the BUR system was noted to be exhibiting signs of age and ware (i.e., asphalt bleed through, previous repairs, exposed membrane, etc.).	<ul style="list-style-type: none">Based on estimate age and observed conditions, Pinchin recommends replacement of the BUR membrane f system atop Roof Section A6 of the Site Building within the early portion of the term of the analysis.
<ul style="list-style-type: none">The glazed roof areas atop the Site Building are estimated to be in excess of 25 years of age and have attained their EUL. In addition, the glazed roof areas were noted to be exhibiting signs of age and ware (i.e., cracked glazed units, etc.).	<ul style="list-style-type: none">Based on estimate age and observed conditions, Pinchin recommends replacement of the glazed roof areas atop the Site Building of the Site Building within the early portion of the term of the analysis.
Minor Deficiencies/Findings	
<ul style="list-style-type: none">Missing debris strainers were noted atop Roof Section 6.	<ul style="list-style-type: none">Install debris strainers.
<ul style="list-style-type: none">Poorly executed service penetrations were noted in multiple locations atop the Roof Sections of the Site Building.	<ul style="list-style-type: none">Undertake localized repairs to prevent potential moisture infiltration.
<ul style="list-style-type: none">Areas of organic growth/debris were noted atop the Roof Sections of the Site Building.	<ul style="list-style-type: none">Clear organic growth from the surface of the roof systems as part of ongoing general maintenance of the roof systems.

Table 3.2 – Roof Systems

Findings	Remarks/Recommendations
<ul style="list-style-type: none"> Areas of delaminated paint were noted atop the sloped metal mansard style roof areas. 	<ul style="list-style-type: none"> Replace areas of delaminated paint.



General view of a typical modified bitumen membrane Roof Section A2 serving the Site Building.



General view of a typical modified bitumen membrane Roof Section A3 serving the Site Building.



General view of a typical modified bitumen membrane Roof Section A4 serving the Site Building.



General view of the BUR membrane serving Roof Section A6.



General view of a typical sloped Metal mansard style roof area serving the Site Building.



General view of a typical glazed roof area serving the Site Building.



Areas of membrane wrinkling of the modified bitumen membrane roof system were noted atop Roof Section A1.



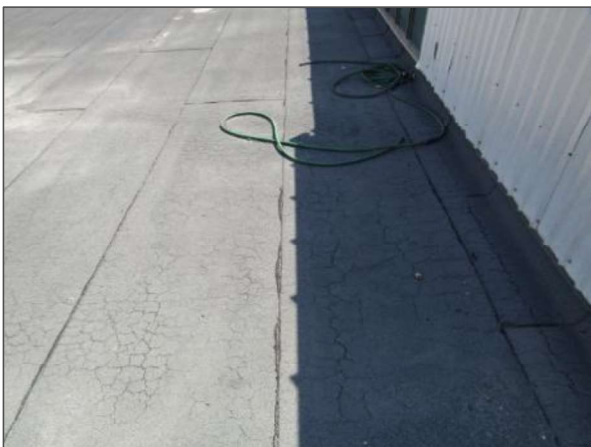
Areas of membrane crazing of the modified bitumen membrane roof system were noted atop Roof Section A3 in multiple locations.



Areas of membrane crazing of the modified bitumen membrane roof system were noted atop Roof Section A3 in multiple locations.



Areas of membrane crazing of the modified bitumen membrane roof system were noted atop Roof Section A3 in multiple locations.



Areas of membrane crazing of the modified bitumen membrane roof system were noted atop Roof Section A3 in multiple locations.



Areas of membrane crazing of the modified bitumen membrane roof system were noted atop Roof Section A4 in multiple locations.



Areas of membrane crazing of the modified bitumen membrane roof system were noted atop Roof Section A5 in multiple locations.



Areas of membrane blistering of the modified bitumen membrane roof system were noted atop Roof Section A3 in multiple locations.



Areas of membrane blistering of the modified bitumen membrane roof system were noted atop Roof Section A4 in multiple locations.



Areas of membrane blistering of the modified bitumen membrane roof system were noted atop Roof Section A5 in multiple locations.



Areas of asphalt bleed through were noted atop the BUR system serving Roof Section 6.



Areas of asphalt bleed through were noted atop the BUR system serving Roof Section 6.



Areas of exposed membrane and previous repair work to the BUR system serving Roof Section 6 were observed.



Areas of exposed membrane and previous repair work to the BUR system serving Roof Section 6 were observed.



Missing debris strainers were noted atop Roof Section 6.



Poorly executed service penetrations were noted in multiple locations atop the Roof Sections of the Site Building.



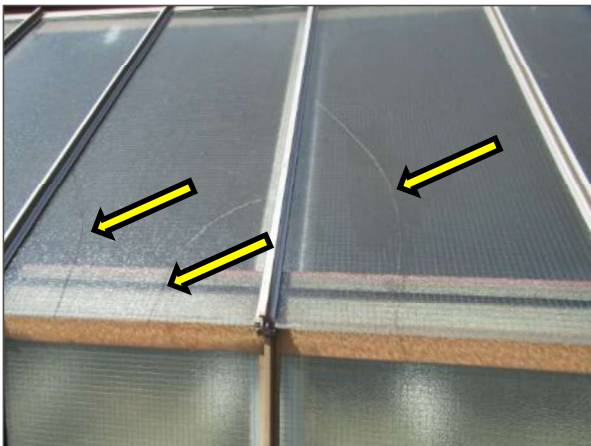
Areas of organic growth/debris were noted atop the Roof Sections of the Site Building.



Cracked glazed units serving the glazed roof noted on the north portion of the Site Building were observed.



Cracked glazed units serving the glazed roof noted on the north portion of the Site Building were observed.



Cracked glazed units serving the glazed roof noted on the north portion of the Site Building were observed.



Cracked glazed units serving the glazed roof noted on the west portion of the Site Building were observed.



Cracked glazed units serving the glazed roof noted on the west portion of the Site Building were observed.



Areas of delaminated paint were noted atop the sloped metal mansard style roof areas.

It has been Pinchin's experience that the Expected Useful Life (EUL) of a BUR system typically ranges between 20 to 25 years, the EUL of modified bitumen membrane typically ranges between 23 to 25 years, the EUL of a glazed roof area typical ranges between 15 to 20 years while the EUL of a typical sloped metal roof system typically ranges between 25 to 35 years and beyond, depending on the quality of



building materials used, the quality of workmanship during installation and the level to which the roof systems have been maintained.

The above-referenced roof systems vary in age and either have or will have attained their EUL within the term of the analysis. As such, Pinchin recommends budgeting for replacements of the roof systems identified in Table 3.2 mentioned above within the term of the analysis.

Pinchin recommends that a higher degree of maintenance be performed on the sloped metal roof areas atop the perimeters of the Site Building throughout the term of the analysis as the roof systems will be approaching their EUL. Roof replacements are anticipated shortly following the end of the term of the analysis based on the current age of the roof systems.

Assuming the above-referenced deficiencies are addressed, the roof replacements are undertaken, and regular ongoing corrective and preventative roof maintenance/repairs are performed, the roof systems serving the Site Buildings should perform in a satisfactory manner throughout the term of the analysis.

Pinchin recommends and has included allowances for the above-noted repairs and replacements of the roof systems within the term of the analysis.

Annual walk-on inspections are recommended to ensure any deficiencies or issues are discovered and attended to in a timely manner in order to preserve the integrity and longevity of the roof systems.

3.3 Wall Systems

The exterior walls of the Site Building are clad primarily with brick veneer masonry with localized areas of clay wall tiles noted at the main entrances/egresses on the north and west elevations.

The window systems of the Site Building consist of a combination of fixed Insulated Glass (IG) and Single Glazed (SG) units set within aluminum frames installed within storefront and punched configurations. Based on window stamps, reported information and observed conditions, the majority of the window systems serving the Site Building are original to the time of construction in 1975 (i.e., 50 years of age).

Exterior doors serving the Site Building are comprised of SG units set into aluminum frames located at the main entrance on the north, west and south elevations of the Site Building with similar SG doors serving the vestibules. Secondary entrance doors serving the Site Building consist of hollow metal doors within metal frames located on various elevations of the Site Building. Doors leading into the mechanical rooms consist of painted hollow metal doors within metal frames. Two sectional metal overhead doors serve the loading area on the north elevation of the Site Building.

It should be noted that due to the fact that the scope of work did not include any intrusive/destructive testing the presence or condition of brick ties behind the brick veneer masonry walls could not be visually inspected.



Furthermore, the assessment of the wall systems was limited to ground level observations.

Table 3.3 outlines the findings of the inspection of the wall systems:

Table 3.3 – Wall Systems	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">• None observed/reported.	<ul style="list-style-type: none">• None required.
Minor Deficiencies/Findings	
<ul style="list-style-type: none">• Localized areas of cracking within the brick veneer masonry were noted on the north elevation of the Site Building.	<ul style="list-style-type: none">• Undertake localized repairs.
<ul style="list-style-type: none">• Areas of damaged brick veneer masonry were noted on the north, west and south elevations of the Site Building.	<ul style="list-style-type: none">• Undertake localized repairs.
<ul style="list-style-type: none">• Areas of aged transition sealant were noted multiple elevations.	<ul style="list-style-type: none">• Repoint the transition sealants.
<ul style="list-style-type: none">• Missing transition sealant was noted on the north and south elevations.	<ul style="list-style-type: none">• Install transition sealants.
<ul style="list-style-type: none">• Damaged clay wall tile was noted on the north and west elevations.	<ul style="list-style-type: none">• Undertake localized repairs.
<ul style="list-style-type: none">• Aged door sealants were noted in multiple locations.	<ul style="list-style-type: none">• Replace the deteriorated door sealants.
<ul style="list-style-type: none">• Aged window sealants were noted on the north elevation.	<ul style="list-style-type: none">• Replace the deteriorated window sealants.
<ul style="list-style-type: none">• Unsealed wall penetrations were noted on the north and south elevations.	<ul style="list-style-type: none">• Seal wall penetrations.
<ul style="list-style-type: none">• A damaged SG door was noted on the north elevation.	<ul style="list-style-type: none">• Repair damaged SG door.



General view of the typical wall systems serving the Site Building.

Note: North elevation shown.



General view of a typical area of clay wall tile serving the main entrances of the Site Building.

Note: North elevation shown.



General view of a typical main entrance serving the north, west and south elevations.



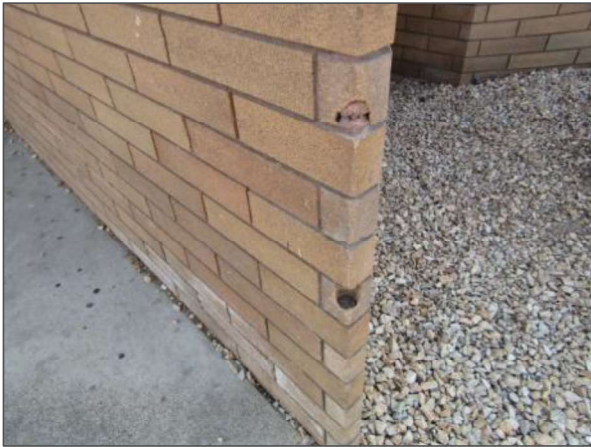
General view of a typical sectional metal overhead door.



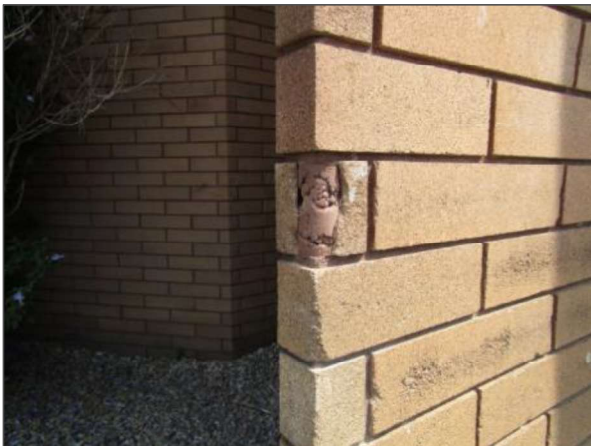
Localized areas of cracking within the brick veneer masonry were noted on the north elevation of the Site Building.



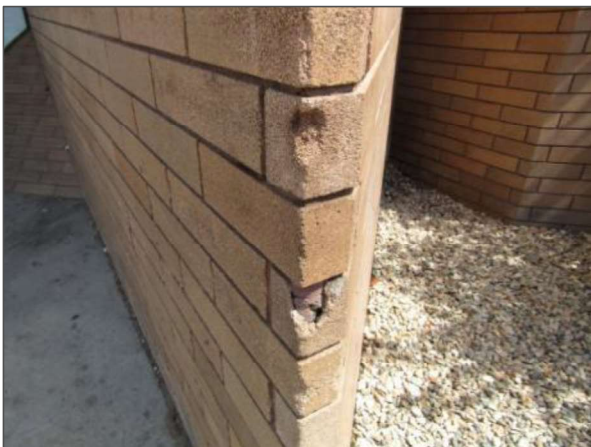
Localized areas of cracking within the brick veneer masonry were noted on the north elevation of the Site Building.



Areas of damaged brick veneer masonry were noted on the north elevation of the Site Building.



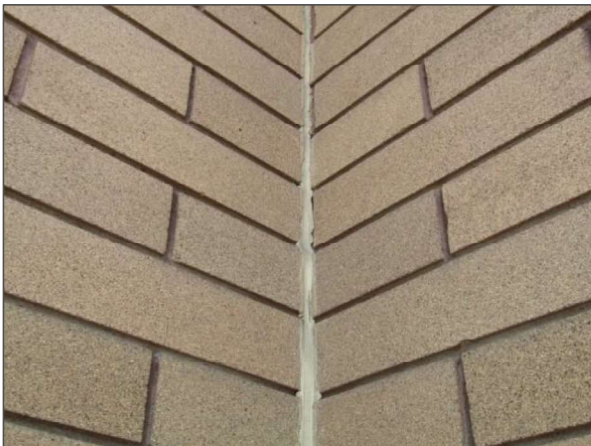
Areas of damaged brick veneer masonry were noted on the west elevation of the Site Building.



Areas of damaged brick veneer masonry were noted on the west elevation of the Site Building.

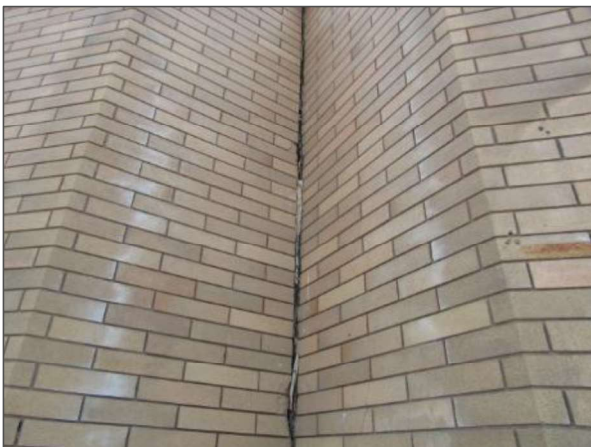


Areas of damaged brick veneer masonry were noted on the south elevation of the Site Building.



Areas of aged transition sealant were noted multiple elevations.

Note: North elevation shown.



Missing transition sealant were noted on the north elevation.



Missing transition sealant were noted on the north elevation.



Missing transition sealant were noted on the north elevation.



Missing transition sealant were noted on the south elevation.



Damaged clay wall tile was noted on the north elevation.



Damaged clay wall tile was noted on the west elevation.

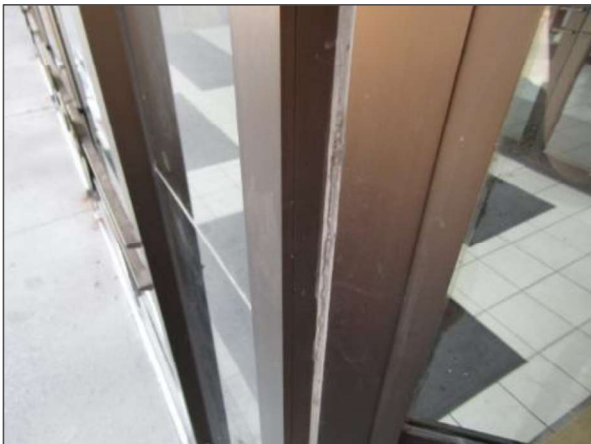


Damaged clay wall tile was noted on the west elevation.



Aged door sealants were noted in multiple locations.

Note: North elevation shown.



Aged door sealants were noted in multiple locations.

Note: North elevation shown.



Aged door sealants were noted in multiple locations.

Note: North elevation shown.



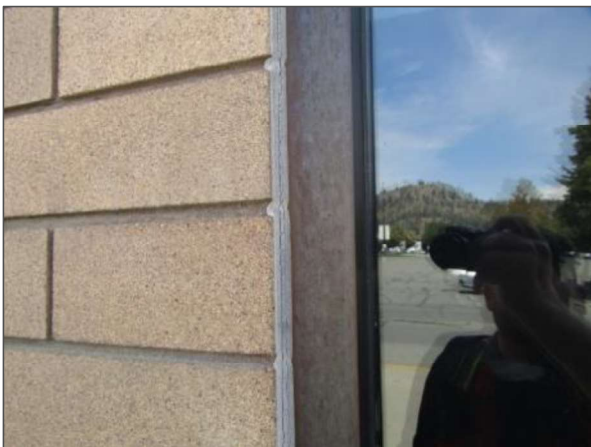
Aged door sealants were noted in multiple locations.

Note: West elevation shown.



Aged door sealants were noted in multiple locations.

Note: West elevation shown.



Aged window sealants were noted on the north elevation.



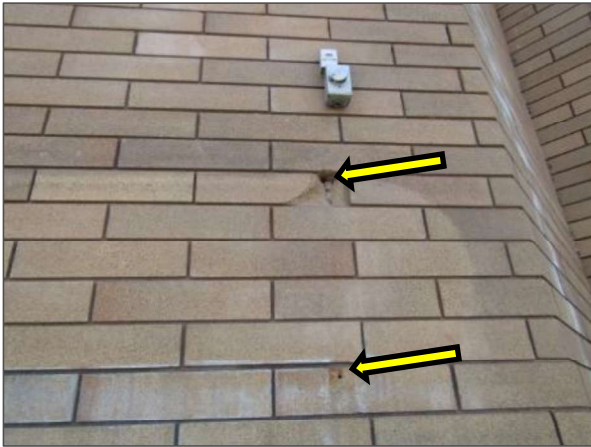
Aged window sealants were noted on the north elevation.



Aged window sealants were noted on the north elevation.



Aged window sealants were noted on the north elevation.



Unsealed wall penetrations were noted on the north elevation.



An unsealed wall penetration was noted on the south elevation.



An unsealed wall penetration was noted on the south elevation.



A damaged SG door was noted on the north elevation.

The wall, window and door systems of the Site Building were generally noted to be in serviceable condition at the time of the assessment.

Typical buildings of this age may contain PCBs in mastics, caulking and window putties. Testing for the presence of PCBs in these materials is beyond the scope of this BPCA report. The potential presence of PCBs in these materials could give rise to additional costs in future if extensive renovation requiring removal of these materials or demolition activities are undertaken at the Site. The extent of such potential issues could not be assessed as part of this BPCA report.

Assuming that the aforementioned deficiencies are addressed, sealant replacement program is implemented, and that regular annual maintenance is performed, the window, wall and door systems of the Site Building should perform in a satisfactory manner throughout the term of the analysis. Pinchin has included a preliminary allowance for repairs to the wall systems throughout the term of the analysis.

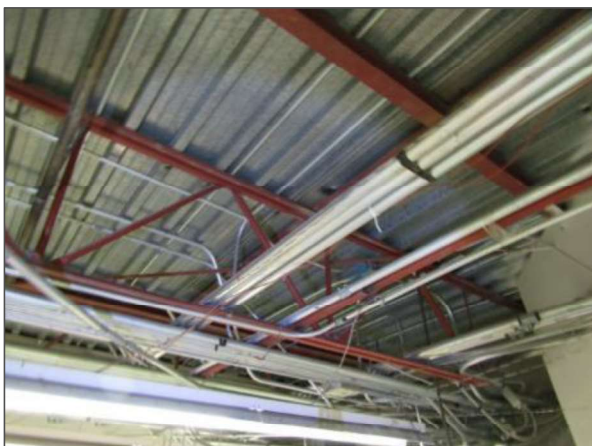
3.4 Structural Elements

As outlined in the scope of work, a visual assessment of the condition of the structural elements was carried out on the elements which were visible at the time of the inspection. The Site Building is constructed with a cast-in-place concrete slab-on-grade (i.e., no basement level) with cast-in-place concrete foundation walls. The superstructure of the Site Building is comprised of a steel-framed support structure (i.e., beams, columns and open web steel joists) supporting steel roof decks. Steel framed mezzanine areas structures utilized for storage were noted in various locations of the Site Building.

No structural drawings were available to Pinchin for review.

Table 3.4 outlines the findings of the inspection of the structural elements:

Table 3.4 – Structural Elements	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> None observed/reported. 	<ul style="list-style-type: none"> None required.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> None observed/reported. 	<ul style="list-style-type: none"> None required.



General view of typical steel framed structural elements.



General view of the steel framed mezzanine storage areas.

Assessment of the original or existing building design, compliance with prior or current Building Code or detection or comment upon concealed structural deficiencies are outside the scope of work. Accordingly, the findings are limited to the extent that the assessment has been made based on a walk-through visual inspection of accessible areas of the structure. Pinchin's visual review of the structural elements and



information provided by the Site Representatives indicated that no major deterioration existed within the visibly accessible components of the Site Building.

3.5 Elevator Systems

The Site Building is not equipped with vertical transportation systems.

Table 3.5 – Elevator Systems

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• N/A	• N/A
Minor Deficiencies/Findings	
• N/A	• N/A

3.6 Interior Finishes

As outlined in the scope of work, the interior finishes of the Site Building were reviewed during the Site assessment.

The floor finishes within the retail areas of the Site Building consist of a combination of carpeting, vinyl plank flooring, vinyl floor tiles and ceramic floor tiles. Floor finishes within the product storerooms consist of vinyl floor tiles and exposed concrete finishes. Flooring within the mechanical and electrical rooms and within the shipping/receiving areas consist of exposed concrete floor slabs.

Wall finishes within the retail areas consist primarily of painted gypsum board and architectural finishes while wall finishes within the mechanical/electrical rooms and within the shipping/receiving area consist primarily of unfinished gypsum board and concrete block masonry.

The ceiling finishes within the Site Building primarily consist of suspended ceiling assemblies complete with lay-in ceiling tiles, with areas of painted gypsum board, and exposed roof structure/roof decking.

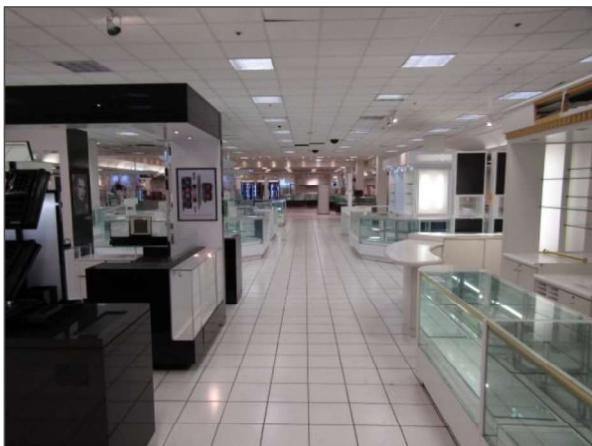
Table 3.6 outlines the findings of the inspection of the interior finishes:

Table 3.6 – Interior Finishes

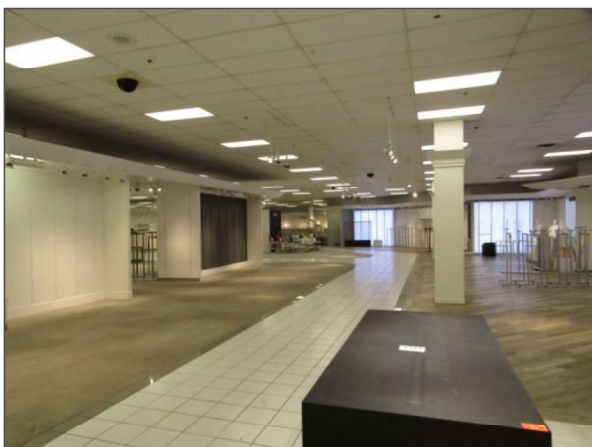
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
• None observed/reported.	• None required.
Minor Deficiencies/Findings	
• Damaged vinyl flooring was noted in multiple locations of the Site Building.	• Replace the damaged vinyl flooring.

Table 3.6 – Interior Finishes

Findings	Remarks/Recommendations
<ul style="list-style-type: none"> Damaged gypsum wall board was noted in multiple locations of the Site Building. 	<ul style="list-style-type: none"> Remove and replace the affected gypsum board. Consider applying a waterproof finish at the gypsum board around the mop sink to prevent further deterioration.
<ul style="list-style-type: none"> Missing/damaged/moisture stained ceiling tiles were noted in multiple locations of the Site Building. 	<ul style="list-style-type: none"> Remove the affected ceiling tiles, identify and repair any source of moisture and replace the ceiling tiles.
<ul style="list-style-type: none"> Moisture damage/stained gypsum ceiling board was noted in multiple locations of the Site Building. 	<ul style="list-style-type: none"> Remove and replace the affected gypsum board.
<ul style="list-style-type: none"> Damaged carpeting was noted in multiple locations of the Site Building. 	<ul style="list-style-type: none"> Replace the damaged carpeting.



General view of typical interior finishes within the retail area.



General view of typical interior finishes within the retail area.



General view of typical interior finishes within typical product storerooms.



General view of typical interior finishes within typical product storerooms.



General view of typical interior finishes within the shipping/receiving areas.



Damaged vinyl flooring was noted in multiple locations of the Site Building.



Damaged vinyl flooring was noted in multiple locations of the Site Building.



Damaged vinyl flooring was noted in multiple locations of the Site Building.



Damaged vinyl flooring was noted in multiple locations of the Site Building.



Damaged gypsum wall board was noted in multiple locations of the Site Building.



Damaged gypsum wall board was noted in multiple locations of the Site Building.



Damaged gypsum wall board was noted in multiple locations of the Site Building.



Missing/damaged/moisture stained ceiling tiles were noted in multiple locations of the Site Building.



Missing/damaged/moisture stained ceiling tiles were noted in multiple locations of the Site Building.



Missing/damaged/moisture stained ceiling tiles were noted in multiple locations of the Site Building.



Missing/damaged/moisture stained ceiling tiles were noted in multiple locations of the Site Building.



Missing/damaged/moisture stained ceiling tiles were noted in multiple locations of the Site Building.



Moisture damage/stained gypsum ceiling board was noted in multiple locations of the Site Building.



Damaged carpeting was noted in multiple locations of the Site Building.



Damaged carpeting was noted in multiple locations of the Site Building.

The interior finishes within the Site Building were generally observed to be in serviceable condition at the time of the Site visit.



Furthermore, it is assumed that additional interior maintenance and fit-ups will be required in advance of new occupancy. As such, Pinchin has not included costs for any remedial action necessary or costs associated with the fit-ups in advance of new occupancy.

It is anticipated that future tenant improvements will include the restoration of interior finishes to a satisfactory condition. Therefore, no cost allowances have been included in this report, as these repairs are assumed to be the responsibility of incoming tenants as part of their fit-out work.

Additionally, as reported, the ceiling tiles will be replaced in preparation for new tenancies. Given water damaged materials were noted during the assessment, mould may be present. If present, Pinchin recommends that the Client undertake mould mitigation procedures in accordance with Canadian Construction Association (CCA) guidelines based on area. Please note that other materials may be affected by the past roof leaks; as such, an investigation should be conducted prior to any tenant improvement work or remedial work being undertaken to determine the full extent of impacted materials. Given the full extent of impacted materials is not known at this time, Pinchin recommends that the Client carry construction contingencies during tenant improvement works to address this potential issue.

Assuming that the aforementioned deficiencies are addressed and that regular annual maintenance is undertaken, the interior finishes serving the Site Building should perform in a satisfactory manner throughout the term of the analysis.

3.7 Site Features

The Site Building occupies 92% of the 2.73 acre Site. The remainder of the Site is occupied by concrete elements (i.e., walkways, pads and loading areas) and areas of soft landscaping (i.e., gravel areas, plants, trees, etc.). As requested by the Client, only the concrete loading areas and concrete entrance landings adjacent to the Site Building will be included as part of the scope of work. Asphalt surfaced parking and cast-in-place concrete walkways for the Site are provided as part of the "Orchard Park Shopping Centre" facilities.

Localized areas of trees and gravel areas were noted along the north, west and south elevations of the Site Building. Cast-in-place concrete entrance landings were noted adjacent to the north, west and south elevations of the Site Building. A cast-in-place concrete loading ramp was noted adjacent to the north elevation of the Site Building while a steel framed staircase serves the loading area exterior door.

Drainage of the Site pavements is provided by off-Site catch basins which presumably drain the water to the municipal sewer system. Since the inspection was limited to visible areas no examination of the catch basins was performed and no review of the initial compliance with code was performed. The inspection of underground or concealed components is outside the scope of work.

No issues were reported with the catch basins or their ability to drain the Site.

Vehicular access to the Site is provided by:

- Two entrances from Harvey Avenue located on the north perimeter of the Site;
- Three entrances from Cooper Road located on the west perimeter of the Site;
- Two entrances from Springfield Drive located on the south perimeter of the Site; and
- Two entrances from Dilworth Drive located on the east perimeter of the Site.

Pedestrian access to the Site is provided by various concrete walkways located at along the Site's perimeters and within the "Orchard Park Shopping Centre".

Table 3.7 outlines the findings of the inspection of the Site features:

Table 3.7 – Site Features	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> • None observed/reported. 	<ul style="list-style-type: none"> • None required.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> • Localized areas of cracking were noted within the north concrete loading ramp. 	<ul style="list-style-type: none"> • Repair/seal affected areas of cracking.



General view of the concrete loading area noted adjacent to the north elevation.



General view of the steel framed staircase.



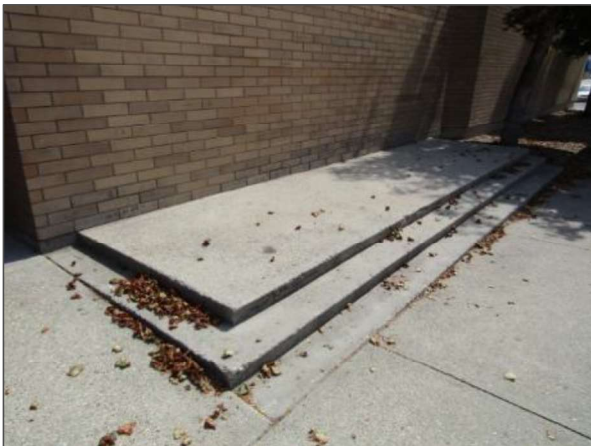
General view of a typical concrete entrance landing.



General view of typical soft landscaping.



General view of typical soft landscaping.



General view of a concrete walkway area noted adjacent to the west elevation.



Localized areas of cracking were noted within the north concrete loading ramp.

The Site features appeared to be in serviceable condition at the time of the Site visit.

Assuming that the above noted deficiency is addressed and regular annual maintenance is performed, the Site features should perform in a satisfactory manner throughout the term of the analysis. Pinchin has included allowances for repairs to the Site features throughout the term of the analysis.



Assessment of or comment upon concealed deficiencies and any buried/concealed utilities or components are outside the scope of work

3.8 Mechanical Systems

3.8.1 Major Service Providers

The following providers serve the subject property:

Water	-	City of Kelowna
Electric	-	BC Hydro
Sewer	-	City of Kelowna
Natural Gas	-	Fortis BC
Police	-	City of Kelowna Police Services
Fire	-	City of Kelowna Fire Services

3.8.2 Heating, Ventilation and Air Conditioning (HVAC)

Heating, cooling and ventilation throughout the Site Building is provided primarily by a combination of natural gas-fired heating and electrically powered cooling rooftop HVAC units, natural gas-fired Make-Up Air (MUA) units, electrically powered condensing units and natural gas-fired suspended unit heaters. Supplemental heating is provided by electrically powered baseboard heaters/space heaters. Hydronic heaters were noted in various locations of the Site Building and are presumed to be tied into the "Orchard Park Shopping Centre" heating system.

A summary of the rooftop packaged HVAC units is provided in the table below:

Location	Type	Qty.	Manufacturer	Manufacturing Date	Heating Capacity in BTUH*
Rooftop	HVAC	1	Lennox	~ 1994 (i.e., ~ 31 years old)	125,000
	HVAC	2	Lennox	~ 1994 (i.e., ~ 31 years old)	270,000
	HVAC	2	Lennox	~ 1994 (i.e., ~ 31 years old)	330,000
	HVAC	1	Lennox	~ 1994 (i.e., ~ 31 years old)	450,000
	HVAC	2	Lennox	25+	400,000
	HVAC	2	Lennox	25+	320,000



Location	Type	Qty.	Manufacturer	Manufacturing Date	Heating Capacity in BTUH*
	HVAC	1	Carrier	~ 1993 (i.e., ~ 32 years old)	225,000
	HVAC	11	Carrier	~ 1993 (i.e., ~ 32 years old)	475,000
	HVAC	1	Carrier	~ 1993 (i.e., ~ 32 years old)	270,000
	HVAC	1	Carrier	~ 1993 (i.e., ~ 32 years old)	180,000
	MUA	1	Engineered Air	~ 5 to 10	Unknown**
	MUA	1	Reznor	~ 2007 (i.e., ~ 18 years old)	Unknown**
	Condensing Unit	1	York	~ 2007 (i.e., ~ 18 years old)	N/A
Shipping/receiving areas	SUH	1	Lennox	~ 2011 (i.e., ~ 14 years old)	115,000
Shipping/receiving areas	SUH	2	Lennox	~ 5 to 10	Unknown**

*British Thermal Units per Hour (BTUH)

**The heating capacities of these units could not be determined due to deteriorated data plates.

The inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated mechanical, etc., was beyond the scope of work. It should be noted that the heating and cooling duct work within the Site Building may contain interior insulation. The Site Representatives were unaware of the presence of insulation within the duct work within the Site Building. It is Pinchin's experience that interior insulation within duct work is prone to deterioration or development of mould which may require removal of the insulation. In the case where interior insulation is present within the duct work, Pinchin recommends that the duct work insulation be inspected for the presence of mould.

3.8.3 Domestic Hot Water

Domestic Hot Water (DHW) within the Site Building was noted to be provided by a combination of natural gas-fired and electrically powered, self-contained DHW heaters which were observed in various locations of the Site Building.

The observed DHW heaters are summarized in the following table:



Location	Manufacturer	Manufacturing Date	Volumetric Capacity	Heating Capacity
East mechanical room	A.O. Smith	~ 2017 (i.e., ~ 8 years old)	189 US Gallons	40,000 BTUH
Northeast mechanical room	A.O. Smith	~ 2020 (i.e., ~ 5 years old)	75.7 US Gallons	40,000 BTUH

There was no reported shortage of hot water within the Site Building.

3.8.4 Plumbing

Drainage piping within the Site Building consists of cast iron as observed in the accessed mechanical rooms. It was observed within accessible areas that the plumbing lines for the Domestic Cold and Hot water consist of copper piping. Due to the overall concealed nature of the plumbing system the condition of the pipes and associated components could not be verified.

The main water line was not observed at the time of the Site visit. A 6" backflow prevention device manufactured by "Beeco Hersey" was observed within the south sprinkler room with the most recent inspection completed by "Brown Mechanical" in August of 2024.

3.8.5 Fire Protection

Fire protection in the Site Building is provided by a 3-zone wet sprinkler system. Cabinets containing a supply of extra sprinkler heads and an installation tool was noted adjacent to their respective sprinkler risers. The sprinkler systems were observed to have been last maintained by "Accurate Fire Protection Services Ltd." and was noted to be last inspected in January of 2023 (past-due). The Fire Department Connection (FDC) serving the sprinkler system are located on the south elevation of the Site Building.

Supplemental fire protection is provided by chemical fire extinguishers. The inspection gauges on the fire extinguishers were noted to be charged to sufficient levels at observed locations. The chemical fire extinguishers were observed to be service annually by "Acme Fire and Safety Co. Ltd" with most recent inspection tags from August of 2024.

Table 3.8 outlines the findings of the inspection of the mechanical systems:

Table 3.8 – Mechanical Systems (including HVAC, DHW, Plumbing, and Fire Protection)

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> The 24 rooftop packaged HVAC units are approximately 25 to 32 years old and have attained their EUL. 	<ul style="list-style-type: none"> Based on age, Pinchin recommends and has included allowances for the phased replacement of the 24 rooftop packaged HVAC units within the term of analysis.
<ul style="list-style-type: none"> The “Reznor” MUA unit atop the Site Building is estimated to be in excess of 20 years of age and will attain its EUL within the term of the analysis. 	<ul style="list-style-type: none"> Based on age, Pinchin recommends and has included allowances for replacement of the “Reznor” MUA unit atop the Site Building within the mid portion of the term of analysis.
<ul style="list-style-type: none"> The “York” condensing unit atop the Site Building is approximately 18 years old and will attain its EUL within the term of the analysis. 	<ul style="list-style-type: none"> Based on age, Pinchin recommends and has included allowances for replacement of the “York” condensing unit atop the Site Building in conjunction with the associated MUA unit replacement.
<ul style="list-style-type: none"> The “A.O. Smith” DHW heater manufactured in 2017 (i.e., ~ 8 years old) will attain its EUL within the term of the analysis. 	<ul style="list-style-type: none"> Based on age, Pinchin recommends replacement of the “A.O. Smith” DHW heater within the mid portion of the term of the analysis.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> Damaged exhaust units were noted atop the Site Building. 	<ul style="list-style-type: none"> Repair/replace damage exhaust units.
<ul style="list-style-type: none"> A localized chemical fire extinguisher was observed to be past-due its annual inspection date. 	<ul style="list-style-type: none"> Ensure the chemical fire extinguishers are inspected by a certified contractor on an annual basis.



General view of a typical rooftop packaged HVAC unit serving the Site Building.



General view of a typical rooftop packaged HVAC unit.



General view of a typical MUA unit.



General view of the "York" condensing unit.



General view of a typical SUH.



General view of a typical space heater



General view of a typical DHW heater.



General view of a typical sprinkler riser and the observed backflow prevention device.

Note: The cabinet containing a extra supply of sprinkler heads and an installation tool was dislodged from its mounting spot.



General view of the FDC noted on the south elevation.



Damaged exhaust units were noted atop the Site Building.

It has been Pinchin's experience that the EUL of a rooftop packaged HVAC unit and condensing unit typically range between 15 to 20 years, the EUL of a MUA and a SUH typically range between 20 to 25 years and the EUL of a typical DHW heater is approximately 15 years, depending on the quality of the unit and the level to which the unit has been maintained. Regular maintenance of the HVAC equipment is



required to achieve the expected design life of the component (i.e., replace filters, clean unit, and preventative maintenance).

The above-referenced mechanical systems vary in age and either have or will have attained their EUL within the term of the analysis. As such, Pinchin recommends budgeting for replacements of the above-referenced mechanical systems identified in Table 3.8 mentioned above within the term of the analysis.

Due to the age of the majority of the plumbing pipes and associated components, Pinchin anticipates and has included contingency allowances for ongoing repairs to the pipes and associated components throughout the term of the analysis.

Assuming the above-referenced deficiencies are addressed, replacements are undertaken and that regular maintenance is performed, the mechanical systems serving the Site Building should perform in a satisfactory manner throughout the term of the analysis. Minor repairs to the mechanical systems throughout the term can likely be managed below the cost threshold of reporting and under the annual operational budget.

In accordance with the proposed scope of work, no physical or destructive testing or design calculations were conducted on any of the major components of the Site Building. Similarly, the inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated mechanical components was not included in the scope of work. Accordingly, the findings are limited to the extent that the assessment was made visually from the exterior of the systems.

3.9 Electrical Systems

3.9.1 Electrical Power

The electrical power for the Site Building is supplied from a transformer vault noted within the north portion of the Site Building which feeds the main electrical room in the Site Building via underground wires. The electrical service for the Site Building includes an "ITE" main switchgear unit with a maximum rating of 3,000 Amperes, 347/600 Volt service based on the attached data plates. Pinchin recommends the Client contact the utility service provider to confirm the incoming electrical services to the Site Buildings.

Infrared scans were noted on select electrical components of Site Building dated from February of 2024 and executed by "Pace Technologies Inc; however, no documents were provided to Pinchin for review.

The Site Building does not possess an emergency generator.

No problems were reported relating to the electrical systems of the Site Building.

3.9.2 Fire Alarm System and Life Safety

The fire alarm system serving the Site Building consists of a multi-zone and single stage system complete with a “Mircom” fire alarm panel. The main fire alarm panel is estimated to be approximately 15 to 20 years old. The main fire alarm panel is located within the east electrical room while the annunciator panel was noted within the west entrance vestibule. The fire alarm monitors hardwired pull stations and heat detectors which are located throughout the building. The systems are reportedly monitored by “Johnson Controls” an independent contractor. Inspections and servicing of the fire alarm system is reportedly performed by “Acme Fire and Safety Co. Ltd” an independent contractor. The inspection label affixed to the main fire alarm panel indicates the last date of inspection for the fire alarm panel and associated systems took place in July of 2024 (past-due).

Emergency lighting and illuminated exit signs are located throughout the Site Building which are powered by internal battery packs and a central back-up station.

Table 3.9 outlines the findings of the inspection of the electrical systems:

Table 3.9 – Electrical Systems (including Electrical Power and Fire Alarm and Life Safety)	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> The fire alarm panel and annunciator panel are approximately 15 to 20 years old and are anticipated to reach the end of their EUL within the term of analysis. 	<ul style="list-style-type: none"> Based on estimated age, replacement of the fire alarm systems serving the Site Building is anticipated to be required within the mid portion of the term of the analysis. A specialist review of the fire alarm systems is recommended prior to replacement to verify its condition, cost, timing of replacement and identify additional upgrade/replacement requirements. Pinchin has carried a preliminary allowance for replacement of the fire alarm panel.
<ul style="list-style-type: none"> The fire alarm system was observed to be past-due its annual inspection date. 	<ul style="list-style-type: none"> Pinchin recommends the immediate inspection of the fire alarm system.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> None observed/reported. 	<ul style="list-style-type: none"> None required.



General view of the transformer vault.



General view of the main electrical service.



General view of the "Mircom" main fire alarm panel.



General view of the annunciator panel.



General view of typical life safety equipment.



The fire alarm system was observed to be past-due its annual inspection date.



The electrical systems were noted to be in serviceable condition at the time of the Site visit; however, the fire alarm system was observed to be past-due its annual inspection date. As such, Pinchin recommends the immediate inspection of the fire alarm system.

As the current assessment was performed as a Baseline Property Condition Assessment without Specialist review, our information of the electrical systems is solely based on review of the above-noted on-site labeling on equipment data plates. The Client should contact the electrical service provider to verify the incoming electrical supply capacities, if required.

Due to the age of the Site Building, there may be aluminum wiring present throughout the Site Building. As a result, the Owner should retain the services of a licensed electrician to review the wiring and connections throughout to ensure there are no loose connections within the Site Building.

It has been Pinchin's experience that the EUL of major electrical equipment typically ranges between 30 to 50 years. The main electrical distribution systems of the Site Building are operational with no major deficiencies noted or reported; however, the majority of the electrical components and distribution systems are estimated to be original to the construction of the Site Building in 1975 (i.e., ~ 50 years old) and have attained their EUL. Based on the age of the electrical components and distribution systems, consideration should be given for review of the electrical systems within the Site Building by a qualified electrical engineer within the term of analysis to determine the condition and identify/confirm the need, cost and timing for replacement/upgrading if required.

As previously mentioned, the fire alarm systems serving the Site Building is estimated to be approximately 15 to 20 years old and will attain its EUL within the term of the analysis. Based on estimated age, replacement of the fire alarm systems serving the Site Building is anticipated to be required within the mid portion of the term of the analysis. A specialist review of the fire alarm systems is recommended prior to replacement to verify its condition, cost, timing of replacement and identify additional upgrade/replacement requirements. Pinchin has excluded any cost related to repairs/replacement of the fire alarm systems and associate components as it is subject to findings.

Pinchin has included preliminary allowances for repairs and replacement of the electrical components and distribution systems and replacement of the fire alarm panel; however, their respective specialist reviews can likely be completed below the cost threshold of reporting. It is noted that the cost estimates provided in this report are preliminary and provided only as an indication of the order of magnitude of the remedial work. More precise cost estimates would require more detailed investigation to define the scope of work. It should be also noted that costs provided are subject to change based on the specialist review.

Assuming the above-referenced deficiencies are addressed, specialist reviews (incl. any recommended replacements/upgrades) are undertaken and that regular maintenance is performed, the electrical systems of the Site Building should perform in a satisfactory manner throughout the term of the analysis.



Minor repairs to the electrical systems throughout the term can likely be addressed below the cost threshold of reporting.

Regular infrared scans should be completed on the electrical systems.

4.0 KNOWN VIOLATIONS OF CODE

It was reported to Pinchin by the Site Representatives that no outstanding violations from the Building Department existed pertaining to the property. Compliance with the National Building Code (NBC) and National Fire Code (NFC) was not reviewed as it was beyond the scope of this survey.

5.0 CONCLUSIONS AND RECOMMENDATIONS

Based on Pinchin's review of the property, conducted on July 31, 2025 the Site Building appears to be in satisfactory condition. Based on our visual assessment the Site Building appears to be in serviceable condition, commensurate with its age and in comparable standing to other similar commercial properties in the area. Based on our visual assessment the Site Building appears to have been constructed in general accordance with standard building practices in place at the time of construction.

An immediate cost of **\$1,000** has been identified for the following:

- Inspection of the fire alarm system that was observed to be past-due its annual inspection date.

Repair requirements (under replacement reserves) over the term of the analysis (i.e., 10 years) of **\$5,860,750** have been identified. As noted during the Site visit, deficiencies relating to the roof systems, wall systems, interior finishes, Site features and mechanical/electrical systems require correction to re-establish a satisfactory level of performance:

- Phased replacement of the modified bitumen membrane roof systems atop Roof Sections A1 to A5 of the Site Building beginning in the early portion of the term of the analysis;
- Replacement of the BUR membrane roof system atop Roof Section A6 of the Site Building within the early portion of the term of the analysis;
- Replacement of the glazed roof areas atop the Site Building of the Site Building within the early portion of the term of the analysis;
- Repairs to the roof systems (contingency allowance);
- Preliminary allowance for a sealant replacement program (preliminary allowance);
- Repairs to the wall systems (preliminary allowance);
- Repairs to the interior finishes (excluded);



- General repairs to the Site features;
- Phased replacement of the 24 rooftop packaged HVAC units within the term of analysis;
- Replacement of the Reznor” MUA unit atop the Site Building within the mid portion of the term of analysis;
- Replacement of the “York” condensing unit atop the Site Building in conjunction with the associated MUA unit replacement;
- Replacement of the “A.O. Smith” DHW heater within the mid portion of the term of the analysis;
- Repairs to the mechanical systems (below threshold);
- Specialist review of the high voltage switchgear to verify its condition, cost, timing of potential replacement and identify additional upgrade/replacement requirements (below threshold);
- Repairs and replacement of the electrical components and distribution systems; however, this cost can vary greatly depending on the results of the specialist review (preliminary allowance);
- Specialist review of the fire alarm system is recommended prior to replacement to verify its condition, cost, timing of replacement and identify additional upgrade/replacement requirements within the mid portion of the term of the analysis (below threshold);
- Replacement of the fire alarm and annunciator panel serving the Site Building however, this cost can vary greatly depending on the results of the specialist review (preliminary allowance);
- Repairs to the electrical systems (below threshold).

Regular maintenance should be conducted on the roof systems, wall systems, structural elements, interior finishes, Site features and the mechanical/electrical systems to ensure that the EUL of the major components is realized. Repair costs for the aforementioned items have been included over the term of the analysis (i.e., 10 years) included within Appendix I. The specific deficiencies identified during the BPCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report. Costs associated with desired upgrades have not been carried.

Consideration has been given regarding required ongoing maintenance and repairs of the major elements and at the direction of the Client, Pinchin has utilized a threshold of \$5,000.00 per system, per year as a limit in determining and carrying anticipated expenditures.



Anticipated expenditures associated with maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and excluded from the Summary of Anticipated Expenditures.

6.0 TERMS AND LIMITATIONS

This work was performed subject to the Terms and Limitations presented or referenced in the proposal for this project.

Information provided by Pinchin is intended for Client use only. Pinchin will not provide results or information to any party unless disclosure by Pinchin is required by law. Any use by a third party of reports or documents authored by Pinchin or any reliance by a third party on or decisions made by a third party based on the findings described in said documents, is the sole responsibility of such third parties. Pinchin accepts no responsibility for damages suffered by any third party as a result of decisions made or actions conducted. No other warranties are implied or expressed.

In accordance with the proposed scope of work, no physical or destructive testing or design calculations were conducted on any of the components of the buildings. Assessment of the original or existing building design, or detection or comment upon concealed structural deficiencies and any buried/concealed utilities or components are outside the scope of work. Similarly, the assessment of any Post Tension reinforcing is not included in the scope of work. Determination of compliance with any Codes is beyond the scope of this Work. The Report has been completed in general conformance with the ASTM Designation: *E 2018 – 24 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process*.

It should be noted that Pinchin has attempted to identify all the deficiencies required by this Standard associated with this project. Pinchin does not accept any liability for deficiencies that were not within the scope of the investigation.

As indicated above the personnel conducting the building assessment, where applicable, have performed a non-specialist review of the building and all associated finishes and related systems including the mechanical and electrical (including fire alarm and life safety) systems, Site features, etc. The personnel conducting the assessment are knowledgeable of building systems and construction, but not technical specialists in each of these fields. The intent of Pinchin's comments on these systems are for the sole purpose of identifying areas where Pinchin has observed a noteworthy condition which will lead to a likely significant expenditure during the term of the assignment and/or where Pinchin would recommend that the Client consider a further, more detailed investigation. The budget costs for remedial work for each specific item has been provided to the best of our ability and will provide an order of magnitude cost for the individual item and the overall possible remedial work. Our experience has shown that the costs that



Pinchin have provided are appropriate and of reasonable accuracy for the purpose intended. It should be noted that the budget cost or reserve costs for any specific item may vary significantly based on the fact that the schedule or phasing of the future remedial work is unknown at this time, the impact on building operations of this remedial work is unknown at this time and that no intrusive inspection or detailed design work is included in the BPCA. If a more accurate, detailed or documented reserve cost is required at this time the Client should request Pinchin to provide the additional proposal to provide a more accurate cost estimate.

It should be noted that recommendations and estimates outlined in this report do not include allowances for future upgrading of components pertaining to Client or tenant fit-up that may be necessary or required by Authorities Having Jurisdiction (AHJ).

The assessment is based, in part, on information provided by others. Unless specifically noted, Pinchin has assumed that this information was correct and has relied on it in developing the conclusions.

It is possible that unexpected conditions may be encountered at the Site that have not been explored within the scope of this report. Should such an event occur, Pinchin should be notified in order to determine if we would recommend that modifications to the conclusions are necessary and to provide a cost estimate to update the report.

The inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated mechanical, etc., was beyond the scope of work. It should be noted that the heating and cooling duct work within the Site Building may contain interior insulation. The Site Representatives were unaware of the presence of insulation within the duct work within the Site Building. It is Pinchin's experience that interior insulation within duct work is prone to deterioration or development of mould which may require removal of the insulation. In the case where interior insulation is present within the duct work, Pinchin recommends that the duct work insulation be inspected for the presence of mould.

Due to the concealed nature of the plumbing system the condition of the risers could not be verified.

Environmental Audits or the identification of designated substances, hazardous materials, PCBs, insect/rodent infestation, concealed mould and indoor air quality are excluded from this BPCA report.

Further to the aforementioned, determination of the presence of asbestos containing material within the building such as drywall joint compound or the lead content within the older paint finishes was beyond the scope of work.

This report presents an overview on issues of the building condition, reflecting Pinchin's best judgment using information reasonably available at the time of Pinchin's review and Site assessment. Pinchin has prepared this report using information understood to be factual and correct and Pinchin is not responsible



for conditions arising from information or facts that were concealed or not fully disclosed to Pinchin at the time of the Site assessment.

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FINAL BPCA 2271 Harvey Avenue, Kelowna, BC - Primaris, Aug08,2025.docx
Template: Master Report for Single Storey Retail Building, PCA, March 4, 2025

APPENDIX I

Table 1 – Summary of Anticipated Expenditures

Table 1: Summary of Anticipated Expenditures
FINAL

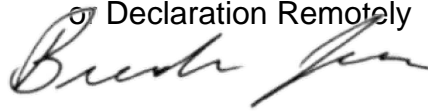
Confidential

ITEM	Calculation Summary							Immediate Costs	Replacement Reserve Costs										
	Expected Useful Life (Years)	Effective Age (Years)	Remaining Useful Life (Years)	Quantity	Unit	Unit Rate	System Total		2025 Year 1	2026 Year 2	2027 Year 3	2028 Year 4	2029 Year 5	2030 Year 6	2031 Year 7	2032 Year 8	2033 Year 9	2034 Year 10	Total Cost Years 1-10
Roof Systems																			
Roof Structures and Roofing (Modified Bitumen Membrane Roof – Replacement– Roof Sections A1 and A2)	25-25	~ 16-17	~ 7-8	35,650	SF	\$35	\$1,247,750								\$623,875	\$623,875			\$1,247,750
Roof Structures and Roofing (Modified Bitumen Membrane Roof – Replacement– Roof Section A3)	25-25	~ 28	~ 0	36,200	SF	\$35	\$1,267,000		\$633,500	\$633,500									\$1,267,000
Roof Structures and Roofing (Modified Bitumen Membrane Roof – Replacement– Roof Section A4)	25-25	~ 28	~ 0	9,000	SF	\$35	\$315,000		\$315,000										\$315,000
Roof Structures and Roofing (Modified Bitumen Membrane Roof – Replacement– Roof Section A5)	25-25	~ 29	~ 0	10,500	SF	\$35	\$367,500		\$367,500										\$367,500
Roof Structures and Roofing (Built – Replacement– Roof Section A6)	25-25	~ 31	~ 0	18,000	SF	\$35	\$630,000		\$630,000										\$630,000
Roof Structures and Roofing (Gabled Roof – Replacement)	15-20	~25+	~ 0	200	SF	\$200	\$40,000		\$40,000										\$40,000
Roof Structures and Roofing (Repairs)	Varies	Varies	Varies	1	LS	\$50,000	\$50,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$50,000
Wall Systems																			
Exterior Walls, Windows and Doors (Sealant Replacement)	Varies	Varies	Varies	1	LS	\$30,000	\$30,000		\$30,000										\$30,000
Exterior Walls, Windows and Doors (Localized Cladding Repairs)	Varies	Varies	Varies	1	LS	\$25,000	\$25,000		\$25,000										\$25,000
Structural Elements																			
Foundations																			
Superstructure																			
Interior Finishes																			
Interior Finishes – (General Repairs)	Excluded																		
Site Features																			
Site Features (General Repairs)	Varies	Varies	Varies	1	LS	\$20,000	\$20,000		\$5,000			\$5,000			\$5,000			\$5,000	\$20,000
Mechanical Systems																			
Building Heating and Cooling (24 HVAC Unit Replacements)	15-20	~ 31-32	~ 0	1	LS	\$1,500,000	\$1,500,000		\$750,000	\$750,000									\$1,500,000
Building Heating and Cooling (BMA and Associated Condensing Unit Replacements)	Varies	~ 15-20	Varies	1	LS	\$40,000	\$40,000			\$40,000									\$40,000
Plumbing and Hot Water (DHW Heater Replacement)	15	~ 8	~ 7	1	EA	\$7,500	\$7,500								\$7,500				\$7,500
Plumbing and Hot Water (Pumping Repairs)	Allowance	Varies	Varies	Varies	1	LS	\$100,000	\$100,000		\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$100,000
Mechanical Systems (Repairs)	Below Threshold																		
Electrical Systems																			
Electrical Systems (Specialist Review of the Electrical Components and Distribution Systems)	Below Threshold																		
Electrical Systems (Repairs/Replacement of the Electrical Components and Distribution Systems)	Preliminary Allowance	Varies	Varies	Varies	1	LS	\$200,000	\$200,000		\$200,000									\$200,000
Electrical Systems (Specialist Review of the Fire Alarm System)	Below Threshold																		
Electrical Systems (Repairs/Replacement of the Fire Alarm Panel)	Preliminary Allowance	Varies	Varies	Varies	1	LS	\$20,000	\$20,000					\$20,000						\$20,000
Electrical Systems (Fire Alarm Panel – Inspection)	Immediate							\$1,000											
Electrical Systems (Repairs)	Below Threshold																		
TOTALS (UNINFLATED)								\$1,000	\$3,016,000	\$1,393,500	\$60,000	\$15,000	\$40,000	\$10,000	\$656,375	\$633,875	\$20,000	\$15,000	\$5,869,750
INFLATION FACTOR								3.0%	1.00	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305	
TOTALS (INFLATED)									\$3,016,000	\$1,435,395	\$63,654	\$16,391	\$45,020	\$11,593	\$783,746	\$778,586	\$25,335	\$19,572	\$6,196,262
Term of Analysis		10																	
Cost Threshold:		\$5,000																	

Total SF within the Site Buildings)	109,350
Average Cost per SF per Year (Uninflated)	\$5.36
Average Cost per SF per Year (Inflated)	\$5.67

LS = Lump Sum
SF = Square Foot
EA = Each (per unit component)
LF = Linear Foot

**THIS IS EXHIBIT "P" TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
o Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", is written over a horizontal line.

Commissioner, etc.
Brendan Jones



August 1, 2025

Primaris REIT
181 Bay Street, Suite 2720
Toronto, Ontario, M5J 2T3

E-mail: khuynh@primarisreit.com

Attention: Kevin Huynh
Project Manager, Development and Construction

Re: Hazardous Building Materials Removal Budget Estimate Letter
2271 Harvey Avenue, Kelowna, BC
Pinchin File: 362375

Pinchin Ltd. (Pinchin) was retained by Primaris REIT (Client) to develop a High-Level Budget Estimate for hazardous building materials abatement work within the Hudson's Bay Company (HBC) space within Centre located at 2271 Harvey Avenue, Kelowna, BC.

The costing provided is a Class D budget estimate $\pm 25\text{--}50\%$ or more based on the quantities of materials identified or assumed within the HBC spaces. The estimates are around 40% higher than standard Class D estimates due to the presumption that some materials contain asbestos and because their quantities have been estimated conservatively.

This is provided only for general guidance as costs will vary considerably based on site specific conditions (such as schedule, difficulty of access, size of individual work areas, whether the work is for renovation or demolition, if work is conducted concurrently or piecemeal, etc.). Costs may also vary depending on seasonal work patterns, availability of contractors, or local market/economic conditions.

1.0 METHODS AND LIMITATIONS

Since no historical reports or floorplans were available for the HBC Space at Orchard Park Shopping Centre, Pinchin relied on reports from similar HBC buildings constructed between 1970 and 1975, as well as other large retail units previously assessed. For the abatement cost estimate, Pinchin assumed the presence and quantities of asbestos-containing materials were similar to the materials and quantities identified in other buildings forming part of this portfolio. As a result, the budget estimate at Orchard Park Shopping Centre has a much greater margin of error than usual.



The following assumptions were made to determine quantities:

1. Roofing materials: Quantities were calculated using take-offs from online geographic satellite images.
2. Caulking and butyl sealant: Quantities were calculated based on the approximate number of windows/doors multiplied by 50 linear feet per window/door has been allocated, this value includes both the window caulking and butyl sealant on the glazing units. The total approximate number of windows/doors was estimated based on images available online.
3. Wall, Floor and Ceiling Finishes: As no floorplans and quantities were available, Pinchin estimated quantities based on Bay Spaces of similar size.
4. Disposal costs were including using ten percent (10%) of the asbestos abatement costs.

2.0 COST ESTIMATES

Hazardous Material	Cost Estimate
Asbestos Abatement	\$11,050,000.00
Lead Abatement/Removal	\$215,000.00
Mercury Removal	\$22,500.00
Polychlorinated biphenyl (PCB) Removal	\$63,000.00
Ozone Depleting Substances (ODS) Removal	\$21,000.00
Disposal Fees	\$1,137,000.00
TOTAL ESTIMATE (Class D $\pm 25-50\%$)	\$12,508,500.00

3.0 TERMS AND LIMITATIONS

This work was performed subject to the Terms and Limitations presented or referenced in the proposal for this project.

Information provided by Pinchin is intended for Client use only. Pinchin will not provide results or information to any party unless disclosure by Pinchin is required by law. Any use by a third party of reports or documents authored by Pinchin or any reliance by a third party on or decisions made by a third party based on the findings described in said documents, is the sole responsibility of such third parties. Pinchin accepts no responsibility for damages suffered by any third party as a result of decisions made or actions conducted. No other warranties are implied or expressed.



Hazardous Building Materials Removal Budget Estimate Letter
2271 Harvey Avenue, Kelowna, BC
Primaris REIT

August 1, 2025
Pinchin File: 362375

4.0 CLOSURE

Should you have any questions or concerns regarding the contents of this letter, please contact the Project Manager at 905.245.0691 or mhorobin@pinchin.com.

Yours truly,

Pinchin Ltd.

Prepared by:

A handwritten signature in blue ink, appearing to read "Mike Horobin".

Mike Horobin
Senior Project Manager/Team Lead

Reviewed by:

A handwritten signature in blue ink, appearing to read "Tanya Stanisis".

Tanya Stanisis, BSc Hons, Dip EMA
Operations Manager

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Primaris Aug 1 2025.docx

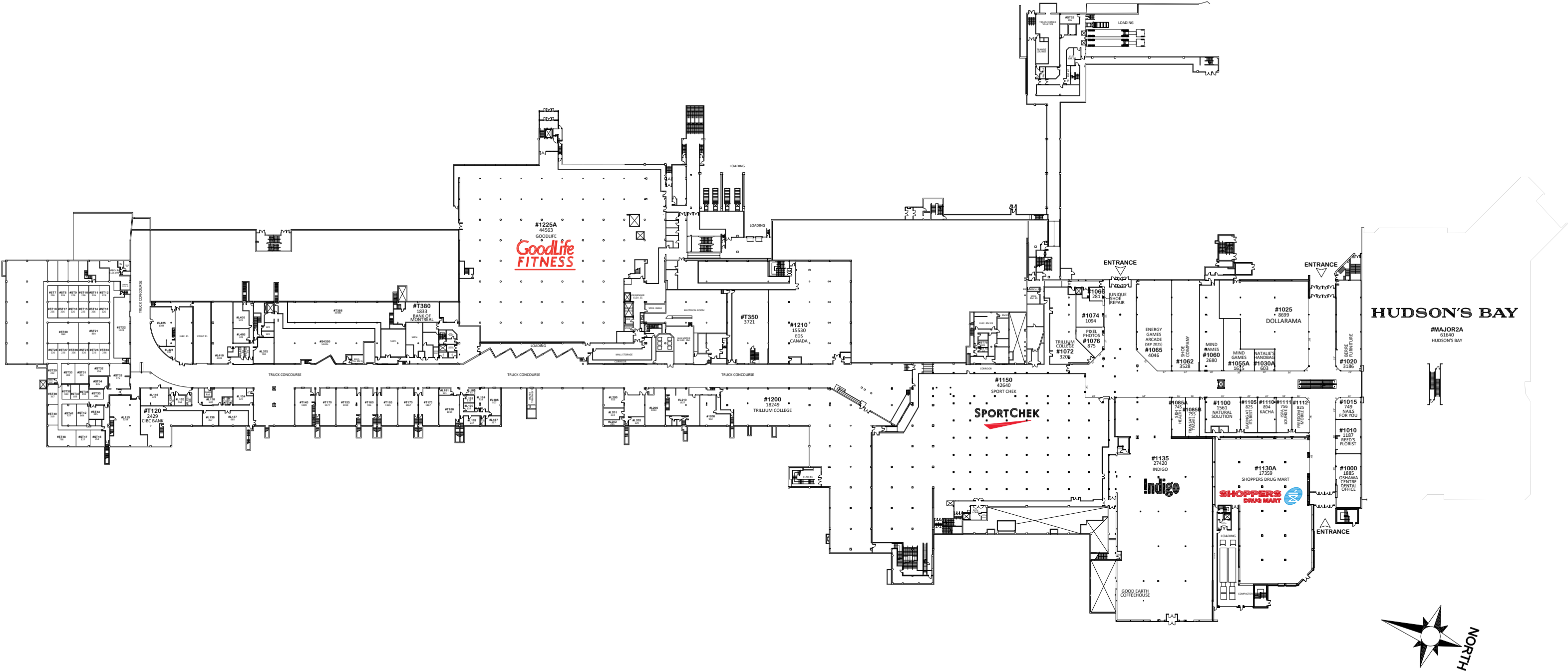
Template: Master Letter Template, January 24, 2023

**THIS IS EXHIBIT "Q" TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

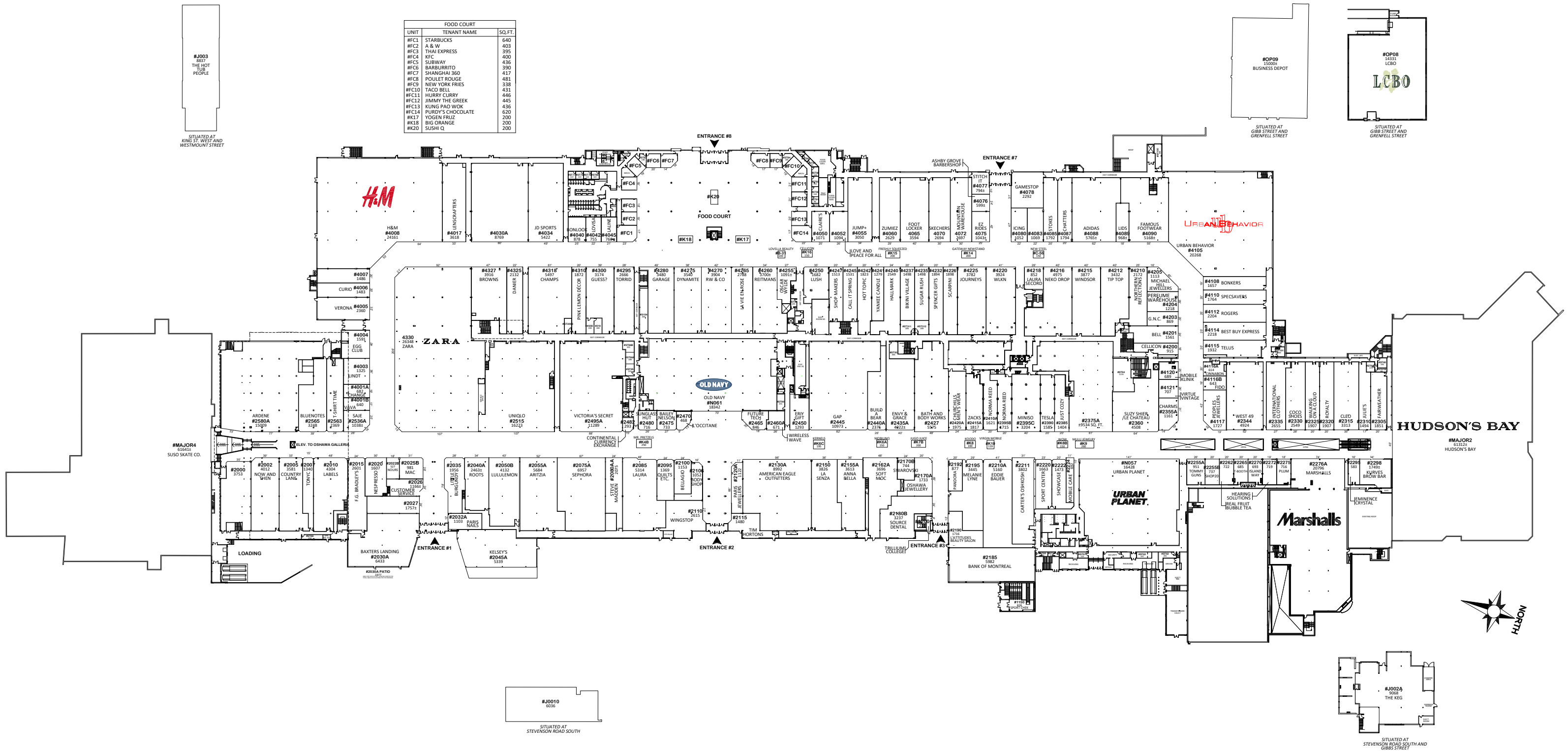


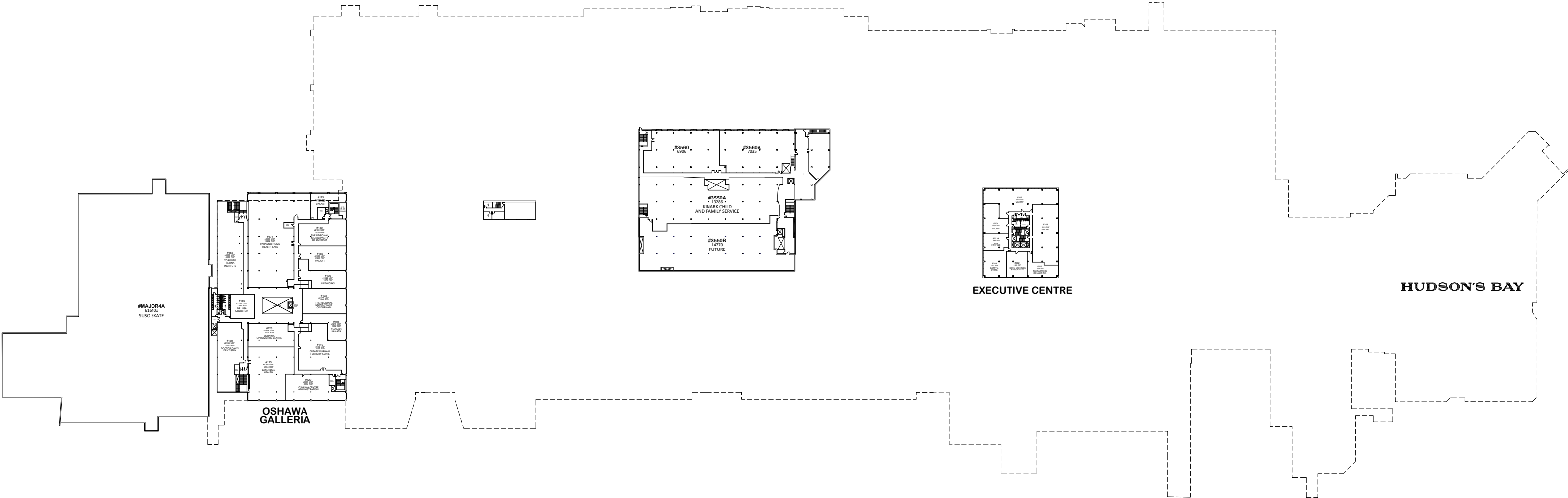
Commissioner, etc.

Brendan Jones



The Purpose of this plan is to identify the approximate location, size and dimension of the Lease premises in the Shopping Centre.
The Landlord reserves the right at anytime to relocate, rearrange or alter the buildings and structures, other leased premises, and Common Area and Facilities, and the Lease Premises from that shown on the plan.
All information, dimensions, sizes and areas are approximate only and are to be verified on site.
In-premises washroom locations are subject to verification.





Bldg ID: osh001 Oshawa Centre

Unit ID	Type	Occupant Name	ANSI Sqft
1000	utretail	Oshawa Centre Dental Clinic	1,885
1010	utretail	Reed's Florists	1,187
1015	utretail	Nails For You	749
1020	utretail	Berre Furniture	3,186
1025	utretail	Dollarama	8,699
1030A	utretail	Natalie's Handbags	603
1055A	utretail	Mind Games	1,615
1060	utretail	Mind Games	2,680
1062	utretail	Shoe Company	3,528
1072	utoffice	Trillium College	3,206
1076	utretail	Pixel Photos	875
1085A	utretail	S & H Health Foods	745
1085B	utretail	Transat Travel	755
1100	utretail	Natural Solutions	1,561
1105	utretail	Baking At Its Best	825
1110	utretail	Kacha	894
1111	utretail	ISPA Lounge	756
1112	utretail	Freedom Mobile	825
1130A	utanchor	Shoppers Drug Mart	17,359
1135	utanchor	Indigo	27,420
1150	utanchor	Sport Chek	43,468
1200	utoffice	Trillium College	18,249
1225A	utanchor	Goodlife Fitness	44,563
2000	utretail	Jump+	3,753
2002	utretail	NOW AND THEN	4,012
2005	utretail	Country Lane	3,581
2007	utretail	Tonyc	1,340
2010	utretail	Labels	4,304
2015	utretail	F.G. Bradley's	2,601
2020	utretail	Nespresso	1,607
2022B	utretail	Nours	527
2025B	utretail	MAC Cosmetics	981
2026	utmanoff	Primaris - Guest Services	1,118
2030A	utext	Baxters Landing	6,433
2032A	utretail	Paris Nails	1,103

2035	utretail	Little Burgundy	1,956
2040A	utretail	Roots	2,463
2045A	utext	Kelsey's	5,339
2050B	utretail	Lululemon Athletica	4,132
2055A	utretail	Aritzia	5,684
2075A	utretail	Sephora	6,957
2080AA	utretail	Steve Madden	2,075
2085	utretail	Laura	5,314
2095	utretail	Quilts Etc	1,369
2100	utretail	Bellagio Jewellers II	1,153
2106	utretail	The Body Shop	1,052
2115	utretail	Tim Hortons	1,480
2120A	utretail	Paris Jewellers	1,122
2130A	utretail	American Eagle Outfitters	8,992
2150	utretail	La Senza	3,826
2155A	utretail	Anna Bella	3,613
2162A	utretail	Soft Moc	3,696
2170A	utretail	Oshawa Jewellery	1,733
2170B	utretail	Swarovski	744
2180B	utretail	Source Dental	3,237
2185	utext	Bank Of Montreal	5,982
2190	utretail	L'Attitudes Salon and Spa	1,716
2192	utretail	Pandora	877
2195	utretail	Melanie Lyne	3,445
2210A	utretail	Eddie Bauer	5,160
2211	utretail	Carter's OshKosh	3,802
2220	utretail	Sports Centre	1,663
2222	utretail	Showcase	1,473
2224	utretail	Mobile Care	692
2255A	utretail	Tommy Guns Original Barbershop	951
2262	utretail	Real Fruit Bubble Tea	722
2265	utretail	Telephone Booth	685
2270	utretail	Islandway	693
2272	utretail	HEARING SOLUTIONS	719
2275	utretail	Plum Collection	716
2276A	utanchor	Marshalls	20,796
2295	utretail	Eminence Crystals and Gemstones	583
2298	utretail	Kurves Brow Bar	1,749
2305	utretail	Fairweather	1,851

2310	utretail	Julie's	1,494
2315	utretail	Cleo	3,313
2320	utretail	Royalty	1,907
2325	utretail	Walking On a Cloud	1,907
2330	utretail	Coco Shoes	2,549
2335	utretail	International Clothiers	2,655
2344	utretail	West 49	4,924
2355A	utretail	Charm Diamond Centres	1,161
2360	utretail	Suzy Shier	4,508
2385	utretail	Just Cozy	1,404
2390	utretail	Tesla	1,585
2395B	utretail	Norma Reed	1,715
2395C	utretail	Miniso	3,204
2410A	utretail	Norma Reed	1,621
2415A	utretail	Zacks	1,817
2420A	utretail	Churchill's Men's Wear	1,975
2427	utretail	Bath & Body Works	5,575
2435A	utretail	Envy + Grace	4,022
2440A	utretail	Build-a-Bear Workshop	2,375
2445	utretail	Gap	10,973
2450	utretail	Eriy Gift	1,293
2460A	utretail	WirelessWave	671
2465	utretail	Future Tech	846
2470	utretail	L'Occitane	468
2475	utretail	Bailey Nelson	733
2480	utretail	Sunglass Hut	716
2482	utretail	Continental Currency Exchange	293
2495A	utretail	Victoria's Secret	11,289
2515	utanchor	Uniqlo	16,233
2536A	utretail	Saje	1,038
2563	utretail	T-Shirt Time	2,369
2565	utretail	Bluenotes	3,248
2580A	utanchor	Ardene	15,009
3550A	utoffice	Kinark Child and Family Services	13,286
4001A	utretail	Change Lingerie	682
4001B	utretail	VAVA Toronto	640
4003	utretail	Lindt	1,325
4004	utretail	Egg Club	1,591
4005	utretail	Verona Suits	2,360

4006	utretail	Curio	1,483
4008	utanchor	H&M	24,161
4017	utretail	Lenscrafters	3,618
4034	utretail	JD Sports	5,422
4040	utretail	BonLook	878
4042	utretail	Lovisa	755
4045	utretail	Laline	766
4050	utretail	Claire's	1,071
4052	utretail	Love and Peace For All	1,094
4060	utretail	Zumiez	2,629
4065	utretail	Foot Locker	3,594
4070	utretail	Skechers	2,694
4072	utretail	Mountain Warehouse	2,697
4075	utretail	EZ Rides	1,043
4076	utretail	Ashby Grove Barbershop	599
4077	utretail	Stitch It	794
4078	utretail	GameStop	2,292
4080	utretail	Icing	1,052
4085	utretail	Stokes	1,792
4087	utretail	Chatters Salon	1,794
4088	utretail	Adidas	5,765
4089	utretail	Lids	968
4090	utretail	Famous Footwear	5,168
4105	utanchor	Forever 21	20,268
4108	utretail	Bonkers	1,657
4110	utretail	Specsavers	1,764
4112	utretail	Rogers	2,204
4114	utretail	Best Buy Express	2,218
4115	utretail	Telus Mobility	1,932
4116A	utretail	Cinnabon	614
4116B	utretail	FIDO	643
4117	utretail	Peoples Jewellers	1,727
4120	utretail	Mobile Klinik	689
4121	utretail	Virtue Vintage	707
4200	utretail	Cellicon	915
4201	utretail	Bell	1,561
4203	utretail	General Nutrition Centres	869
4204	utretail	Perfume Warehouse	1,218
4205	utretail	Michael Hill Jewellers	1,113

4210	utretail	Northern Reflections	2,172
4212	utretail	Tip Top	3,432
4215	utretail	Windsor	3,877
4216	utretail	Carlos Bakery Cake ATM	4,975
4218	utretail	Laura Secord	852
4220	utretail	WLKN	3,924
4225	utretail	Journeys	3,782
4226	utretail	Scarpini	1,898
4232	utretail	Spencer Gifts	1,894
4235	utretail	Sugar Rush	1,498
4237	utretail	Bikini Village	1,498
4240	utretail	Hallmark Cards	2,549
4241	utretail	Yankee Candle	1,279
4242	utretail	Hot Topic	1,823
4245	utretail	Call It Spring	1,531
4247	utretail	Shop Makers	1,513
4250	utretail	Lush	1,682
4255	utretail	Oscar Wylee	1,091
4260	utretail	Reitmans	3,662
4265	utretail	La Vie en Rose	2,788
4270	utretail	RW & Co.	3,904
4275	utretail	Dynamite	3,540
4280	utretail	Garage	3,480
4295	utretail	Torrid	2,666
4300	utretail	Guess?	3,174
4310	utretail	Pink Lemon Decor	1,872
4318	utretail	Champs Sports	5,497
4325	utretail	Danier	2,132
4327	utretail	Brown's Shoes	3,916
4330	utanchor	Zara	26,348
995	utoffice	The Regional Municipality of Durham	489
FC1	utretail	Starbucks	640
FC10	utfood	Taco Bell	431
FC11	utfood	Hurry Curry	446
FC12	utfood	Jimmy the Greek	445
FC13	utfood	Kung Pao Wok	436
FC14	utretail	Purdys Chocolatier	620
FC2	utfood	A & W	403
FC3	utfood	Thai Express	395

FC4	utfood	KFC	400
FC5	utfood	Subway	436
FC6	utfood	BarBurrito	390
FC7	utfood	Shanghai 360	417
FC8	utfood	Poulet Rouge	481
FC9	utfood	New York Fries	338
J002A	utrepad	The Keg	9,068
J003	utrepad	The Hot Tub People	8,837
K10	utkiosk	Virgin Mobile	150
K14	utkiosk	Gateway	200
K15	utkiosk	Freshly Squeezed	200
K16	utkiosk	Cellicon	150
K17	utkiosk	Yogen Fruz	200
K18	utkiosk	Blg Orange	200
K20	utkiosk	Sushi Q	200
K4B	utkiosk	Mr. Pretzels	150
K6A	utkiosk	Mobiling	150
K6C	utkiosk	Kernels	175
K7B	utkiosk	Booster Juice	200
K8	utkiosk	Koodo Mobile	160
K8B	utkiosk	WOW! Mobile Boutique (Rogers)	150
MAJOR2	utanchor	Hudson's Bay	122,624
MAJOR4	utanchor	Spirit Halloween	61,641
MAJOR4A	utanchor	Suso Skate	61,640
N057	utanchor	Urban Planet	16,428
N061	utanchor	Old Navy	18,342
OP8	utrepad	L C B O	14,331
OP9	utrepad	Staples	15,000

**THIS IS EXHIBIT "R" TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", written over a horizontal line.

Commissioner, etc.
Brendan Jones



Statement of Account
Statement As of 2025-07-30

Hudson's Bay

Hudson's Bay Company ULC
698 Lawrence Avenue West
Toronto, ON M6A 3A5

Lease Code t0007602
Unit MAJOR2
Lease Area 122,624
Lease Expiry 02/02/2034

Deposit
Prepaid Rent -
Security Deposit -
Other Deposit -

Oshawa Centre
419 King St W
Oshawa ON L1J 2K5

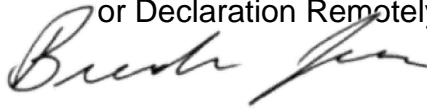
Trans. Date	Inv Num	Description	Invoice Amount	Tax (GST)	Tax (QST)	Gross Amount	Payment	Balance
		Opening Balance						0.00
02/01/2025		02/2025 - Rent	64,513.37	8,386.74	0.00	72,900.11	0.00	72,900.11
02/11/2025		Payment - ACH	0.00	0.00	0.00	0.00	72,870.38	29.73
03/01/2025		03/2025 - Rent	64,513.37	8,386.74	0.00	72,900.11	0.00	72,929.84
03/07/2025	11070226223	The Bay- 1st Tax instalment	174,415.88	22,674.06	0.00	197,089.94	0.00	270,019.78
03/14/2025		Payment - ACH	0.00	0.00	0.00	0.00	30,692.53	239,327.25
03/18/2025		Payment - ACH	0.00	0.00	0.00	0.00	54,564.49	184,762.76
04/01/2025		Payment - ACH	0.00	0.00	0.00	0.00	52,859.36	131,903.40
04/01/2025		04/2025 - Rent	64,513.37	8,386.74	0.00	72,900.11	0.00	204,803.51
04/15/2025		Payment - ACH	0.00	0.00	0.00	0.00	52,859.36	151,944.15
05/01/2025		Payment - ACH	0.00	0.00	0.00	0.00	52,859.36	99,084.79
05/01/2025		05/2025 - Rent	64,513.37	8,386.74	0.00	72,900.11	0.00	171,984.90
05/15/2025		Payment - ACH	0.00	0.00	0.00	0.00	52,859.36	119,125.54
05/30/2025		Payment - ACH	0.00	0.00	0.00	0.00	52,859.35	66,266.19
06/01/2025		06/2025 - Rent	64,513.37	8,386.74	0.00	72,900.11	0.00	139,166.30
06/13/2025		Payment - ACH	0.00	0.00	0.00	0.00	52,859.36	86,306.94
06/27/2025		Payment - ACH	0.00	0.00	0.00	0.00	52,859.36	33,447.58
07/01/2025		07/2025 - Rent	64,513.37	8,386.74	0.00	72,900.11	0.00	106,347.69
07/14/2025	11070237290	Hudson Bay-2025 final	191,570.47	24,904.16	0.00	216,474.63	0.00	322,822.32
07/15/2025		Payment - ACH	0.00	0.00	0.00	0.00	52,859.36	269,962.96

Cheque payable to:

PRIMARIS MANAGEMENT INC., RE: Oshawa Centre
419 King St W , Oshawa, ON, L1J 2K5

Amount Due
269,962.96

**THIS IS EXHIBIT "S" TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
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A handwritten signature in black ink, appearing to read "Brendan Jones", is written over a horizontal line.

Commissioner, etc.
Brendan Jones



FINAL Baseline Property Condition Assessment

419 King Street West, Oshawa,
Ontario

Prepared for:

Primaris REIT

181 Bay Street, Suite 2720
Toronto, ON M5J 2T3

August 6, 2025

Pinchin File: 362095.001



Baseline Property Condition Assessment

419 King Street West, Oshawa, Ontario

Primaris REIT

August 6, 2025

Pinchin File: 362095.001

FINAL

Issued to: Primaris REIT
Issued on: August 6, 2025
Pinchin file: 362095.001
Issuing Office: Mississauga, ON
Primary Pinchin Contact: Shawn Atwell, Senior Project Manager
289.971.0454
satwell@pinchin.com

Author:



Alex Brown
Building Science Technologist

Reviewer:



Majid Milani-Nia, P. Eng.
Senior Project Engineer



EXECUTIVE SUMMARY

Pinchin Ltd. (Pinchin) was retained by Primaris REIT (Client) to conduct a Baseline Property Condition Assessment (BPCA), subject to the limitations outlined in Section 6.0 of this report. Based on Pinchin's scope of work, this service did not include any specialist review of items such as structural components, mechanical/electrical systems, fire protection and life safety systems, etc. The municipal address for the property is 419 King Street West, Oshawa, Ontario (Site). Pinchin conducted a visual assessment of the Site on July 29, 2025, at which time Pinchin interviewed and was accompanied by the Operations Supervisor of the Oshawa Centre (hereafter referred to as the Site Representative).

Pinchin was advised by the Client that the purpose of the BPCA was to assess visible deficiencies in relation to the due diligence requirements for the potential leasing of the Site.

The Site is located to the northeast of the intersection of Stevenson Road and Gibb Street in Oshawa, Ontario. The Site represents the south-central portion of a near rectangular-shaped property, approximately 79 acres in area and is developed with a two-storey, commercial building which is joined to the larger shopping mall on the north side (Site Building). The effective area of the Site is approximately 5.5 acres. The Site Building is noted to be vacant. The Site Building was reportedly constructed in approximately 1977 and is estimated to possess a building footprint area of approximately 65,000 Square Feet (SF) and an estimated total building area of approximately 125,000 SF.

The substructure of the Site Building is constructed with a cast-in-place concrete slab-on-grade (i.e., no basement level) and cast-in-place concrete foundation walls. The superstructure of the Site Building is constructed with a reinforced concrete structure (i.e., columns, beams and capitals) supporting concrete floor slabs and a concrete roof deck.

The exterior walls of the Site Building consist of precast exposed aggregate concrete wall panels on all elevations, with areas of storefront windows noted on the east, west and south elevations.

Asphalt paved driveways and parking areas surround the Site Building with parking provisions for approximately 5,100 vehicles throughout the Site. Vehicular access to the Site is provided by an entranceway from Gibb Street located at the south perimeter of the Site, four entranceways from Stevenson Road South located at the west perimeter of the Site, two entrances from King Street West located at the north perimeter of the Site and one entranceway from Elmgrove Avenue to the east of the Site.

The Site Building appears to be in satisfactory condition, commensurate with its age and in comparable standing with other similar light industrial properties in the area. Based on our visual assessment, the Site Building appears to have been constructed in general accordance with standard building practices in place at the time of construction.



The assessment did not reveal any visual evidence of major structural failures, soil erosion or differential settlement; however, localized areas of cracking, delamination and exposed rebar were noted on the reinforced concrete beams and columns above the secondary roof in the southeast portion. Pinchin recommends a structural review of these columns and beams under the supervision of a qualified Structural Engineer within the early portion of the term of analysis. Based on the results of the review, significant additional costs relating the superstructure may arise which are inestimable in this report.

No immediate repair requirements were noted.

Repair and replacement requirements (under replacement reserves) over the term of the analysis (i.e., 10 years) of \$3,405,000 have been identified. As noted during the Site visit, deficiencies relating to roof systems, wall systems, structural elements, interior finishes, Site features, mechanical systems, electrical systems and fire alarm systems were noted. Of particular note, recommendations, repairs and replacements for the following items are included within the term of the analysis:

Summary of Recommendations	Anticipated Expenditure	Year
Ongoing repairs of the precast exposed aggregate wall panels.	\$80,000	2025
	\$60,000	2028
	\$60,000	2031
	\$40,000	2034
Replacement of the wall joint sealants.	\$60,000	2031
Replacement of three aged sectional metal overhead doors.	\$45,000	2025
Modernization of two escalators and code safety.	\$550,000	2025
	\$550,000	2026
Modernization of one hydraulic elevator and code safety.	\$425,000	2025
Localized repair/replacement of the concrete apron serving the shipping/receiving area.	\$55,000	2026
Replacement of two Air Handling Units	\$150,000	2025
Overhaul of the cooling tower.	\$30,000	2026
	\$30,000	2031



Summary of Recommendations	Anticipated Expenditure	Year
Overhaul of two chillers.	\$40,000	2026
	\$40,000	2031
Localized repair/replacement of the hydronic system.	\$40,000	2025
	\$30,000	2029
	\$30,000	2033
Partial replacement of the ductwork.	\$200,000	2026
Replacement of the BAS controls/select replacement of valves, sensors, etc.	\$100,000	2025
Partial replacement of the plumbing distribution system.	\$30,000	2026
Phased-in replacement of the original sprinkler heads/partial replacement.	\$100,000	2026-2028
Upgrade of the main electrical disconnect.	\$250,000	2025
Partial replacement of the electrical distribution system.	\$250,000	2026
Overhaul of the emergency generator.	\$30,000	2028
Replacement of the automatic transfer switch.	\$50,000	2026
TSSA inspection of the emergency generator fuel distribution system and above ground storage tank.	\$15,000	2025
Replacement of the fire alarm main control panel.	\$50,000	2029

It was reported to Pinchin that the costs associated with ongoing general maintenance of the major components of the Site Building are carried as part of the annual operating budget for the Site.

Regular maintenance should be conducted on the roof systems, wall systems, structural elements, elevator systems, interior finishes, Site features, mechanical systems, electrical and life safety systems to ensure that the Expected Useful Life (EUL) of the major components is realized. Repair costs for the aforementioned items have been included over the term of the analysis (i.e., 10 years) included within Appendix I. The specific deficiencies identified during the BPCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report. Costs associated with desired upgrades have not been carried.

Consideration has been given regarding required ongoing maintenance and repairs of the major elements and at the direction of the Client, Pinchin has utilized a threshold of \$5,000 per system, per year as a limit in determining and carrying anticipated expenditures. Anticipated expenditures associated with



maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and excluded from the Summary of Anticipated Expenditures.

The detailed breakdown of all costs for the Site can be found in Appendix I.

This Executive Summary is subject to the same standard limitations as contained in the report and must be read in conjunction with the entire report.



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APPENDICES

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1.0 INTRODUCTION

Pinchin Ltd. (Pinchin) was retained by Primaris REIT (Client) to conduct a Baseline Property Condition Assessment (BPCA), subject to the limitations outlined in Section 6.0 of this report. Based on Pinchin's scope of work, this service did not include any specialist review of items such as structural components, mechanical/electrical systems, fire protection and life safety systems, etc. The municipal address for the property is 419 King Street West, Oshawa, Ontario (Site). Pinchin conducted a visual assessment of the Site on July 29, 2025, at which time Pinchin interviewed and was accompanied by the Operations Supervisor of the Oshawa Centre (hereafter referred to as the Site Representative).

Pinchin was advised by the Client that the purpose of the BPCA was to assess visible deficiencies in relation to the due diligence requirements for the potential leasing of the Site.

The Client has advised Pinchin that no previous BPCAs or other building reports have been prepared for the Site.

It was reported to Pinchin that the costs associated with ongoing general maintenance of the major components of the Site Building are carried as part of the annual operating budget for the Site.

At the direction of the Client a threshold of \$5,000 per system, per year has been utilized in determining anticipated expenditures. Anticipated expenditures associated with maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and excluded from the Summary of Anticipated Expenditures.

The results of the BPCA are presented in the following report. This report is subject to the Limitations discussed in Section 6.0. The term of analysis requested by the Client was 10 years.

2.0 SCOPE AND METHODOLOGY

The scope of the BPCA included a visual examination (without any intrusive testing or demolition of finishes to observe hidden areas) of the following:

- The building envelope, comprised of the roof systems, exterior walls, windows and exterior doors;
- The structural elements (i.e., slabs, columns, beams, joists, decking, etc.);
- The elevator systems;
- The interior finishes;
- The Site features;
- The mechanical systems (i.e., HVAC, domestic hot water, plumbing, etc.); and
- The electrical and life safety systems.



The object of the BPCA included the following:

- A visual examination of the property in order to assess the condition of the major elements;
- Review of general documentation on the repair/maintenance history of the elements, if available;
- cursory review of previous reports pertaining to the Site Building, if made available by the Site Representative;
- Interviews and discussions with on-Site personnel regarding the repair/maintenance conducted on the Site Building;
- Documentation of existing deficiencies observed within the various elements;
- Photographic documentation of various components and observed deficiencies; and
- Compilation of Pinchin's findings in a formal written report including observed deficiencies, together with a list of recommendations for repair/replacement with associated estimated costs for both short and long term.

The report provides:

- A basic description of each of the various major components of the Site Building;
- A list of deficiencies noted with respect to the components examined; and
- Recommendations and cost estimates for the corrections recommended.

Cost estimates provided in this report are preliminary Class "D" and provided only as an indication of the order of magnitude of the remedial work. These values have been arrived at by determining a representative quantity from the visual observations made at the time of our Site visit and by applying current market value unit costs to such quantities and or a reasonable lump sum allowance for the work. More precise cost estimates would require more detailed investigation to define the scope of work. They are not intended to warrant that the final costs will not exceed these amounts or that all costs are covered. The estimates assume the work is performed at one time and do not include costs for potential de-mobilization and re-mobilization if repairs/replacement are spread out over the term of analysis.

All costs are identified in 2025 Canadian Dollars, and do not include consulting fees or applicable taxes. (For consulting fees, Pinchin typically recommends a budget allowance of 10% to 15% of the costs identified).

All cost estimates assume that regular annual maintenance and repairs will be performed to all building elements at the facility. No cost allowance is carried for this regular maintenance.



The cost estimates provided in this report are based on costs of past repairs at similar buildings, recent costing data such as “RS Means Repair and Remodelling Cost Data – Commercial/Residential” and “Hanscomb’s Yardsticks for Costing”, or Pinchin’s professional judgment.

Unless otherwise stated, the replacement costs identified for an element reflects the cost to remove and replace the existing element with the same type of element.

3.0 OBSERVATIONS AND COMMENTS



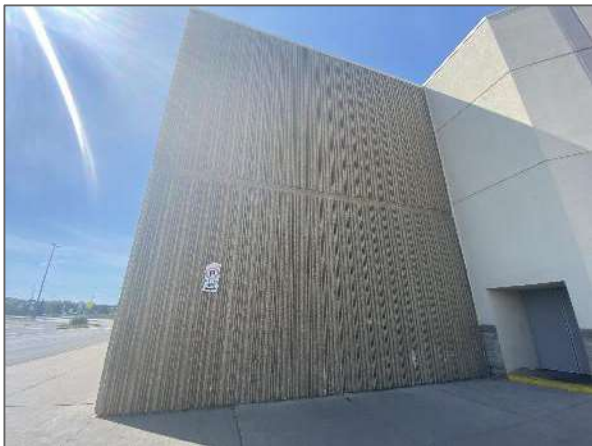
General view of the east elevation of the Site Building.



General view of the south elevation of the Site Building.



General view of the west elevation of the Site Building.



General view of the north elevation of the Site Building.

3.1 Site Information

Table 3.1 – Site Information

Site Occupant/Name	Two-Storey Commercial Building		
Site Address	419 King Street West, Oshawa, Ontario		
Existing Land Use Type	Commercial	Primary On-Site Activity	Vacant
Multi-Tenant/Single Occupant	Vacant	Number of Units	One
Date First Developed	Unknown	Site Area	~ 79 acres
Number of Buildings	One	Building Footprint Area	~ 65,000 SF
Number of Storeys above grade	Two	Total Building Area	~ 125,000 SF



Table 3.1 – Site Information

Site Occupant/Name	Two-Storey Commercial Building		
<i>Date Building(s) Constructed</i>	~ 1977	<i>Area of Tenant Space</i>	~ 125,000 SF
<i>Date Building(s) Renovated</i>	~ 2010: Chiller and cooling tower replacements ~ 2020: Roof replacement	Basement and/or U/G Parking	N/A
<i>Type of Roof System(s)</i>	Inverted Roof Membrane Assembly (IRMA)	<i>Number of Levels U/G</i>	N/A
<i>Type of Wall Cladding</i>	Pre-cast exposed aggregate concrete wall panels	<i>Area of Roof System</i>	~ 65,000 SF
<i>Types of Windows</i>	Fixed Single Glazed (SG) units in storefront configurations	<i>Type of Doors</i>	SG doors within prefinished aluminum frames Painted hollow metal doors, some of which possess Georgian Wired Glass (GWG) inserts within hollow metal frames Hollow core wood doors within metal frames Insulated sectional metal overhead doors, some of which possess IG inserts
<i>Above Grade Parking Area</i>	Asphalt surfaced: ~ 5,100 vehicles	<i>Electrical Source</i>	Oshawa Power
<i>Surface Type</i>	Asphalt paved parking areas and driveways Soft landscaping (i.e., grass, trees, shrubs, etc.) Cast-in-place concrete walkways and aprons Interlocking brick pavers	<i>Type of Heating/Cooling</i>	Air Handling Units (AHUs) Chillers Cooling Tower Natural gas-fired suspended unit heaters Electrically-powered baseboard and wall-mounted forced-air heaters



3.2 Roof Systems

The roof systems of the Site Building consist of three roof areas: the primary roof atop the Site Building and secondary roofs atop the shipping/receiving area and at the walkout from the mechanical room atop the southeast portion. Sloped glazing canopies were noted at the primary entrances to the Site Building on the east, west and south elevations.

The roof systems of the Site Building consists of “near-flat” Inverted Roof Membrane Assembly (IRMA) system consisting of a layer of gravel ballast (or precast concrete pavers) overlying filter cloth atop a layer of rigid thermal insulation atop a primary membrane, atop concrete roof decks. Neither the presence of a vapour barrier, nor the type or the thickness of the insulation could be verified, as the scope of the work did not include intrusive testing.

Drainage of the roof system is provided by internal roof drains which presumably drain to the municipal storm system. In addition to the roof drains, penetrations through the roof system consist of combustion stacks, plumbing vents and exhaust vents.

Based on review of historical imagery the IRMA systems appear to have been replaced in approximately 2020 (i.e., approximately 5 years old). The total area of the roof systems is similar to the building footprint area and is estimated to be approximately 65,000 SF.

The roof was accessed via a walk-out door from the mechanical room in the southeast portion. No previous or active leaks within the roof system were noted or reported to Pinchin at the time of the Site visit; however, localized areas of moisture/water-stained ceiling tiles were noted at various locations within the office areas of the Site Building (refer to Section 3.6 – Interior Finishes).

Due to the fact that the scope of the work did not include intrusive testing, Pinchin could not ascertain whether Phenolic insulation was present within the roof system at the time of the Site visit.

Table 3.2 outlines the findings of the inspection of the roof systems:

Table 3.2 – Roof Systems

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">None observed/reported.	<ul style="list-style-type: none">None required.
Minor Deficiencies/Findings	
<ul style="list-style-type: none">Corrosion on the combustion and exhaust vent housings was noted at various locations atop the IRMA systems.	<ul style="list-style-type: none">Remove and clean the corrosion on the combustion and exhaust vent housings and repaint with corrosion inhibiting coating.

Table 3.2 – Roof Systems

Findings	Remarks/Recommendations
<ul style="list-style-type: none"> Organic growth was noted at various locations atop the roof systems. 	<ul style="list-style-type: none"> Remove/clean the organic growth as part of regular annual maintenance of the roof systems.
<ul style="list-style-type: none"> Partially clogged/obstructed roof drain guards were noted at various locations atop the roof systems. 	<ul style="list-style-type: none"> Clean/unplug the roof drains regularly as part of regular annual maintenance of the roof systems.
<ul style="list-style-type: none"> Deteriorated and split/de-bonded sealants were noted at various locations of the roof systems. 	<ul style="list-style-type: none"> Replace the deteriorated and split/de-bonded sealants.
<ul style="list-style-type: none"> Redundant HVAC curbs were noted on the east of the primary roof system. 	<ul style="list-style-type: none"> Monitor the redundant HVAC curbs for potential moisture infiltration at the curb flashings.



General view of the primary IRMA system.



General view of the secondary IRMA system atop the shipping/receiving area.



View of a typical sloped glazing canopies on the east portion of the Site Building.



View of corrosion noted on the combustion and exhaust vents on the south portion of the Site Building.



View of organic growth noted on the south portion of the Site Building.



View of a partially obstructed roof drain noted in the central portion of the primary IRMA system.



View of deteriorated sealants noted on vent penetrations in the southeast portion.



View of redundant HVAC curbs noted in the north portion of the primary IRMA system.

It has been Pinchin's experience that the Expected Useful Life (EUL) of an IRMA system typically ranges between 25 to 30 years, depending on the quality of the materials used, the quality of workmanship during installation and the level to which the roof system has been maintained.



As previously mentioned, based on review of historical imagery the IRMA systems appear to have been replaced in approximately 2020 (i.e., approximately 5 years old); however, it should be noted that due to the nature of IRMA systems the roof membrane was not observed at the time of the Site assessment. Pinchin recommends that a specialist review including randomized intrusive testing be performed in order of ascertain the type and condition of the roof membrane within the early portion of the term of analysis. It should be noted that based on the results of this review significant additional costs associated with the roof systems may arise. Should the IRMA systems require replacing it is estimated that the total cost will be in the order of magnitude of \$3,900,000.00.

Assuming that the above-referenced deficiencies are addressed and regular maintenance is performed, the roof system of the Site Building should perform in a satisfactory manner throughout the term of analysis. Annual walk-on roof inspections are recommended to ensure any deficiencies or issues are discovered in a timely manner.

3.3 Wall Systems

The exterior walls of the Site Building consist of precast exposed aggregate concrete wall panels on all elevations, with areas of storefront windows noted on the east, west and south elevations.

The window systems of the Site Building consist of fixed Single Glazed (SG) units within prefinished aluminum frames set into storefront configurations at the main entrances on the east, west and south elevations. Based on review of historical imagery the window units are more than 15 years old.

The exterior doors of the Site Building consist of Single Glazed (SG) doors within prefinished aluminum frames serving the main entrances and vestibule areas on the east, west and south elevations. Painted hollow metal doors, some of which possess Georgian Wired Glass (GWG) inserts within hollow metal frames serve the storage areas, mechanical rooms, stairwells and emergency exits. Hollow core wood doors within metal frames serve the office areas of the Site Building. Insulated sectional metal overhead doors, some of which possess Insulated Glass (IG) inserts serve the drive-in bay and loading dock areas located on the southeast portion of the Site Building.

It should be noted that the as-built condition of the fasteners which secure the precast concrete wall panels to the building structural frame and floor slabs could not be determined at the time of the Site visit as these components are concealed and could not be observed through a visual inspection.

Table 3.3 outlines the findings of the inspection of the wall systems:

Table 3.3 – Wall Systems

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> The precast exposed aggregate concrete wall panels are estimated to be original to the construction of the Site Building in approximately 1977 (i.e., approximately 48 years old) with ongoing localized repairs and no previous major restoration. 	<ul style="list-style-type: none"> Pinchin recommends that a detailed wall survey/investigation with randomized intrusive testing is performed to verify the condition of the concrete wall panels (of particular note the condition of the fasteners/anchoring systems which secure the metal wall panels to the building structural frame and floor slabs).
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> Localized areas of deterioration in the precast concrete wall panels were noted on various elevations of the Site Building. 	<ul style="list-style-type: none"> Repair/patch the deteriorated areas in the precast concrete wall panels and monitor for further deterioration.
<ul style="list-style-type: none"> Unsealed penetrations through the exterior wall systems were noted on various elevations of the Site Building. 	<ul style="list-style-type: none"> Seal the unsealed penetrations to prevent potential water infiltration into the building envelope.
<ul style="list-style-type: none"> Missing, split/de-bonded and aged exterior sealants (i.e., wall joint and window/door perimeter) were noted on various elevations of the Site Building. 	<ul style="list-style-type: none"> Replace the deteriorated exterior sealants.
<ul style="list-style-type: none"> Localized areas of moisture/water staining on the precast concrete wall panels were noted on various elevations of the Site Building. 	<ul style="list-style-type: none"> Determine/repair the source(s) of moisture/water staining on the exterior wall systems and remove/clean/monitor the affected areas.
<ul style="list-style-type: none"> Localized areas of corrosion and peeling paint/worn finishes were noted on the hollow metal doors on various elevations of the Site Building. 	<ul style="list-style-type: none"> Clean/remove the corrosion/peeling paint and refinish the metal doors with a corrosion inhibiting coating.
<ul style="list-style-type: none"> Three sectional metal overhead doors are estimated to be original to the time of construction in 1977 and have exceeded the end of their EUL. 	<ul style="list-style-type: none"> Based on their estimated age, Pinchin has carried an allowance for replacement of the aged doors within the early portion of the term of analysis.
<ul style="list-style-type: none"> Localized areas of water-damaged gypsum board and exterior finishes were noted on the soffit of the cantilevered portion above the shipping and receiving area. 	<ul style="list-style-type: none"> Remove/replace the water-damaged gypsum board and refinish the soffit.



View of the wall systems of the Site Building.



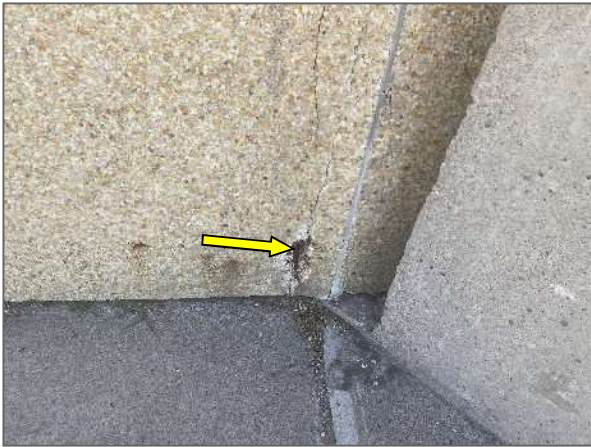
View of typical SG storefront windows noted on the west elevation of the Site Building.



View of typical SG doors noted on the west elevation of the Site Building.



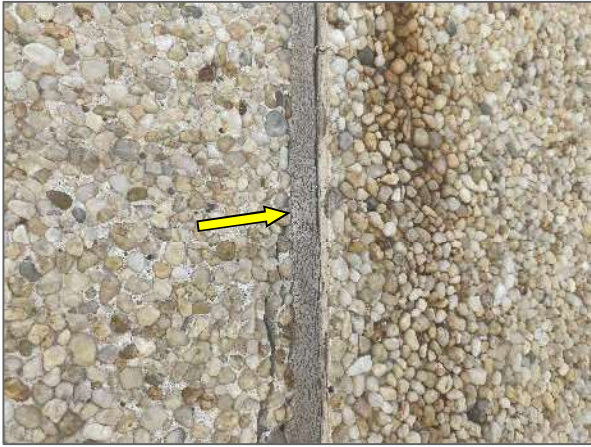
View of deterioration in the precast concrete wall panels noted on the south elevation of the Site Building.



View of localized cracking and exposed rebar noted in a precast concrete wall panel on the south elevation of the Site Building.



View of a typical unsealed penetration noted on the south elevation of the Site Building.



View of typical crazed/de-bonded wall panel sealant noted on the south elevation of the Site Building.



View of typical moisture staining noted on the south elevation of the Site Building.



View of typical worn corrosion and worn finishes noted on hollow metal doors on the east elevation of the Site Building.



View of a typical aged sectional metal overhead door.



View of water-damaged gypsum board and exterior finishes on the soffit above the shipping/receiving area.

The wall, window and door systems of the Site Building were generally noted to be in satisfactory condition at the time of the Site visit with the above-referenced deficiencies.

The precast exposed aggregate concrete wall panels are estimated to be original to the construction of the Site Building in approximately 1977 (i.e., approximately 48 years old) with ongoing localized repairs and no previous major restoration. Pinchin recommends that a detailed wall survey/investigation with randomized intrusive testing is performed to verify the condition of the concrete wall panels (of particular note the condition of the fasteners/anchoring systems which secure the metal wall panels to the building structural frame and floor slabs).

Pinchin has carried allowances for current and anticipated localized repairs to the exterior wall systems (i.e., concrete panels and) as well as replacement of the wall joint sealants throughout the term of analysis.



Additionally, Pinchin has carried allowances for the replacement of three aged sectional metal overhead doors, which are estimated to be original to the time of construction, within the early portion of the term of analysis.

Assuming that the above-referenced deficiencies are addressed and regular maintenance is performed, the wall, window and door systems of the Site Building should perform in a satisfactory manner throughout the term of the analysis.

Typical buildings of this age may contain polychlorinated biphenyls (PCBs) and/or asbestos in mastics, caulking and window putties. Testing for the presence of hazardous materials in these materials is beyond the scope of this BPCA report. The potential presence of hazardous materials in these materials could give rise to additional costs in future if extensive renovation requiring removals of these materials or demolition activities are undertaken at the Site. The extent of such potential issues could not be assessed as part of this BPCA report.

3.4 Structural Elements

As outlined in the scope of work, a visual assessment of the condition of the structural elements was carried out on the elements which were visible at the time of the assessment.

The substructure of the Site Building is constructed with a cast-in-place concrete slab-on-grade (i.e., no basement level) and cast-in-place concrete foundation walls. The superstructure of the Site Building is constructed with a reinforced concrete structure (i.e., columns, beams and capitals) supporting concrete floor slabs and a concrete roof deck.

No structural drawings were provided to Pinchin for review.

The Site Representative did not report any significant issues relating to structural deficiencies at the time of the Site visit.

Table 3.4 outlines the findings of the inspection of the structural elements:

Table 3.4 – Structural Elements	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">Localized areas of cracking and delaminated concrete and exposed rebar were noted on the columns and beams supporting the precast concrete wall panels on the east perimeter of the secondary roof in the southeast portion.	<ul style="list-style-type: none">Pinchin recommends a review of the concrete columns and beams supporting the precast concrete wall panels above the secondary roof.

Table 3.4 – Structural Elements

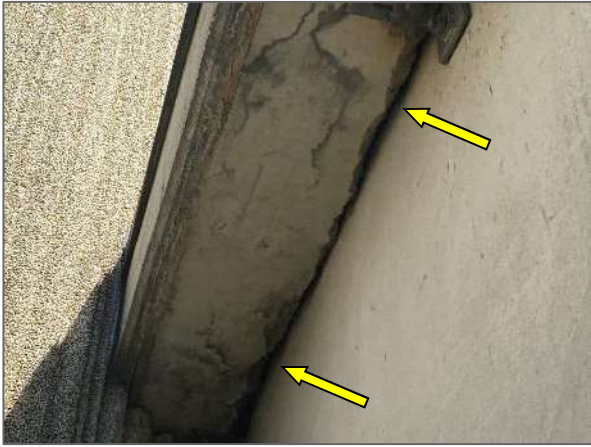
Findings	Remarks/Recommendations
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> Localized areas of cracking/delaminated concrete were noted in the cast-in-place foundation walls on various elevations of the Site Building. 	<ul style="list-style-type: none"> Repair the affected areas of cracking/delaminated concrete.



View of a typical reinforced concrete column and capital supporting a concrete floor slab in the southeast portion of the Site Building.



View of a typical bent/impact damaged steel column noted within the warehouse area of the Site Building.



View of deteriorated concrete noted on a reinforced concrete beam in the southeast portion above the secondary roof.



View of delaminated concrete in the cast-in-place concrete foundation wall noted on the east elevation of the Site Building.

Assessment of the original or existing building design, compliance with prior or current Building Code or detection or comment upon concealed structural deficiencies are outside the scope of work. Accordingly, the findings are limited to the extent that the assessment has been made based on a walk-through visual inspection of accessible areas of the structures.

Pinchin's visual review of the structural elements and information provided by the Site Representative indicated that no major deterioration existed within the visibly accessible components of the Site Building.

The assessment did not reveal any visual evidence of major structural failures, soil erosion or differential settlement; however, localized areas of cracking, delamination and exposed rebar were noted on the reinforced concrete beams and columns above the secondary roof in the southeast portion. Pinchin recommends a structural review of these columns and beams under the supervision of a qualified Structural Engineer within the early portion of the term of analysis. Based on the results of the review, significant additional costs relating the superstructure may arise which are inestimable in this report.



Due to the fact that the scope of work was based on a visual inspection, Pinchin has attempted to identify and quantify the deficiencies associated with the structural elements. It is noted that the cost estimates provided in this report are preliminary and provided only as an indication of the order of magnitude of the remedial work. Without a defined scope of work (i.e., tender documents) estimated costs could be potentially higher than provided. More precise cost estimates would require a more detailed investigation to define the scope of work.

Localized repairs to the concrete block masonry foundation walls can be managed below the capital threshold.

3.5 Elevator Systems

The following is a brief description of the elevator system present at the subject building:

Elevator System:

Manufacturer:	Montgomery Elevators
Drive System:	Hydraulic
Floors Served	G – 2nd Level
Date Installed:	~ 1977
Date Modernized:	N/A
Capacity:	2,722 kg
Function:	Freight
Alarm:	Provided
Emergency Stop:	Provided
Emergency Phone:	Not Provided
Emergency Power:	Not provided

Escalator Systems:

Quantity:	2 Escalators
Manufacturer:	Montgomery Escalators
Drive System:	Traction
Floors Served	G – 2 nd Level
Date installed:	1977
Capacity:	Unknown
Function:	Passenger
Alarm:	No
Emergency Stop:	Yes



Emergency Phone: No

Emergency Power: No

The typical elevator “full maintenance” contract covers the replacement of major components in addition to the labour and materials necessary for ongoing repairs, adjustments and preventive maintenance work. Entrances and cab finishes are normally excluded. As long as “full maintenance” contract is purchased, the only additional costs to the Owner, during the first 15 to 25 years of use, should be for malicious damage and repairs to the elevator cabs and entrances. It is assumed that repairs required due to “Acts of God” (i.e., flood, fires, etc.) are covered by insurance.

Based on the information provided by the Site Representative, the elevator system is maintained on a full maintenance contract by “ATTA Elevators”, an independent elevator contractor.

Based on review of the Technical Standards and Safety Authority (TSSA) license certificate for the elevator system, the inspection certificate was noted to be out-of-date, having expired on April 15, 2025.

Table 3.6 outlines the findings of the inspection of the elevator systems:

Table 3.6 – Elevator Systems

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">The elevator and escalator systems serving the Site Building are estimated to be original to the construction of the Site Building in 1977 (i.e., approximately 48 years old) with no reported modernizations and have exceeded the end of their EULs.	<ul style="list-style-type: none">Pinchin recommends a detailed review/survey of the elevator and escalator systems to be completed within the early portion of the term of analysis (which can be managed below the capital threshold) by a qualified elevator consultant to determine and better understand the condition of the elevator systems and identify/confirm the need, cost and timing for modernization/upgrading of the elevator system. Note: A preliminary allowance has been carried for modernization of the elevator and escalator systems; however, this cost can vary greatly depending on the results of the specialist review of the elevator system.
<ul style="list-style-type: none">The TSSA license certificates for the elevator systems were noted to be expired.	<ul style="list-style-type: none">The elevator systems are required to be inspected and certified by a certified TSSA personnel annually.
Minor Deficiencies/Findings	
<ul style="list-style-type: none">None observed/reported.	<ul style="list-style-type: none">None required.



View of the hydraulic reservoir.



View of the freight elevator door on the ground floor level.



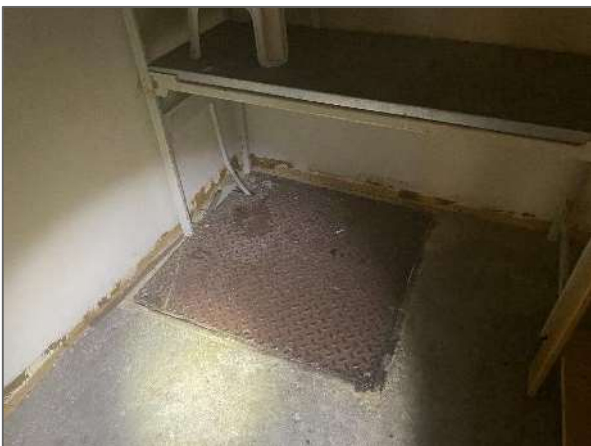
View of the control panel within the freight elevator.



View of the interior finishes within the freight elevator.



View of a typical escalator.



View of the sump pit below the escalators.

As the current assessment was performed as a BPCA without Specialist review, our information is solely based on the information and documentation provided as well as the visual appearance of the elevator cabs, motors, controls, etc.



Based on Pinchin's experience, some components of the hydraulic elevator system may require modernization, due in part to obsolescence, which are not covered under a typical "Full Maintenance Contract". Additionally, service personnel capable of performing the numerous adjustments necessary to keep this equipment operating properly will become increasingly difficult to find as newer equipment designs become more prominent. Thus, the owner may be faced with significant modernization costs in order to maintain reasonable service.

The elevator and escalator systems are estimated to be original to the construction of the Site Building in 1977 (i.e., approximately 48 years old) and will have exceeded the end of its EUL. The EUL of this type of elevator system typically ranges between 25 and 30 years. As such, Pinchin recommends a detailed review/survey of the elevator system to be completed within the early portion of the term of analysis by a qualified elevator consultant to determine and better understand the condition of the elevator and escalator systems and identify/confirm the need, cost and timing for modernization/upgrading of the elevator and escalator systems, which can be managed below the capital threshold. A preliminary allowance has been carried for modernization of the elevator and escalator systems; however, this cost can vary greatly depending on the results of the specialist review of the elevator system.

It is Pinchin's experience that buried hydraulic cylinders of similar age do not possess cathodic protection nor do they possess secondary containment. As such, the cylinder is susceptible to corrosion and potential failure of the systems. Pinchin notes that replacement of the hydraulic cylinders may be required as part of the scheduled elevator modernization.

Additional costs may be encountered if drilling is required to access the hydraulic cylinders. No intrusive investigations have been performed to confirm potential corrosion and no environmental testing was performed.

Assuming that the detailed elevator survey/review is completed, the results of the elevator survey are addressed, the full elevator maintenance contract is fulfilled and the scheduled elevator and escalator components are modernized, the elevator and escalator systems of the Site Building should perform in a satisfactory manner throughout the term of the analysis.

3.6 Interior Finishes

As outlined in the scope of work, the interior finishes of the Site Building were reviewed during the Site assessment.

The floor finishes within the Site Building consist primarily of ceramic tiles and carpeting within the customer-accessible areas and office areas, with localized areas of vinyl floor tiles and vinyl plank flooring. Exposed concrete floors were noted within the storage areas and mechanical rooms.

The wall finishes within the Site Building consist primarily of painted gypsum wall boards with the customer-accessible areas and office areas. Exposed cast-in-place concrete and painted and unpainted concrete masonry unit walls were noted within the storage areas and mechanical rooms.

The ceiling finishes within the Site Building consist of suspended ceiling assemblies complete with lay-in-tiles and painted gypsum ceiling boards within the customer-accessible areas and office areas, while exposed concrete structural elements were noted within the storage areas and mechanical rooms.

Table 3.6 outlines the findings of the inspection of the interior finishes:

Table 3.6 – Interior Finishes

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> None observed/reported. 	<ul style="list-style-type: none"> None required.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> Localized areas of moisture/water-stained ceiling tiles were noted at various locations within the office areas of the Site Building. 	<ul style="list-style-type: none"> Determine/repair the source(s) of the staining and replace the moisture/water-stained ceiling tile. Monitor the affected area for future water leaks.
<ul style="list-style-type: none"> Water damage in the gypsum wall and ceilings boards, reportedly due to a previous pipe leak was noted adjacent to the south elevation of the Site Building. 	<ul style="list-style-type: none"> Repair the water damaged gypsum wall and ceilings boards and refinish. Monitor the affected area for future water leaks.
<ul style="list-style-type: none"> Localized areas of damaged gypsum board were noted at various locations of the Site Building. 	<ul style="list-style-type: none"> Repair/replace the affected areas of damaged gypsum board.
<ul style="list-style-type: none"> Localized areas of cracking were noted in the exposed concrete floor slabs in the storage and mechanical rooms of the Site Building. 	<ul style="list-style-type: none"> Rout/repair the affected areas of cracking.
<ul style="list-style-type: none"> An area of exposed rebar was noted in the precast concrete wall panels in the southeast portion of the first floor. 	<ul style="list-style-type: none"> Repair the affected area of exposed rebar.
<ul style="list-style-type: none"> Localized areas of damaged/missing vinyl floor tiles were noted in various locations of the Site Building. 	<ul style="list-style-type: none"> Repair/replace the damaged/missing vinyl floor tiles.
<ul style="list-style-type: none"> Localized areas of cracked/broken ceramic floor tiles were noted in various locations of the Site Building. 	<ul style="list-style-type: none"> Replace the cracked/broken ceramic floor tiles.



General view of the interior finishes within the customer accessible areas of the Site Building.



General view of the interior finishes within the shipping/receiving area of the Site Building.



General view of the interior finishes within the employee break room.



View of moisture/water-stained ceiling tiles noted adjacent to the south entrance of the Site Building.



View of water damage in the gypsum wall and ceilings boards, reportedly due to a previous pipe leak noted adjacent to the south entrance of the Site Building.



View of typical damaged gypsum wall board noted in the stairwell in the southeast portion.



View of typical cracking in the exposed concrete floor slab noted within the shipping/receiving area.



View of the area of exposed rebar noted in the southeast portion of the first floor.



View of damaged/missing vinyl floor tiles noted on the second floor of the Site Building.



View of typical cracked/broken ceramic floor tiles noted in the west portion of the first floor of the Site Building.

The interior finishes were generally noted to be in satisfactory condition.

In addition, no allowance in relation to major renovations/upgrades of the interior finishes within the vacant unit(s) of the Site Building has been carried in the Table of Anticipated Expenditures. Major renovations/upgrades will be part of the future tenant fit-ups upon occupancy of the vacant units.

Assuming that the above-referenced deficiencies are addressed and regular annual maintenance is performed, the interior finishes should perform in a satisfactory manner throughout the term of the analysis. Costs associated with desired upgrades have not been carried.

3.7 Site Features

The Site represents the south-central portion of a near rectangular-shaped property, approximately 79 acres in area. The effective area of the Site is approximately 5.5 acres. Asphalt paved driveways and parking areas surround the Site Building with parking provisions for approximately 5,100 vehicles noted on Site. The asphalt paved parking areas were noted to be bordered by cast-in-place curbs. Vehicular access to the Site is provided by an entranceway from Gibb Street located at the south perimeter of the Site, four entranceways from Stevenson Road South located at the west perimeter of the Site, two entrances from King Street West located at the north perimeter of the Site and one entranceway from Elmgrove Avenue to the east of the Site.

Drainage of the Site pavements is provided by on-Site catch basins which presumably drain the water to the municipal sewer system. Since the inspection was limited to visible areas no examination of the catch basins was performed and no review of the initial compliance with code was performed. The inspection of underground or concealed components is outside the scope of work. Based on discussions with the Site Representative, no known problems or concerns with the drainage systems/catch basins and their ability to drain the Site were reported to Pinchin at the time of the Site visit.



Areas of soft landscaping (i.e., grass, trees, shrubs, etc.) were noted at various locations of the Site. Cast-in-place concrete walkways are located adjacent to the east, west and south elevations of the Site Building. Cast-in-place concrete aprons serve the shipping/receiving area at the southeast portion. Cast-in-place concrete retaining walls were noted to either side of the concrete aprons. Cast-in-place concrete stairs were noted at the southeast portion of the Site Building serving the shipping/receiving area. Localized areas of interlocking brick pavers were noted to the southeast of the Site Building.

Based on information provided by the Site Representative, replacement of the asphalt pavements and concrete walkways is the responsibility of the landlord. The asphalt pavements and portions of the concrete walkways to the west of the Site Building and portions of the concrete walkways to the south of the Site Building were reportedly replaced in 2024 (i.e., approximately 1 year old) and the asphalt pavements to the south of the Site Building are scheduled for replacement in 2025.

Table 3.7 outlines the findings of the inspection of the Site features:

Table 3.7 – Site Features

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">• Areas of deterioration in the asphalt pavements were noted to the south of the Site Building.	<ul style="list-style-type: none">• Repair/replace the cracked areas in the asphalt pavements, reportedly the responsibility of the landlord.
Minor Deficiencies/Findings	
<ul style="list-style-type: none">• Localized areas of cracking and deterioration were noted in the cast-in-place concrete apron serving the shipping/receiving area.	<ul style="list-style-type: none">• Repair/replace the affected areas of deteriorated concrete.
<ul style="list-style-type: none">• A localized area of deteriorated/delaminated concrete was noted at the concrete stairs in the southeast portion.	<ul style="list-style-type: none">• Repair the affected area of deteriorated/delaminated concrete.
<ul style="list-style-type: none">• Localized areas of cracking in cast-in-place concrete walkways were noted adjacent to the south and east elevations of the Site Building.	<ul style="list-style-type: none">• Repair/replace the cracked areas in the concrete walkways, reportedly the responsibility of the landlord.
<ul style="list-style-type: none">• Localized areas of deterioration in the concrete curbs were noted adjacent to the east and south of the Site Building.	<ul style="list-style-type: none">• Repair/patch the deteriorated area in the concrete curb, reportedly the responsibility of the landlord.



General view of the asphalt paved driveway and parking areas located to the west of the Site Building.



General view of the asphalt paved driveway and parking areas located to the south of the Site Building.



General view of the cast-in-place concrete walkways noted to the south of the Site Building.



View of the concrete stairs at the southeast portion.



View of a typical cast-in-place retaining wall serving the shipping/receiving area.



View of typical deteriorated asphalt pavement noted to the south of the Site Building.



View of deterioration in the cast-in-place concrete apron serving the shipping/receiving area.



View of an area of deteriorated concrete noted at the concrete stairs at the southeast portion.



View of typical cracking in the cast-in-place concrete walkways noted to the east of the Site Building.



View of typical deterioration in the concrete curbs noted to the east of the Site Building.

In general, the Site features were noted to be in satisfactory condition. Pinchin has carried an allowance for localized repairs/replacement of the cast-in-place concrete aprons within the early portion of the term of analysis. Localized repairs of the concrete stairs can be managed below the capital threshold.

It is noted that repair/replacement of the asphalt pavements and cast-in-place concrete walkways is reportedly the responsibility of the landlord.

Assuming that the above-referenced deficiencies are addressed and regular maintenance is performed, the Site features should perform in a satisfactory manner throughout the term of the analysis. Assessment of or comment upon concealed deficiencies and any buried/concealed utilities or components are outside the scope of work.

3.8 Mechanical Systems

3.8.1 Major Service Providers

The following providers serve the subject property:

Water	- Durham Region
Electric	- Oshawa Power
Sewer	- Durham Region
Natural Gas	- Enbridge
Police	- Durham Regional Police Services
Fire	- Oshawa Fire Services

3.8.2 Heating, Ventilation and Air Conditioning (HVAC)

Cooling within the Site Building is provided by a closed refrigeration circuit generated by a central cooling plant. The cooling plant consists of two “Smardt” chillers which possesses cooling capacities of

approximately 85 Tons (T), each, and are located within the mechanical room in the southeast portion, and an “Evapco” cooling tower (which is for the rejection of the generated heat by the chiller) located on the secondary roof in the southeast portion, adjacent to the mechanical room. The chiller supplies chilled water to the AHUs. The cooling plant is served by two centrifugal pumps located adjacent to the chillers. The pumps are noted to be manufactured by “Armstrong” and are rated at 20 HP, each. Based on visual observation, the “Armstrong” pumps are estimated to be original to the time of construction in 1977 (i.e., approximately 48 years old). Based on review of the equipment data plates the chillers and cooling tower were manufactured in 2010 (i.e., approximately 15 years ago).

Two Air Handling Units (AHUs) are located within the mechanical room in the southeast portion and supply conditioned air within the Site Building. Based on visual observations the AHUs appear to be original to the time of construction in 1977 (i.e., approximately 48 years old).

It is noted that no heating systems related to the AHUs were observed or reported within the Site Building at the time of the Site assessment; however, a boiler plant was noted within the shopping mall jointed to the north portion of the Site Building. Heating within the shipping/receiving area is supplied by natural gas-fired suspended unit heaters. The units were noted to be manufactured by “Reznor” and “Modine”. Due to a lack of access, the equipment data plate of the “Reznor” unit was not observed at the time of the Site assessment; however, one of the “Modine” units was noted to be manufactured in 1992 (i.e., approximately 33 years old) and possesses a heating capacity of 180,000 British Thermal Units per Hour (BTUH), and a second unit was noted to possess a heating capacity of 175,000 BTUH.

Supplementary heating within the Site Building is provided by electrically-powered wall-mounted forced-air and baseboard heaters.

The heating and cooling systems of the Site Building appear to be controlled by a Building Automation System (BAS) located within the mechanical room in the southeast portion.

The inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated mechanical components was beyond the scope of work. It should be noted that the heating and cooling ductwork within the Site Building may contain interior insulation. The Site Representative did not possess knowledge of the presence of insulation within the ductwork within the Site Building. It is Pinchin’s experience that interior insulation within ductwork is prone to deterioration or development of mould which may require removal of the insulation. In the case where interior insulation is present within the ductwork, Pinchin recommends that the ductwork insulation be inspected for the presence of mould.

3.8.3 Domestic Hot Water

Domestic Hot Water (DHW) within the Site Building is provided by a natural gas-fired, self-contained DHW heater located on the second floor in the southeast portion. Based on review of the data plate, the



DHW heater was manufactured by "Rheem" in 2012 (i.e., approximately 13 years old) and possesses a maximum input heating capacity of 75,000 BTUH and a storage capacity of 284 Litres (L).

There was no shortage of hot water noted or reported to Pinchin at the time of the Site visit.

3.8.4 *Plumbing*

The plumbing systems in the Site Building include the incoming water services, cold and hot water piping as well as the sanitary sewer. Drainage piping within the Site Building consists of Acrylonitrile Butadiene Styrene (ABS) piping where visible, while plumbing for the domestic cold and hot water consists of copper piping. Due to the concealed nature of the plumbing systems, the condition of the equipment could not be verified. The Site Representative did not report any previous or active pipe leaks within the Site Building. Local repairs to the plumbing systems can be managed as part of on-going maintenance.

The domestic water main incoming line is located on the south portion within the sprinkler room of the Site Building. The domestic water main incoming line is equipped with a "Zurn Wilkins" 4" backflow prevention device which was noted to be missing annual inspection tags.

3.8.5 *Fire Protection*

Fire protection within the Site Building is provided by "wet" and "dry" fire sprinkler systems. The "dry" fire sprinkler system is noted to serve the shipping/receiving area in the southeast portion. The fire sprinkler main shut-off valves and risers are located on the south portion within the sprinkler room. The fire sprinkler main riser is not equipped with a backflow prevention device. A wall-mounted cabinet containing an extra supply of sprinkler heads and an installation tool was noted within the vicinity of the shut-off valves and risers. The fire sprinkler system is reportedly monitored by "Tyco", an off-Site monitoring company. The fire sprinkler system was noted to possess up-to-date annual inspection tags (i.e., January 2025 by "All Star Fire Protection Services Inc."). The fire department connections are located on the south elevation of the Site Building.

Additional fire protection within the Site Building is provided by standalone "dry" chemical fire extinguishers located at various locations and within the vicinity of the exits. The fire extinguishers were noted to possess up-to-date annual inspection tags (i.e., May 2025 by "All Star Fire Protection Services Inc."). The inspection gauges on the examined fire extinguishers were noted to be charged to sufficient levels.

Private fire hydrants are located throughout the asphalt paved parking areas of the Site and were observed to the east, west and south of the Site Building.

Table 3.8 outlines the findings of the inspection of the mechanical systems:

Table 3.8 – Mechanical Systems (including HVAC, Plumbing, and Fire Protection)

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> The AHUs appear to be original to the time of construction in 1977 (i.e., approximately 48 years old). 	<ul style="list-style-type: none"> Based on their estimated age, Pinchin has carried an allowance for replacement of the AHUs within the early portion of the term of analysis.
<ul style="list-style-type: none"> The cooling tower and chillers were noted to be manufactured in 2010 (i.e., approximately 15 years old) and have reached the mid- point of their EULs. 	<ul style="list-style-type: none"> Pinchin has carried allowances for ongoing overhaul of the chillers and cooling tower in the early and mid- portions of the term of analysis.
<ul style="list-style-type: none"> The BAS appears to be original to the time of construction in 1977 (i.e., approximately 48 years old). 	<ul style="list-style-type: none"> Pinchin has carried a preliminary allowance for replacement of the BAS controls and select replacement of the valve, sensors, etc. within the early portion of the term of analysis.
<ul style="list-style-type: none"> Elements of the fire sprinkler system appear to be original to the time of construction in 1977 (i.e., approximately 48 years old). 	<ul style="list-style-type: none"> Based on its estimated age, Pinchin has carried a preliminary allowance for phased-in replacement of the original sprinkler heads and localized replacement of the sprinkler piping.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> The suspended unit heaters serving the shipping/receiving areas are noted to be of various ages. 	<ul style="list-style-type: none"> Pinchin recommends phased-in replacement of the aged suspended unit heaters throughout the term of analysis, which can be managed below the capital threshold.
<ul style="list-style-type: none"> The DHW heater was noted to be ~ 13 years old and will be approaching the end of its EUL within the term of analysis. 	<ul style="list-style-type: none"> Pinchin recommends replacement of the DHW heater within the latter portion of the term of analysis, which can be managed below the capital threshold.
<ul style="list-style-type: none"> The backflow prevention device installed onto the domestic water main incoming line was noted to be missing annual inspection tags. 	<ul style="list-style-type: none"> The backflow prevention device is required to be inspected annually.
<ul style="list-style-type: none"> The fire sprinkler main riser is not equipped with a backflow prevention device. 	<ul style="list-style-type: none"> Consideration should be given to performing a cross-connection survey to determine the feasibility of equipping the Site Building with a backflow prevention device onto the fire sprinkler main riser.
<ul style="list-style-type: none"> Required signage indicating the location of the fire department connections was not observed. 	<ul style="list-style-type: none"> Install appropriate signage within the vicinity of the fire department connections.



View of an AHU located within the mechanical room.



View of a "Smardt" chiller.



View of the "Evapco" cooling tower.



View of a typical suspended unit heater.



View of a typical electrically-powered wall-mounted forced air heater.



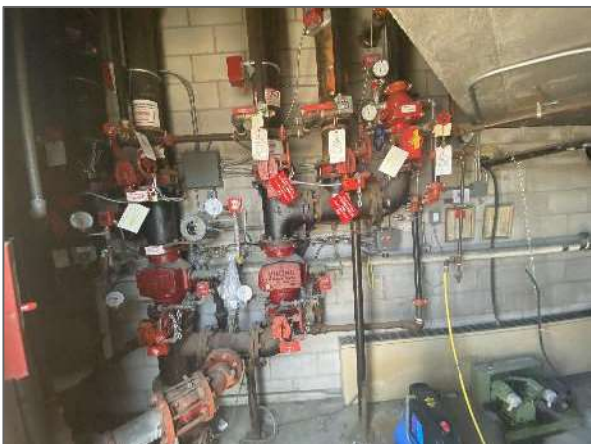
View of the "Rheem" natural gas-fired DHW heater.



View of the domestic water main incoming line.



View of the "Zurn Wilkins" backflow prevention device installed onto the domestic water main incoming line.



View of the "wet" fire sprinkler main riser and shut-off valves.

Note: No backflow prevention device noted/reported.



View of the fire department connections located on the south elevation of the Site Building.

Note: Missing signage indicating the location.



View of a typical standalone "dry" chemical fire extinguisher.



View of a typical private fire hydrant located to the east of the Site Building.

In summary, the mechanical systems within the Site Building are currently in serviceable condition. It has been Pinchin's experience that the EUL of an AHU, a chiller and a cooling tower typically ranges between 25 to 30 years, the EUL of a suspended unit heater typically ranges between 20 to 25 years and the EUL



of a DHW heater typically ranges between 10 to 15 years, depending on the quality of the units and the level to which the units have been maintained.

As previously mentioned, the AHUs appear to be original to the time of construction in 1977 (i.e., approximately 48 years old). As such, based on their estimated age, Pinchin has carried an allowance for replacement of the AHUs within the early portion of the term of analysis. Select suspended unit heaters and the DHW are anticipated to exceed the end of their EUL within the term of analysis. Pinchin recommends as-needed replacement of these units throughout the term of analysis, which can be managed below the capital threshold.

Two chillers and a cooling tower are noted to be approximately 15 years old and have reached the mid-point of their EUL. Pinchin has carried allowances for ongoing overhaul of the chillers and cooling tower in the early and mid- portions of the term of analysis, as well as a preliminary allowance for localized repair/replacement of elements of the hydronic system.

Additionally, Pinchin recommends a specialist review of the heating and cooling systems. Pinchin has carried a preliminary allowance for partial replacement of the ductwork; however, based on the results of the review and the future use of the building additional costs related to the heating and cooling systems may arise which are inestimable in this report.

Pinchin has carried a preliminary allowance for partial replacement of the plumbing distribution system within the early portion of the term of allowance which may be subject to change based on the future use of the building.

Regular maintenance of the mechanical equipment is required to achieve or extend the expected design life of the component.

The fire sprinkler main riser is not equipped with a backflow prevention device. Consideration should be given to performing a cross-connection survey to determine the feasibility of equipping the Site Building with a backflow prevention device onto the fire sprinkler main riser.

Assuming that the older mechanical units are replaced, the above-referenced deficiencies are addressed and regular maintenance is performed, the mechanical systems of the Site Building should perform in a satisfactory manner throughout the term of the analysis.

In accordance with the proposed scope of work, no physical or destructive testing or design calculations will be conducted on any of the major components of the buildings. Similarly, the inspection of the interior of ductwork or associated mechanical components is not included in the scope of work. Accordingly, the



findings are limited to the extent that the assessment will be made visually from the exterior of the systems.

3.9 Electrical Systems

3.9.1 Electrical Power

The electrical power for the Site Building is supplied from a transformer vault located in the southeast portion and feeds the main electrical switchgear via thru-wall wires. Based on review of the electrical data plate, the main electrical service for the disconnect switch of the Site Building was noted to be rated at 2000 Ampere, 347/600 Volts, 3 Phase, 4 Wire service, complete with a "Federal Pioneer" main electrical disconnect switch, which is located within the main electrical room.

No problems were reported relating to the electrical systems within the Site Building. The visible sections of the electrical services appear to be in satisfactory condition with no major deficiencies noted.

Completing a regular infrared scan of the electrical systems is recommended as part of the regular maintenance of the electrical systems.

3.9.2 Emergency Electrical Power

Emergency power within the Site Building is provided by a diesel-fired emergency generator located within the generator room. Based on review of the data plate, the generator was manufactured by "SDMO" in 2016 (i.e., approximately 9 years old) is rated at 60 kilowatts (kW) and 75 kilovolts (kVa). The emergency generator reportedly provides power to the life safety equipment and the fire alarm system. The emergency generator is enabled by a "Westinghouse" automatic transfer switch located in the main electrical room. The generator is supplied with diesel fuel which is stored in an aboveground steel tank located adjacent to the generator (i.e., 464 L). The generator is reportedly maintained, tested and inspected on a regular basis by "Northern Generator Company Ltd.".

3.9.3 Fire Alarm System

The Site Building is equipped with a multi-zone, single-stage fire alarm system complete with a "Notifier" fire alarm main control panel located within the main electrical room. The fire alarm system is backed up by batteries within the control panel and the emergency generator. A "Notifier" remote annunciator panel is located within the vestibule area in the west portion of the Site Building. Based on review of the data plate, the fire alarm main control panel was manufactured in 2010 (i.e., approximately 15 years old). The fire alarm system monitors flow control switches/sensors within the fire sprinkler system and manual pull stations. Fire alarm notification appliances (i.e., fire alarm bells) are located at various locations within the Site Building. The fire alarm systems are reportedly monitored by "Tyco", an off-Site monitoring company.



Inspections and servicing of the fire alarm system and associated systems within the Site Building are reportedly performed by “All Star Fire Protection Services”, an independent contractor and were last inspected in January 2025.

3.9.4 Life Safety

Illuminated exit signs and emergency lighting are provided by ceiling and wall-mounted battery-powered units and emergency floodlights which were noted at various locations within the vicinity of the exits of the Site Building. In addition, select light fixtures provide emergency lighting which is reportedly powered by the emergency generator.

Table 3.9 outlines the findings of the inspection of the electrical systems:

Table 3.9 – Electrical Systems (including Electrical Power and Fire Alarm and Life Safety)

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">The fire alarm main control panel is approximately 15 years old and will reach the end of its EUL within the term of analysis.	<ul style="list-style-type: none">Based on age and the difficulty of maintaining the systems, Pinchin recommends replacement of the fire alarm main control panel within the mid- portion of the term of analysis (wiring and end devices are not budgeted to be replaced); however, it is noted that the new fire alarm main control panel may not be compatible with existing wiring, initiating and notification devices which can be verified by a qualified fire protection and life safety contractor prior to installation, as there is a potential for significant remedial costs for upgrades and/or replacements. The cost of replacing the wiring, initiating and notification devices (if required) cannot be estimated without a specialist review and a defined scope of work. A preliminary allowance for replacement of the fire alarm panel has been carried in the Table of Anticipated Expenditures.
<ul style="list-style-type: none">The emergency generator is noted to be approximately 9 years old and will reach the mid- point of its EUL within the term of analysis.	<ul style="list-style-type: none">Pinchin has carried an allowance for overhaul of the emergency generator within the mid- portion of the term of analysis.
<ul style="list-style-type: none">Based on visual observation the automatic transfer switch serving the emergency generator appears to be more than 25 years old and has reached the end of its EUL.	<ul style="list-style-type: none">Based on its estimated age, Pinchin has carried an allowance for replacement of the automatic transfer switch within the early portion of the term of analysis.

Table 3.9 – Electrical Systems (including Electrical Power and Fire Alarm and Life Safety)

Findings	Remarks/Recommendations
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> The main electrical distribution systems of the Site Building are operational with no major deficiencies noted or reported; however, some of the electrical components and distribution systems appear to be original to the construction of the Site Building in 1977 (i.e., approximately 48 years old) and will be approaching the end of their EUL within the term of analysis. 	<ul style="list-style-type: none"> Based on the age of the older electrical components and distribution systems, consideration should be given for review of the electrical systems within the Site Building by a qualified electrical engineer within the term of analysis to determine the condition and identify/confirm the need, cost and timing for replacement/upgrading if required.
<ul style="list-style-type: none"> A diesel fuel system complete with an above ground storage tank were noted to serve the emergency generator. 	<ul style="list-style-type: none"> Pinchin recommends a TSSA inspection of the diesel fuel system and above ground storage tank in order to determine code compliance and to confirm the working condition of the system.



View of the transformer vault in the southeast portion.



View of the "Federal Pioneer" main electrical disconnect switch.



View of the "SDMO" diesel-fired emergency generator.



View of the "Westinghouse" automatic transfer switch.



View of the "Notifier" fire alarm main control panel.



View of a typical manual pull station.



View of a typical alarm notification appliance (i.e., a fire bell).



View of a typical illuminated exit sign.

Upon visual inspection, the electrical and life safety systems were noted to be in serviceable condition.

As the current assessment was performed as a BPCA without Specialist review, our information of the electrical systems is solely based on review of the electrical data plate and the Client should contact the electrical service provider to verify the incoming electrical capacity to the Site Building, if required.

As previously mentioned, the fire alarm main control panel is approximately 15 years old and will reach the end of its EUL within the term of analysis. As such, based on age and the difficulty of maintaining the systems, Pinchin recommends replacement of the fire alarm main control panel within the mid- portion of the term of analysis (wiring and end devices are not budgeted to be replaced); however, it is noted that the new fire alarm main control panel may not be compatible with existing wiring, initiating and notification devices which can be verified by a qualified fire protection and life safety contractor prior to installation, as there is a potential for significant remedial costs for upgrades and/or replacements. The cost of replacing the wiring, initiating and notification devices (if required) cannot be estimated without a specialist review and a defined scope of work. A preliminary allowance for replacement of the fire alarm panel has been carried in the Table of Anticipated Expenditures.

It has been Pinchin's experience that the EUL of major electrical equipment typically ranges between 40 to 50 years. The main electrical distribution systems of the Site Building are operational with no major deficiencies noted or reported; however, some of the electrical components and distribution systems appear to be original to the construction of the Site Building in 1977 (i.e., approximately 48 years old) and will be approaching the end of their EUL within the term of analysis. As such, based on the age of the older electrical components and distribution systems, consideration should be given for review of the electrical systems within the Site Building by a qualified electrical engineer within the term of analysis to determine the condition and identify/confirm the need, cost and timing for replacement/upgrading if required. Pinchin has carried allowances for upgrading the main electrical disconnect switch and a partial replacement of the electrical distribution systems within the early portion of the term of analysis. It should



be noted the costs associated with replacement of the electrical distribution systems are subject to change based on future building use.

The emergency generator is noted to be approximately 9 years old and will reach the mid- point of its EUL within the term of analysis. As such, Pinchin has carried an allowance for overhaul of the emergency generator within the mid- portion of the term of analysis, as well as a TSSA inspection of the fuel distribution system and above-ground storage tank in order to determine code compliance and to confirm the working condition of the system. Additionally, Pinchin has carried an allowance for replacement of the aged automatic transfer switch in within the early portion of the term of analysis.

Assuming that a specialist review of the fire alarm system is completed and the fire alarm control panel is replaced, an electrical review is conducted on the electrical systems, the above-referenced deficiencies are addressed and preventative maintenance of the electrical service and distribution systems is provided (i.e., complete regular infrared scan as well as tightening of loose components), the electrical and life safety systems of the Site Building should perform in a satisfactory manner throughout the term of the analysis.

4.0 KNOWN VIOLATIONS TO CODE

It was reported to Pinchin by the Site Representative that no outstanding violations from the Building Department existed pertaining to the property. Compliance with the National Building Code (NBC) and National Fire Code (NFC) was not reviewed as it was beyond the scope of this survey.

5.0 CONCLUSIONS AND RECOMMENDATIONS

Based on Pinchin's review of the property, conducted on July 29, 2025, the Site Building appears to be in satisfactory condition, commensurate with its age and in comparable standing with other similar light industrial properties in the area. Based on our visual assessment, the Site Building appears to have been constructed in general accordance with standard building practices in place at the time of construction.

The assessment did not reveal any visual evidence of major structural failures, soil erosion or differential settlement; however, localized areas of cracking, delamination and exposed rebar were noted on the reinforced concrete beams and columns above the secondary roof in the southeast portion. Pinchin recommends a structural review of these columns and beams under the supervision of a qualified Structural Engineer within the early portion of the term of analysis. Based on the results of the review, significant additional costs relating the superstructure may arise which are inestimable in this report.

No immediate repair requirements were noted.

Repair and replacement requirements (under replacement reserves) over the term of the analysis (i.e., 10 years) of \$3,405,000 have been identified. As noted during the Site visit, deficiencies relating to roof



systems, wall systems, structural elements, interior finishes, Site features, mechanical systems, electrical systems and fire alarm systems were noted. Of particular note, recommendations, repairs and replacements for the following items are included throughout the term of the analysis:

Summary of Recommendations	Anticipated Expenditure	Year
Ongoing repairs of the precast exposed aggregate wall panels.	\$80,000	2025
	\$60,000	2028
	\$60,000	2031
	\$40,000	2034
Replacement of the wall joint sealants.	\$60,000	2031
Replacement of three aged sectional metal overhead doors.	\$45,000	2025
Modernization of two escalators and code safety.	\$550,000	2025
	\$550,000	2026
Modernization of one hydraulic elevator and code safety.	\$425,000	2025
Localized repair/replacement of the concrete apron serving the shipping/receiving area.	\$55,000	2026
Replacement of two Air Handling Units	\$150,000	2025
Overhaul of the cooling tower.	\$30,000	2026
	\$30,000	2031
Overhaul of two chillers.	\$40,000	2026
	\$40,000	2031
Localized repair/replacement of the hydronic system.	\$40,000	2025
	\$30,000	2029
	\$30,000	2033
Partial replacement of the ductwork.	\$200,000	2026
Replacement of the BAS controls/select replacement of valves, sensors, etc.	\$100,000	2025
Partial replacement of the plumbing distribution system.	\$30,000	2026
Phased-in replacement of the original sprinkler heads/partial replacement.	\$100,000	2026-2028



Summary of Recommendations	Anticipated Expenditure	Year
Upgrade of the main electrical disconnect.	\$250,000	2025
Partial replacement of the electrical distribution system.	\$250,000	2026
Overhaul of the emergency generator.	\$30,000	2028
Replacement of the automatic transfer switch.	\$50,000	2026
TSSA inspection of the emergency generator fuel distribution system and above ground storage tank.	\$15,000	2025
Replacement of the fire alarm main control panel.	\$50,000	2029

It was reported to Pinchin that the costs associated with ongoing general maintenance of the major components of the Site Building are carried as part of the annual operating budget for the Site.

Regular maintenance should be conducted on the roof systems, wall systems, structural elements, elevator systems, interior finishes, Site features, mechanical systems, electrical and life safety systems to ensure that the EUL of the major components is realized. Repair costs for the aforementioned items have been included over the term of the analysis (i.e., 10 years) included within Appendix I. The specific deficiencies identified during the BPCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report. Costs associated with desired upgrades have not been carried.

Consideration has been given regarding required ongoing maintenance and repairs of the major elements and at the direction of the Client, Pinchin has utilized a threshold of \$5,000 per system, per year as a limit in determining and carrying anticipated expenditures.

Anticipated expenditures associated with maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and excluded from the Summary of Anticipated Expenditures.

6.0 TERMS AND LIMITATIONS

This work was performed subject to the Terms and Limitations presented or referenced in the proposal for this project.

Information provided by Pinchin is intended for Client use only. Pinchin will not provide results or information to any party unless disclosure by Pinchin is required by law. Any use by a third party of reports or documents authored by Pinchin or any reliance by a third party on or decisions made by a third party based on the findings described in said documents, is the sole responsibility of such third parties.



Pinchin accepts no responsibility for damages suffered by any third party as a result of decisions made or actions conducted. No other warranties are implied or expressed.

In accordance with the proposed scope of work, no physical or destructive testing or design calculations were conducted on any of the components of the building. Assessment of the original or existing building design, or detection or comment upon concealed structural deficiencies and any buried/concealed utilities or components are outside the scope of work. Similarly, the assessment of any Post Tension reinforcing is not included in the scope of work. Determination of compliance with any Codes is beyond the scope of this Work. The Report has been completed in general conformance with the ASTM Designation: E 2018 – 24 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process.

It should be noted that Pinchin has attempted to identify all the deficiencies required by this Standard associated with this project. Pinchin does not accept any liability for deficiencies that were not within the scope of the investigation.

As indicated above the personnel conducting the building assessment, where applicable, have performed a non-specialist review of the buildings and all associated finishes and related systems including the elevator(s), mechanical and electrical (including fire alarm and life safety) systems, Site features, etc. The personnel conducting the assessment are knowledgeable of building systems and construction, but not technical specialists in each of these fields. The intent of Pinchin's comments on these systems are for the sole purpose of identifying areas where Pinchin has observed a noteworthy condition which will lead to a likely significant expenditure during the term of the assignment and/or where Pinchin would recommend that the Client consider a further, more detailed investigation. The budget costs for remedial work for each specific item has been provided to the best of our ability and will provide an order of magnitude cost for the individual item and the overall possible remedial work. Our experience has shown that the costs that Pinchin have provided are appropriate and of reasonable accuracy for the purpose intended. It should be noted that the budget cost or reserve costs for any specific item may vary significantly based on the fact that the schedule or phasing of the future remedial work is unknown at this time, the impact on building operations of this remedial work is unknown at this time and that no intrusive inspection or detailed design work is included in the BPCA. If a more accurate, detailed or documented reserve cost is required at this time the Client should request Pinchin to provide the additional proposal to provide a more accurate cost estimate.

It should be noted that recommendations and estimates outlined in this report do not include allowances for future upgrading of components pertaining to Client or tenant fit-up that may be necessary or required by Authorities Having Jurisdiction (AHJ).



The assessment is based, in part, on information provided by others. Unless specifically noted, Pinchin has assumed that this information was correct and has relied on it in developing the conclusions.

It is possible that unexpected conditions may be encountered at the Site that have not been explored within the scope of this report. Should such an event occur, Pinchin should be notified in order to determine if we would recommend that modifications to the conclusions are necessary and to provide a cost estimate to update the report.

The inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated mechanical components was beyond the scope of work. It should be noted that the heating and cooling ductwork within the Site Building may contain interior insulation. The Site Representative did not possess knowledge of the presence of insulation within the ductwork within the Site Building. It is Pinchin's experience that interior insulation within ductwork is prone to deterioration or development of mould which may require removal of the insulation. In the case where interior insulation is present within the ductwork, Pinchin recommends that the ductwork insulation be inspected for the presence of mould.

Due to the concealed nature of the plumbing system the condition of the risers could not be verified.

Environmental Audits or the identification of designated substances, hazardous materials, PCBs, insect/rodent infestation, concealed mould and indoor air quality are excluded from this BPCA report.

Further to the aforementioned, determination of the presence of asbestos containing material within the buildings such as drywall joint compound or the lead content within the older paint finishes was beyond the scope of work.

This report presents an overview on issues of the building condition, reflecting Pinchin's best judgment using information reasonably available at the time of Pinchin's review and Site assessment. Pinchin has prepared this report using information understood to be factual and correct and Pinchin is not responsible for conditions arising from information or facts that were concealed or not fully disclosed to Pinchin at the time of the Site assessment.

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Template: Master Report for Single Storey Retail Building, PCA, March 4, 2025

APPENDIX I

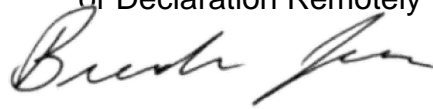
Table 1 – Summary of Anticipated Expenditures

Table 1: Summary of Anticipated Expenditures
FINAL

Confidential

ITEM	Calculation Summary							Immediate Costs	Replacement Reserve Costs											
	Expected Useful Life (Years)	Effective Age (Years)	Remaining Useful Life (Years)	Quantity	Unit	Unit Rate	System Total		2025 Year 1	2026 Year 2	2027 Year 3	2028 Year 4	2029 Year 5	2030 Year 6	2031 Year 7	2032 Year 8	2033 Year 9	2034 Year 10	Total Cost Years 1 - 10	
Roof Systems																				
Roof Structures and Roofing (Localized repairs)	Below Threshold																			
Wall Systems																				
Exterior Walls (Ongoing repairs of the precast exposed aggregate wall panels)	Varies	Varies	Varies	1	LS	\$240,000	\$240,000	\$80,000				\$60,000			\$60,000			\$40,000	\$240,000	
Exterior Walls (Replacement of the wall joint sealants)	Varies	Varies	Varies	1	LS	\$80,000	\$80,000								\$60,000				\$60,000	
Exterior Walls (Wall corners)	Below Threshold																			
Exterior Windows and Doors (Replacement of three aged sectional metal overhead doors)	Varies	Varies	Varies	3	EA	\$15,000	\$45,000					\$45,000							\$45,000	
Exterior Windows and Doors (Localized repair/replacement)	Below Threshold																			
Structural Elements																				
Foundations (Localized repairs)	Below Threshold																			
Superstructures (Review of the columns and beams above the secondary roof in the southwest portion)	Below Threshold																			
Vertical Transportation Systems																				
Elevator Systems (Modernization of two escalators and code safety)	Preliminary Cost	25-35	48	0	2	EA	\$550,000	\$1,100,000	\$550,000	\$550,000									\$1,100,000	
Elevator Systems (Modernization of one hydraulic elevator and code safety)	Preliminary Cost	25-35	48	0	1	EA	\$425,000	\$425,000	\$425,000										\$425,000	
Elevator Systems (Specialist review)	Below Threshold																			
Interior Finishes																				
Interior Finishes (Localized repair/fill-up)	Tenant Responsibility																			
Site Features																				
Parking and Paving (Localized repairs and replacement of the asphalt pavements)	Landlord Responsibility																			
Concrete Aprons (Localized repair/replacement of the concrete apron serving the shipping/receiving area)	Varies	Varies	Varies	1	LS	\$55,000	\$55,000					\$55,000							\$55,000	
Concrete Walkways and Curbings	Landlord Responsibility																			
Mechanical Systems																				
Building Heating and Cooling (Replacement of two AHUs)	25-30	48	0	1	LS	\$150,000	\$150,000					\$150,000							\$150,000	
Building Heating and Cooling (Overhaul of the cooling tower)	25-30	15	10-15	1	LS	\$60,000	\$60,000					\$30,000							\$60,000	
Building Heating and Cooling (Overhaul of two chillers)	25-30	15	10-15	1	LS	\$60,000	\$60,000					\$40,000							\$60,000	
Building Heating and Cooling (Localized repair/replacement of the hydronic system)	Preliminary Cost	Varies	Varies	Varies	1	LS	\$100,000	\$100,000				\$40,000			\$30,000				\$100,000	
Building Heating and Cooling (Partial replacement of the ductwork)	Preliminary Cost	Varies	Varies	Varies	1	LS	\$200,000	\$200,000				\$200,000							\$200,000	
Building Heating and Cooling (Replacement of the centralized replacement of valves, sensors, etc.)	Preliminary Cost	Varies	Varies	Varies	1	LS	\$100,000	\$100,000				\$100,000							\$100,000	
Building Heating and Cooling (Select replacement of the suspended unit heaters)	Below Threshold	20-25	Varies	Varies																
Building Heating and Cooling (Specialist review)	Below Threshold																			
Plumbing (Partial replacement of the plumbing distribution system)	Preliminary Cost	Varies	Varies	Varies	1	LS	\$30,000	\$30,000				\$30,000							\$30,000	
Hot Water (Replacement of the DHW heater)	Below Threshold	10-15	13	0-2																
Fire Protection (Pumped-in replacement of the original sprinkler heads/partial replacement)	Preliminary Cost	40-50	48	0-2	1	LS	\$115,000	\$115,000				\$45,000	\$30,000	\$35,000					\$115,000	
Electrical Systems																				
Electrical Systems (Upgrade of the main disconnect switch)	40-50	20+	15-25	1	LS	\$250,000	\$250,000	\$250,000											\$250,000	
Electrical Systems (Partial replacement of the electrical distribution systems)	Varies	Varies	Varies	1	LS	\$250,000	\$250,000					\$250,000							\$250,000	
Electrical Systems (Specialist review)	Below Threshold																			
Emergency Power (Overhaul of the emergency generator)	25-35	9	14-24	1	LS	\$30,000	\$30,000								\$30,000				\$30,000	
Emergency Power (Replacement of the automatic transfer switch)	25-35	20+	0-10	1	EA	\$50,000	\$50,000								\$50,000				\$50,000	
Emergency Power (TSDA inspection of the fuel systems)	Varies	Varies	Varies	1	EA	\$15,000	\$15,000					\$15,000							\$15,000	
Fire and Life Safety Systems (Replacement of the fire alarm main control panel)	Preliminary Cost	15-20	15	0-5	1	EA	\$50,000	\$50,000							\$50,000				\$50,000	
TOTALS (UNINFLATED)									\$0	\$1,655,000	\$1,230,000	\$35,000	\$125,000	\$60,000	\$0	\$190,000	\$0	\$35,000	\$40,000	\$3,455,000
INFLATION FACTOR									3.0%	1.00	1.003	1.001	1.003	1.128	1.199	1.194	1.233	1.267	1.305	
TOTALS (INFLATED)									\$1,655,000	\$1,267,000	\$37,132	\$126,091	\$60,601	\$0	\$226,670	\$0	\$36,000	\$52,191	\$43,523	\$3,623,327
Form of Analysis																				
Form of Analysis	10																			
Cost Threshold	\$5,000																			
Total SF within the Site Buildings																				
Total SF within the Site Buildings	125,000																			
Average Cost per SF per Year (Uninflated)	\$272																			
Average Cost per SF per Year (Inflated)	\$282																			
Legend																				
LS - Lump Sum																				
SF - Square Foot																				
EA - Each (per unit component)																				
LF - Linear Foot																				

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or Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", written in a cursive style.

Commissioner, etc.

Brendan Jones



August 1, 2025

Primaris REIT
181 Bay Street, Suite 2720
Toronto, Ontario, M5J 2T3

E-mail: khuynh@primarisreit.com

Attention: Kevin Huynh
Project Manager, Development and Construction

Re: Hazardous Building Materials Removal - Budget Estimate Letter
419 King Street West, Oshawa, Ontario
Pinchin File: 362375

Pinchin Ltd. (Pinchin) was retained by Primaris REIT (Client) to develop a High-Level Budget Estimate for hazardous building materials abatement work within the Hudson's Bay Company (HBC) space in The Oshawa Centre located at 419 King Street West, Oshawa, Ontario.

The costing provided is a Class D budget estimate $\pm 25\text{--}50\%$ or more based on the quantities of materials identified or assumed within the HBC spaces. The estimates are around 40% higher than standard Class D estimates due to the presumption that some materials contain asbestos and because their quantities have been estimated conservatively.

This is provided only for general guidance as costs will vary considerably based on site specific conditions (such as schedule, difficulty of access, size of individual work areas, whether the work is for renovation or demolition, if work is conducted concurrently or piecemeal, etc.). Costs may also vary depending on seasonal work patterns, availability of contractors, or local market/economic conditions.

1.0 METHODS AND LIMITATIONS

Pinchin performed a desktop review of existing hazardous building materials reports for the HBC spaces. Pinchin relied on the reports for to identify confirmed asbestos-containing materials, and their respective quantities. The reports were developed for long-term management and compliance with asbestos regulations and did not for provide sufficient detail for building renovation and/or demolition. Where materials were not identified or quantities were not available, Pinchin made best effort assumptions based on our experience in similar buildings, historical knowledge of the asbestos materials, their typical usage, and estimations based on floor plans and building area. These assumptions introduce significant room for error in the budget estimates.



A number of specific limitations exist to the thoroughness of reports used to develop these budget estimates. These limitations include:

- Assessments of only the most accessible and visible materials.
- Limited observations into partially concealed areas.
- Non-intrusive and no observations into concealed areas.
- Assuming some materials contain asbestos (presumed asbestos).
- Data collection and data entry methodology varying between reports.
- Quantities are visual estimates only.

The costs associated with presumed asbestos-containing materials that are visible were included in the estimate based on Pinchin's professional judgement and previous knowledge/experience of the buildings/wings and the probability of the material being asbestos based on historical use and knowledge of the material. The following assumptions were made for presumed asbestos-containing materials that were visible:

1. Roofing materials: Quantities were calculated by taking the total square feet of the building (Facility size provided by the Client) and dividing by the number of floors above and below grade.
2. Caulking and butyl sealant: Quantities were calculated based on the approximate number of windows/doors multiplied by 50 linear feet per window/door, this value includes both the window caulking and butyl sealant on the glazing units. The total approximate number of windows/doors was estimated based on the floor plans in the previous reports.
3. Drywall/Plaster Wall Finishes: Where quantities were presented in existing reports and appeared accurate, these values were used. In building with no quantities provided, Pinchin estimated wall lengths based on floor plans and building areas and used wall heights of 8 feet within residential and commercial/office buildings and 15 feet for warehouse and equipment/material storage buildings, to determine quantity estimates.
4. Vermiculite in block walls was calculated by taking the perimeter length of the building and assuming a height of 15 feet for the walls.
5. Disposal costs were included using ten percent (10%) of the asbestos abatement costs.
6. Some materials were presumed to be present in the building based on historical and industry knowledge of the use of these materials and the assumption that it may be hidden within the spaces.
7. A budgetary value for asbestos pipe insulation was included for this site based on the historical knowledge of known asbestos containing pipe insulation in the building.



2.0 COST ESTIMATES

Hazardous Material	Class D Cost Estimate
Asbestos Abatement	\$5,375,000.00
Lead Abatement/Removal	\$2,150,000.00
Mercury Removal	\$10,000.00
Polychlorinated biphenyl (PCB) Removal	\$124,000.00
Ozone Depleting Substances (ODS) Removal	\$13,000.00
Disposal Fees	\$770,000.00
TOTAL ESTIMATE (Class D $\pm 25-50\%$)	\$8,442,000.00

3.0 TERMS AND LIMITATIONS

This work was performed subject to the Terms and Limitations presented or referenced in the proposal for this project.

Information provided by Pinchin is intended for Client use only. Pinchin will not provide results or information to any party unless disclosure by Pinchin is required by law. Any use by a third party of reports or documents authored by Pinchin or any reliance by a third party on or decisions made by a third party based on the findings described in said documents, is the sole responsibility of such third parties. Pinchin accepts no responsibility for damages suffered by any third party as a result of decisions made or actions conducted. No other warranties are implied or expressed.

4.0 CLOSURE

Should you have any questions or concerns regarding the contents of this letter, please contact the Project Manager at 905.245.0691 or mhorobin@pinchin.com.

Yours truly,

Pinchin Ltd.

Prepared by:

Mike Horobin, C.E.T., EP
Team Leader/Senior Project Manager

Reviewed by:

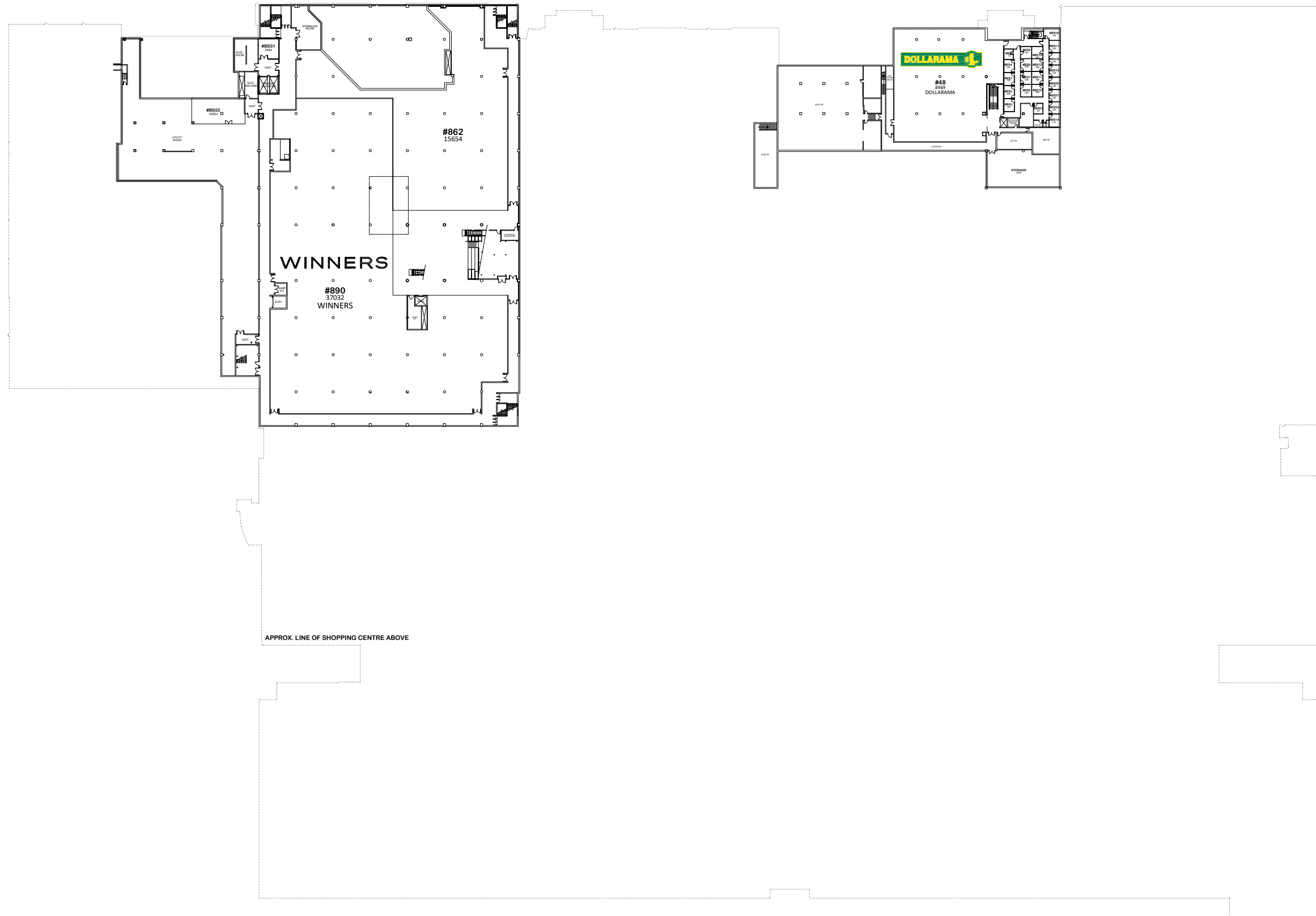
Tanya Stanisc, B.Sc. Hons, Dip EMA
Operations Manager

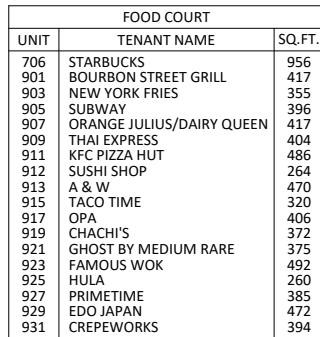
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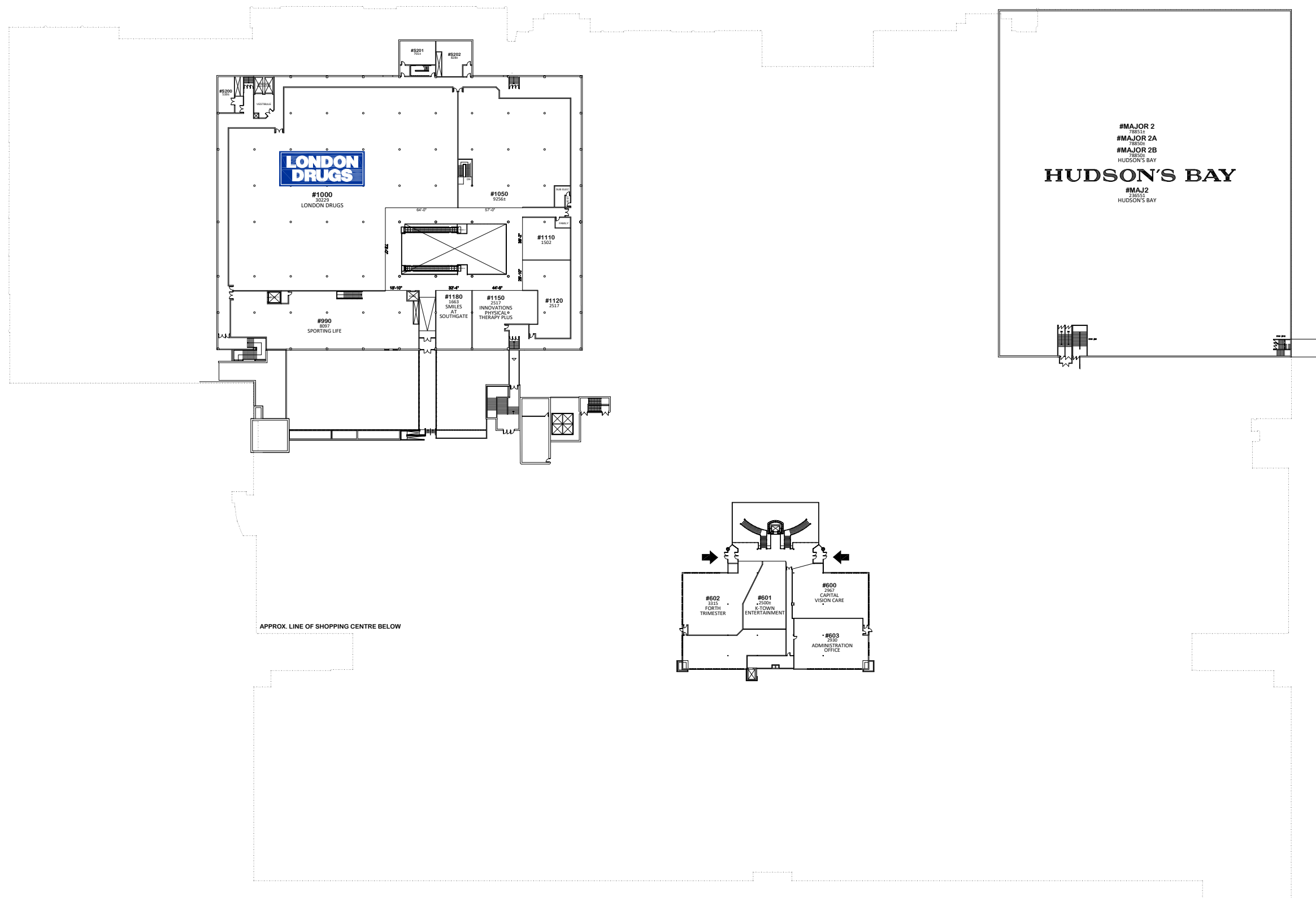
A handwritten signature in black ink, appearing to read "Brendan Jones", written over a horizontal line.

Commissioner, etc.

Brendan Jones







floor plan - atrium second level

Primaris * July 04, 2025

The Purpose of this plan is to identify the approximate location, size and dimension of the Lease premises in the Shopping Centre.
The Landlord reserves the right at anytime to relocate, rearrange or alter the buildings and structures, other leased premises, and Common Area and Facilities, and the Lease Premises from that shown on the plan.
All information, dimensions, sizes and areas are approximate only and are to be verified on site.
In-premises washroom locations are subject to verification.

Bldg ID: zsg001 Southgate Centre

Unit ID	Type	Occupant Name	ANSI Sqft
336	utretail	Kiokii and...	3,065
409	utretail	Apple	5,248
464	utretail	Best Buy Express	2,914
834	utretail	Garage	3,565
850	utext	California Pizza Kitchen	5,992
862	utanchor	Ardene	15,654
964	utretail	Reitmans	5,719
K19	utkiosk	Mobile Snap	150
1	utretail	Remedy Cafe	787
10	utretail	Gap	9,031
1000	utanchor	London Drugs	30,229
1150	utoffice	Innovation Physical Therapy Plus - Southgate	2,517
1180	utoffice	Smiles at Southgate	1,663
14	utretail	Roots	3,579
15	utretail	Olsen Europe	1,400
16	utretail	Call It Spring	1,573
17	utretail	Bikini Village	1,671
18	utretail	La Vie en Rose	3,048
19	utretail	Oak + Fort	1,971
2	utretail	Barber 360	536
20	utretail	Makers	1,971
21	utretail	Nespresso	2,480
22	utretail	Uncle Tetsu	1,572
23	utretail	Telus Mobility	3,810
23A	utretail	Denim & Smith	937
24A	utretail	Birks	1,300
24B	utretail	Bailey Nelson	801
24D	utretail	The Bomb Bar	699
26	utretail	Merle Norman	706
26B	utretail	Hillberg & Berk	848
29	utretail	Sephora	8,327
2A	utretail	Jugo Juice	522
309	utretail	La Senza	2,962
312	utretail	Saje	1,186
314	utretail	Le Creuset	1,134
316	utretail	McBain Camera	1,061

318	utretail	FIDO	555
320	utretail	L'Occitane	1,461
322	utretail	QE Home	1,354
324	utretail	MAC Cosmetics	1,676
326	utretail	Caposhie	2,145
328	utretail	Aldo	1,820
330	utretail	The Body Shop	1,279
332	utretail	Moltisanti	1,016
334	utretail	Chatters Salon	1,772
336	utretail	Reitmans	3,065
338	utretail	Northern Reflections	2,576
342	utretail	Soft Moc	3,695
344	utretail	Rocky Mountain Soap	622
346	utretail	Premier Jewellers	1,098
348	utretail	Twisted Goods	1,059
350	utretail	GameStop	1,108
352	utretail	Unique Bunny	1,224
354	utretail	Evoolution	873
356	utretail	Claire's	1,134
358	utretail	Fossil	1,186
35B	utanchor	Uniqlo	15,109
36	utretail	American Eagle Outfitters	6,118
366	utretail	Lenscrafters	4,484
37	utretail	Mr. Pretzels	258
372	utretail	Tim Hortons	1,002
37A	utretail	Rocky Mountain Chocolate	601
38	utretail	Presotea	554
39A	utretail	Bunches Flowers	856
405	utretail	Restoration Hardware	12,112
409	utretail	Apple	5,248
413	utretail	Lululemon Athletica	5,077
416	utretail	Cinnzeo	494
417	utretail	Purdys Chocolatier	866
419	utretail	Lids	853
42	utretail	Studio Nails	1,187
420	utretail	ECCO	858
422	utretail	Mobile Klinik	603
424	utretail	Lego	3,851
426	utretail	Foot Locker	3,679

426A	utretail	Jersey City	1,103
43	utretail	Koodo Mobile	699
430	utretail	Dynamite	3,510
434	utretail	Tip Top	3,435
438	utmanoff	Primaris - Guest Services	1,348
43A	utretail	Mobile Care	683
440	utretail	Boathouse	4,311
446	utretail	Glam Shoes	1,957
448	utretail	Eyecon Optometry	1,395
45	utretail	Calforex	713
451	utretail	Seven80	1,697
452	utretail	Pandora	1,005
454	utretail	Sunglass Hut	806
455	utretail	Poppy Barley	1,588
457	utretail	Peoples Jewellers	1,825
458	utretail	Blossom2	1,946
46	utretail	Simply Health	1,048
460	utretail	Rogers	2,477
464	utretail	Best Buy Express	2,914
466	utretail	Kids & Mom Gifts	1,726
468	utretail	Rexall	3,453
47	utretail	Swarovski	1,087
472	utretail	Royal Bank	12,994
48	utretail	Dollarama	8,969
6	utretail	Servus Credit Union	6,997
600	utretail	Capital Vision Care	2,967
601	utretail	K-Town Entertainment	4,541
602	utretail	The Fourth Trimester	3,315
603	utoffice	Primaris - Management Office	2,930
700	utext	George Richards	4,148
701	utext	Upwegrow	3,090
702	utretail	Carat Jewellers	1,490
706	utretail	Starbucks	956
708	utretail	Vans	2,538
710	utretail	Arc'teryx	3,353
716	utretail	Aritzia	9,409
722	utretail	Jack & Jones	2,411
726	utretail	Knix	2,397
730	utretail	RW & Co.	4,924

8	utretail	Specsavers	1,922
800	utext	TD Canada Trust	6,423
814	utretail	Indigo	3,479
818	utretail	Banana Republic	5,590
822	utretail	Kiehl's Since 1851	1,174
826A	utretail	Bath & Body Works	3,523
830A	utretail	Brown's Shoes	4,162
834	utretail	Garage	3,565
836	utanchor	Crate & Barrel	24,350
842	utretail	Zara	10,586
890	utanchor	Winners	37,032
901	utfood	Bourbon Street Grill	417
903	utfood	New York Fries	355
905	utfood	Subway	396
907	utfood	Dairy Queen Orange Julius	417
909	utfood	Thai Express	404
911	utfood	KFC/Pizza Hut	486
912	utfood	Sushi Shop	264
913	utfood	A & W	470
915	utfood	Taco Time	320
917	utfood	OPA Souvlaki	406
919	utfood	Chachi's	372
921	utfood	Ghost by Medium Rare	375
923	utfood	Famous Wok	492
925	utfood	Hula Poke	260
927	utfood	Primetime Donair & Poutine	385
929	utfood	Edo Japan	472
931	utretail	Crepeworks	394
933	utretail	Bell	1,245
940_990	utanchor	Sporting Life	36,044
950	utanchor	H&M	21,034
968	utretail	Alo Yoga	5,902
972	utretail	Michael Hill Jewellers	1,015
974	utretail	JD Sports	6,513
985	utretail	Duer	1,656
K10	utkiosk	WOW Mobile Boutique (Telus)	120
K19	utkiosk	Mobile Snap	150
K22	utkiosk	WirelessWave	200
K31	utkiosk	Future Tech	150

K33	utkiosk	Cellicon	144
K5	utkiosk	Freedom Mobile	150
K6	utkiosk	Virgin Plus	97
K9	utkiosk	Samsung	200
MAJ2	utanchor	Hudson's Bay	236,551
MAJOR3	utanchor	Safeway	52,571
PAD1	utrepad	Bank Of Nova Scotia	5,820
PAD1A	utrepad	Southgate Dental Centre	4,491
PAD2	utrepad	Wine and Beyond	12,084
T101	utoffice	The City of Edmonton	293

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Commissioner, etc.
Brendan Jones



Statement of Account
Statement As of 2025-07-30

Hudson's Bay
Hudson's Bay Company ULC
401 Bay Street, Suite 2302
Toronto, ON M5H 2Y4

Lease Code	t0007585	Deposit	Southgate Centre
Unit	MAJ2	Prepaid Rent	5015 111 St NW
Lease Area	236,551	Security Deposit	Edmonton AB T6H 4M6
Lease Expiry	02/02/2034	Other Deposit	

Trans. Date	Inv Num	Description	Invoice Amount	Tax (GST)	Tax (QST)	Gross Amount	Payment	Balance
		Opening Balance						0.00
02/01/2025		02/2025 - Rent	213,636.29	10,681.81	0.00	224,318.10	0.00	224,318.10
03/01/2025		03/2025 - Rent	213,636.29	10,681.81	0.00	224,318.10	0.00	448,636.20
03/07/2025	127982	2025 estimated annual tax (6% increase on 2024 tax \$403,265)	427,461.00	21,373.05	0.00	448,834.05	0.00	897,470.25
03/07/2025	136246	Reverse Pay As due taxes - revised amt	-427,461.00	-21,373.05	0.00	-448,834.05	0.00	448,636.20
03/12/2025		Payment - 02252025	0.00	0.00	0.00	0.00	224,318.10	224,318.10
03/14/2025		Payment - ACH	0.00	0.00	0.00	0.00	10,449.12	213,868.98
03/18/2025		Payment - ACH	0.00	0.00	0.00	0.00	18,576.22	195,292.76
04/01/2025		Payment - ACH	0.00	0.00	0.00	0.00	130,154.77	65,137.99
04/01/2025		04/2025 - Rent	213,636.29	10,681.81	0.00	224,318.10	0.00	289,456.09
04/11/2025		Payment - ACH	0.00	0.00	0.00	0.00	65,124.61	224,331.48
04/11/2025		Payment - ACH	0.00	0.00	0.00	0.00	115,777.08	108,554.40
04/15/2025		Payment - 041525W	0.00	0.00	0.00	0.00	130,154.77	-21,600.37
05/01/2025		Payment - ACH	0.00	0.00	0.00	0.00	130,154.77	-151,755.14
05/01/2025		05/2025 - Rent	213,636.29	10,681.81	0.00	224,318.10	0.00	72,562.96
05/15/2025		Payment	0.00	0.00	0.00	0.00	130,154.78	-57,591.82
05/30/2025		Payment	0.00	0.00	0.00	0.00	130,154.77	-187,746.59
06/01/2025		06/2025 - Rent	213,636.29	10,681.81	0.00	224,318.10	0.00	36,571.51
06/02/2025	135131	Reverse C-3638028 DEC2024 Utiity charge belong to IC,Reverse C-3638029 DEC2024 Utiity charge belong to IC	-26,819.21	-1,340.96	0.00	-28,160.17	0.00	8,411.34
06/02/2025	135132	Reverse C-3638030 JAN2025 Utiity charge belong to IC,Reverse C-3638031 JAN2025 Utiity charge belong to IC	-28,252.13	-1,412.61	0.00	-29,664.74	0.00	-21,253.40
06/13/2025		Payment - ACH	0.00	0.00	0.00	0.00	130,154.77	-151,408.17
06/20/2025	134785	December 2024 Utilities	26,819.21	1,340.96	0.00	28,160.17	0.00	-123,248.00
06/20/2025	134786	January 2025 Utility Chargeback	28,252.13	1,412.61	0.00	29,664.74	0.00	-93,583.26
06/20/2025	134787	March 2025 Utility Chargeback	29,346.78	1,467.34	0.00	30,814.12	0.00	-62,769.14
06/20/2025	134788	April 2025 Utility Chargeback	25,708.67	1,285.44	0.00	26,994.11	0.00	-35,775.03
06/20/2025	134789	February 2025 Utility Chargeback	26,183.57	1,309.18	0.00	27,492.75	0.00	-8,282.28
06/27/2025		Payment	0.00	0.00	0.00	0.00	130,154.77	-138,437.05



Statement of Account
Statement As of 2025-07-30

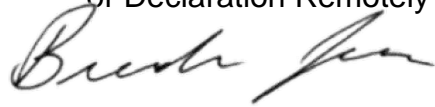
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Lease Code	t0007585	Deposit	Southgate Centre
Unit	MAJ2	Prepaid Rent	- 5015 111 St NW
Lease Area	236,551	Security Deposit	- Edmonton AB T6H 4M6
Lease Expiry	02/02/2034	Other Deposit	-

Trans. Date	Inv Num	Description	Invoice Amount	Tax (GST)	Tax (QST)	Gross Amount	Payment	Balance
07/01/2025		07/2025 - Rent	213,636.29	10,681.81	0.00	224,318.10	0.00	85,881.05
07/15/2025		Payment - ACH	0.00	0.00	0.00	0.00	181,998.97	-96,117.92
07/28/2025	136247	365 days from Jan 1 2025 – Dec 31, 2025: \$430,836.84	430,836.84	21,541.84	0.00	452,378.68	0.00	356,260.76
07/30/2025	136278	MAY 2025 UTILITIES	27,388.98	1,369.45	0.00	28,758.43	0.00	385,019.19
07/30/2025	136279	JUNE 2025 UTIIITIES	14,833.60	741.68	0.00	15,575.28	0.00	400,594.47

Cheque payable to:	Amount Due
PRIMARIS MANAGEMENT INC., RE: Southgate Centre	400,594.47
5015 111 St NW , Edmonton, AB, T6H 4M6	

**THIS IS EXHIBIT “W” TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", is written over a horizontal line.

Commissioner, etc.
Brendan Jones



FINAL
Baseline Property
Condition Assessment

5015 – 111 Street NW,
Edmonton, Alberta

Prepared for:

Primaris REIT
181 Bay Street, Suite 2720
Toronto, Ontario M5J 2T3

August 1, 2025

Pinchin File: 362132.000



Baseline Property Condition Assessment

5015 – 111 Street NW, Edmonton, Alberta

Primaris REIT

August 1, 2025

Pinchin File: 362132.000

FINAL

Issued to: Primaris REIT
Issued on: August 1, 2025
Pinchin File: 362132.000
Issuing Office: Edmonton, AB
Primary Pinchin
Contact: Donna Ballentyne
Operations Manager
289.921.1743
dballentyne@pinchin.com

Assessor:

Gwendal Brieuc-Altersitz, BTech (CM), C.E.T., LEED AP, WELL AP
Project Coordinator, Building Science & Sustainability

Reviewer:

Majid Milani-Nia, P.Eng.
Senior Project Engineer, Building Science & Sustainability



EXECUTIVE SUMMARY

Pinchin Ltd. (Pinchin) was retained by Primaris REIT (Client) to conduct a Baseline Property Condition Assessment (BPCA), subject to the limitations outlined in Section 6.0 of this report. As discussed with the Client this service did not include any specialist review of items such as mechanical/electrical systems, structural components, elevators, etc. The municipal address for the property is 5015 – 111 Street NW, Edmonton, Alberta, however only the former “Hudson’s Bay” tenant space is included (the Site). Pinchin conducted a visual assessment of the Site on July 28, 2025 at which time Pinchin interviewed and was accompanied by the Operations Manager of Primaris REIT – Southgate Centre (hereafter referred to as the Site Representative).

Pinchin was advised by the Client that the purpose of the BPCA was to assess visible deficiencies in relation to the potential divestiture or leasing of the Site.

The Site is an irregular-shaped property approximately 2.8 acres in area which encompasses the former “Hudson’s Bay” tenant space and its surrounding exterior walkways. The scope of work requested by the Client includes only the vacant, three-storey, commercial space formerly occupied by “Hudson’s Bay”, referred to as the Site Building. The Site Building is adjoined to “Southgate Centre” on the north and west elevations. Parking for the entire Site is provided as part of the “Southgate Centre” facilities.

The Site Building is reported to have been constructed in approximately 1969 with an approximate footprint area of 117,000 Square Feet (SF) and total building area of 278,000 SF (i.e., excluding mezzanines).

The Site Building is constructed with a cast-in-place concrete slab-on-grade (i.e., no basement level). The superstructure of the Site Building is constructed primarily with reinforced concrete structures (i.e., beams, columns) with select areas of presumed load-bearing concrete block masonry walls supporting a combination of suspended reinforced precast and cast-in-place concrete slabs (i.e., waffle and typical slabs) and concrete and steel roof decking. Wood and steel framed mezzanines were noted within various storage back rooms of the Site Building.

The exterior walls of the Site Building consist of a combination of exposed aggregate finish precast concrete panels and brick veneer masonry on each elevation with areas of ceramic tiles on the south and east elevations on the ground level. It should be noted that the lower portions of the north and west elevations are bounded by the “Southgate Centre” thus limiting visual assessment.

The Site Building appears to be in serviceable condition, commensurate with its age and in comparable standing to other similar commercial properties in the area.

Based on our visual assessment the Site Building appears to have been constructed in general accordance with standard building practices in place at the time of construction.



The assessment did not reveal any visual evidence of major structural failures, soil erosion or differential settlement.

No immediate repair requirements were noted. Repair and replacement requirements (under replacement reserves) over the term of the analysis (i.e., 10 years) of \$12,435,000 have been identified. As noted during the Site visit, deficiencies relating to the roof systems, wall systems, structural elements, elevator systems, interior finishes, Site features and mechanical/electrical systems require correction to re-establish a satisfactory level of performance. Of particular note, recommendations, repairs and replacements for the following items are included throughout the term of the analysis:

- Phased replacement of the Built-Up asphalt Roof (BUR) systems atop Sections 2, 5, 7, 8 and 9 of the Site Building beginning in the early portion of the term of the analysis;
- Repairs to the roof systems (contingency allowance);
- Preliminary allowance for a sealant replacement program (preliminary allowance);
- Preliminary for the replacement of the original window systems (preliminary allowance);
- Repairs to the wall systems (preliminary allowance);
- Minor repairs and monitoring of the structural elements (below threshold);
- Specialist review of the elevator and escalator systems within the early portion of the term of the analysis to assess modernization requirements (below threshold);
- Replacement of the elevator and escalator systems serving the Site Building; however, this cost can vary greatly depending on the results of the specialist review (preliminary allowance);
- Repairs to the interior finishes (excluded);
- Repairs to the Site features;
- A specialist review of the mechanical systems should be completed in advance of new occupancy to determine if the mechanical equipment is suitable for future tenant demands and if any extensive repairs/upgrades will be required to continue the heating and cooling supplied from the "Southgate Centre" (current shared cost unknown) or transition to an independent system within the term of the analysis (preliminary allowance);
- Replacement of the Air Handling Units (AHUs) throughout the term of the analysis;
- Replacement of the Domestic Hot Water (DHW) heating unit serving the Site Building within the early portion of the term of the analysis;
- Repairs to the mechanical systems (contingency allowance);



- Specialist review of the high voltage switchgear to verify its condition, cost, timing of potential replacement and identify additional upgrade/replacement requirements (below threshold);
- Repairs and replacement of the electrical components and distribution systems; however, this cost can vary greatly depending on the results of the specialist review (preliminary allowance);
- Specialist review of the fire alarm system is recommended prior to replacement to verify its condition, cost, timing of replacement and identify additional upgrade/replacement requirements within the latter portion of the term of the analysis (below threshold);
- Replacement of the fire alarm panel serving the Site Building however, this cost can vary greatly depending on the results of the specialist review (preliminary allowance);
- Repairs to the electrical systems (below threshold).

Consideration has been given regarding required ongoing maintenance and repairs of the major elements and at the direction of the Client, Pinchin has utilized a threshold of \$5,000 per system, per year as a limit in determining and carrying anticipated expenditures. Anticipated expenditures associated with maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and excluded from the Summary of Anticipated Expenditures.

Regular maintenance should be conducted on the roof systems, wall systems, structural elements, elevator systems, interior finishes, Site features and the mechanical/electrical systems to ensure that the Expected Useful Life (EUL) of the major components is realized. Repair costs for the aforementioned items have been included over the term of the analysis (i.e., 10 years) included within Appendix I. The specific deficiencies identified during the BPCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report. Costs associated with desired upgrades have not been carried.

This Executive Summary is subject to the same standard limitations as contained in the report and must be read in conjunction with the entire report.



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APPENDICES

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1.0 INTRODUCTION

Pinchin Ltd. (Pinchin) was retained by Primaris REIT (Client) to conduct a Baseline Property Condition Assessment (BPCA), subject to the limitations outlined in Section 6.0 of this report. As discussed with the Client this service did not include any specialist review of items such as mechanical/electrical systems, structural components, elevators, etc. The municipal address for the property is 5015 – 111 Street NW, Edmonton, Alberta (the Site). Pinchin conducted a visual assessment of the Site on July 28, 2025 at which time Pinchin interviewed and was accompanied by the Operations Manager of Primaris REIT – Southgate Centre (hereafter referred to as the Site Representative).

Pinchin was advised by the Client that the purpose of the BPCA was to assess visible deficiencies in relation to the potential divestiture or leasing of the Site.

It was reported to Pinchin that the costs associated with ongoing general maintenance of the major components of the Site Building are carried as part of the annual operating budget for the Site. At the direction of the Client a threshold of \$5,000 per system, per year has been utilized in determining anticipated expenditures. Anticipated expenditures associated with maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and excluded from the Summary of Anticipated Expenditures. The term of analysis requested by the Client was 10 years.

The results of the BPCA are presented in the following report. This report is subject to the Terms & Limitations discussed in Section 6.0.

2.0 SCOPE AND METHODOLOGY

The scope of the BPCA included a visual examination (without any intrusive testing or demolition of finishes to observe hidden areas) of the following:

- The building envelope, comprised of the exterior walls, windows, exterior doors and roof systems;
- The structural elements (i.e., slabs, beams, columns and walls);
- The elevator systems;
- The interior finishes of the common areas and a selection of individual tenant premises;
- The Site features;
- The mechanical systems (i.e., AHUs, domestic hot water, etc.); and
- The electrical systems.



The object of the BPCA included the following:

- A visual examination of the property in order to assess the condition of the major elements;
- Review of general documentation on the repair/maintenance history of the elements, if available;
- cursory review of previous reports pertaining to the Site Building, if made available by the Site Representative;
- Interviews and discussions with on-Site personnel regarding the repair/maintenance conducted on the Site Building;
- Documentation of existing deficiencies observed within the various elements;
- Photographic documentation of various components and observed deficiencies; and
- Compilation of Pinchin's findings in a formal written report including observed deficiencies, together with a list of recommendations for repair/replacement with associated estimated costs for both short and long term.

The report provides:

- A basic description of each of the various major components of the Site Building;
- A list of deficiencies noted with respect to the components examined; and
- Recommendations and cost estimates for the corrections recommended.

Cost estimates provided in this report are preliminary Class "D" and provided only as an indication of the order of magnitude of the remedial work. These values have been arrived at by determining a representative quantity from the visual observations made at the time of our Site visit and by applying current market value unit costs to such quantities and or a reasonable lump sum allowance for the work. More precise cost estimates would require more detailed investigation to define the scope of work. They are not intended to warrant that the final costs will not exceed these amounts or that all costs are covered. The estimates assume the work is performed at one time and do not include costs for potential de-mobilization and re-mobilization if repairs/replacement are spread out over the term of analysis.

All costs are identified in 2025 Canadian Dollars, and do not include consulting fees or applicable taxes. (For consulting fees, Pinchin typically recommends a budget allowance of 10% to 15% of the costs identified).

All cost estimates assume that regular annual maintenance and repairs will be performed to all building elements at the facility. No cost allowance is carried for this regular maintenance.

The cost estimates provided in this report are based on costs of past repairs at similar buildings, recent costing data such as “RS Means Repair and Remodelling Cost Data – Commercial/Residential” and “Hanscomb’s Yardsticks for Costing”, or Pinchin’s professional judgment.

Unless otherwise stated, the replacement costs identified for an element reflects the cost to remove and replace the existing element with the same type of element.

3.0 OBSERVATIONS AND COMMENTS



Partial view of the north elevation of the Site Building.

Note: Bounded by the “Southgate Centre” thus limiting visual assessment.



Partial view of the west elevation of the Site Building.

Note: Bounded by the “Southgate Centre” thus limiting visual assessment.



General view of the south elevation of the Site Building.



General view of the east elevation of the Site Building.



Aerial view of the Site Building.

(Courtesy of Google Earth Pro 2025)

3.1 Site Information

Table 3.1 – Site Information

Site Occupant/Name	Vacant “Formerly Hudson’s Bay”		
Site Address	5015 – 111 Street NW, Edmonton, Alberta		
Existing Land Use Type	Commercial	Primary On-Site Activity	Retail
Multi-Tenant/Single Occupant	Single	Number of Units	One
Date First Developed	~ 1969	Site Area	~ 2.8 acres
Number of Buildings	One	Building Footprint Area(s)	~ 117,000 SF
Number of Stories above grade	10	Total Building Area(s)	~ 278,000 SF (i.e., excluding mezzanines)
Date Building(s) Constructed	~ 1969	Area of Tenant Spaces	Varies
Date Building(s) Renovated	Ongoing interior fit-ups	Basement and/or U/G Parking	No



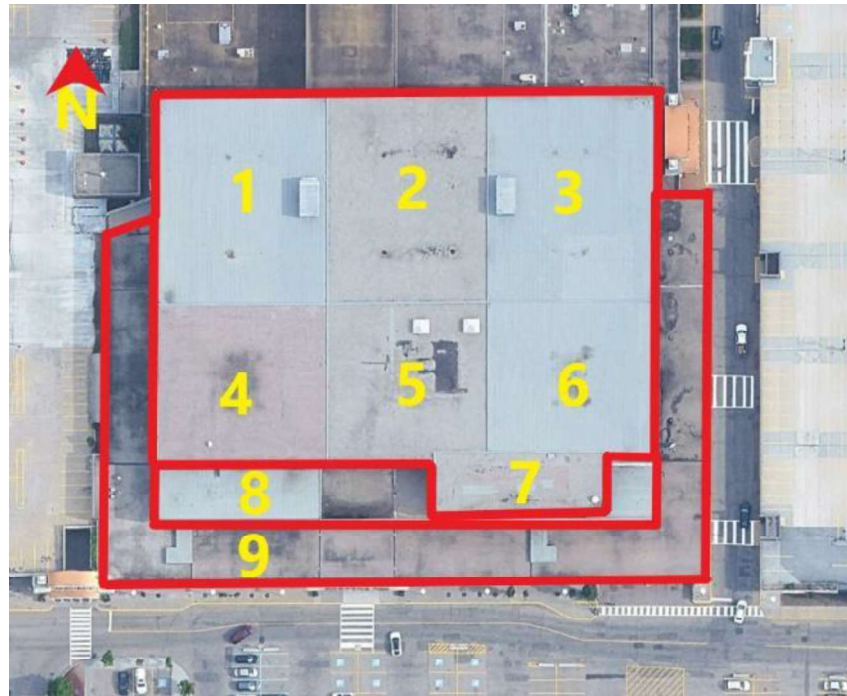
Table 3.1 – Site Information

Site Occupant/Name	Vacant “Formerly Hudson’s Bay”		
<i>Type of Roof System(s)</i>	Built-Up asphalt Roof (BUR) Modified bitumen Membrane	<i>Number of Levels U/G</i>	N/A
<i>Type of Wall Cladding</i>	Exposed aggregate finish precast concrete panels Brick veneer masonry Ceramic tiles	<i>Area of Roof System(s)</i>	~ 122,500 SF
<i>Type of Doors</i>	Single Glazed (SG) units within metal frames Solid wood doors within metal frames Hollow metal doors within metal frames Sectional metal and wood overhead doors	<i>Types of Windows</i>	Fixed Insulated Glass (IG) units within aluminum frames
<i>Above Grade Parking Area</i>	Offsite	<i>Electrical Source</i>	EPCOR
<i>Surface Type</i>	Asphalt pavement Concrete walkways, and pads Soft landscaping (i.e., with trees)	<i>Type of Heating/Cooling</i>	Heating and cooling are supplied from the “Southgate Centre” Air Handling Units (AHUs) Hydronic heaters

3.2 Roof Systems

The roof systems of the Site Building consist of a combination of conventionally-designed, low-sloped gravel-surfaced, Built-Up asphalt Roof (BUR) and modified bitumen roof systems installed atop a layer of rigid insulation, atop steel and concrete roof decks. Neither the presence of a vapour barrier, nor the type or the thickness of the insulation could be verified, as the scope of the work did not include destructive testing.

Drainage of the roof systems is provided by internal roof drains which presumably drain to the municipal sewer system. Penetrations through the roof systems of the Site Building consist of plumbing vents, roof drains, roof access hatch, service penetration boots, and pitch pockets serving conduits.



*Aerial view of the Roof
(Courtesy of Google Earth Pro 2025).*

The details of the roof systems atop the Site Building are summarized in the following table:

Reference	Roof System	Estimated Roof Area	Estimated Age
1	Modified bitumen	~ 14,000 SF	~ 2020 (i.e., ~ 5 years old)
2	BUR	~ 13,000 SF	> ~ 25 years old
3	Modified bitumen	~ 15,000 SF	~ 2020 (i.e., ~ 5 years old)
4	BUR	~ 11,500 SF	~ 2011 (i.e., ~ 14 years old)
5	BUR	~ 9,000 SF	> ~ 25 years old
6	Modified bitumen	~ 10,000 SF	~ 2020 (i.e., ~ 5 years old)
7	BUR	~ 4,000 SF	> ~ 25 years old
8	BUR	~ 8,500 SF	> ~ 25 years old
	Modified bitumen	~ 5,500 SF	~ 2020 - 2022 (i.e., ~ 3 to 5 years old)
9	BUR	~ 31,000 SF	> ~ 25 years old
	Modified bitumen	~ 1,000 SF	~ 10 to 15 years old

The total combined area of the roof systems is slightly larger than the total footprint of the Site Building at approximately 122,500 SF due to the various overhangs atop the Site Building.



Due to the fact that the scope of the work did not include for destructive testing, Pinchin could not ascertain whether Phenolic insulation was present within the roof systems at the time of the Site visit.

Table 3.2 outlines the findings of the inspection of the roof systems:

Table 3.2 – Roof Systems

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">The BUR systems atop Sections 2, 5, 7, 8 and 9 of the Site Building are estimated to be in excess of 25 years old and have attained their Expected Useful Life (EUL).	<ul style="list-style-type: none">Based on estimate age and observed conditions, Pinchin recommends phased replacement of the BUR systems atop Sections 2, 5, 7, 8 and 9 of the Site Building beginning in the early portion of the term of the analysis.
Minor Deficiencies/Findings	
<ul style="list-style-type: none">Degranulation and deterioration of the modified bitumen membrane were noted atop multiple sections of the Site Building.	<ul style="list-style-type: none">Undertake localized and monitor the condition.
<ul style="list-style-type: none">Areas of blisters within the BUR system of Section 2, 8 and 9 were noted atop the Site Building.Asphalt bleed through was noted atop multiple BUR sections of the Site BuildingArea of historic repairs were noted atop multiple BUR sections the Site Building.Deteriorated membrane edges were noted atop Sections 8 and 9 of the Site Building.	<ul style="list-style-type: none">Monitor the condition and undertake localized repairs where required until recommended roof replacement is completed.
<ul style="list-style-type: none">Evidence of ponding was noted atop multiple sections the Site Building.	<ul style="list-style-type: none">Ponding can reduce the serviceability of the roof systems. Considerations for improving drainage patterns as required should be given to provide adequate drainage at the next roof replacement interval.
<ul style="list-style-type: none">Corroded flashing was noted atop Section 5 of the Site Building.	<ul style="list-style-type: none">Remove the areas of corrosion and re-paint the affected sections with corrosion inhibiting coating.
<ul style="list-style-type: none">Area of lifted flashing was noted on the north portion atop Section 8 of the Site Building.	<ul style="list-style-type: none">Undertake localized repairs to prevent potential moisture infiltration.
<ul style="list-style-type: none">Unsealed pitch pocket serving electrical conduit was noted atop Section 8 of the Site Building.	<ul style="list-style-type: none">Replenish depleted pitch pocket to prevent potential moisture infiltration.
<ul style="list-style-type: none">Staining and debris accumulation was noted atop Section 8 of the Site Building.	<ul style="list-style-type: none">May be addressed as part of recommended roof replacement.

Table 3.2 – Roof Systems

Findings	Remarks/Recommendations
<ul style="list-style-type: none"> Deteriorated pitch pocket serving the ladder footing was noted atop Section 8 of the Site Building. 	<ul style="list-style-type: none"> Replenish depleted pitch pocket to prevent potential moisture infiltration.
<ul style="list-style-type: none"> Vegetation growth was noted atop Section 9 of the Site Building. 	<ul style="list-style-type: none"> Remove the areas of vegetation growth as part of routine maintenance.
<ul style="list-style-type: none"> Deteriorated and ponding were noted atop raised modified bitumen membrane roof system atop Sections 8 and 9 of the Site Building. Unadhered modified modified membrane was noted atop raised modified bitumen membrane roof system atop Section 9 of the Site Building. 	<ul style="list-style-type: none"> Undertake proactive repairs to the areas of raised modified bitumen membrane roof system.
<ul style="list-style-type: none"> An area of missing insulation and lack of flashing was noted atop Section 9 of the Site Building. 	<ul style="list-style-type: none"> Undertake localized repairs to adequately seal the area and to prevent further damages.
<ul style="list-style-type: none"> An area which poorly diverts water was noted atop the northwest portion of Section 9 of the Site Building. 	<ul style="list-style-type: none"> Redirect the water drainage efficiently to prevent further damages.



General view of a typical modified bitumen membrane roof system atop the Site Building.

Note: Section 1 is shown.



General view of a typical BUR system atop the Site Building.

Note: Section 2 is shown.



General view of typical raised modified bitumen membrane roof system atop Sections 8 and 9 of the Site Building.

Note: Section 9 is shown.



View of typical degranulation and deterioration of the modified bitumen membrane atop multiple sections of the Site Building.

Note: Section 1 is shown.



View of a blister within the BUR system of
Section 2 atop the Site Building.



View of typical area of historic repairs atop
multiple BUR sections of the Site Building.

Note: Section 2 is shown.



View of typical organic accumulation,
degranulation and deterioration of the modified
bitumen membrane atop multiple sections of the
Site Building.

Note: Section 3 is shown.



View of typical evidence of ponding atop multiple sections the Site Building.

Note: Section 3 is shown.



View of typical area of historic repairs atop multiple BUR sections the Site Building.

Note: Section 5 is shown.



View of corroded flashing atop Section 5 of the Site Building.



View of typical degranulation and deterioration of the modified bitumen membrane atop multiple Sections of the Site Building.

Note: Section 6 is shown.



View of typical asphalt bleed through atop multiple BUR sections of the Site Building.

Note: Section 7 is shown.



View of typical area of historic repairs atop multiple BUR sections the Site Building.

Note: Section 7 is shown.



General view of a typical overhang roof area atop
Section 8 of the Site Building.

Note: Asphalt bleedthrough is noted.



View of typical area of lifted flashing on the north
portion atop Section 8 of the Site Building.



View of a blister within the BUR system of
Section 8 atop the Site Building.



View of unsealed pitch pocket serving electrical conduit atop Section 8 of the Site Building.



View of staining and debris accumulation atop Section 8 of the Site Building.



View of typical asphalt bleed through atop multiple BUR sections of the Site Building.

Note: Section 8 is shown.



View of typical evidence of ponding atop multiple sections the Site Building.

Note: Section 8 is shown.



View of deteriorated pitch pocket serving the ladder footing atop Section 8 of the Site Building.



View of vegetation growth atop Section 9 of the Site Building.



View of typical deteriorated membrane edge atop
Sections 8 and 9 of the Site Building.

Note: Section 9 is shown.



View of typical asphalt bleed through atop
multiple BUR sections of the Site Building.

Note: Section 9 is shown.



View of deteriorated and ponding atop raised
modified bitumen membrane roof system atop
Sections 8 and 9 of the Site Building.

Note: Section 9 is shown



View of unadhered modified modified membrane atop raised modified bitumen membrane roof system atop Section 9 of the Site Building.



View of a blister within the BUR system of Section 9 atop the Site Building.



View of an area of missing insulation and lack of flashing atop Section 9 of the Site Building.



View of typical area of historic repairs atop multiple BUR sections the Site Building.

Note: Section 9 is shown.



View of an area which poorly diverts water atop the northwest portion of Section 9 of the Site Building.

It has been Pinchin's experience that the Expected Useful Life (EUL) of a BUR system typically ranges between 20 to 25 years and the EUL of modified bitumen membrane typically ranges between 23 to 25 years depending on the quality of building materials used, the quality of workmanship during installation and the level to which the roof systems have been maintained.

As previously mentioned, the BUR systems atop Sections 2, 5, 7, 8 and 9 the Site Building are estimated to be in excess of 25 years old and have attained their EUL. Based on estimate age and observed conditions, Pinchin recommends phased replacement of the BUR systems atop Sections 2, 5, 7, 8 and 9 of the Site Building beginning in the early portion of the term of the analysis.

Pinchin recommends that a higher degree of maintenance be performed on the raised modified bitumen membrane roof system atop Sections 8 and 9 of the Site Building as they will be approaching their EUL and replacement maybe required soon after the term of the analysis.

Assuming the above-mentioned deficiencies are addressed, replacements are completed, and that regular annual maintenance is performed, the roof systems serving the Site Building should perform in a satisfactory manner throughout the term of the analysis. Pinchin recommends and has included for repairs to the roof systems throughout the term of the analysis.



Annual walk-on inspections are recommended to ensure any deficiencies or issues are discovered and attended to in a timely manner in order to preserve the integrity and longevity of the roof systems.

3.3 Wall System

The exterior walls of the Site Building consist of a combination of exposed aggregate finish precast concrete panels and brick veneer masonry on each elevation with areas of ceramic tiles on the south and east elevations on the ground level. It should be noted that the lower portions of the north and west elevations are bounded by the "Southgate Centre" thus limiting visual assessment.

The window systems of the Site Building consist of fixed Insulated Glass (IG) units set within aluminum frames installed within a storefront configuration. Based on window stamps, reported information and observed conditions, the majority of the window systems serving the Site Building are original to the time of construction in 1969 (i.e., 56 years ago), while select localized windows were noted to have been replaced approximately 10 to 15 years ago. It was reported that no sealant replacement program currently exists for the Site Building.

Exterior doors serving the Site Building are comprised of Single Glazed (SG) units set into aluminum frames located at the main entrance on various elevations of the Site Building with similar SG doors serving the vestibules. Secondary entrance doors serving the Site Building consist of hollow metal doors within metal frames located on various elevations of the Site Building. Doors leading into the mechanical rooms consist of painted hollow metal doors within metal frames. Wood doors within wooden frame were noted throughout the tenant space. Three insulated sectional overhead doors (i.e., two wood and one metal) serve the loading area on the south elevation of the Site Building.

It should be noted that due to the fact that the scope of work did not include any intrusive/destructive testing the presence or condition of brick ties behind the brick veneer masonry walls could not be visually inspected.

Furthermore, the assessment of the wall systems was limited to ground level observations and from the accessed roof areas.

Table 3.3 outlines the findings of the inspection of the wall systems:

Table 3.3 – Wall Systems	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> Deteriorated precast concrete panel control joint sealants were noted on multiple elevations the Site Building. Minor movement was noted on precast concrete panels on multiple elevations the Site Building 	<ul style="list-style-type: none"> Pinchin recommends implementation of a phased sealant replacement program throughout the term of the analysis. Furthermore, Pinchin recommends monitoring the precast concrete panels and to install stabilizing plates to prevent further movements.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> Cracking in the ceramic tile joints were noted on the east and south elevations of the Site Building. 	<ul style="list-style-type: none"> Repoint the joints.
<ul style="list-style-type: none"> Gaps and lack of weatherstripping serving the exterior entrance doors were noted on the east and south elevations of the Site Building. 	<ul style="list-style-type: none"> Install door weatherstripping to prevent heat loss.
<ul style="list-style-type: none"> Shrunk SG unit gaskets were noted on the east and south elevations the Site Building. 	<ul style="list-style-type: none"> Replace the gaskets to prevent potential moisture infiltration.
<ul style="list-style-type: none"> Window sealant deterioration was noted on the east elevation the Site Building. 	<ul style="list-style-type: none"> Replace the deteriorated window sealants.
<ul style="list-style-type: none"> Damaged brick veneer masonry was noted on the east elevation the Site Building. 	<ul style="list-style-type: none"> Undertake localized repairs. Monitor the condition.
<ul style="list-style-type: none"> Impact damaged overhead door was noted on the south elevation the Site Building. 	<ul style="list-style-type: none"> Repair/replace the damaged overhead panels.
<ul style="list-style-type: none"> Detached weatherstripping was noted on the south elevation the Site Building. 	<ul style="list-style-type: none"> Reattach/replace the detached door weatherstripping.
<ul style="list-style-type: none"> Damaged and cracked soffit was noted on the south elevation the Site Building. 	<ul style="list-style-type: none"> Undertake localized repairs.
<ul style="list-style-type: none"> Damaged concrete panel was noted on the south elevation the Site Building. 	<ul style="list-style-type: none"> Undertake localized repairs.
<ul style="list-style-type: none"> Deteriorated ceramic tile finish was noted on the south elevation of the Site Building. 	<ul style="list-style-type: none"> Prepare and reapply finish as required.
<ul style="list-style-type: none"> Boarded-up door was noted on the south elevation of the Site Building. 	<ul style="list-style-type: none"> Replace the missing SG unit serving the door.
<ul style="list-style-type: none"> Detached gasket was noted on the south elevation of the Site Building. 	<ul style="list-style-type: none"> Replace the gaskets to prevent potential moisture infiltration.
<ul style="list-style-type: none"> Vertical cracks were noted in the brick veneer masonry observed from the various roof areas atop the Site Building. 	<ul style="list-style-type: none"> Undertake localized repairs.

Table 3.3 – Wall Systems

Findings	Remarks/Recommendations
<ul style="list-style-type: none"> Efflorescence was observed from the various roof areas atop the Site Building. 	<ul style="list-style-type: none"> The presence of efflorescence indicates that water has been moving through the masonry, dissolving minerals, and depositing them on the surface as the water evaporates. Clean the areas of efflorescence and monitor condition. Sealing of the architectural concrete block masonry should be considered if condition persists.
<ul style="list-style-type: none"> Areas of corrosion on precast concrete panels were noted from the various roof areas atop the Site Building 	<ul style="list-style-type: none"> Clean the areas of corrosion to prevent further damages.



General view of typical wall systems serving the Site Building.

Note: East elevation shown.



View of cracking in the ceramic tile joints on the east elevation the Site Building.



View of cracking in the ceramic tile joints on the east elevation the Site Building

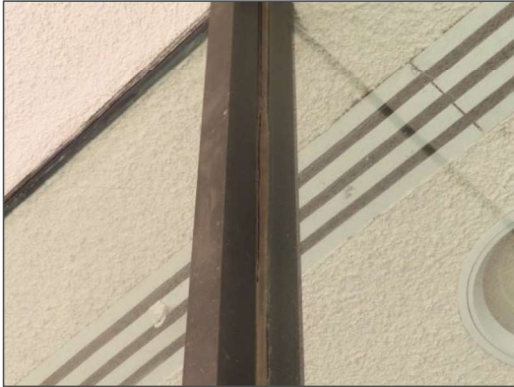


View of typical gap and lack of weatherstripping serving the exterior entrance doors on the east and south elevations of the Site Building.

Note: East elevation is shown.



View of shrunk SG unit gasket on the east elevation the Site Building.



View of window sealant deterioration on the east elevation the Site Building.



View of damaged brick veneer masonry on the east elevation the Site Building.



View of damaged brick veneer masonry on the east elevation the Site Building.



View of impact damaged overhead door on the south elevation the Site Building.



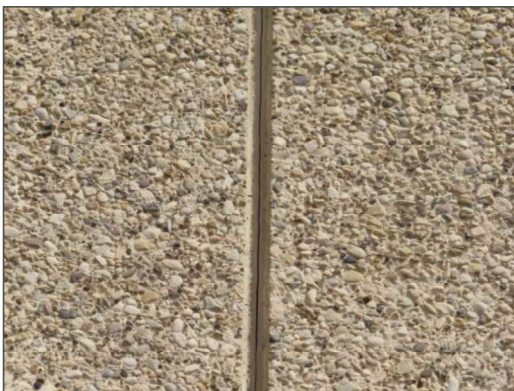
View of detached weatherstripping on the south elevation the Site Building.



View of damaged and cracked soffit on the south elevation the Site Building.



View of damaged concrete panel on the south elevation the Site Building.



View of typical deteriorated precast concrete panel control joint sealant on multiple elevations the Site Building.

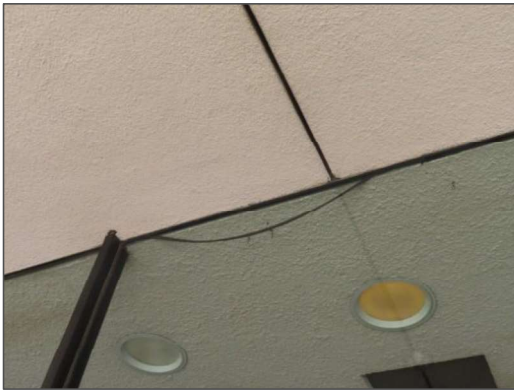
Note: South elevation is shown.



View of typical deteriorated ceramic tile finish on the south elevation of the Site Building.



View of boarded-up door on the south elevation of the Site Building.



View of detached gasket on the south elevation of the Site Building.



View of typical vertical crack in the brick veneer masonry observed from the various roof areas atop the Site Building.

Note: 2nd floor is shown.



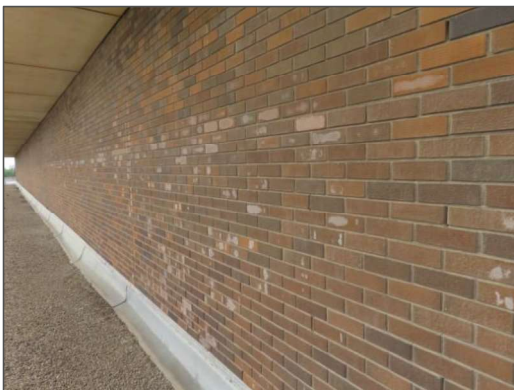
View of typical deteriorated precast concrete panel control joint sealant on multiple elevations the Site Building.

Note: East elevation is shown.



View of typical minor movement noted on precast concrete panels on multiple elevations the Site Building.

Note: South elevation is shown.



View of efflorescence observed from the various roof areas atop the Site Building.

Note: 3rd floor is shown.



View of typical area of corrosion on precast concrete panels from the various roof areas atop the Site Building.

Note: 3rd floor is shown.



View of typical deteriorated precast concrete panel control joint sealant on multiple elevations the Site Building.

Note: East elevation is shown.

The wall, window and door systems of the Site Building were generally noted to be in serviceable condition at the time of the assessment with deteriorated precast concrete panel control joint sealants and minor movement between the precast concrete panels on multiple elevations which require correction in the short term to re-establish a satisfactory level of performance. As such, Pinchin recommends implementation of a phased sealant replacement program throughout the term of the analysis.

Furthermore, Pinchin recommends monitoring the precast concrete panels and to install stabilizing plates to prevent further movements. Should the condition of the precast concrete panels worsen, a specialist should be consulted to determine the extent of deterioration and implement an appropriate repair strategy. It is noted that the most estimates provided in this report are preliminary and provided only as an indication of the order of magnitude of the remedial work. More precise cost estimates would require more detailed investigation to define the scope of work

Furthermore, majority of the original window systems serving the Site Building have or will exceed their EUL within the term of the analysis and consideration should be given for their replacement for improved performance and thermal efficiencies., Pinchin has carried preliminary allowances for the replacement of the original window systems and within the term of the analysis.

Typical buildings of this age may contain PCBs in mastics, caulking and window putties. Testing for the presence of PCBs in these materials is beyond the scope of this BPCA report. The potential presence of



PCBs in these materials could give rise to additional costs in future if extensive renovation requiring removal of these materials or demolition activities are undertaken at the Site. The extent of such potential issues could not be assessed as part of this BPCA report.

Assuming that the aforementioned deficiencies are addressed, sealant replacement program is implemented, and that regular annual maintenance is performed, the window, wall and door systems of the Site Building should perform in a satisfactory manner throughout the term of the analysis. Pinchin has included a preliminary allowance for repairs to the wall systems throughout the term of the analysis.

3.4 Structural Elements

As outlined in the scope of work, a visual assessment of the condition of the structural elements was carried out on the elements which were visible at the time of the inspection.

The Site Building is constructed with a cast-in-place concrete slab-on-grade (i.e., no basement level). The superstructure of the Site Building is constructed primarily with reinforced concrete structures (i.e., beams, columns) with select areas of presumed load-bearing concrete block masonry walls supporting a combination of suspended reinforced precast and cast-in-place concrete slabs (i.e., waffle and typical slabs) and concrete and steel roof decking. Wood and steel framed mezzanines were noted within various storage back rooms of the Site Building.

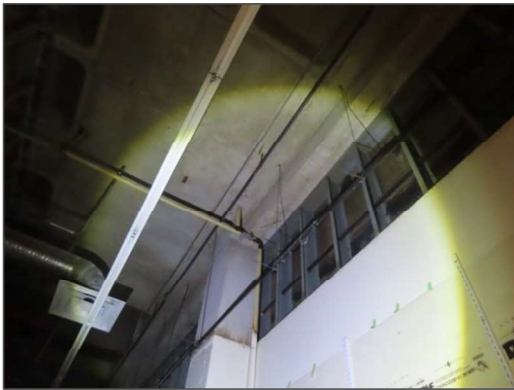
Table 3.4 outlines the findings of the inspection of the structural elements:

Table 3.4 – Structural Elements	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">• None observed/reported.	<ul style="list-style-type: none">• None required.
Minor Deficiencies/Findings	
<ul style="list-style-type: none">• Cracking and moisture intrusion was noted within the waffle slab observed from the main floor of the Site Building.• Hairline cracking was observed from the waffle slab observed from the main floor of the Site Building.	<ul style="list-style-type: none">• Seal the areas of cracking and moisture intrusion and monitor the condition.



General view of the superstructure serving the Site Building.

Note: Main floor is shown.



General view of the superstructure serving the Site Building.

Note: 2nd floor is shown.



General view of the steel superstructure serving the roof structure of the Site Building.



General view of the wood framed mezzanine serving the Site Building.

Note: Main floor is shown.



General view of the steel framed mezzanine serving the Site Building.

Note: 3rd floor is shown.



View cracking and moisture intrusion within the waffle slab observed from the main floor of the Site Building.



View of typical hairline cracking observed from the waffle slab observed from the main floor of the Site Building.

Assessment of the original or existing building design, compliance with prior or current Building Code or detection or comment upon concealed structural deficiencies are outside the scope of work.

Similarly, the identification and assessment of any Post-Tension reinforcing is not included in the scope of work. Accordingly, the findings are limited to the extent that the assessment has been made based on a walk-through visual inspection of accessible areas of the structure.

Additionally, given the age of the Site Building, as a minimum, the condition of the structural elements should be monitored, and structural components should be periodically tested for loss of strength as part of routine maintenance to ensure the integrity of the structural elements.

Pinchin's visual review of the structural elements and information provided by the Site Representative indicated that no major deterioration existed within the visibly accessible components of the Site Building.

Monitoring of the structural elements throughout the term can likely be completed below the cost threshold of reporting.

3.5 Elevator Systems

The following is a brief description of the elevator systems present within the Site Building:

Label/Location	Manufacturer	Age	Floors	Capacity:	Drive System:
Hudson's Bay	Montgomery	~ 1980* (i.e., ~45 years old)	M - 3	Unknown*	Hydraulic freight
	Montgomery	~ 1969* (i.e., ~45 years old)	M – 3**	Unknown*	Hydraulic passenger

*Due to access limitations, missing labeling and / or elevator inoperability, Pinchin could not verify

**Inoperable at the time of the assessment



The typical elevator “full maintenance” contract covers the replacement of major components in addition to the labour and materials necessary for ongoing repairs, adjustments and preventive maintenance work. Entrances and cab finishes are normally excluded. As long as a “full maintenance” contract is purchased, the only additional costs to the Owner, during the first 15 to 25 years of use, should be for malicious damage and repairs to the elevator cabs and entrances. It is assumed that repairs required due to “Acts of God” (i.e., flood, fires, etc.) are covered by insurance. The elevator systems were observed to have been last inspected in November of 2024 by “Ryzure Elevator”.

In addition to the elevator systems mentioned above, the Site Building possesses eight escalator systems. It should be noted that the assessment of the escalator systems is outside of the scope of the assessment but as requested by the Client a limited review was completed. The escalators appears to have been installed in 1981 and no inspection and service information was provided for the escalator systems.

Table 3.5 outlines the findings of the inspection of the elevator systems:

Table 3.5 – Elevator Systems	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">The elevator and escalator systems serving the Site Building are estimated original to the time of construction of the Site Building in approximately 1969 to 1980 (i.e., approximately 45 to 56 years old) with no major upgrade or modernization reported.The passenger elevator serving the Site Building was noted to be inoperable at the time of Site visit.	<ul style="list-style-type: none">Based on estimated age, Pinchin recommends a specialist review of the elevator and escalator systems within the early portion of the term of the analysis to assess modernization requirements.Pinchin has included a preliminary allowance for the replacement of the elevator and escalator systems serving the Site Building; however, this cost can vary greatly depending on the results of the specialist review.
Minor Deficiencies/Findings	
<ul style="list-style-type: none">The elevator systems serving the Site Building are past due for inspection.	<ul style="list-style-type: none">Ensure the elevator systems are maintained on an all-inclusive contract in advance of new occupancy and, keep up to date logs within the elevator controller room.



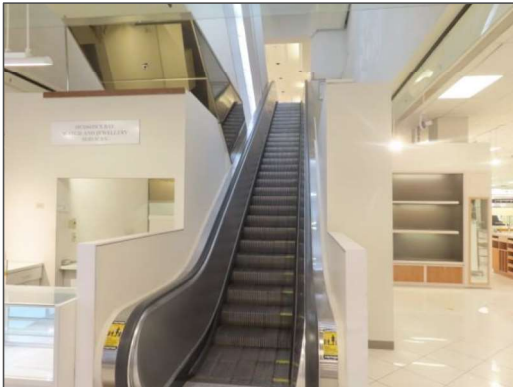
General view of the elevator serving the Site Building.



General view of the freight elevator serving the Site Building.



General view of the elevator controllers serving the Site Building.



General view of the typical escalator systems serving the Site Building.

Note: Out scope of work and limited assessment.

As the current assessment was performed as a Baseline Property Condition Assessment without Specialist review, our information is solely based on the information and documentation provided as well as the visual appearance of the elevator cabs, etc.

The elevator systems were observed to have been last inspected in November of 2024 by “Ryzure Elevator” while no information was provided for the escalator systems.

Based on Pinchin’s experience, minor components may require modernization, due in part to obsolescence, which are not covered under a “full maintenance” contract. Additionally, service personnel capable of performing the numerous adjustments necessary to keep this equipment operating properly will become increasingly difficult to find as newer equipment designs become more predominant. Thus, the Owner may be faced with significant modernization costs in order to maintain reasonable service.

As previously mentioned, the elevator systems serving the Site Building are estimated original to the time of construction of the Site Building in approximately 1969 to 1980 (i.e., approximately 45 to 56 years old) with no major upgrade or modernization reported. Due to the age of the elevator systems, Pinchin recommends that modernization be considered within the term of the analysis. No allowances have been provided until an elevator specialist has been retained to assess modernization requirements. Pinchin recommends a specialist review of the elevator systems within the early portion of the term of the analysis to assess modernization requirements which can be completed under the threshold of reporting.

Furthermore, Pinchin has included preliminary allowances for the replacement of the elevator and escalator systems serving the Site Building as directed per the Client. It is noted that the cost estimates provided in this report are preliminary and provided only as an indication of the order of magnitude of the remedial work. More precise cost estimates would require more detailed investigation to define the scope of work. It should be also noted that costs provided are subject to change based on the specialist review.

Assuming the full elevator maintenance contract is fulfilled, and the elevator components are modernized as required following detailed specialist review, no other major expenditures should be required within the term of the analysis with the exception of desired upgrades.

3.6 Interior Finishes

As outlined in the scope of work, the interior finishes of the Site Building were reviewed during the Site assessment.

The floor finishes within the Site Building consist of a combination of carpeting, ceramic tiles and exposed concrete floor slabs.

The wall finishes within the Site Building consist of a combination of painted gypsum board with areas of painted concrete block masonry and exposed concrete within mechanical rooms.

The ceiling finishes throughout the Site Building consist primarily of suspended ceiling assemblies, complete with lay-in tiles with areas of gypsum ceiling finishes and exposed structure within the basement and mechanical rooms.

Table 3.6 outlines the findings of the inspection of the interior finishes:

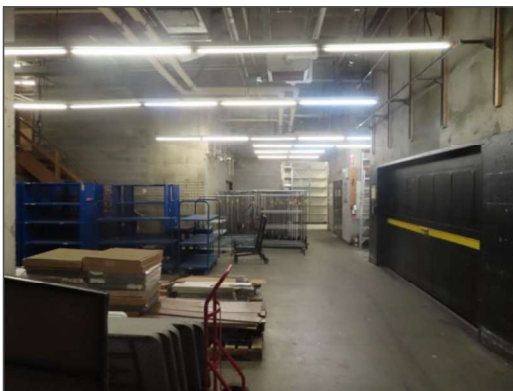
Table 3.6 – Interior Finishes

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> None observed/reported. 	<ul style="list-style-type: none"> None required.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> Moisture stained ceiling tiles were noted throughout the sales area of the Site Building. 	<ul style="list-style-type: none"> Repair/replace the moisture stained finishes within the space in accordance to the applicable guidelines
<ul style="list-style-type: none"> Damaged gypsum board throughout the back room areas of the Site Building was noted. 	<ul style="list-style-type: none"> Repair/replace the damaged section of gypsum board.
<ul style="list-style-type: none"> Deteriorated fireproofing was noted within the emergency exit stairwell of the Site Building. 	<ul style="list-style-type: none"> Reapply fireproofing to ensure continuous seal.
<ul style="list-style-type: none"> Stained floor was noted within the elevator controller room of the Site Building. 	<ul style="list-style-type: none"> Clean the area and monitor for reoccurrence.
<ul style="list-style-type: none"> Cracked concrete floor stair treads were noted within the emergency exit stairwell of the Site Building. 	<ul style="list-style-type: none"> Seal the cracks and monitor the condition.
<ul style="list-style-type: none"> Cracked concrete floor slabs were noted throughout the Site Building. 	<ul style="list-style-type: none"> Seal/repair the areas of cracking to prevent subsequent damage.



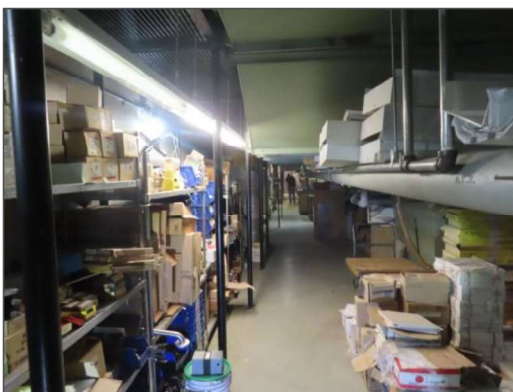
General view of the typical interior finishes within the Site Building.

Note: Main floor sales area is shown.



General view of the typical interior finishes within the Site Building.

Note: Main floor back room is shown.



General view of the typical interior finishes within the Site Building.

Note: 2nd floor mechanical room is shown.



General view of the sealed entrances of the Site Building from the "Southgate Centre".

Note: North entrance is shown.



View of typical moisture stained ceiling tiles throughout the sales area of the Site Building.

Note: Main floor is shown.



View of typical moisture stained ceiling tiles throughout the sales area of the Site Building.

Note: 3rd floor is shown.



View of typical damaged gypsum board throughout the back room areas of the Site Building.

Note: Main floor is shown.



View of deteriorated fireproofing within the emergency exit stairwell of the Site Building.



View of stained floor within the elevator controller room of the Site Building.



View of typical cracked concrete floor stair tread within the emergency exit stairwell of the Site Building.



View of typical cracked concrete floor slab throughout the Site Building.

Note: Main floor back room is shown.

The interior finishes within the Site Building were generally observed to be in serviceable condition at the time of the Site visit.

Furthermore, it is assumed that additional interior maintenance and fit-ups will be required in advance of new occupancy. As such, Pinchin has not included costs for any remedial action necessary or costs associated with the fit-ups in advance of new occupancy.

It is anticipated that future tenant improvements will include the restoration of interior finishes to a satisfactory condition. Therefore, no cost allowances have been included in this report, as these repairs are assumed to be the responsibility of incoming tenants as part of their fit-out work. Additionally, as reported, the ceiling tiles will be replaced in preparation for new tenancies. Given water damaged materials were noted during the assessment, mould may be present. If present, Pinchin recommends that the Client undertake mould mitigation procedures in accordance with Canadian Construction Association (CCA) guidelines based on area. Please note that other materials may be affected by the roof leaks; as such, an investigation should be conducted prior to any tenant improvement work or remedial work being undertaken to determine the full extent of impacted materials. Given the full extent of impacted materials is not known at this time, Pinchin recommends that the Client carry construction contingencies during tenant improvement works to address this potential issue.



Assuming that the aforementioned deficiencies are addressed and that regular annual maintenance is undertaken, the interior finishes serving the Site Building should perform in a satisfactory manner throughout the term of the analysis.

3.7 Site Features

The remainder of the Site is occupied by asphalt surfaced ramps, concrete elements (i.e., walkways, pads and curbs) and areas of soft landscaping (i.e., trees). As requested by the Client, only the asphalt surfaced ramps and concrete elements (i.e., walkways, pads and curbs) adjacent to the Site Building will be included as part of the scope of work. Parking for the Site is provided as part of the “Southgate Centre” facilities.

Localized areas of trees were noted along the south elevation of the Site Building. Cast-in-place concrete walkways were noted adjacent to the west, south and east elevations of the Site Building. Asphalt paved ramps were noted adjacent to the south elevation of the Site Building giving access to the loading area.

Drainage of the Site pavements is provided by off-Site catch basins which presumably drain the water to the municipal sewer system. Since the inspection was limited to visible areas no examination of the catch basins was performed and no review of the initial compliance with code was performed. The inspection of underground or concealed components is outside the scope of work.

No issues were reported with the catch basins or their ability to drain the Site.

Vehicular access to the Site is provided by:

- One entrance from Whitemud Drive NW located on the south perimeter of the Site;
- Three entrances from 108A Street NW located on the east perimeter of the Site;
- Two entrances from 51 Avenue NW located on the north perimeter of the Site; and
- Two entrances from 111 Street NW located on the west perimeter of the Site.

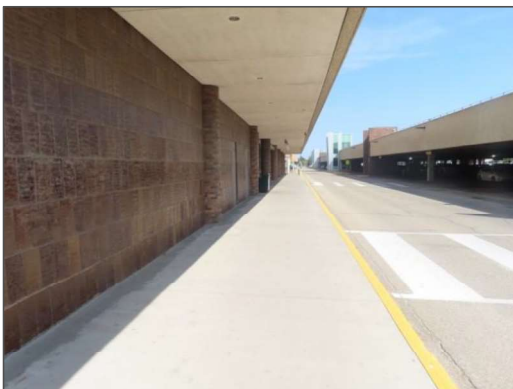
Pedestrian access to the Site is provided by various concrete walkways located at along the Site’s perimeters and within the “Southgate Centre”.

Table 3.7 outlines the findings of the inspection of the Site features:

Table 3.7 – Site Features	
Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none">• None observed/reported.	<ul style="list-style-type: none">• None required.

Table 3.7 – Site Features

Findings	Remarks/Recommendations
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> Deteriorated asphalt surfaces were noted adjacent to the south elevation of the Site Building. 	<ul style="list-style-type: none"> Undertake localized repairs.
<ul style="list-style-type: none"> Exposed trench with debris accumulation was noted adjacent to the south elevation of the Site Building. 	<ul style="list-style-type: none"> Remove the debris to ensure adequate drainage and reinstall grating.
<ul style="list-style-type: none"> A bent and misaligned storm drain grate was noted adjacent to the south elevation of the Site Building 	<ul style="list-style-type: none"> Replace the bent and misaligned storm drain grate.
<ul style="list-style-type: none"> Cracked concrete walkways were noted adjacent to the south and east elevations of the Site Building. 	<ul style="list-style-type: none"> Seal the areas of cracked concrete walkways.
<ul style="list-style-type: none"> Deteriorated concrete walkway was noted adjacent to the south elevation of the Site Building. 	<ul style="list-style-type: none"> Undertake localized repairs.
<ul style="list-style-type: none"> Cracking and spalling of guardrail were noted adjacent to the south elevation of the Site Building. 	<ul style="list-style-type: none"> Undertake localized repairs.
<ul style="list-style-type: none"> An area of settling concrete walkway was noted adjacent to the east elevation of the Site Building. 	<ul style="list-style-type: none"> Monitor for further settling. Should condition worsen, Pinchin recommends consulting with a geotechnical engineer to determine an appropriate repair strategy.



General view of the Site features adjacent to the east elevation of the Site Building.



General view of the Site features adjacent to the south elevation of the Site Building.



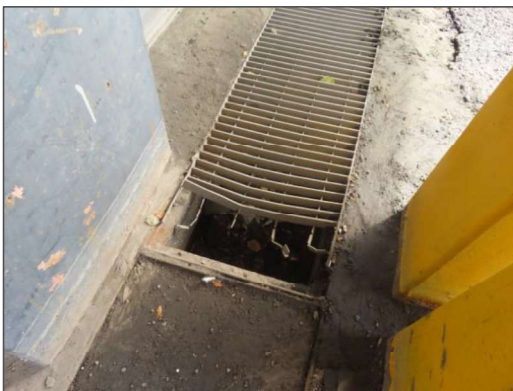
General view of the loading dock area adjacent to the south elevation of the Site Building.



View of deteriorated asphalt surfaces adjacent to the south elevation of the Site Building.



View of exposed trench with debris accumulation adjacent to the south elevation of the Site Building.



View of a bent and misaligned storm drain grate adjacent to the south elevation of the Site Building.

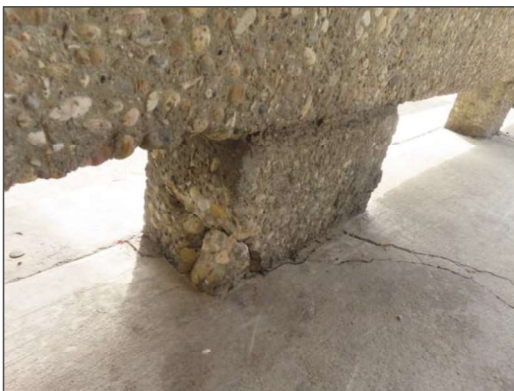


View of typical cracked concrete walkway adjacent to the south and east elevations of the Site Building.

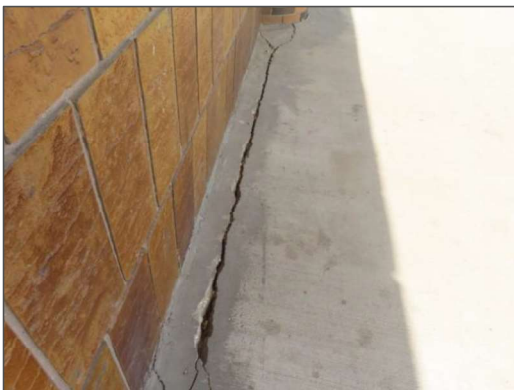
Note: Adjacent to south elevation is shown.



View of deteriorated concrete walkway adjacent to the south elevation of the Site Building.

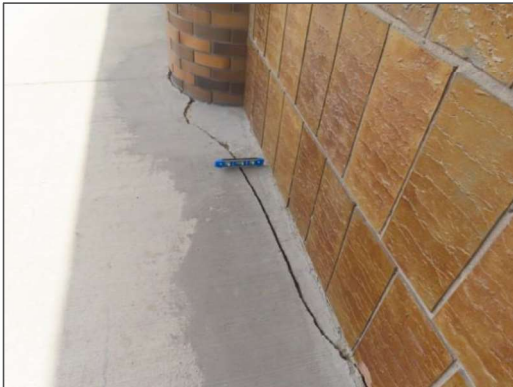


View of cracking and spalling of guardrail adjacent to the south elevation of the Site Building.



View of typical cracked concrete walkway adjacent to the south and east elevations of the Site Building.

Note: Adjacent to east elevation is shown.



View of an area of settling concrete walkway adjacent to the east elevation of the Site Building.

The Site features appeared to be in serviceable condition at the time of the Site visit.

Assuming that the above noted deficiencies are addressed and regular annual maintenance is performed, the Site features should perform in a satisfactory manner throughout the term of the analysis. Pinchin has included allowances for repairs to the Site features throughout the term of the analysis.

Assessment of or comment upon concealed deficiencies and any buried/concealed utilities or components are outside the scope of work.

3.8 Mechanical Systems

3.8.1 Major Service Providers

The following providers serve the subject property:

Water	-	City of Edmonton
Electric	-	EPCOR
Sewer	-	City of Edmonton
Natural Gas	-	ATCO
Police	-	Edmonton Police Service
Fire	-	Edmonton Fire Department

3.8.2 Heating, Ventilation and Air Conditioning (HVAC)

Heating within the Site Building is provided by steam system is reportedly supplied from the “Southgate Centre”. The incoming steam is reportedly converted to hot water via a heat exchanger located within the 2nd floor mechanical room. The hot water is distributed through a closed-loop hydronic system to hydronic heaters located throughout the Site Building.

Heating, ventilation, and cooling throughout the Site Building is distributed by two rooftop Air Handling Units (AHUs). These AHUs are equipped with heating coils that utilize the hot water for air tempering. No Variable Frequency Drive (VFD) units were noted within the accessed mechanical rooms.



Chilled water is also supplied from the from the “Southgate Centre” and is circulated through cooling coils within the AHUs to provide cooling. Cooling is limited to the areas served by the AHUs and does not appear to be provided on a zone-by-zone basis.

The following is a brief description of the mechanical systems present within the Site Building:

Location	Type	Qty.	Manufacturer	Manufacturing Date	Heating Capacity in BTUH*
Rooftop	AHU	2	Canadian Buffalo	~ 1969 (i.e., ~ 56 years old)**	N/A

* British Thermal Unit per Hour

**Due to faded plates or access limitations, Pinchin could not verify

The inspection of the interior ductwork or associated components was beyond the scope of work. It should be noted that the heating and cooling duct work within the Site Building may contain interior insulation. The Site Representative was unaware of the presence of insulation within the duct work within the Site Building. It is Pinchin’s experience that interior insulation within duct work is prone to deterioration or development of mould which may require removal of the insulation. In the case where interior insulation is present within the duct work, Pinchin recommends that the duct work insulation be inspected for the presence of mould.

3.8.3 Domestic Hot Water

Domestic Hot Water (DHW) within the washrooms of the Site Building is provided by a natural gas-fired DHW heating unit which is located within 2nd floor mechanical room. The unit was noted to have been manufactured by “A.O. Smith” in 2006 and possess an input heating capacity of 199,000 BTUH with a storage capacity of 100 US gallons.

There was no reported shortage of hot water within the Site Building.

3.8.4 Plumbing

Drainage piping within the Site Building consists of cast iron as observed in the accessed mechanical rooms. The Domestic Cold and Hot water consist of copper piping. Due to the concealed nature of the plumbing system the condition of the risers could not be verified.

The main water line is located on the main floor of the Site Building. A backflow prevention device was observed with the most recent inspection completed and failed by “LFP” in January of 2024.

No backflow prevention devices were noted on the incoming main water line.

3.8.5 Fire Protection

Fire protection in the Site Building is provided by a wet sprinkler system. A cabinet containing a supply of extra sprinkler heads and an installation tool was noted adjacent to the sprinkler risers located within the main floor emergency exit. The sprinkler systems were observed to have been last maintained by “Legacy Fire Protection” and was noted to be last inspected in January of 2024. The Fire Department Connection (FDC) serving the sprinkler system are located on the west elevation of the Site Building.

Supplemental fire protection is provided by chemical fire extinguishers and fire hose cabinets on each floor level. The inspection gauges on the fire extinguishers were noted to be charged to sufficient levels at observed locations. The chemical fire extinguishers were noted to be either past due for inspection, not mounted adequately or missing their inspection tag.

Table 3.8 outlines the findings of the inspection of the mechanical systems:

Table 3.8 – Mechanical Systems (including HVAC, DHW, Plumbing and Fire Protection)

Major Deficiencies/Findings	Remarks/Recommendations
<ul style="list-style-type: none"> Heating and cooling are supplied from the “Southgate Centre”. 	<ul style="list-style-type: none"> A specialist review of the mechanical systems should be completed in advance of new occupancy to determine if the mechanical equipment is suitable for future tenant demands and if any extensive repairs/upgrades will be required to continue the heating and cooling supplied from the “Southgate Centre” (current shared cost unknown) or transition to an independent system within the term of the analysis.
<ul style="list-style-type: none"> The AHUs serving the Site Building are estimated to be original to construction in approximately 1969 (i.e., 56 years old) with no major reported overhauls throughout the years. 	<ul style="list-style-type: none"> Based on estimated age, Pinchin recommends replacement of the AHUs throughout the term of the analysis.
<ul style="list-style-type: none"> The DHW heating unit serving the Site Building is approximately 19 years old and has attained its EUL. 	<ul style="list-style-type: none"> Based on age, Pinchin recommends replacement of the DHW heating unit serving the Site Building within the early portion of the term of the analysis.
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> The sprinkler systems and chemical fire extinguishers serving the Site Building were noted to be past due for inspection, with select fire extinguishers not mounted adequately and missing their inspection tag. 	<ul style="list-style-type: none"> Ensure the sprinkler systems and chemical fire extinguishers are inspected by a certified contractor on an annual basis and ensure inspection remains accessible and visible.

Table 3.8 – Mechanical Systems (including HVAC, DHW, Plumbing and Fire Protection)

Major Deficiencies/Findings	Remarks/Recommendations
<ul style="list-style-type: none"> The backflow prevention device serving the Site Building was noted to have failed its most recent inspection. 	<ul style="list-style-type: none"> Undertake the necessary repairs to prevent further damages.
<ul style="list-style-type: none"> Corrosion and calcium build up was noted on piping fittings within the 2nd floor mechanical room of the Site Building. 	<ul style="list-style-type: none"> Undertake localized repairs/replacement at the area of corrosion/calcium build up and monitor for reoccurrence.
<ul style="list-style-type: none"> An active leaking drainage piping was noted on the third floor sales area of the Site Building. 	<ul style="list-style-type: none"> Address the leak in the short term to prevent further damages.
<ul style="list-style-type: none"> Moisture stained piping insulation observed was noted within various mechanical rooms of the Site Building. 	<ul style="list-style-type: none"> Investigate the source of the staining and undertake localized repairs.



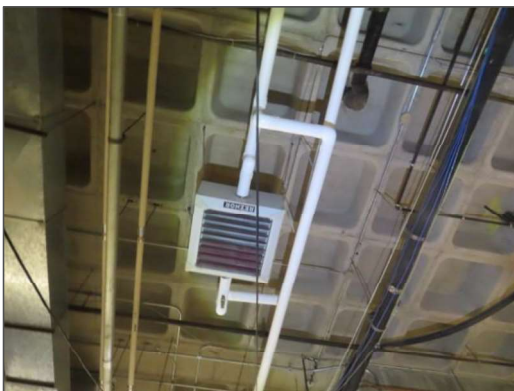
General view of the AHU compartment atop the Site Building.



General view of the blower units within the AHU compartment atop the Site Building.



Partial view of the steam and chilled water conversion plant within the 2nd floor mechanical room of the Site Building.



General view of typical hydronic heater throughout the Site Building.



General view of the DHW heating unit serving the Site Building.



General view of the main sprinkler tree riser serving the Site Building.



General view of the backflow prevention device serving the Site Building.



General view of a typical chemical fire extinguisher serving the Site Building.

Note: Missing an inspection tag and not adequately mounted.



View of typical corrosion and calcium build up on piping fittings within the 2nd floor mechanical room of the Site Building.



View of an active leaking drainage piping on the third floor sales area of the Site Building.



View of typical moisture stained piping insulation observed within various mechanical rooms of the Site Building.

It has been Pinchin's experience that the EUL of an AHU typically ranges between 20 to 25 years, and the EUL of a DHW heating unit is typically 15 years, depending on the quality of the unit and the level to which the unit has been maintained (i.e., cleaning unit, filter replacement and preventative maintenance).

A specialist review of the mechanical systems should be completed in advance of new occupancy to determine if the mechanical equipment is suitable for future tenant demands and if any extensive repairs/upgrades will be required to continue the heating and cooling supplied from the "Southgate Centre" (current shared cost unknown) or transition to an independent system within the term of the analysis.



As previously mentioned, the AHUs serving the Site Building are estimated to be original to construction in approximately 1969 (i.e., 56 years old) with no major reported overhauls throughout the years. Based on estimated age, Pinchin recommends replacement the AHUs throughout the term of the analysis.

Due to the age of the majority of the plumbing pipes and associated components, Pinchin anticipates and has included contingency allowances for ongoing repairs to the pipes and associated components throughout the term of the analysis.

Assuming the above-referenced deficiencies are addressed, specialist reviews are completed, replacements are undertaken and that regular maintenance is performed, the mechanical systems serving the Site Building should perform in a satisfactory manner throughout the term of the analysis. Minor repairs to the mechanical systems throughout the term can likely be managed below the cost threshold of reporting and under the annual operational budget.

In accordance with the proposed scope of work, no physical or destructive testing or design calculations were conducted on any of the major components of the Site Building. Similarly, the inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated mechanical components was not included in the scope of work. Accordingly, the findings are limited to the extent that the assessment was made visually from the exterior of the systems.

3.9 Electrical Systems

3.9.1 Electrical Power

The electrical power for the Site Building is reportedly supplied from the “Southgate Centre” main electrical service and feeds the electrical room on 2nd floor main electrical room via underground wires. The electrical service for the Site Building includes a “Federal Pacific” main disconnect switch was noted to be rated at 3,000 Amperes and 600 Volt based on the observed data plate.

Based on the age of the Site Building, aluminum wiring maybe present.

Infrared scans were noted on select electrical components of Site Building dated from November of 2021 and executed by “Pace Technologies Inc; however, no documents were provided to Pinchin for review.

The Site Building may possess an emergency generator due to the presence of an Automatic Transfer Switch (ATS) within the main electrical room; however, it could not be located at the time of Site visit nor could the Site Representative confirm its presence.

No problems were observed or reported relating to the electrical systems of the Site Building.

3.9.2 Fire Alarm System and Life Safety

The fire alarm system serving the Site Building consists of a multi-zone and single stage system complete with a “Simplex - 4100” fire alarm panel. The main fire alarm panel is estimated to have been manufactured approximately in 2014 (i.e., 11 years ago). The main fire alarm panel is located within the electrical room on the 2nd floor while annunciator panels were noted within the main entrance vestibules. The fire alarm monitors hardwired pull stations and heat detectors which are located throughout the building. The systems are monitored by “Johnson Control” an independent contractor. Inspections and servicing of the fire alarm system is reportedly performed by “Johnson Control” an independent contractor. The last date of inspection for the fire alarm panel and associated systems took place in September of 2022.

Emergency lighting and illuminated exit signs are located throughout the Site Building which are presumably powered by a combination of internal battery packs.

Table 3.9 outlines the findings of the inspection of the electrical systems:

Table 3.9 – Electrical Systems (including Electrical Power and Fire Alarm and Life Safety)

Findings	Remarks/Recommendations
Major Deficiencies/Findings	
<ul style="list-style-type: none"> The main electrical components and distribution systems of the Site Building are estimated to be original to the time of construction of the Site Building in approximately 1969 (i.e., ~ 56 years old). 	<ul style="list-style-type: none"> Based on the age of the electrical components and distribution systems, consideration should be given to completing a specialist review of the electrical systems by a qualified electrical engineer within the term of analysis to determine and better understand the condition and to identify/confirm the need, cost and timing for replacement/upgrading if required. Pinchin has carried a preliminary allowance for the repairs and replacement of the electrical components and distribution systems.
<ul style="list-style-type: none"> The fire alarm systems serving the Site Building is estimated to be approximately 14 years old and will attain its EUL within the term of the analysis. 	<ul style="list-style-type: none"> Based on estimated age, replacement of the fire alarm systems serving the Site Building is anticipated to be required within the early portion of the term of the analysis. A specialist review of the fire alarm systems is recommended prior to replacement to verify its condition, cost, timing of replacement and identify additional upgrade/replacement requirements. Pinchin has carried a preliminary allowance for replacement of the fire alarm panel.

Table 3.9 – Electrical Systems (including Electrical Power and Fire Alarm and Life Safety)

Findings	Remarks/Recommendations
Minor Deficiencies/Findings	
<ul style="list-style-type: none"> As previously mentioned, the Site Building may possess an emergency generator due to the presence of an Automatic Transfer Switch (ATS) within the main electrical room; however, it could not be located at the time of Site visit nor could the Site Representative confirm its presence. 	<ul style="list-style-type: none"> Pinchin recommends investigating the current emergency power configuration of the Site Building to gain a better understanding of potential repair/replacement requirements. It may be addressed as part of the aforementioned specialist reviews.
<ul style="list-style-type: none"> Exposed wires were noted within the kitchen area on the 2nd floor of the Site Building and atop the 2nd floor roof of the Site Building. 	<ul style="list-style-type: none"> Terminate the wires to prevent potential hazards
<ul style="list-style-type: none"> Exposed junction box was noted within the kitchen area on the 2nd floor of the Site Building. 	<ul style="list-style-type: none"> Seal the junction box to prevent potential hazards.



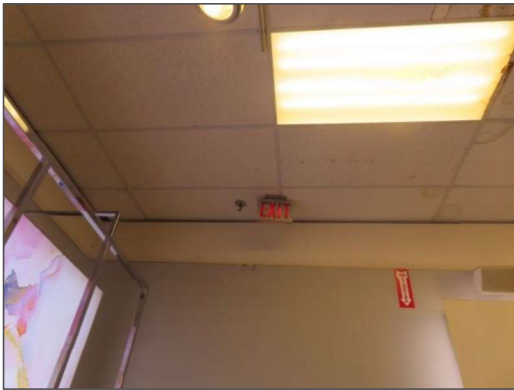
General view of the electrical service and main disconnect serving the Site Building.



General view of the fire alarm panel serving the Site Building.



General view of the ATS observed within the electrical room of the Site Building.



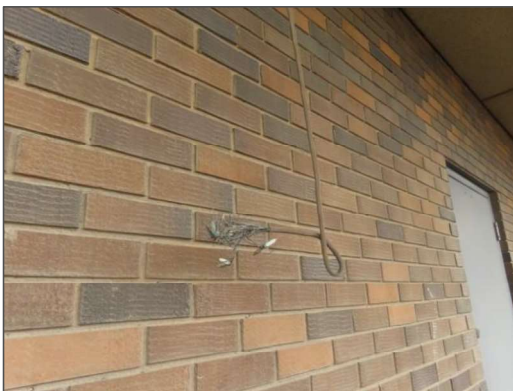
View of typical emergency lighting serving the Site Building.



View of exposed wires within the kitchen area on the 2nd floor of the Site Building.



View of exposed junction box within the kitchen area on the 2nd floor of the Site Building.



View of exposed wires atop 2nd floor roof of the Site Building.

As the current assessment was performed as a Baseline Property Condition Assessment without Specialist review, our information of the electrical systems is solely based on review of the above-noted on-site labeling on equipment data plates. The Client should contact the electrical service provider to verify the incoming electrical supply capacities, if required.

Due to the age of the Site Building, there may be aluminum wiring present throughout the Site Building. As a result the Owner should retain the services of a licensed electrician to review the wiring and connections throughout to ensure there are no loose connections within the Site Building.

It has been Pinchin's experience that the EUL of major electrical equipment typically ranges between 40 to 50 years. The main electrical distribution systems of the Site Building are operational with no major deficiencies noted or reported; however, the majority of the electrical components and distribution systems are estimated to be original to the construction of the Site Building in 1969 (i.e., ~ 56 years old) and have attained their EUL. Based on the age of the electrical components and distribution systems, consideration should be given for review of the electrical systems within the Site Building by a qualified electrical engineer within the term of analysis to determine the condition and identify/confirm the need, cost and timing for replacement/upgrading if required.

As previously mentioned, the fire alarm systems serving the Site Building is estimated to be approximately 14 years old and will attain its EUL within the term of the analysis. Based on estimated



age, replacement of the fire alarm systems serving the Site Building is anticipated to be required within the early portion of the term of the analysis. A specialist review of the fire alarm systems is recommended prior to replacement to verify its condition, cost, timing of replacement and identify additional upgrade/replacement requirements. Pinchin has excluded any cost related to repairs/replacement of the fire alarm systems and associate components as it is subject to findings.

Pinchin has included preliminary allowances for repairs and replacement of the electrical components and distribution systems and replacement of the fire alarm panel; however, their respective specialist reviews can likely be completed below the cost threshold of reporting. It is noted that the cost estimates provided in this report are preliminary and provided only as an indication of the order of magnitude of the remedial work. More precise cost estimates would require more detailed investigation to define the scope of work. It should be also noted that costs provided are subject to change based on the specialist review.

Assuming the above-referenced deficiencies are addressed, specialist reviews (incl. any recommended replacements/upgrades) are undertaken and that regular maintenance is performed, the electrical systems of the Site Building should perform in a satisfactory manner throughout the term of the analysis.

Minor repairs to the electrical systems throughout the term can likely be addressed below the cost threshold of reporting.

Regular infrared scans should be completed on the electrical systems.

4.0 KNOWN VIOLATIONS OF CODE

It was reported to Pinchin by the Site Representative that no outstanding violations from the Building Department existed pertaining to the property. Compliance with the National Building Code (NBC) and National Fire Code (NFC) was not reviewed as it was beyond the scope of this survey.

5.0 CONCLUSIONS AND RECOMMENDATIONS

Based on Pinchin's review of the property, conducted on July 28, 2025 the Site Building appears to be in serviceable condition, and in comparable standing to other similar commercial properties in the area.

Based on our visual assessment the Site Building appears to have been constructed in general accordance with standard building practices in place at the time of construction.

The assessment did not reveal any visual evidence of major structural failures, soil erosion or differential settlement.

As noted during the Site visit, deficiencies relating to the roof systems, wall systems, structural elements, elevator systems, interior finishes, Site features and mechanical/electrical systems require correction to re-establish a satisfactory level of performance. Of particular note, recommendations, repairs and replacements for the following items are included throughout the term of the analysis:



- Phased replacement of the BUR systems atop Sections 2, 5, 7, 8 and 9 of the Site Building beginning in the early portion of the term of the analysis;
- Repairs to the roof systems (contingency allowance);
- Preliminary allowance for a sealant replacement program (preliminary allowance);
- Preliminary for the replacement of the original window systems (preliminary allowance);
- Repairs to the wall systems (preliminary allowance);
- Minor repairs and monitoring of the structural elements (below threshold);
- Specialist review of the elevator and escalator systems within the early portion of the term of the analysis to assess modernization requirements (below threshold);
- Replacement of the elevator and escalator systems serving the Site Building; however, this cost can vary greatly depending on the results of the specialist review (preliminary allowance);
- Repairs to the interior finishes (excluded);
- Repairs to the Site features;
- A specialist review of the mechanical systems should be completed in advance of new occupancy to determine if the mechanical equipment is suitable for future tenant demands and if any extensive repairs/upgrades will be required to continue the heating and cooling supplied from the “Southgate Centre” (current shared cost unknown) or transition to an independent system within the term of the analysis (preliminary allowance);
- Replacement of the AHUs throughout the term of the analysis;
- Replacement of the DHW heating unit serving the Site Building within the early portion of the term of the analysis;
- Repairs to the mechanical systems (contingency allowance);
- Specialist review of the high voltage switchgear to verify its condition, cost, timing of potential replacement and identify additional upgrade/replacement requirements (below threshold);
- Repairs and replacement of the electrical components and distribution systems; however, this cost can vary greatly depending on the results of the specialist review (preliminary allowance);



- Specialist review of the fire alarm system is recommended prior to replacement to verify its condition, cost, timing of replacement and identify additional upgrade/replacement requirements within the latter portion of the term of the analysis (below threshold);
- Replacement of the fire alarm panel serving the Site Building however, this cost can vary greatly depending on the results of the specialist review (preliminary allowance);
- Repairs to the electrical systems (below threshold).

Consideration has been given regarding required ongoing maintenance and repairs of the major elements and at the direction of the client, Pinchin has utilized a threshold of \$5,000 per system, per year as a limit in determining and carrying anticipated expenditures. Anticipated expenditures associated with maintenance and reparation of the major components below the threshold are presumed to be carried within the annual operating budget and excluded from the Summary of Anticipated Expenditures.

Regular maintenance should be conducted on the roof systems, wall systems, structural elements, elevator systems, interior finishes, Site features and the mechanical/electrical systems to ensure that the EUL of the major components is realized. Repair costs for the aforementioned items have been included over the term of the analysis (i.e., 10 years) included within Appendix I. The specific deficiencies identified during the BPCA and their associated recommendations for repair are described in the main body of the report. These deficiencies should be corrected as part of routine maintenance unless otherwise stated within the report. Costs associated with desired upgrades have not been carried.

6.0 TERMS AND LIMITATIONS

This work was performed subject to the Terms and Limitations presented or referenced in the proposal for this project.

Information provided by Pinchin is intended for Client use only. Pinchin will not provide results or information to any party unless disclosure by Pinchin is required by law. Any use by a third party of reports or documents authored by Pinchin or any reliance by a third party on or decisions made by a third party based on the findings described in said documents, is the sole responsibility of such third parties. Pinchin accepts no responsibility for damages suffered by any third party as a result of decisions made or actions conducted. No other warranties are implied or expressed.



In accordance with the proposed scope of work, no physical or destructive testing or design calculations were conducted on any of the components of the Site Building. Assessment of the original or existing building design, or detection or comment upon concealed structural deficiencies and any buried/concealed utilities or components are outside the scope of work. Similarly the assessment of any Post Tension reinforcing is not included in the scope of work. Determination of compliance with any Codes is beyond the scope of this Work. The Report has been completed in general conformance with the ASTM Designation: *E 2018 – 24 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process*.

It should be noted that Pinchin has attempted to identify all the deficiencies required by this Standard associated with this project. Pinchin does not accept any liability for deficiencies that were not within the scope of the investigation.

As indicated above the personnel conducting the building assessment, where applicable, have performed a non-specialist review of the building and all associated finishes and related systems including the elevator mechanical and electrical (including fire alarm and life safety) systems, Site features, etc. The personnel conducting the assessment are knowledgeable of building systems and construction, but not technical specialists in each of these fields. The intent of Pinchin's comments on these systems are for the sole purpose of identifying areas where Pinchin has observed a noteworthy condition which will lead to a likely significant expenditure during the term of the assignment and/or where Pinchin would recommend that the Client consider a further, more detailed investigation. The budget costs for remedial work for each specific item has been provided to the best of our ability and will provide an order of magnitude cost for the individual item and the overall possible remedial work. Our experience has shown that the costs that Pinchin have provided are appropriate and of reasonable accuracy for the purpose intended. It should be noted that the budget cost or reserve costs for any specific item may vary significantly based on the fact that the schedule or phasing of the future remedial work is unknown at this time, the impact on building operations of this remedial work is unknown at this time and that no intrusive inspection or detailed design work is included in the BPCA. If a more accurate, detailed or documented reserve cost is required at this time the Client should request Pinchin to provide the additional proposal to provide a more accurate cost estimate.

It should be noted that recommendations and estimates outlined in this report do not include allowances for future upgrading of components pertaining to Client or tenant fit-up that may be necessary or required by Authorities Having Jurisdiction (AHJ).

The assessment is based, in part, on information provided by others. Unless specifically noted, Pinchin has assumed that this information was correct and has relied on it in developing the conclusions.



It is possible that unexpected conditions may be encountered at the Site that have not been explored within the scope of this report. Should such an event occur, Pinchin should be notified in order to determine if we would recommend that modifications to the conclusions are necessary and to provide a cost estimate to update the report.

Due to the fact that the scope of the work did not include for destructive testing, Pinchin could not ascertain whether Phenolic insulation was present within the roof systems at the time of the Site visit.

The inspection of the interior of boilers, pressure vessels, equipment, fan coils, ductwork or associated mechanical, etc., was beyond the scope of work. It should be noted that the heating and cooling duct work within the Site Building may contain interior insulation. The Site Representative was unaware of the presence of insulation within the duct work within the Site Building. It is Pinchin's experience that interior insulation within duct work is prone to deterioration or development of mould which may require removal of the insulation. In the case where interior insulation is present within the duct work, Pinchin recommends that the duct work insulation be inspected for the presence of mould.

Due to the concealed nature of the plumbing system the condition of the risers could not be verified.

Environmental Audits or the identification of designated substances, hazardous materials, PCBs, insect/rodent infestation, concealed mould and indoor air quality are excluded from this BPCA report.

Further to the aforementioned, determination of the presence of asbestos containing material within the building such as drywall joint compound or the lead content within the older paint finishes was beyond the scope of work.

This report presents an overview on issues of the building condition, reflecting Pinchin's best judgment using information reasonably available at the time of Pinchin's review and Site assessment. Pinchin has prepared this report using information understood to be factual and correct and Pinchin is not responsible for conditions arising from information or facts that were concealed or not fully disclosed to Pinchin at the time of the Site assessment.

\\fsedm\Job\362000s\0362132.000 Primaris,5Sites,ON,BC,AB,BPCAs\Deliverables\0362132.000 FINAL BPCA Southgate Ctr (Hudson Bay), Edmonton AB Primaris Aug 1, 2025.docx

Template: Master Report for Office Building Baseline Condition Assessment, PCA, March 4, 2025

APPENDIX I

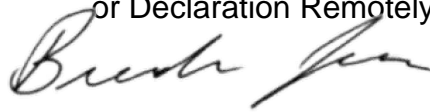
Table 1 – Summary of Anticipated Expenditures

Table 1: Summary of Anticipated Expenditures
FINAL

Confidential

ITEM	Calculation Summary							Immediate Costs	Replacement Reserve Costs												
	Expected Useful Life (Years)	Effective Age (Years)	Remaining Useful Life (Years)	Quantity	Unit	Unit Rate	System Total		2025 Year 1	2026 Year 2	2027 Year 3	2028 Year 4	2029 Year 5	2030 Year 6	2031 Year 7	2032 Year 8	2033 Year 9	2034 Year 10	Total Cost Years 1 - 10		
Roof Systems																					
Roof Structures and Roofing (BUR Replacement Section 2)	~20-25	~>25	~0	13,000	SF	\$35	\$455,000		\$455,000										\$455,000		
Roof Structures and Roofing (BUR Replacement Section 5)	~20-25	~>25	~0	9,000	SF	\$35	\$315,000			\$315,000									\$315,000		
Roof Structures and Roofing (BUR Replacement Section 7)	~20-25	~>25	~0	4,000	SF	\$35	\$140,000				\$140,000								\$140,000		
Roof Structures and Roofing (BUR Replacement Section 8)	~20-25	~>25	~0	8,500	SF	\$35	\$297,500					\$297,500							\$297,500		
Roof Structures and Roofing (BUR Replacement Section 9)	~20-25	~>25	~0	31,000	SF	\$35	\$1,085,000						\$1,085,000						\$1,085,000		
Roof Structures and Roofing (Repairs)	Contingency Allowance	Varies	Varies	Varies	1	LS	\$50,000	\$50,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000	\$50,000		
Wall Systems																					
Exterior Walls (Repairs)	Preliminary Allowance	Varies	Varies	Varies	1	LS	\$100,000	\$100,000		\$40,000			\$20,000				\$20,000		\$20,000	\$100,000	
Exterior Walls (Sustain/Replacement Program)	Preliminary Allowance	Varies	Varies	Varies	1	LS	\$75,000	\$75,000			\$25,000			\$25,000			\$25,000		\$75,000		
Window Systems (Replacement of IG Units)	Preliminary Allowance	Varies	Varies	Varies	1	LS	\$225,000	\$225,000		\$25,000									\$225,000		
Structural Elements																					
Foundations																					
Superstructure (Repairs & Monitoring)	Below Threshold																				
Vertical Transportation Systems																					
Elevator and Escalator Systems (Specialist Review)	Below Threshold																				
Elevator Systems (Main Elevator Replacement) - May be Subject to Change from Specialist Review	Preliminary Allowance	Varies	Varies	Varies	1	LS	\$425,000	\$425,000		\$425,000									\$425,000		
Elevator Systems (Freight Elevator Replacement) - May be Subject to Change from Specialist Review	Preliminary Allowance	Varies	Varies	Varies	1	LS	\$550,000	\$550,000			\$550,000								\$550,000		
Escalator Systems (Replacement) - May be Subject to Change from Specialist Review	Preliminary Allowance	Varies	Varies	Varies	1	LS	\$8,000,000	\$8,000,000		\$8,000,000									\$8,000,000		
Interior Finishes																					
Interior Finishes (Repairs)	Excluded																				
Site Features																					
Site Features (Repairs)		Varies	Varies	Varies	1	LS	\$50,000	\$50,000			\$25,000				\$25,000				\$50,000		
Mechanical Systems																					
Building Heating and Cooling (Specialist Review)	Preliminary Allowance	Varies	Varies	Varies	1	LS	\$20,000	\$20,000		\$20,000									\$20,000		
Building Heating and Cooling (AHU Replacement)	Preliminary Allowance	Varies	Varies	Varies	1	LS	\$200,000	\$200,000		\$100,000		\$100,000							\$200,000		
Hot Water (CHW Heater Replacement) - Site Building		+15	~19	~0	1	EA	\$7,500	\$7,500			\$7,500								\$7,500		
Plumbing and Hot Water (Plumbing Repairs)	Contingency Allowance	Varies	Varies	Varies	1	LS	\$100,000	\$100,000		\$10,000	\$10,000	\$10,000.00	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000.00	\$10,000	\$100,000	
Fire Protection (Sprinkler & Fire Extinguisher Inspection)	Below Threshold																				
Mechanical Systems (Repairs)	Below Threshold																				
Electrical Systems																					
Electrical Systems (Specialist Review of the Electrical Components and Distribution Systems)	Below Threshold																				
Electrical Systems (Repairs/Replacement of the Electrical Components and Distribution Systems)	Preliminary Allowance	Varies	Varies	Varies	1	LS	\$300,000	\$300,000		\$300,000									\$300,000		
Electrical Systems (Specialist Review of the Fire Alarm System)	Below Threshold																				
Electrical Systems (Repairs/Replacement of the Fire Alarm Panel)	Preliminary Allowance	Varies	Varies	Varies	1	LS	\$40,000	\$40,000		\$40,000									\$40,000		
Electrical Systems (Repairs)	Below Threshold																				
TOTALS (UNINFLATED)										\$9	\$9,832,899	\$928,000	\$280,000	\$327,800	\$1,130,000	\$15,000	\$40,000	\$38,000	\$30,000	\$30,000	\$12,438,899
Term of Analysis										INFLATION FACTOR											
Cost Threshold										3.0%	1.00	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305	
TOTALS (INFLATED)											\$9,832,899	\$992,750	\$275,834	\$367,868	\$1,271,825	\$40,075	\$47,762	\$43,946	\$25,335	\$38,143	\$12,686,838
Total SF within the Site Building(s)		278,000																			
Average Cost per SF per Year (Uninflated)		\$4.47																			
Average Cost per SF per Year (Inflated)		\$4.56																			

**THIS IS EXHIBIT "X" TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", written over a horizontal line.

Commissioner, etc.
Brendan Jones



August 1, 2025

Primaris REIT
181 Bay Street, Suite 2720
Toronto, Ontario, M5J 2T3

E-mail: khuynh@primarisreit.com

Attention: Kevin Huynh
Project Manager, Development and Construction

Re: Hazardous Building Materials Removal Budget Estimate Letter
5015 111 Street Northwest, Edmonton, Alberta
Pinchin File: 362375

Pinchin Ltd. (Pinchin) was retained by Primaris REIT (Client) to develop a High-Level Budget Estimate for hazardous building materials abatement work within the Hudson's Bay Company (HBC) space within The Southgate Centre located at 5015 111 Street Northwest, Edmonton, Alberta.

The costing provided is a Class D budget estimate $\pm 25\text{--}50\%$ or more based on the quantities of materials identified or assumed within the HBC spaces. The estimates are around 40% higher than standard Class D estimates due to the presumption that some materials contain asbestos and because their quantities have been estimated conservatively.

This is provided only for general guidance as costs will vary considerably based on site specific conditions (such as schedule, difficulty of access, size of individual work areas, whether the work is for renovation or demolition, if work is conducted concurrently or piecemeal, etc.). Costs may also vary depending on seasonal work patterns, availability of contractors, or local market/economic conditions.

1.0 METHODS AND LIMITATIONS

Pinchin performed a desktop review of existing hazardous building materials reports for the HBC spaces. Pinchin relied on the reports for to identify confirmed asbestos-containing materials, and their respective quantities. The reports were developed for long-term management and compliance with asbestos regulations and did not for provide sufficient detail for building renovation and/or demolition. Where materials were not identified or quantities were not available, Pinchin made best effort assumptions based on our experience in similar buildings, historical knowledge of the asbestos materials, their typical usage, and estimations based on floor plans and building area. These assumptions introduce significant room for error in the budget estimates.



A number of specific limitations exist to the thoroughness of reports used to develop these budget estimates. These limitations include:

- Assessment of only the most accessible and visible materials.
- Limited observation into partially concealed areas.
- Non-intrusive and no observations into concealed areas.
- Assuming some materials contain asbestos (presumed asbestos).
- Data collection and data entry methodology varying between reports.
- Quantities are visual estimates.

The costs associated with presumed asbestos-containing materials that are visible were included in the estimate based on professional judgement and Pinchin's previous knowledge/experience of the buildings/wings and the probability of the material being asbestos based on historical use and knowledge of the material. The following assumptions were made for presumed asbestos-containing materials that were visible:

1. Roofing materials: Quantities were calculated by taking the total square feet of the building (Facility Size provided by the Client) and dividing by the number of floors above and below grade.
2. Caulking and butyl sealant: Quantities were calculated based on the approximate number of windows/doors multiplied by 50 linear feet per window/door has been allocated, this value includes both the window caulking and butyl sealant on the glazing units. The total approximate number of windows/doors was estimated based on the floor plans in the previous reports.
3. Drywall/Plaster Wall Finishes: Where quantities were presented in existing reports and appeared accurate, these values were used. In building with no quantities provided, Pinchin estimated wall lengths based on floor plans and building areas and used wall heights of 8 feet within residential and commercial/office buildings and 15 feet for warehouse and equipment/material storage buildings, to determine quantity estimates.
4. Vermiculite in block walls was calculated by taking the perimeter length of the building and assuming a height of 15 feet for the walls.
5. Disposal costs were including using ten percent (10%) of the asbestos abatement costs.
6. Some materials were presumed to be present in the building based on historical and industry knowledge of the use of these materials and the assumption that it may be hidden within the spaces.



2.0 COST ESTIMATES

Hazardous Material	Class D Cost Estimate
Asbestos Abatement	\$1,300,000.00
Lead Abatement/Removal	\$34,000.00
Mercury Removal	\$3,000.00
Polychlorinated biphenyl (PCB) Removal	\$17,000.00
Ozone Depleting Substances (ODS) Removal	\$17,500.00
Disposal Fees	\$140,000.00
TOTAL ESTIMATE (Class D $\pm 25-50\%$)	\$1,511,500.00

3.0 TERMS AND LIMITATIONS

This work was performed subject to the Terms and Limitations presented or referenced in the proposal for this project.

Information provided by Pinchin is intended for Client use only. Pinchin will not provide results or information to any party unless disclosure by Pinchin is required by law. Any use by a third party of reports or documents authored by Pinchin or any reliance by a third party on or decisions made by a third party based on the findings described in said documents, is the sole responsibility of such third parties. Pinchin accepts no responsibility for damages suffered by any third party as a result of decisions made or actions conducted. No other warranties are implied or expressed.

4.0 CLOSURE

Should you have any questions or concerns regarding the contents of this letter, please contact the Project Manager at 905.245.0691 or mhorobin@pinchin.com.

Yours truly,

Pinchin Ltd.

Prepared by:

Mike Horobin, C.E.T., EP
Team Leader/Senior Project Manager

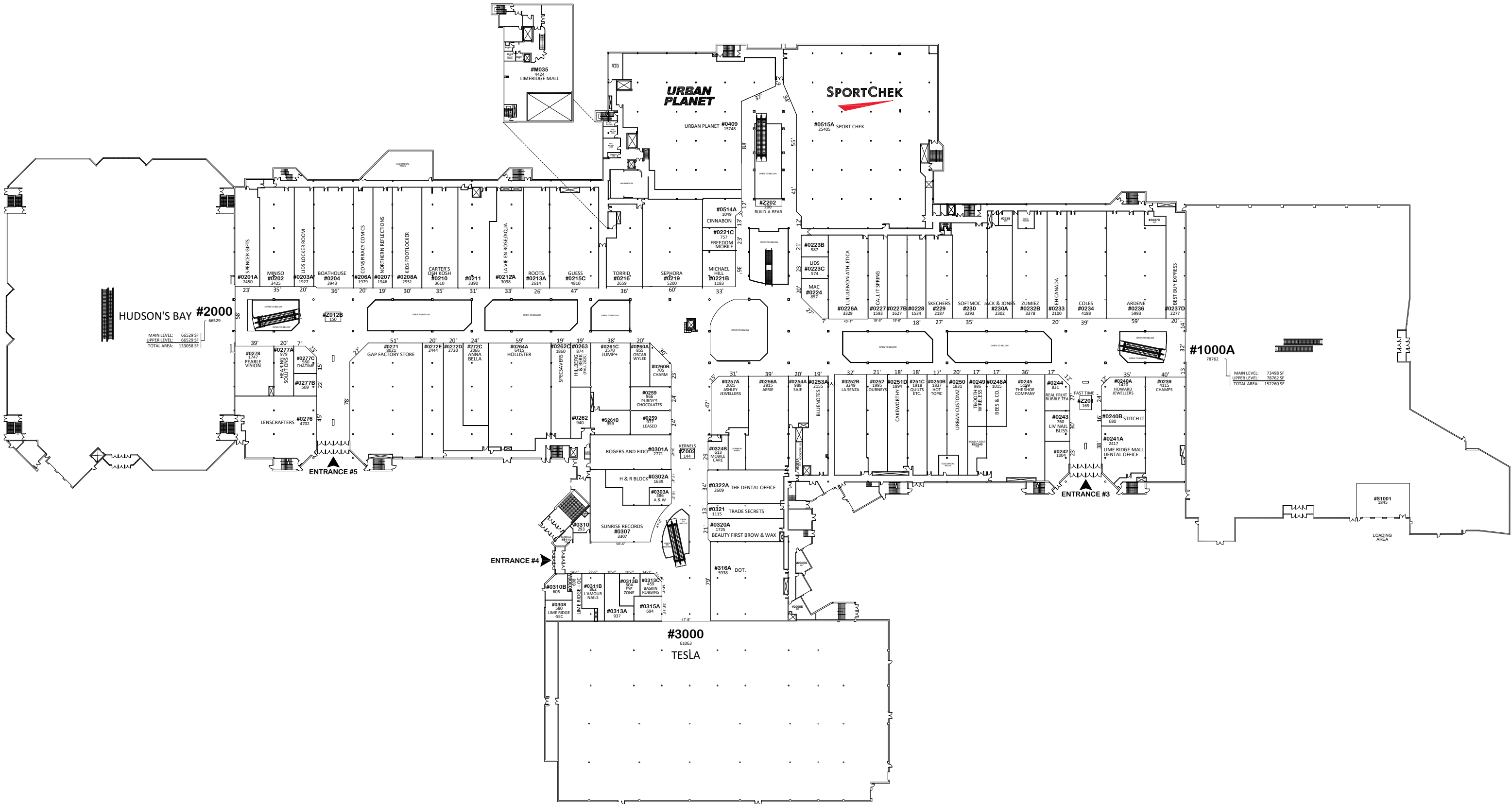
Reviewed by:

Tanya Stanistic, B.Sc. Hons, Dip EMA
Operations Manager

**THIS IS EXHIBIT “Y” TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

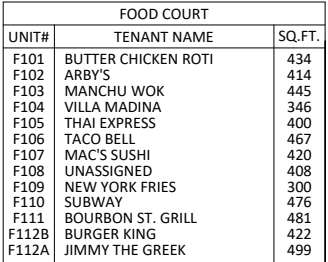
A handwritten signature in black ink, appearing to read "Brendan Jones", is written above a horizontal line.

Commissioner, etc.
Brendan Jones



floor plan - upper level
Primaris * July 11, 2025

The Purpose of this plan is to identify the approximate location, size and dimension of the Lease premises in the Shopping Centre. The Landlord reserves the right at anytime to relocate, rearrange or alter the buildings and structures, other leased premises, and Common Area and Facilities, and the Lease Premises from that shown on the plan. All information, dimensions, sizes and areas are approximate only and are to be verified on site. In-premises washroom locations are subject to verification.



Bldg ID: lim001 Lime Ridge Mall

Unit ID	Type	Occupant Name	ANSI Sqft
0101	utretail	Starbucks	1,410
0101A	utretail	Salon Mirage & Spa	1,102
0102A	utretail	Total Image	1,161
0103A	utretail	Wireless +	1,158
0104A	utretail	Henry's	2,467
0107	utretail	Mado	3,725
0109	utretail	Peoples Jewellers	1,739
0110	utretail	Claire's	1,403
0111A	utretail	Chatters Salon	2,208
0112	utretail	Mountain Warehouse	3,006
0113A	utretail	Melanie Lyne	4,257
0114C	utretail	Brown's Shoes	4,330
0115A	utretail	Caryl Baker Visage	1,064
0115B	utretail	Lovisa	1,080
0116	utretail	Lush	1,268
0116B	utretail	GameStop	1,265
0117	utretail	David's Tea	1,278
0118	utretail	The Body Shop	1,187
0118C	utretail	Swarovski	1,017
0119	utretail	Sweet Jesus	458
0120B	utretail	Pandora	1,161
0122C	utretail	Victoria's Secret	10,566
0130A	utretail	Bath & Body Works	5,350
0131	utretail	Shoppers Drug Mart	11,343
0135B	utretail	Bank Of Montreal	5,072
0136A	utretail	Continental Currency Exchange	400
0136B	utretail	Telze	779
0137	utretail	The Barber Shope	1,059
0138	utretail	Steel n Ink	1,219
0139	utretail	Fashion Brows	633
0142	utanchor	H&M	20,921
0146A	utretail	RW & Co.	4,414
0147B	utretail	Garage	4,409
0148	utretail	Dynamite	3,374
0150B	utretail	Sunglass Hut	801
0151A	utretail	Reitmans	3,955

0152B	utretail	Aldo	1,572
0153	utretail	Little Burgundy	1,521
0154A	utretail	Lindt	2,228
0155A	utretail	American Eagle Outfitters	5,781
0158B	utmanoff	Primaris - Maintenance Office	347
0160B	utretail	Aritzia	5,225
0160C	utretail	Bikini Village	1,710
0161B	utretail	Laura	8,208
0164A	utretail	JD Sports	7,090
0165	utretail	Strauss Men's Wear	3,545
0166	utretail	WINDSOR	3,380
0167	utretail	Tip Top	2,490
0169A	utretail	Cleo	2,708
0170B	utretail	Hallmark Cards	2,086
0172C	utretail	Foot Locker	4,945
0173A	utretail	International Clothiers	2,148
0201A	utretail	Spencer Gifts	2,450
0202	utretail	Miniso	3,425
0203A	utretail	Lids Locker Room	1,927
0204	utretail	Boathouse	3,943
0206A	utretail	Conspiracy Comics Games and Anime	1,979
0207	utretail	Northern Reflections	1,946
0208A	utretail	Kids Footlocker	2,951
0210	utretail	Carter's OshKosh	3,610
0212A	utretail	La Vie en Rose	3,098
0213A	utretail	Roots	2,614
0215C	utretail	Guess?	4,810
0216	utretail	Torrid	2,659
0219	utretail	Sephora	5,200
0221B	utretail	Michael Hill Jewellers	1,183
0221C	utretail	Freedom Mobile	757
0223C	utretail	Lids	574
0224	utretail	MAC Cosmetics	857
0226A	utretail	Lululemon Athletica	3,329
0227	utretail	Call It Spring	1,593
0229	utretail	Skechers	2,187
0230	utretail	Soft Moc	3,293
0230A	utretail	Jack & Jones	2,302
0232B	utretail	Zumiez	3,378

0233	utretail	Eh Canada	2,100
0234	utretail	Coles	4,198
0236	utretail	Ardene	5,993
0237D	utretail	Best Buy Express	2,277
0239	utretail	Champs Sports	4,115
0240A	utretail	Howard Jewellers	1,420
0240B	utretail	Stitch It	680
0241A	utretail	Lime Ridge Mall Dental Office	2,417
0243	utretail	Liv Nail Bliss	760
0244	utretail	Real Fruit Bubble Tea	831
0245	utretail	The Shoe Company	5,199
0248A	utretail	Bee & Co	1,015
0249	utretail	Telephone Booth	986
0250	utretail	Urban Customz	1,831
0250B	utretail	Hot Topic	1,837
0251C	utretail	QE Home	1,918
0251D	utretail	Cakeworthy	1,915
0252	utretail	Journeys	1,995
0252B	utretail	La Senza	3,249
0253A	utretail	Bluenotes	2,155
0254A	utretail	Saje	988
0256A	utretail	Aerie	3,815
0257A	utretail	Ashley Jewellers	2,025
0258A	utretail	Booster Juice	965
0259	utretail	Purdys Chocolatier	966
0260A	utretail	Oscar Wylee	855
0260B	utretail	Charm Diamond Centres	759
0261C	utretail	Jump+	2,570
0262C	utretail	Specsavers	1,860
0264A	utretail	Hollister	6,415
0271	utretail	Gap	8,021
0272C	utretail	Anna Bella	2,066
0276	utretail	Lenscrafters	4,702
0277A	utretail	HEARING SOLUTIONS	979
0277C	utretail	Chatime	560
0278	utretail	Pearle Vision	1,747
0301A	utretail	Rogers / Fido	2,771
0303A	utretail	A & W	386
0307	utretail	Sunrise Records	3,307

0308A	utmanoff	Primaris - Guest Services	698
0310	utmanoff	Primaris - Maintenance Office	293
0311B	utretail	L'AMOUR NAILS	862
0313A	utmanoff	Primaris - Maintenance Office	937
0313B	utretail	Eye Zone	604
0313C	utretail	Baskin-Robbins	459
0316A	utretail	D.O.T. Furniture	5,938
0320A	utretail	Beauty First Brow + Wax	1,725
0321	utretail	Glam Spot	1,115
0322A	utretail	Prime Time Dental	2,609
0324B	utretail	Mobile Care	613
0409	utanchor	Urban Planet	26,698
0411	utretail	Eddie Bauer	6,214
0412	utretail	Bell Mobility	3,212
0413B	utanchor	Old Navy	20,184
0413D	utext	Mucho Burrito	1,575
0413F	utretail	Mary Browns Chicken	1,728
0441A	utretail	BonLook	717
0441C	utretail	Freshly Squeezed	587
0441D	utretail	Virgin Plus	580
0442	utretail	Future Tech	740
0444	utretail	Bentley	989
0445	utretail	Telus Mobility	1,343
0446	utretail	Showcase	939
0446B	utretail	WirelessWave	767
0447A	utretail	Mobile Klinik	466
0448	utfood	Tim Hortons	844
0450	utretail	Best Buy Mobile	1,313
0514A	utretail	Cinnabon	1,049
0515A	utanchor	Sport Chek	25,405
2000	utanchor	Hudson's Bay	125,307
3000	utanchor	Tesla	61,308
F101	utfood	Butter Chicken Roti	434
F102	utfood	Arby's	414
F103	utfood	Manchu Wok	445
F104	utfood	Villa Madina	346
F105	utfood	Thai Express	400
F106	utfood	KFC/Taco Bell	467
F107	utfood	Mac's Sushi	420

F109	utfood	New York Fries	300
F110	utfood	Subway	476
F111	utfood	Bourbon Street Grill	481
F112A	utfood	Jimmy the Greek	499
F112B	utfood	Burger King	422
M034	utmanoff	Primaris - Guest Services	200
M035	utmanoff	Primaris - Management Office	4,424
Z001A	utkiosk	Mobiling	150
Z002	utkiosk	Kernels	144
Z003A	utkiosk	New Steel Body Jewellery Ltd.	150
Z009	utkiosk	WOW Mobile Boutique (Telus)	150
Z010B	utkiosk	Telus / Koodo	160
Z015	utkiosk	Second Cup	248
Z102	utkiosk	WirelessWave	200
Z104	utkiosk	Batteries and Gadgets	150
Z105	utkiosk	Mr. Pretzels	204
Z174	utkiosk	Lottery Centre	72
Z201	utkiosk	Fast Time Watch	165
Z202	utkiosk	Build-a-Bear Workshop	200

**THIS IS EXHIBIT “Z” TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
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in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

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

Commissioner, etc.
Brendan Jones

Building Condition Assessment

CF Lime Ridge Mall
The Bay
Hamilton, Ontario

Project No.: 25067-9

May 2025



Prepared For:

Torys LLP
79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario M5K 1N2

Prepared By:

Whalen Building Assessment Services Inc.
16-1375 Southdown Road, Suite 205
Mississauga, Ontario L5J 2Z1



WHALENTM
BUILDING ASSESSMENT SERVICES

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	CLOSURE
	PHOTOGRAPHS



DEFINED TERMS

Recommended Work

Work that is required due to code, condition or immediate health risks to keep the facility operating over the evaluation period of this report. This work is considered to be beyond normal or routine maintenance work or for maintenance procedures that are currently not in force but are strongly recommended to maintain the system under consideration.

Optional Work

Work that is beyond what is required to keep the facility operating and is not required by code or condition. This work is recommended as a potential upgrade for energy savings, aesthetic considerations, or improved building function.

Immediate Work (90 Days)

Immediate work includes work items which are required by code, or for life safety reasons or immediate health risks. It also includes work for items which, if left unattended, will result in significant deterioration and substantially escalated repair costs or failure of the building system/component.

Short Term Work (1 to 5 years)

Short term work includes the repair or replacement of building systems/components that will be reaching the end of their expected service life within the next five years.

Long Term Work (6 to 10 years)

Long term work includes the repair or replacement of building systems/components that will be reaching the end of their expected service life within the next six to ten years.

Repair Cost Threshold Amount

For the purposes of this report, repairs/replacements with an estimated cost less than \$5,000 are expected to be completed as part of regular maintenance. As such, the costs associated with these items have not been included in the cost table(s).

Report Evaluation Period

10 years



1.0 EXECUTIVE SUMMARY

Introduction

Whalen Building Assessment Services Inc. (Whalen) was retained by Mr. Jeremy Opolsky on behalf of Torys LLP to perform a building condition assessment of the property known as CF Lime Ridge (The Bay) located at 999 Upper Wentworth St. in Hamilton, Ontario. The site observations were performed between April 15th to 30th, 2025.

The property is located on the southwest corner of Upper Wentworth St. and the Lincoln M. Alexander Pkwy. The HBC property at CF Lime Ridge consists of one building containing approximately 133,000 square feet in 2 storeys and a mechanical penthouse at the roof level. The building was constructed in 1981 as part of original construction of the mall, formerly as the Eaton's department store.

Ms. Catherine Dubois, Operations Supervisor with Cadillac Fairview, was not aware of any outstanding orders to comply issued by the local authorities. She has been at the property for approximately 5 years.

Summary of Findings

Building Structure

The foundation system consists of reinforced concrete caissons, reinforced concrete grade beams and foundation walls, and a reinforced concrete slab-on-grade. The upper floor slabs are constructed with a composite slab, supported by steel beams, steel girders, and steel columns. The roof framing is similar to the upper floor framing. The elevator and stair cores are constructed of masonry block.

Generally, the structure of the building is concealed by architectural flooring, wall and ceiling finishes. No cracking or excessive deflection, which might be indicative of structural distress, was reported or observed in these finishes.

Exposed elements of the structure could only be viewed in a few locations within service spaces. Deficiencies were not identified in the exposed elements of the structure including slabs, beams, walls and columns.

There is no Recommended Work.

Building Envelope

The exterior cladding is primarily clay brick masonry veneer. Sections of corrugated prefinished metal cladding are featured at entrances to the building, at the mechanical penthouse, surrounding the skylight and comprising sections of the loading dock enclosure. The windows consist of fixed, aluminum framed, double glazed windows. The entrances feature vestibules with two sets of single glazed storefront systems with swing doors. Soffits consist of wood slats on the main level and stucco finish on the upper level. A single rectangular steel framed sloped skylight centred over the escalators. The skylight is mounted on a roof section clad with metal panels that projects above the plane of the main roof.

Recommended Work includes:

- Brick masonry repairs.
- South wall masonry displacement investigation.
- Storefront repairs and IGU replacement.
- Soffit repairs.
- Metal siding replacement - loading dock.
- Metal siding refinishing - entrance & penthouse.

Optional Work includes:

- Upgrade building entrances with new double glazed storefront system.



Vertical Transportation

The vertical transportation equipment consists 3 devices as follows:

Escalators: 2 Otis escalators (UP to 2nd floor, Down to 1st floor. Installed 1980)

Elevators: 1 hydraulic passenger elevator (floors 1, 2, installed 1980)

Maintenance Status for devices located at The Bay:

Elevators and escalators appear to be maintained by Schindler. All units are currently shutdown so we were unsure of the contract status.

Given the age on these elevating devices, we anticipate following major upgrades will be required during the report period.

Recommended Work includes:

- Major escalator replacement (2 Otis).
- Major hydraulic elevator modernization.

Mechanical

The mechanical systems at the subject property are a mix of original infrastructure and selectively upgraded components. The store was constructed circa 1988, originally occupied by Eaton's, with Hudson's Bay taking over around 2000. Since that time, various system elements have been replaced or refurbished, particularly the heating and cooling plant.

The building is conditioned by two large custom air handling units located in the penthouse, which are original to the building but remain operational. A water-cooled chiller installed in 2014 and a cooling tower from 2021 provide chilled water. Heating is provided by a high-efficiency boiler installed in 2022, and a decommissioned boiler that remains in place. Circulating pumps for both systems are in good condition, with one out of service heating pump proposed for future replacement alongside the boiler. HVAC operations are controlled by a legacy BAS system installed in 2000, which remains functional but is considered outdated.

Overall, the mechanical systems appear to be in satisfactory and operational condition.

Recommended Work includes:

- AHU refurbishment allowance.
- Replace older heating boiler (1 of 2).
- Replace older primary heating pump (1 of 2).
- Replace secondary heating pump.
- Overhaul chiller.
- Allowance for domestic water piping repair/replacement.
- Replace older domestic hot water heater.
- Replace newer domestic hot water heater.
- Upgrade building automation system.

Electrical

Electrical power is supplied to the bay from a dedicated feed from the Utility to a main switchboard located on the main electrical room, rated at 1,600 amps and 600 volts. Power is then distributed to sub-electrical rooms throughout the store. In each room, switchboards distribute power to transformers, panels, and disconnects. Emergency lighting is powered by a diesel generator. The Bay is equipped with a fire alarm



system, and lighting throughout the store is provided primarily by recessed and track-mounted LED fixtures. A CCTV surveillance system and intrusion alarm system are also installed.

In general, the electrical distribution system appears to be in satisfactory, operational condition. No significant deficiencies were observed or reported during the site visit.

Recommended Work includes:

- Provide an allowance for electrical distribution system upgrades.
- Replace emergency diesel generator.
- Replace the automatic transfer switch (ATS).
- Replace lighting control panels.
- Replace fire alarm panel.

Roofing

Refer to the appended Roofing report prepared by Infin8.

Opinion of Probable Costs

Opinions of probable costs of the Recommended Work and Optional Work are included in the Recommended Work Cost Table and Optional Work Cost Table in Section 4.0 of the report.



2.0 GENERAL PURPOSE, SCOPE OF WORK AND RELIANCE

General Purpose

The primary purpose of the building condition assessment was to assess and document the existing condition of the property and to identify and quantify major defects in materials or systems based on our observations, which might significantly affect the value of the property or continued operation of the facility over the evaluation period of this report.

The recommendations and our opinion of costs associated with these recommendations are based on the portions of the buildings observed during our review. Costs presented in this report are intended to be for global budget purposes only, as noted in Section 4.0 Opinion of Probable Costs.

Scope of Work

The scope of our work included a review of available construction documents and reports, visual reviews by professional engineers and technicians to observe and document existing conditions and interviews with property management/operations staff. The assessment is based, in part, on information provided by others. Unless specifically noted, Whalen has assumed this information to be correct and has relied on it in developing recommendations and conclusions.

Our work did not include destructive testing, non-destructive testing or quantitative testing of the building components, testing of life safety systems, or calculations to confirm the adequacy of the original design. A functional review of the adequacy of the various building systems was not performed, nor was a code compliance review conducted.

The following building systems and components were reviewed:

- Building Structure
- Building Envelope
- Vertical Transportation
- Mechanical
- Electrical
- Roofing (by Infin8)

Excluded from Whalen's scope of work is the detection of, testing for, monitoring of, or assessment of the effects of and reporting on pollutants, contaminants or other hazardous substances or materials (collectively "Contaminants"), including but not limited to asbestos, mold, mildew or other fungus. Whalen assumes no liability whatsoever, whether in contract or in tort, for any costs, losses, expenses, claims, damages, property damages, personal injury or other liabilities whatsoever arising as a result of the presence of Contaminants at the property(ies) or any improvements situated thereon.

Reliance

The information and opinions expressed in this report are solely for the benefit of the Client named. No party shall distribute the final report or any portion or copy thereof without the expressed written permission of Whalen Building Assessment Services Inc. (Whalen), except that the Client may make copies of the report as are reasonable for their own use. It shall not be relied upon for any purpose other than intended for the Client without the expressed written consent of Whalen. No portion of this report shall be used as a single entity.

Any use which a third party makes of this report, or any reliance or decisions to be made based on it, is the responsibility of such third parties. Whalen accepts no responsibility for damages, if any, suffered by a third party as a result of decisions made or actions based on this report. We expressly waive responsibility for the effects of any action taken as a result of this service unless we are specifically advised and participate in this action, in which case our responsibility will be agreed to at that time. No other warranty, expressed or implied, is made.



3.0 AUDIT TEAM

PROJECT MANAGER

Whalen Building Assessment Services Inc.
16-1375 Southdown Road, Suite 205
Mississauga, Ontario L5J 2Z1
Tel: (416) 723-5201
Email: jim.whalen@wbas.ca
Contact: Mr. Jim Whalen, P.Eng.

BUILDING STRUCTURE & BUILDING ENVELOPE SPECIALIST

Engineering Link Incorporated
375 University Ave., Suite 901
Toronto, Ontario M5G 2J5
Tel: (416) 599-5465
Email: Vladamir.M@englink.ca
Contact: Mr. Vlad Maleev, M. Eng., P.Eng.

VERTICAL TRANSPORTATION SPECIALIST

Solucore Inc.
5160 Explorer Drive, Unit 29
Mississauga, Ontario L4W 4T7
Tel: (905) 206-0555
Email: releid@solucore.com
Contact: Mr. Ray Eleid, P.Eng.

MECHANICAL AND ELECTRICAL SPECIALIST

Niro Consulting Group Inc.
9-6975 Meadowvale Town Cir., Suite 313
Mississauga, ON L5N 2V7
Tel: (416) 454-9522
Email: rmorley@nirocg.com
Contact: Mr. Ross Morley, P.Eng.



4.0 OPINION OF PROBABLE COSTS

Based on the conditions observed, we have provided an opinion of the probable costs for the Immediate (90 Days), Short Term (1 to 5 Years), and Long Term (6 to 10 Years) Recommended Work and Optional Work anticipated during the Report Evaluation Period. Refer to Page i for definitions of these terms.

The costs provided are in **present dollars** and are preliminary estimates only and are not based on contractor bids. The costs are intended to be for global budget purposes only. Actual costs can only be determined following a more thorough site investigation to develop a detailed scope of work and confirm site restrictions, the preparation of tender documents, establishing a construction schedule and the work is competitively tendered by qualified contractors. The costs provided do not include soft costs such as professional fees, taxes, insurance, permits, etc.

Refer to the enclosed Recommended Work Cost Table and Optional Work Cost Table.



Recommended Work Cost Table

CF Lime Ridge (The Bay) 999 Upper Wentworth St. Hamilton, Ontario																
Report Section No.	Building Component/Recommendation	Unit Costs				Immediate	Short Term Repairs					Long Term Repairs				
		Quantity	Units	Cost	Total											
							Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
							2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
5.0	Building Structure Normal maintenance anticipated.															
	Total Building Structure				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.0	Building Envelope Brick masonry repairs. South wall masonry displacement investigation. Storefront repairs and IGU replacement. Soffit repairs. Metal siding replacement - loading dock. Metal siding refinishing - entrance & penthouse.	1 1 1 1 1 2	Lump sum Lump sum Lump sum Lump sum Lump sum Lump sum	\$ 250,000 \$ 15,000 \$ 40,000 \$ 100,000 \$ 10,000 \$ 50,000	\$ 250,000 \$ 15,000 \$ 40,000 \$ 100,000 \$ 10,000 \$ 100,000		\$ 15,000	\$ 250,000		\$ 10,000	\$ 40,000 \$ 100,000 \$ 50,000					\$ 50,000
	Total Building Envelope				\$ 515,000	\$ -	\$ 15,000	\$ 260,000	\$ 90,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
7.0	Vertical Transportation Major escalator replacement. Major hydraulic passenger elevator modernization. Cylinder replacement for hydraulic passenger elevator.	2 1 1	Each Each Each	\$ 350,000 \$ 150,000 \$ 80,000	\$ 700,000 \$ 150,000 \$ 80,000		\$ 700,000 \$ 150,000 \$ 80,000									
	Total Vertical Transportation				\$ 930,000	\$ -	\$ 930,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8.0	Mechanical AHU refurbishment allowance. Replace older heating boiler (1 of 2). Replace older primary heating pump (1 of 2). Replace secondary heating pump. Overhaul chiller. Allowance for domestic water piping repair/replacement. Replace older domestic hot water heater. Replace newer domestic hot water heater. Upgrade building automation system.	2 1 1 1 1 1 1 1 1 1	Each Each Each Each Each Lump Sum Each Each Lump Sum	\$ 85,000 \$ 110,000 \$ 15,000 \$ 25,000 \$ 40,000 \$ 20,000 \$ 10,000 \$ 10,000 \$ 125,000	\$ 170,000 \$ 110,000 \$ 15,000 \$ 25,000 \$ 40,000 \$ 20,000 \$ 10,000 \$ 10,000 \$ 125,000		\$ 110,000 \$ 15,000 \$ 25,000			\$ 170,000		\$ 40,000		\$ 20,000	\$ 10,000	
	Total Mechanical				\$ 525,000	\$ -	\$ 160,000	\$ -	\$ -	\$ 125,000	\$ 170,000	\$ 40,000	\$ -	\$ 20,000	\$ 10,000	\$ -
9.0	Electrical Allowance for electrical distribution system upgrades. Replace emergency diesel generator. Replace the automatic transfer switch (ATS). Replace lighting control panels. Replace fire alarm panel.	2 1 1 1 1	Lump Sum Lump Sum Lump sum Lump Sum Lump Sum	\$ 50,000 \$ 225,000 \$ 15,000 \$ 60,000 \$ 75,000	\$ 100,000 \$ 225,000 \$ 15,000 \$ 60,000 \$ 75,000		\$ 225,000 \$ 15,000				\$ 50,000			\$ 60,000		\$ 75,000
	Total Electrical				\$ 475,000	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 60,000	\$ -	\$ 125,000



Building Condition Assessment

Project No. 25067- 9

May 2025

Recommended Work Cost Table

CF Lime Ridge (The Bay) 999 Upper Wentworth St. Hamilton, Ontario																
Report Section No.	Building Component/Recommendation	Unit Costs				Immediate	Short Term Repairs					Long Term Repairs				
		Quantity	Units	Cost	Total											
							Year 1 2026	Year 2 2027	Year 3 2028	Year 4 2029	Year 5 2030	Year 6 2031	Year 7 2032	Year 8 2033	Year 9 2034	Year 10 2035
10.0	Roofing (by Infin8) Roof replacement program.	1	Lump Sum	\$1,880,000	\$ 1,880,000											\$ 1,880,000
	Total Roofing				\$ 1,880,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,880,000
Total					\$ 4,325,000	\$ -	\$ 1,345,000	\$ 260,000	\$ 90,000	\$ 225,000	\$ 220,000	\$ 40,000	\$ -	\$ 80,000	\$ 10,000	\$ 2,055,000

The costs provided are in present dollars and are preliminary estimates intended for budget purposes. Refer to Section 4.0 Opinion of Probable Costs in the report for more information.

Optional Work Cost Table

CF Lime Ridge (The Bay) 999 Upper Wentworth St. Hamilton, Ontario																
Report Section No.	Building Component/Recommendation	Unit Costs				Immediate	Short Term Repairs					Long Term Repairs				
		Quantity	Units	Cost	Total											
							Year 1 2026	Year 2 2027	Year 3 2028	Year 4 2029	Year 5 2030	Year 6 2031	Year 7 2032	Year 8 2033	Year 9 2034	Year 10 2035
5.0	Building Structure None noted.															
	Total Building Structure				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6.0	Building Envelope New double-glazed storefront systems at entrances.	3	Lump sum	\$ 80,000	\$ 240,000				\$ 240,000							
	Total Building Envelope				\$ 240,000	\$ -	\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7.0	Vertical Transportation None noted.															
	Total Vertical Transportation				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8.0	Mechanical None noted.															
	Total Mechanical				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9.0	Electrical None noted.															
	Total Electrical				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10.0	Roofing (by Infin8) None noted.															
	Total Roofing				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total					\$ 240,000	\$ -	\$ -	\$ -	\$ 240,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The costs provided are in present dollars and are preliminary estimates intended for budget purposes. Refer to Section 4.0 Opinion of Probable Costs in the report for more information.

5.0 BUILDING STRUCTURE

5.1 Evaluation Criteria

To assess the physical condition of the building structure, available structural drawings were briefly reviewed, property operations personnel were interviewed, and a visual site review was conducted. No dismantling of any architectural finishes was completed to reveal the underlying structure. No destructive or non-destructive testing was conducted. No calculations were performed to confirm the structural adequacy of the original design.

5.2 Observations and Comments

5.2.1 Interviews

Ms. Catherine Dubois, Operations Supervisor with Cadillac Fairview was questioned about any concerns they have with respect to the structure. Ms. Dubois was not aware of any past or present problems with the building structure.

The following information was obtained from the interview:

- Ms. Catherine Dubois has been involved with the property for approximately 5 years total, between 2019-2022, and 2024-current.
- Lime Ridge mall, including the current Hudson's Bay Company (HBC) portion of the building was originally constructed in 1981. The previous tenant before HBC was an Eaton's department store.
- Floor areas of HBC as shown on the leasing plan are as follows: Level 1: 66,528 square feet, Level 2: 66,529 square feet.
- There are no basement areas in the building.
- The building steps up one floor in grade from west to east.
- There are no roof anchors on the building.
- Ms. Dubois was not aware of any modifications to the original building structures since it was constructed, or of any maintenance/repair work to the building structure.
- There have been no reports of any performance problems or concerns such as cracking, heaving, or settlement.

5.2.2 Document Review

The following drawings were reviewed:

- Drawing Nos. S1 to S6, titled Eaton's Store Lime Ridge Mall, Hamilton Ontario prepared by E.L. Hankinson, stamped by W. E. Large Engineer, P.Eng., and dated April 1, 1980.

The following information was obtained from these drawings:

- The foundation system consists of reinforced concrete caissons, reinforced concrete grade beams and foundation walls, and a concrete slab-on-grade.
- The Ground Floor slab is constructed of reinforced concrete slab-on-grade. The upper floor slabs are constructed of a composite slab with steel deck, supported by steel beams, steel girders, and steel columns. The roof framing is similar to the upper floor framing.
- The elevator and stair cores are constructed of masonry block.
- Framing of the Mechanical Penthouse framing was not included in the drawings reviewed.



5.2.3 Field Observations

Generally, the structure of the building is concealed by architectural flooring, wall and ceiling finishes. No cracking or excessive deflection, which might be indicative of structural distress, was observed in these finishes. Exposed elements of the structure appeared to conform to the design documents reviewed in Section 5.2.2, and could only be viewed in the following back of house locations:

- Shipping and receiving, level 2 (Refer to Photographs No. 5.1)
- Stairwells (Refer to Photographs No. 5.2)
- Mechanical penthouse on Level 3 (Refer to Photographs Nos. 5.3 and 5.4)

Prolonged weathering, freeze-thaw deterioration and exposure to de-icing salts has resulted minor cracking and deterioration of the exposed foundation wall was observed from the exterior, specifically at grade where it is interfacing with concrete sidewalks, directly below where brick masonry bears on the foundation wall (Refer to Photographs Nos. 5.5 and 5.6). This deterioration does not appear critical to the immediate structural integrity of the foundation at this time. We recommend the exterior surfaces be repaired to mitigate the higher costs associated with carrying out more costly repairs in the future. Recommended repair work can be completed at the same time brick restoration is completed, and is associated costs are not carried separately in this Section. This is discussed in more detail in Section 7.

Items for which remedial work is recommended are noted below:

- Corrosion of brick ties securing the masonry veneer was observed at the east elevation where damage to the brick masonry exposed the wall cavity (Refer to Photograph No. 5.7). Recommended repair work can be completed at the same time brick restoration is completed, and associated costs are not carried separately in this section. This is discussed in more detail in Section 7.
- We also noted localized areas of corrosion of the exposed structural steel in the loading dock soffit (Refer to Photograph No. 5.8). Repair work can be completed as part of the brick masonry repairs.



6.0 BUILDING ENVELOPE

6.1 Evaluation Criteria

For the purposes of this report, the building envelope consists of the above grade exterior walls and skylights. To facilitate the assessment of the building envelope, the exterior walls were visually reviewed from grade level and from the interior of various spaces chosen on a random basis. The skylights were reviewed from the roof level and from the interior. No physical tests or swingstage inspections were performed. No destructive or non-destructive testing was conducted. No architectural finishes were dismantled. Interviews with property management and a review of a previous condition assessment report were conducted. No calculations were performed to confirm the adequacy of the original design.

6.2 Observations and Comments

6.2.1 Interviews

Ms. Catherine Dubois, Operations Supervisor with Cadillac Fairview was questioned about any concerns they have with respect to the building envelope. Ms. Dubois was not aware of any past or present problems with the building envelope.

The following information was obtained from the interview:

- Repairs to the entrance doors on the West elevation were completed in February 2022 following impact damage of snow plowing equipment. Abtek doors completed the repairs at a cost of approximately \$10,000.
- In 2023, the east entrance doors were also damaged by snow plowing equipment. Costs for repairs to the doors were not available.
- Cadillac Fairview are not aware of Hudson's Bay Company (HBC) annual maintenance costs/budget or planning for sealing exterior control joints, brick masonry repairs and repointing, or glazing replacement.
- In 2022, water leaks were occurring at the expansion joint between HBC space and adjacent Mall service space. We understand roof repairs was completed at the time in response to the leaks by Nortex roofing Ltd.
- Mr. Dubois and HBC's store manager were not aware of any active leaks in the building.

6.2.2 Document Review

The following document was reviewed:

- Building Envelope Condition Assessment, Lime Ridge Shopping Centre, Hamilton, ON, prepared by Zec Consulting Inc., dated August 15, 2011.

The following information was obtained from this document:

- The document consists of an envelope condition assessment for the entire Lime Ridge mall, and is not specifically focused on the Hudson's Bay portion of the building.
- The building envelope of much of Lime Ridge Shopping Centre consists of brick veneer and Exterior Insulating and Finishing System (EIFS).
- Vertical glazing consists of aluminum thermally broken frames with double glazed insulating glazed units (IGUs).
- Entrances contain vestibules with anodized aluminum doors and storefront system.
- The exterior walls are constructed of the following composition: brick masonry veneer, air space, insulation, block back-up wall plaster and paint (insulation was noted, though on the interior of the block



wall). The brick cladding is a rain screen system with an air space between the cladding and back-up wall. Water entering the air space is discharged at the base of the wall by means of 'through-wall' flashing and weep holes. The brick veneer features control joints.

6.2.3 Field Observations

The exterior walls largely consist of clay brick masonry. Sections of corrugated prefinished metal cladding are featured at entrances to the building, at the mechanical penthouse, surrounding the skylight and at the loading dock. The windows are original to the building and consist of fixed, aluminum framed, double glazed ribbon window system. The entrances feature vestibules with two sets of single glazed storefront systems with swing doors. Soffits consist of wood slats on the main level and stucco finish on the upper level. A single rectangular steel framed skylight centred over the escalators. The skylight is mounted on a roof section clad with metal panels that projects above the plane of the main roof.

Brick Masonry

Interior Review

A visual review of the building's masonry wall was performed from the interior at the following locations: loading bay dock and from within the north-west electrical room. The interior back up wall assembly is concrete block. A vapour retarder is not present where reviewed. Evidence of air leakage or water penetration was not identified in the tenant spaces during our review.

Exterior Review

The building façade primary consists of brick masonry construction (Refer to Photograph No. 6.1). Generally, the brick masonry observed from grade appears to be in reasonable condition given its age with the following localized deterioration;

- Masonry at base of the wall for the full perimeter of the building was observed to be generally deteriorated, with recessed or missing mortar joints, spalling and cracked brick masonry (Refer to Photograph Nos. 6.2 and, 6.3). It is recommended that the mortar joints are re-pointed and any cracked or deteriorated brick units are replaced as part of a façade renewal project. The estimated cost of this work is included in the Recommended Work Cost Table and also includes the foundation and brick masonry tie repairs noted in Section 6.
- Step cracking was observed at service doors on the south elevation (Refer to Photograph No. 6.4).
- Minor cracking in the brick masonry was observed at exterior corners, specifically where control joints are not provided. (Refer to Photograph No. 6.5).
- Areas of previous replacement of the soldier course at the base of the wall are evident on a portion of the east wall of the second floor (Refer to Photograph No. 6.6). It appeared that a through wall bituminous membrane and metal flashing was installed to as part of the repair. Metal flashing at the base of the wall was observed to be damaged (Refer to Photograph No. 6.7).
- A section of the brick masonry on the south wall appears to be showing signs of differential movement (Refer to Photograph No. 6.8). It is recommended that further investigation regarding this issue is pursued in order to determine if removal and replacement is necessary. Estimated costs for the investigation have been included in the Recommended Work Cost Table.
- At one location, the gas line penetration through the exterior wall is not sealed (Refer to Photograph No. 6.9). It is our recommendation this penetration be sealed with a fire rated product. Given the limited extent of the work, these repairs can be performed as a part of the brick masonry repairs.
- The sealant at masonry control joints, which occur approximately every 20 feet, and periodically at service door openings and some exterior corners, is crazed and adhesively failing (Refer to Photograph No.



6.10). It is recommended that the existing sealant be completely removed and that new bond breaker rod and sealant be installed. In several other areas where through-wall pipe was installed, and abandoned signage removed, the exposed holes should be sealed at the same time as the movement joints are repaired. This work has been included as part of the brick masonry repairs. To mitigate future issues with cracking at exterior corners, we also recommend introducing control joints to allow for movement of the masonry panels.

Windows and Storefront Entrances

The window units on the second level west and south elevation are sealed double-glazed insulating units in aluminium framing. The window units in the HBC lunch room and office area feature sealed double glazed insulating units (Refer to Photograph No. 6.11). The manufacturer date stamps (1980) on the units match the original construction of the building. Glazing gaskets were contracted at the corners, with signs of moisture related staining, from condensation or previous water infiltration (Refer to Photograph No. 6.12). Broken, deteriorated or damaged glazing units were not observed during our review of the interior. In the second floor storage space, an opacifying film is applied to the interior surface on the glazing on the west elevation. We understand the purpose of the film is to conceal the storage racks and provide protection to products from ultraviolet light.

- The ground floor on the west and south elevation and second level of the east elevation feature storefront window and door systems, single glazed in aluminium framing. The following deficiencies were observed in the metal panel and framing.
 - Damage to interior floor finishes were noted at vertical mullion anchors to the floor slab (Refer to Photograph No. 6.13).
 - Heavy deterioration and corrosion at the metal panels and mullions at the base of the storefront system due to de-icing salts (Refer to Photograph Nos. 6.14 and 6.15).
- We recommend replacing the metal panels of the storefront system, and repairing the interior floor finishes adjacent to the storefront. Estimated costs for is included in the Recommended Work Cost Table. Alternatively, we recommend consideration for full replacement of all storefront entrances to higher performance, double glazed storefront system with automatic sliding glass doors, consistent with modern retail entrances. We recommend fixed glazing adjacent to operable doors be built on treated concrete or stone clad curbs, to increase the durability against de-icing salts. The estimated cost for this work has been included in the Optional Work Cost Table.
- In general, the windows appear to be in serviceable condition, however, the IGUs have long exceeded their useful service life and are recommended for replacement. The estimated cost for this work is included with the storefront repairs.
- The sealant between the glazing and the aluminium framing at all windows and storefront assemblies will likely require replacement. The cost for this work is included in the Recommended Work Cost Table.

Soffits

Typically, the underside of the soffit appears to have surface cracking and has been subjected to long-term exposure of localized moisture damage. Staining, widespread efflorescence within the finish, and localized peeling was observed at building entrances and the loading dock area (Refer to photograph Nos. 6.16 and 6.17). Replacement of the soffit is expected within the report evaluation period. The estimated cost of this work is included in the Recommended Work Cost Table. The project should also be used to address unintended air leakage at the soffit, which could be a large source of heat/energy loss and moisture migration and was not likely a strong consideration at the time of original construction.

- The wood soffits on the lower level are generally in sound condition, with some localized fading on the exterior portions of the soffit. We recommend sanding and reconditioning the wood with a stain/sealer to prolong its service life. The estimated cost for this work is included in the soffit repair project.



Metal Siding

The metal siding was reviewed from grade and from the main roof. The metal siding consists of corrugated prefinished metal and was generally found to be in fair to poor condition.

- Metal siding along the loading dock has considerable impact damage and corrosion, particularly at the base of the wall abutting the sidewalk (Refer to Photograph No. 6.18). At a minimum, we recommend replacing the damaged siding on the lower portion of the wall with a matching profile. The estimated cost for this work is included in the Recommended Work Cost Table.
- Metal siding at the building entrances, the mechanical penthouse and the knee walls of the skylight projection is in reasonable condition, though the paint finish is failing and numerous metal patches cover what appear to be abandoned signage penetrations (Refer to Photograph Nos. 6.19 and 6.20). To extend the service life of the metal siding, we recommend preparing the surface, priming and repainting the metal cladding. Allowance for refinishing the metal panel finish over the report period is included in the Recommended Work Cost Table.

Skylights

Skylights, located on the main roof appear to be and are reported to be in watertight condition (Refer to Photograph Nos. 6.21 and 6.22). Due to access limitations, the skylight glazing was not reviewed in detail. One glass unit appeared to be cracked, and should be replaced. Estimated cost for this work is anticipated to be below the threshold for the report, and is considered a maintenance item. There is evidence of sealant replacement at metal joints and joints between the glass units and pressure plates. With regular maintenance, it is expected that the skylights should continue to perform well throughout the evaluation period.

Loading Docks

All sectional doors, dock levellers and dock seals were noted to have wear consistent with the normal use in a building of this type, age and occupancy.

- No significant damage, defects or deterioration of the sectional doors or the door seals at the loading docks was noted.



7.0 VERTICAL TRANSPORTATION

7.1 Evaluation Criteria

To assess the physical condition of the vertical transportation, a visual site review was conducted. No destructive or non-destructive testing was conducted.

A visual review of the equipment was performed and the available documentation was reviewed. This inspection did not include a review of the safety aspects of the installation as these falls under the jurisdiction of the governing authorities. A detailed maintenance audit was not performed.

With respect to the escalators, floor plates were not removed and wellway equipment was not reviewed.

The elevator was shut down so accessing the car top was not possible. The pit however was accessible and we were able to inspect that area.

7.2 Observations and Comments

7.2.1 Interviews

An interview was not available at the time due to employees being busy and not really wanting to engage in talking about the elevator or escalators. An employee gave me a door code which allowed me entry to the machine room. Called the contact number provided and got no response.

7.2.2 Document Review

The following documents were reviewed on site:

- Schindler elevator and escalator maintenance logbooks
- Electrical Schematics for the elevators

The following information was obtained from these documents:

- Schindler Elevator performed the annual Category 1 testing for the 2 Otis escalators and passenger elevator in February of 2025.
- There are no compliance issues found at this time.

7.2.3 Field Observations

The Bay

Escalators (Total: 2):

The facility features 2 OTIS escalators (installed in 1980) connecting the 1st and 2nd floors (refer to Photograph No. 7.1). Both escalators were off at the time of inspection and were being used as stairs.

Elevators (Total: 1):

The facility includes 1 OTIS elevator (installed in 1980), which serves floors 1 and 2. The elevator is a hydraulic type. The elevator has cathodic protection for the cylinder, but as indicated in the controller (Photograph No. 7.2) the wiring has corroded and the cathodic protection is not working (Photograph No. 7.3). The elevator pit has extensive damage to it as well (Photograph No. 7.4). This will need to be addressed expeditiously in order to prevent further corrosion to the pit equipment.



General Condition

The elevators and escalators at Hudson's Bay Lime Ridge have reached their expected life. Due to this, all costs are outlined in the recommended Work Cost Table as the Optional Work Cost Table is not applicable. This deterioration of the equipment will only increase the longer the units remain off.

Additionally, with respect to the escalators, floor plates were not removed, and wellway equipment was not reviewed. Over time, the obsolescence of escalator components will render certain parts unavailable, and as newer equipment designs become standard, finding qualified service personnel to perform necessary adjustments will become increasingly challenging. The cumulative wear and tear on these systems necessitates either a major overhaul or complete replacement. To ensure long-term reliability and safety, replacement of the escalators is strongly recommended, as outlined in the Recommended Work Cost Table.

Similarly, the elevators at The Hudson's Bay Lime Ridge require modernization to address aging infrastructure and ensure sustained reliability and safety, as detailed in the Recommended Work Cost Table. The critical condition of these elevators, coupled with the outdated components, underscores the need for immediate action to bring these systems up to modern standards and restore full functionality across the facilities.

Major Escalator Replacement (2 Otis escalators)

Over time, escalators will require refurbishment or replacement as certain components become unavailable due to obsolescence. As newer equipment designs become more predominant, the parts and service personnel capable of performing necessary adjustments to keep the equipment operating properly will become increasingly difficult to find. Also, the wear and tear on escalator components over time will necessitate an upgrade or major overhaul. Thus, in order to ensure reliable escalator service over the long term, refurbishment of the escalators will likely be required in the next few years, depending on the reliability of the escalators and their usage level. The scope of work would include replacing items such as the steps, deck, skirt, combplates and handrails. Skirt brushes and new safety devices where possible would also be installed at this time. Refurbishing the escalators would extend the life of the equipment an additional 10-15 years. Alternatively, the escalator could be replaced or modernized at significantly higher cost since there would be a cost to remove the existing escalator as well as installation of the new unit or components. We recommend refurbishing the escalator at this time and budgeting a contingency of 20% to cover additional costs such as taxes, electrical work, and patching. The estimated cost of this work is included in the Recommended Work Cost Table.

Major Hydraulic Elevator Modernization

Over time elevators will require modernization as certain elevator components may be unavailable due to obsolescence. Additionally, as newer equipment designs become more predominant, the parts and service personnel capable of performing necessary adjustments will become increasingly difficult to find. Thus, in order to ensure reliable elevator service over the long term, modernization of the elevator will be required. The hydraulic elevator(s) in this building has a motor and pump system with logic that controls the valve. Parts for the pump and motor are still available from the manufacturer or after-market while some parts for the valves and controls are obsolete. Some components are easy to replace or troubleshoot expertise may become difficult to obtain or find. Therefore, a major modernization is anticipated in the next few years depending on how well this equipment functions. The scope of work would include replacing existing controls with newer microprocessor-based controls, new valve if not already replaced and updating cabs or fixtures and new door operator as required. Barrier free requirements should also be addressed during this time. Other costs for items like air-handling systems, electrical work, and



patching should be added to the overall cost. We recommend budgeting a contingency of 20% to cover these additional costs. The estimated cost of this work is included in the Recommended Work Cost Table.

Equipment Description

Otis escalators:	2
TSSA Number:	33258, 33259
OEM Manufacturer:	Otis
OEM Installer:	Otis
Current Contractor:	Schindler
Year Installed:	Circa 1980
Capacity (pph):	6750
Floors Served:	1-2
Balustrade Type:	Laminate
Handrail Colour:	Black
Decking Finishes:	Steel
Anti-friction Coat:	Provided
Step/Skirt Protection:	Brushes

Number of passenger elevators:	1
Designation:	1
Installation Number:	33284
OEM Manufacturer:	OTIS
Current Contractor:	Schindler
Year Installed:	Circa 1980
Elevator Classification:	Passenger
Capacity:	5000 Lbs
Drive Type:	Hydraulic
Entrance Protection:	Infrared
Floors Served Front:	1, 2
Floors Served Rear:	1R, 2R
Communication:	Hands-free



8.0 MECHANICAL

8.1 Evaluation Criteria

A building condition assessment was carried out on the following base building mechanical systems:

- Heating Systems
- Cooling Systems
- Heating, Ventilation and Air Conditioning (HVAC) Systems
- Fire Protection Systems
- Plumbing and Drainage
- Building Automation
- Control Systems

The scope of this report was limited to a visual review of the base building mechanical systems and interviews with property management personnel. No testing was performed. No attempt has been made to investigate the capability of the systems to handle the heating and cooling loads. No quantitative measurements were taken of temperature, humidity, noise levels, and air pollutants.

8.2 Observations and Recommendations

8.2.1 Interviews

Mr. David McCausland from the security team at The Bay was questioned about any concerns with respect to the mechanical systems. He was not aware of any present major problems. Mr. DJ Estey, Operations with Cadillac Fairview, attended our site review.

The following information was obtained from the interview:

- The mechanical distribution systems are largely original to the store, which was constructed around 1988 as an Eaton's. The Bay took over the space circa 2000, at which point some equipment was upgraded.
- The temperature control within the store is generally satisfactory and no notable leaks have occurred from the piping systems.

8.2.2 Documents Review

The following documents were reviewed:

- Annual sprinkler system testing certificate, prepared by All Star Fire Protection Services Inc. and dated January 2025.

8.2.3 Field Observations

Specific building areas visited during the site tour included:

- Roof
- Mechanical & electrical rooms
- Interior and common areas
- Exterior

Heating Ventilation, and Air Conditioning (HVAC) Systems

Heating, ventilation, and air conditioning (HVAC) for the two-storey space is provided by two custom-built air handling units (AHUs) located in the penthouse mechanical room. These units were originally installed



in 1981 and are configured with chilled water and hot water coils, constant-speed belt-driven fans, and pneumatic control systems. Each unit is built with galvanized steel housings and internally lined access sections. While there is evidence that some coil work may have been performed in the past, the units appear largely original and representative of their installation vintage. (Refer to Photographs 8.1 and 8.2)

The Bay has a gas-fired boiler plant in the penthouse mechanical room dedicated to generating hot water for the AHU hot water coils and heaters throughout the store. The heating system is served by a gas-fired Camus DynaFlame condensing boiler (2,500 MBH input), located in the penthouse mechanical room. The unit was manufactured in 2022 and appears to be in good condition. It serves as the sole active heating source for the building. An older Raytherm atmospheric boiler (2,500 MBH) remains in place but has been decommissioned and shows signs of significant deterioration. (Refer to Photograph 8.3)

The heating system includes two vertical in-line centrifugal primary pumps located in the penthouse mechanical room. One primary pump was replaced in 2022 and serves the active condensing boiler. The second primary pump is original to the building (circa 1981) and is currently offline, having been dedicated to the now-decommissioned atmospheric boiler. (Refer to Photograph No. 8.4) There is a secondary pump responsible for circulating hot water through the AHU coils and hot water heaters throughout the building, which is original to the building. (Refer to Photograph No. 8.5)

The building is served by a Trane Series R RLC-SVX packaged water-cooled chiller rated at 220 tons, located in the penthouse mechanical room. The unit was manufactured in 2014 and utilizes R-134a refrigerant. The chiller appears to be in good operating condition with no visible signs of corrosion or significant wear. (Refer to Photograph No. 8.6)

The mechanical room contains three vertical in-line Bell & Gossett centrifugal pumps, installed circa 2019. Two pumps serve the chilled water system, and one pump serves the condenser water circuit. All pumps are 20 HP, high-efficiency models with flow capacities in the range of 720–900 GPM at 60–65 feet of head. The pumps appear to be in good condition and are operating as intended. (Refer to Photograph No. 8.7)

The building is equipped with a Marley cooling tower manufactured by SPX Cooling Technologies, model NC8402PAN1GF, installed in 2021. The unit is mounted on structural steel supports with spring isolators, and serves the water-cooled chiller system. (Refer to Photograph No. 8.8)

All the supply and return air is ducted into each zone below. Ductwork is connected to ceiling diffusers or grilles as required. Each zone is controlled by wall mounted thermostat located in the zone. The ceiling space, where applicable, is used as a return air plenum.

Exhaust fans are located throughout the Bay as mushroom style or cabinet style, mostly serving the washrooms and back-of-house spaces. A utility style fan serves what we believe is a former salon space which appears to be no longer be in use. The fans vary in condition and vintage. (Refer to Photograph No. 8.9)

The vestibules are heated with hot water force flow heaters concealed within the ceiling space. These heaters were not observed during the site inspection, however not problems were reported.

Back-of-house spaces are heated by either gas-fired or hot water force-flow heaters, baseboards, and unit heaters. (Refer to Photograph No. 8.10)

- At over 38 years in service, the AHUs have exceeded their typical useful life of 25–30 years. Although still operational, observed concerns include corrosion on the housings, degraded insulation, and aged mechanical components. Given the complexity and structural integration of these units, full replacement is generally not practical. Instead, continued in-place refurbishment is recommended to maintain reliability. Future work should include replacement of coils (as needed), belt-driven fan upgrades, casing repairs, and transition from pneumatic to modern DDC controls to improve energy



performance and maintainability. Based on age, we recommend budgeting for an allowance for AHU refurbishment as indicated in the Recommended Work Cost Table.

- The Camus boiler has an expected service life of 20–25 years and is not anticipated to require capital replacement within the 10-year term of this report. The boiler plant currently relies on a single active Camus DynaFlame condensing boiler (installed 2022), with the original Raytherm atmospheric boiler decommissioned. To restore redundancy, it is recommended that the Raytherm unit be removed and replaced with a new high-efficiency condensing boiler of similar capacity, as indicated in the Recommended Work Cost Table.
- The one operational heating primary circulating pump is generally in good condition and was replaced in 2022. The second primary pump is original to the building and now offline, was dedicated to the decommissioned boiler. The secondary heating pump is also original to the building. These pumps typically have a useful life of 25 to 30 years. Replacement of the two original pumps should be carried out in conjunction with the recommended boiler replacement to restore system redundancy as indicated in the Recommended Work Cost Table.
- The chiller was installed circa 2014 and appears to be in good operating condition with no visible signs of distress. These units typically have a service life of 20 to 25 years. Although full replacement is not anticipated within the evaluation period, a mid-life overhaul should be budgeted within the next 5 years to maintain performance and reliability. This may include compressor service, oil and refrigerant testing, and heat exchanger cleaning. The estimated cost of this work is included in the Recommended Work Cost Table.
- The chilled and condenser water circulating pumps appear to be in satisfactory condition. These types of pumps have a useful life expectancy of 25 to 30 years. With proper maintenance, we do not expect any major expenditure during the evaluation period. Individual parts replacement can be managed as part of operating budget.
- The cooling tower appears to be in good condition, with no major corrosion or structural deterioration observed on the casing or coil surfaces. The support steel and vibration isolators show light surface rust, which is typical for exterior equipment and does not currently require remediation. We do not expect any major replacement during the report period.
- Auxiliary heating equipment appears serviceable. Replacements can be managed under routine maintenance budgets.
- Exhaust fans varied in age and condition and have a typical life expectancy of 25–35 years. Replacements can be managed under routine maintenance budgets as-needed.

Fire Protection Systems

The Bay is fully protected by a sprinkler system where noted. There are two incoming main 8" fire lines that enter into the two sprinkler rooms from the floor and reduce to a 4" pipe as it enters each room. The assemblies consists of a pressure gauges, OS&Y control valves, flow switch, and alarm check valve. The configuration appears consistent with a wet-pipe fire suppression system serving multiple zones. (Refer to Photograph No. 8.11 and 8.12) A Siamese connection is located on the exterior wall of each sprinkler room.

Portable ABC dry type fire extinguishers are located throughout the stores and back of house areas. (Refer to Photograph No. 8.13) According to the tags attached, the fire suppression system was last inspected by All Star Fire Protection in November 2025.

- The building management must ensure that all testing and inspections of the sprinkler system is in accordance with the latest edition of the Building Code and any deficiencies identified as part of the report are rectified.



- The fire suppression equipment and their ancillary devices appear to be in satisfactory operating condition. Partial replacement or repairs of the fire suppression system, if required, can be completed as part of the operating budget.

Plumbing and Drainage Systems

The Bay has a dedicated domestic water line entering through the main sprinkler room floor. The pipe is insulated, the incoming service size is estimated to be 3". The service feeds a 2" water meter with a locked bypass. (Refer to Photograph No. 8.14) We were advised the mall has backflow prevention for the main mall water loop service, and standalone backflow prevention for The Bay mechanical room is not required.

Domestic hot water is provided by two gas-fired tank-type heaters. One of the two tanks was installed circa 1992 and was noted to no longer be connected to piping and not in-service. The other tank was installed circa 2020 and appeared to be in operating condition. (Refer to Photograph No. 8.15)

Domestic water piping is predominantly type L copper where observed. Insulation appears to be in good condition overall, with some minor sections of repaired piping noted to be uninsulated. (Refer to Photograph No. 8.16)

Sanitary discharge is conveyed via copper and cast iron underground lines to the municipal sewer.

Roof drainage is managed via dome-type strainers and cast iron piping. Organic buildup was observed at some of the roof drains, which may impact flow. (Refer to Photograph No. 8.17)

- The domestic cold and hot water piping distribution system was reported to be in satisfactory condition; however, some repaired sections were observed. We recommend budgeting for a partial repair allowance to replace sections of the domestic water piping and/or valves which are showing signs of wear or minor leaks within the term of this report as indicated in the Recommended Work Cost Table.
- Local repairs to interior sanitary and storm drain piping, when required should be managed as part of the operating budget, as they fail or repair of minor leaks.
- One of the two gas-fired tank type domestic hot water heaters was installed in 1992 and no longer in operation, while the other was installed in 2020. In general, this type of equipment has a median service life of 15 years. We recommend budgeting for replacement both tanks within the term of this report as indicated in the Recommended Work Cost Table.
- We recommend flushing the sanitary sewer lines and the storm drainage lines every year, as part of regular maintenance. After every third flush, we recommend scoping the lines to view the internal condition of the system. The estimated cost of annual sanitary flushing is covered by routine maintenance.

Gas Systems

The Bay has a dedicated natural gas service metered by the utility on the southeast corner of the building. (Refer to Photograph No. 8.18)

Building Control and Automation Systems

The building is equipped with a legacy building automation system manufactured by Automation Engineering Associates Ltd. (AEA), which is believed to have been installed circa 2000. The system uses AEA DSC modular controllers to manage HVAC equipment including air handling units, pumps, and temperature reset functions. System readings are displayed locally through analog temperature and pressure gauges. (Refer to Photograph No. 8.19)



The BAS includes both digital and pneumatic components. Pneumatic control air is provided by a Devair Model 8010 duplex compressor and refrigerated air dryer. A separate CondairTech panel is used for humidity control.

- Although the system remains operational, it is functionally outdated. It lacks modern features such as remote access, trend logging, and BACnet or Modbus integration. This type of systems has an expected useful service life of 15 years. A future BAS upgrade should be considered to improve system visibility, energy performance, and compatibility with contemporary DDC platforms. Based on age and technology, we recommend budgeting for the upgrade of the BAS. The estimated cost for this work is included in the Recommended Work Cost Table.



9.0 ELECTRICAL

9.1 Evaluation Criteria

A building condition assessment was carried out on the following building electrical systems:

- Main Electrical Service Equipment
- Electrical Distribution Systems
- Lighting Fixtures
- Emergency Lighting and Exit Lighting
- Emergency Power Systems
- Fire Alarm Systems
- Security System

The scope of this report was limited to a visual review of the base building electrical systems and interviews with property management personnel. No testing was performed. No attempt has been made to investigate the capability of the systems to handle the electrical loads. No quantitative measurements were taken of voltage or amperages.

9.2 Observations and Recommendations

9.2.1 Interviews

Mr. David McCausland from the security team at The Bay was questioned about any concerns with respect to the electrical systems. He was not aware of any present major problems. Mr. DJ Estey, Operations with Cadillac Fairview, attended our site review.

The following information was obtained from the interview:

- The electrical distribution systems are largely original to the store, which was constructed around 1988 as an Eaton's. The Bay took over the space circa 2000, at which point some equipment was upgraded.

9.2.2 Documents Review

The following documents were reviewed:

- Annual fire alarm system testing certificate, prepared by All Star Fire Protection Services Inc. and dated January 2025.

9.2.3 Field Observations

Electrical Service and Distribution Equipment

There is a dedicated incoming power feed from the utility provider directly fed to The Bay's main electrical room. The main switchboard was replaced around 2000 and is manufactured by Federal Pioneer. It is rated at 600 V, 1,600 Amps, and consists of three cells. (Refer to Photograph No. 9.1)

The main switchboard feeds three low-voltage switchboards located in sub-electrical rooms throughout the store. These switchboards and their associated disconnects are rated at 400 amps and original to the building. Each sub-room typically houses a local switchboard, a 112.5 kVA transformer, and multiple circuit breaker panels the majority of which appear original or part of the 2000's renovation. (Refer to Photograph No. 9.2)



- The main switchboard was replaced circa 2000. This type of equipment, in general, has an expected life cycle between 40 to 50 years. Replacement of this panel is not anticipated within the term of this report.
- The switchboards in the sub-electrical rooms as well as the electrical distribution system appears to be a mixture of original and 2000's and in satisfactory condition. This type of equipment has a life expectancy that varies from 30 to 50 years given that they are maintained on a regular basis and parts are available. Based on age, we recommend budgeting for an allowance for partial replacement of the electrical distribution systems as indicated in the Recommended Work Cost Table.
- We recommend performing thermographic scans every two years to detect overheating or loose connections. This can be included in routine maintenance.

Emergency Power Systems

Emergency power is provided by a diesel generator rated at 100 kW, manufactured by Kohler and was replaced in 2024. We were advised that although it was replaced last year, it was replaced with an older used generator that was lightly used and believe to have been manufactured in 1991. The generator has logged 402 hours and serves life safety systems and emergency lighting. (Refer to Photograph No. 9.3)

A double-wall diesel storage tank and related fuel supply system to the generator were installed circa 2014. (Refer to Photograph No. 9.4)

Power is transferred via an automatic transfer switch (ATS) located in the generator room. The ATS is a Westinghouse unit believed to be original to the building. (Refer to Photograph No. 9.5)

- The generator was just replaced last year with a used generator that was lightly used; however it was believed to have been originally installed in 1991 and has exceeded its median use life of 30–35 years. We recommend budgeting for replacement of the generator within the term of this report as indicated in the Recommended Work Cost Table.
- The automatic transfer switch (ATS) is an original building component. This type of equipment, in general, has an expected life cycle between 30 to 35 years. We recommend budgeting for replacement of the switch within the term of this report as indicated in the Recommended Work Cost Table.

Building Lighting Systems

The interior lighting of the retail space is by recessed fixtures with 4 lamp, 4ft T8 LED tube lights and LED display lighting on tracks. (Refer to Photograph 9.6). The back of house areas was also noted to be largely converted to LED fixtures throughout, with several fixtures noted to have not yet been re-lamped. We were advised that a lighting retrofit occurred within the last 10 years.

A Novar IOM/2 lighting control system, located in the electrical rooms, manages scheduling across zones. This control equipment appears to be installed between 2005 and 2010 based on the appearance and branding of the panel. (Refer to Photograph 9.7)

These fixtures are in operating condition and suitable for the intended purpose. Most are energy efficient as per today's standards. We do not expect any major replacement during the report period.

Exit signs are installed at the exit doors wired to the emergency distribution system as required by code. (Refer to Photograph 9.8)

Exterior lighting is completed by LED type wall packs and pot lights with metal halide or LED retrofit lamps. It was noted at the time of the site review that the exterior lighting was on. (Refer to Photograph 9.9)



- The majority of the light fixtures are energy efficient by today's standards. We were advised that interior and common areas lighting were replaced with LED lamps over time and completed within the last 10 years. We do not anticipate any major expenditures within the term of this report.
- The lighting control panels are believed to have been installed between 2005 to 2010. Based on age, we recommend budgeting for a lighting control panel replacement as indicated in the Recommended Work Cost Table assuming existing wiring can be reused.
- The exterior lights were noted to be on during the daytime site review. Programming or photocell functionality should be checked by an electrician. The cost of this repair or replacement of the exterior light fixtures can be handled at a cost below the threshold of this report.

Fire Alarm Systems

The Bay is equipped with a Mircom FX2000 digital, addressable 2-stage fire alarm system. The main control panel is located in the main electrical, and there are annunciator panels in vestibules and the security office. The system is believed to have been replaced circa 2015 (Refer to Photograph 9.10)

Fire alarm devices—including pull stations, smoke detectors, and heat detectors—are located throughout the store. The system also monitors tamper and flow switches on the sprinkler piping.

- The fire alarm system was installed circa 2015. This type of fire alarm control system has an expected service life of 20 years and is expected to require replacement within the term of this report. Based on age, we recommend budgeting for the replacement of the fire alarm panel. The estimated cost for this work is included in the Recommended Work Cost Table.
- Building management must ensure that testing and inspections are completed in accordance with the current Ontario Building Code and that any deficiencies identified are promptly addressed.
- All equipment and devices observed appear to be in satisfactory operating condition. Any future replacements can be managed as part of regular maintenance.

Security Systems

The store is protected by a CCTV surveillance system consisting of 36 colour cameras and a digital recording setup. The system was fully upgraded circa 2021 to an Avigilon platform, with a server and computer workstation located in the security office. (Refer to Photograph 9.11).

The intrusion alarm system includes a central control panel, perimeter door contacts, motion detectors, and keypad stations. It monitors staff entrances, receiving areas, and customer exit doors and is connected to a third-party monitoring service for 24/7 response.

Both systems appear to be modern, operational, and in good condition. Any future repairs or device replacements should be accounted for under the operating budget.



10.0 ROOFING

Refer to the appended Roofing report prepared by Infin8.

[AWAITING REPORT]



CLOSURE

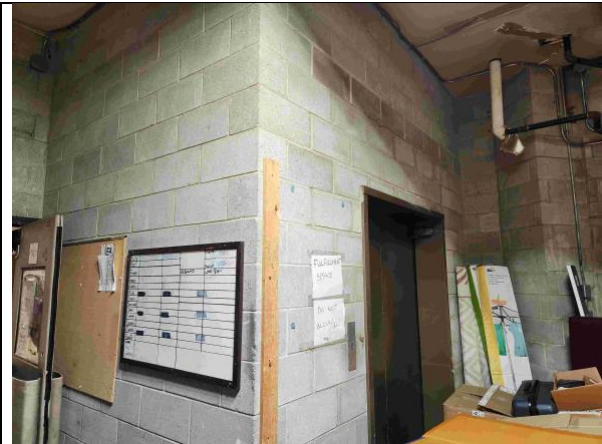
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Whalen Building Assessment Services Inc.

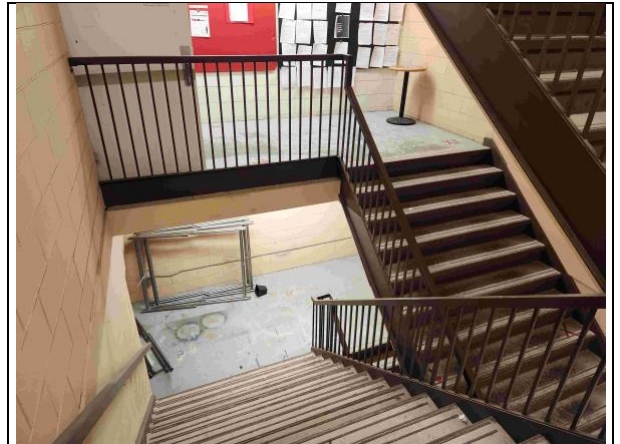
A handwritten signature in blue ink, appearing to read 'J. Whalen', is positioned above the contact information.

Per: Jim Whalen, P.Eng.
Managing Principal
jim.whalen@wbas.ca
Tel: +1 (416) 723-5201

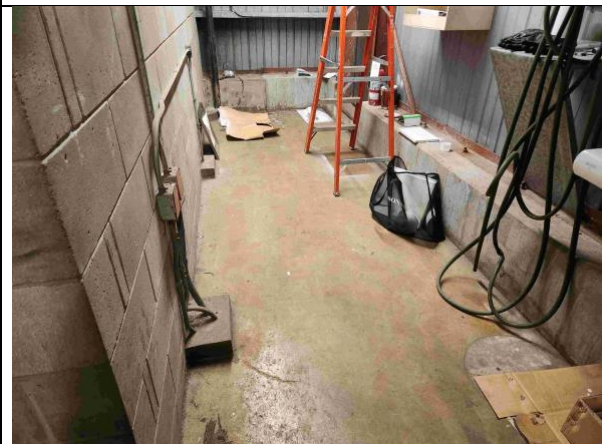
Photographs



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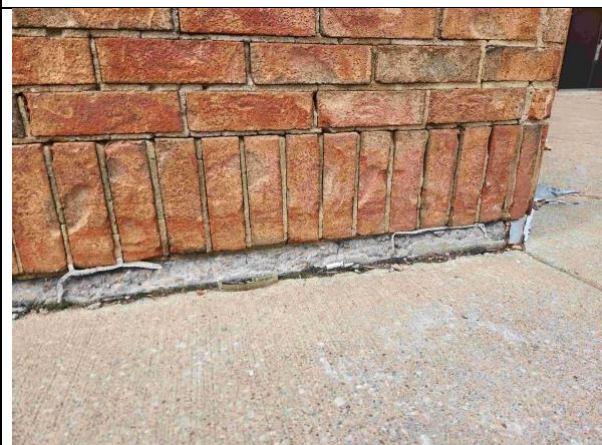
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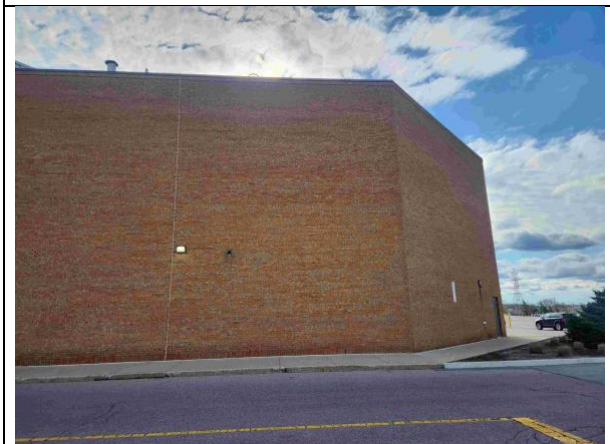
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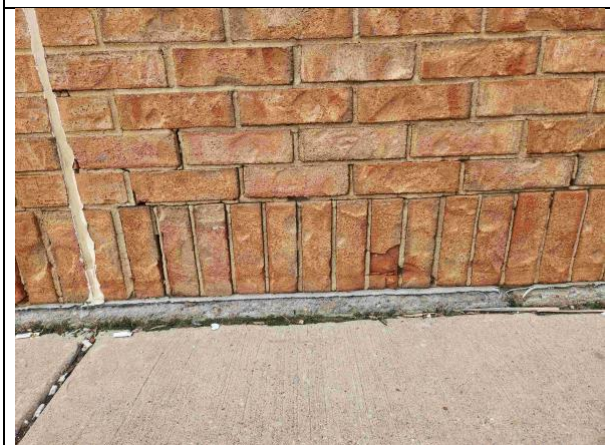
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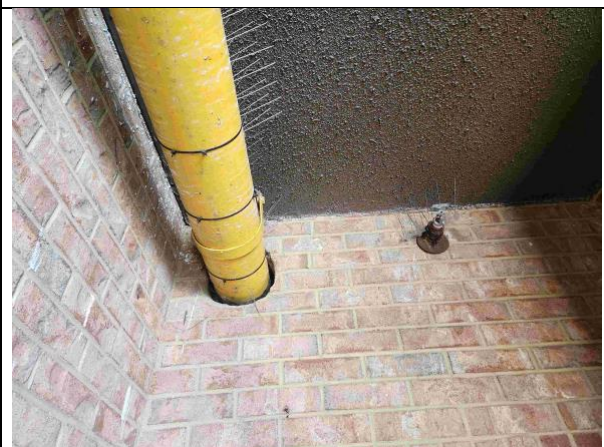
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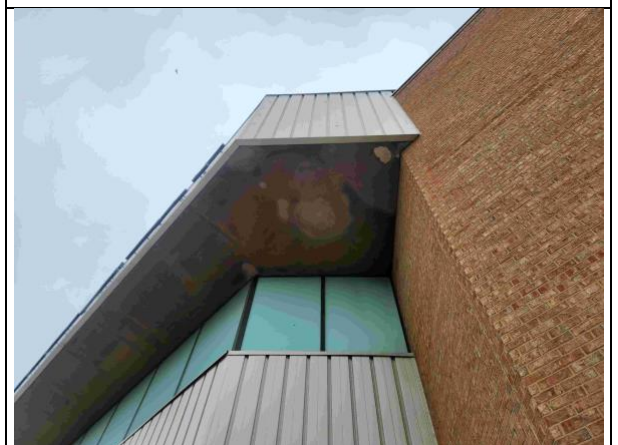
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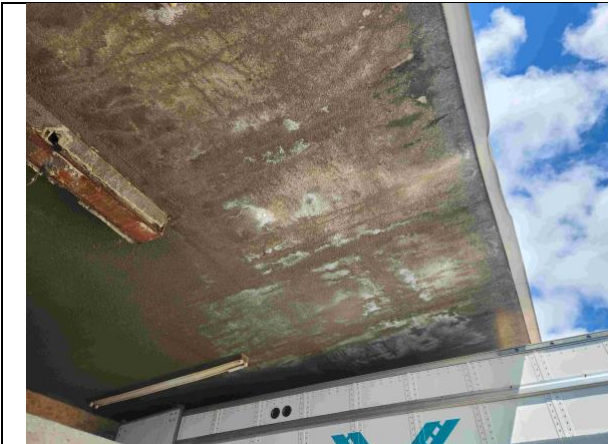
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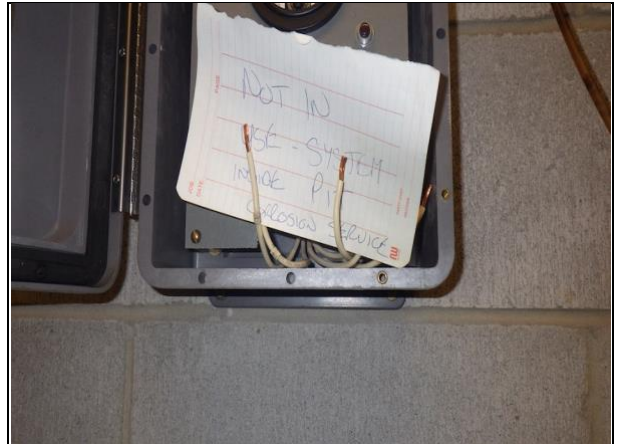
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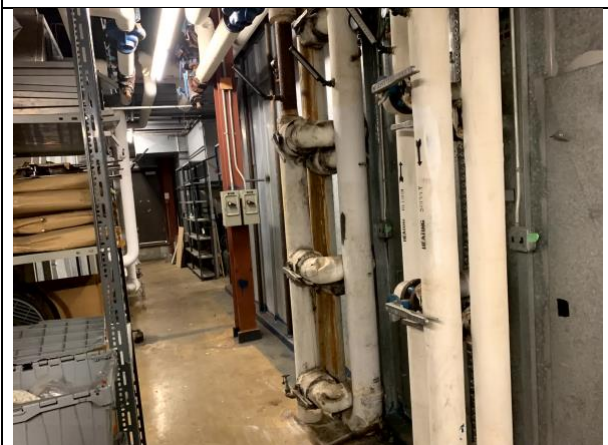
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Infin8 Consulting Group Ltd.

2025 Hudson's Bay Roof Assessment Report

The Cadillac Fairview Corporation Limited

CF Lime Ridge
999 Upper Wentworth Street
Hamilton, Ontario
L9A 4X5

Prepared For:

Torys LLP
79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario
M5K 1N2

Prepared By:

Infin8 Consulting Group Ltd.
7500 Bath Road
Mississauga, Ontario
L4T 1L2

May 5th, 2025
ICGL10106RAI

Delivering Beyond Expectations

7500 Bath Road, Mississauga, Ontario, L4T 1L2



7500 Bath Road
Mississauga, Ontario
L4T 1L2
T: +1 416 746 4111
www.infin8cg.com

May 5th, 2025

Torys LLP
79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, Ontario
M5K 1N2

Attention: Jeremy Opolsky

**RE: 2025 Hudson's Bay Roof Assessment Report
CF Lime Ridge, Hamilton, Ontario**

Infin8 Consulting Group Ltd. was retained by Mr. Jeremy Opolsky on behalf of Torys LLP to perform a roof condition assessment of the Hudson's Bay store located at CF Lime Ridge in Hamilton, Ontario

Please find enclosed a copy of the 2025 Roof Assessment Report for your review. If you should have any questions or concerns, please do not hesitate to contact this office.

For and on behalf of Infin8 Consulting Group Ltd.

Prepared by:

A handwritten signature in blue ink, appearing to read "Razieh".

Razieh Rezasoltani, B.Sc., M.Eng.
Senior Project Manager

Approved by:

A handwritten signature in blue ink, appearing to read "PB".

Philip Brearton, P.Eng.
VP National Operations

1. EXECUTIVE SUMMARY

Infin8 Consulting Group Ltd. was retained by Mr. Jeremy Opolsky, acting on behalf of Torgis LLP, to conduct a visual roof condition assessment of the Hudson's Bay store located at CF Lime Ridge in Hamilton, Ontario.

The visual assessment was carried out on April 16th, 2025, and this report summarizes the observed conditions and presents corresponding recommendations.

The total roof area is approximately 65,000 square feet and is estimated to be 15 years old. No history of roof leaks was provided to Infin8 Consulting Group. A section of the parapet wall cladding (i.e. metal panel and insulation) and roofing system (i.e. ballast and insulation) were removed at the time of inspection. Staff onsite are unaware of the reason.

The existing roofing system is an inverted assembly, which limits the visibility of the membrane during visual inspection. Nevertheless, where visible, the roof appears to be in fair condition. Based on the estimated age, full replacement is recommended within the next ten years. An intrusive inspection is recommended to verify the age and condition of the membrane.

One pyramidal skylight is located in the middle of the main roof and is in fair condition. Signs of corrosion and deteriorated sealants were observed. Sealant application on the glazing indicates the skylight have been face sealed, likely to address a previous leak. The skylight is assumed to be original to the construction of the building is near the end of its expected service life. Rehabilitation is recommended and timed with roof replacement.

The anticipated construction cost for the roof replacement is approximately \$1,800,000. Based on this estimate, design and contract administration (CA) fees are projected to be \$80,000, bringing the total projected budget to \$1,880,000. This budget does not include skylight replacement.

The anticipated construction cost for the skylight replacement is approximately \$110,000.

The parapet metal flashing on the west side of the roof is missing. To protect the underlying membrane flashing—which also requires replacement—the missing flashing and parapet cladding should be reinstated. New metal flashing should be installed in this area. The anticipated budget for these repairs is approximately \$20,000.

Additionally, loose debris observed on the roof should be removed immediately. These items present a safety hazard, as they could become airborne during high wind events, potentially leading to property damage or personal injury.

Missing section of roofing observed. On site staff could not confirm the reason for the removals. It is anticipated that the insulation and ballast will be reinstated by the party responsible for the removal.

It is recommended that access stairs or ramps be installed between roof areas HB1 – HB3 & HB1 - HB5, to eliminate difficult access between levels.

2. ROOF DESCRIPTION

The Hudson's Bay roof at CF Lime Ridge consists of an inverted modified bitumen (MB) roofing system. The main roof is a continuous roof area divided into north and south sections by a divider covered by metal flashing. Centrally located between these sections is a smaller area, HB4, which houses a skylight. A raised roof section above the mechanical room is located at the northwest corner of the main roof and is accessible only by ladder.

Several drains are servicing the main roof. A large overhanging rooftop unit (RTU) is located on the upper southwest section of the roof. Three additional large RTUs are positioned along the southeast sides of the roof.

One pyramidal skylight is located in the middle of the main roof and appears to be in fair condition.

3. FINDINGS

3.1 PROPERTY MANAGEMENT INTERVIEW

No leak history, including prior incident documentation or maintenance records, was provided to Infin8.

3.2 ROOF AREA DESCRIPTION & OVERALL CONDITIONS

A visual roof assessment was conducted on the Hudson's Bay roof. The overall roof condition is fair and estimated to be 15 years old. Deficiencies include:

1. Trees growth was observed across the roof, including around a few drains and along the perimeter. All trees should be removed to ensure proper drainage and prevent damage to the membrane.
2. Stairs/ramp is required between roof areas (HB1 – HB3) & (HB1 -HB5) to improve safe and convenient access.
3. Paving stones beneath scuppers and around rooftop units are either cracked or missing and should be replaced or properly installed to protect the roofing system.

4. The existing soil stacks, hoods, and RTUs are lightly corroded.
5. The parapet metal flashing on the west side of the roof is missing.
6. The metal flashing at the parapet of the high roof is missing.
7. Unwanted debris across the roof must be cleared to maintain cleanliness and drainage efficiency.
8. The insulation around a few roof drains is exposed and is lightly damaged. It is recommended to replace the damaged insulation.
9. Missing section of roofing observed. On site staff could not confirm the reason for the removals. It is anticipated that the insulation and ballast will be reinstated by the party responsible for the removal.
10. Deteriorated face sealants at skylight.

4. RECOMMENDATIONS

The overall condition of the roof is fair, and it is estimated the roof has reliable remaining life of ten years. The anticipated construction cost for the roof replacement is approximately \$1,800,000. Restoration of the skylight is also recommended to occur at the same time. Based on this estimate, design and contract administration (CA) fees are projected to be \$80,000, bringing the total projected budget to \$1,880,000. This budget does not include skylight replacement. The anticipated construction cost for the skylight replacement is approximately \$110,000.

In order to maximize the life of the roof, some maintenance is recommended. Multiple deficiencies observed include tree growth, damaged paving stones, corroded soil stacks, hoods, and RTUs, and missing parapet metal flashing. Maintenance and repairs are required to restore proper drainage, safety, and long-term performance. Specifically, missing flashing and parapet cladding should be reinstated to protect the membrane flashing, which itself requires replacement. New metal flashing should also be installed in this area. The anticipated budget for these repairs is approximately \$20,000. A detailed scope of work and cost estimate should be developed to determine the most appropriate course of action.

Roof ID	Proposed Replacement Year	Estimated Construction Cost	CA Fee	Total Project Budget
HB 1 - 6	2035-2036	\$1,800,000	\$80,000	\$1,880,000
Skylight	2035-2036	\$110,000	-	\$110,000

5. LIMITATIONS

The costs given are our opinion of value for the remedial work described in this report. They are calculated using quantities obtained during our evaluation and information we have obtained from similar projects. Actual costs will vary depending upon the time of tender/RFP, schedule of work and conditions under which the work must be carried out. Infin8 will add separate price options for CF consideration. (i.e., full tapered slope insulation, additional roof sections next in line for replacement, etc.).

As every project has its own peculiarities, actual costs can only be established by obtaining bids, preferably based on competitive tenders, from specialized contractors. The costs provided herein should only be used for comparison of options and general budgeting purposes.

Infin8 has not investigated the presence of pollutants, contaminants and hazardous materials that may be encountered during work. Depending on the materials present, additional funds may be required for remediation measures. These would include obtaining core samples for required environmental testing to confirm no ACM material is within the roof system.

To escalate the cost of future repairs or replacement work, we usually apply an annual inflation rate. This number is highly variable and could fluctuate in any given year. As per CF requirements, we have not applied this formula.

This report has been prepared based on the results of the visual survey conducted by Infin8 Consulting Group Ltd. staff. No destructive testing was carried out during the review as it was beyond the scope of work for this project. The results of this survey are considered to reflect the site conditions at the time of our visual review which was carried out during the week of April 15th, 2025. The owner should be aware that site conditions will change, and further deterioration will occur as time progresses.

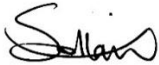
This condition survey is limited to the items as noted from a visual survey. The conclusions and recommendations detailed in this report are based upon the information available at the time of preparation of the report. No investigative method eliminates the possibility of obtaining imprecise or incomplete information. Professional judgement was exercised in gathering and analysing the information obtained and in the formulation of our conclusions and recommendations. There is a potential for unidentified deficiencies to be present within the pavement structure given the limited nature of this review.

Infin8 accepts no responsibility for damages that may be suffered by any third party as the result of decisions made, or action taken, based on this report.

We trust this roof assessment report meets your requirements and expectations. If you have any questions or would like to discuss this project further, please contact me at your convenience.

For and on behalf of Infin8 Consulting Group Ltd.

Prepared by:



Razieh Rezasoltani, B.Sc., M.Eng.
Senior Project Manager

Approved by:



Philip Brearton, P.Eng.
VP National Operations



7500 Bath Road
Mississauga, Ontario
L4T 1L2
T: +1 416 746 4111
www.infin8cg.com

APPENDIX A

PHOTO COMPENDIUM



Figure 1: Roof plan showing Hudson's Bay roof at the south side of building.



Figure 2: Satellite image of Hudson's Bay



Figure 3: Overview of main roof area.



Figure 4: Debris throughout the roof to be removed.



Figure 5: Exhaust hoods are typically corroded.



Figure 6: Vegetation growth observed near mechanical penthouse.



Figure 7: Missing parapet cladding removed, exposed membrane flashing.



Figure 8: Damaged metal panel and flashing are visible on the west wall of the roof.



Figure 9: Peeling paint finish at metal siding.



Figure 10: Deteriorated face sealant observed at skylight.

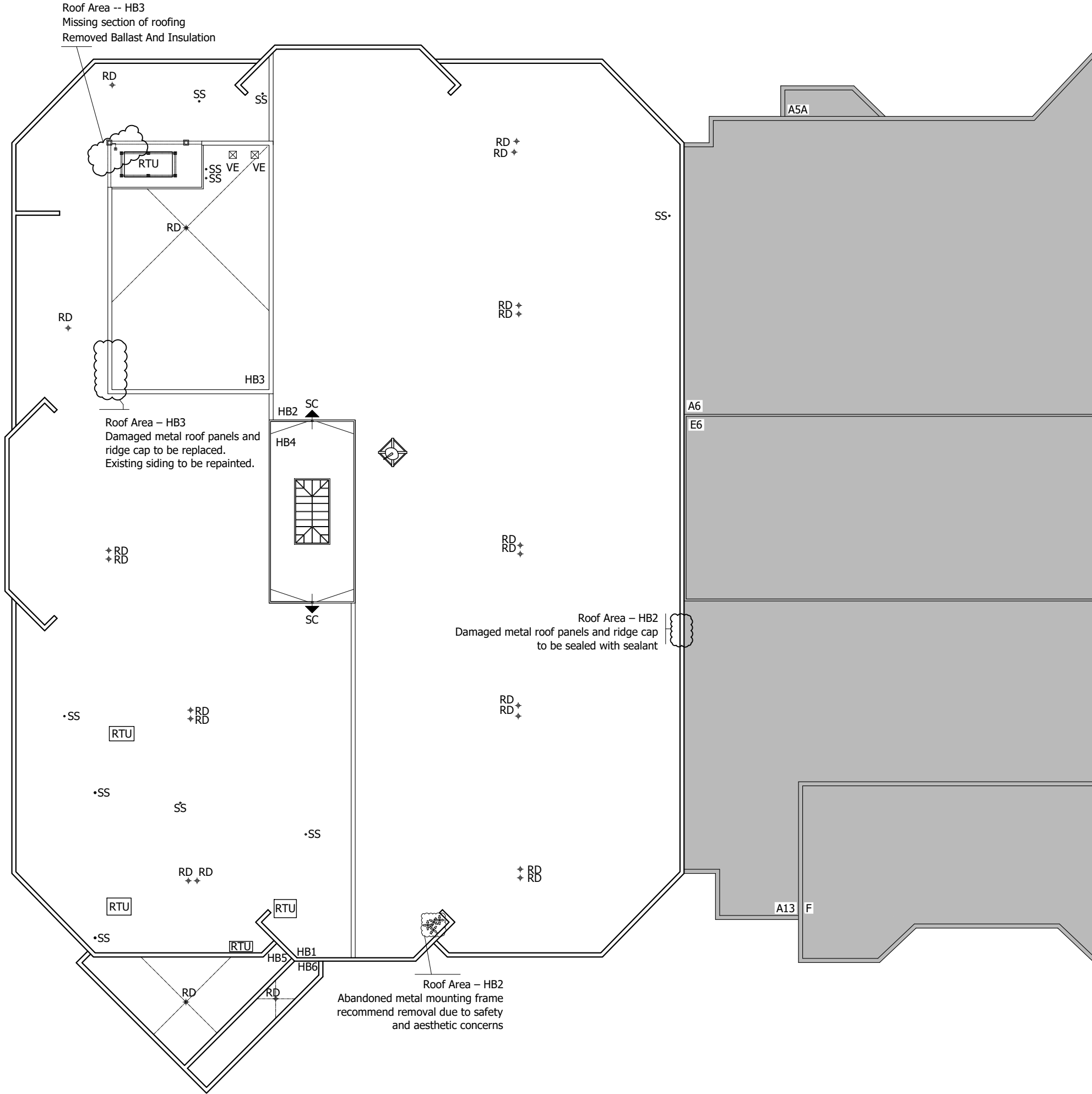


7500 Bath Road
Mississauga, Ontario
L4T 1L2
T: +1 416 746 4111
www.infin8cg.com

APPENDIX B

ROOF PLAN

ROOF ID	AREA (SF)	YEAR INSTALLED	ROOF CONFIG	ROOF SYSTEM	RATING
HB1	23,170	2010	INV	MB	6
HB2	34,190	2010	INV	MB	6
HB3	4,000	2010	INV	MB	6
HB4	4000	2010	INV	MB	6
HB5	1,670	2010	INV	MB	6
HB6	570	2010	INV	MB	6
TOTAL SF:	65,000				



DATE	ISSUED FOR	REV
2025-05-05	REPORT	00
-	-	-
-	-	-

7500 Bath Road,
Mississauga, Ontario,
L4T 1L2

CONDITION RATING DESCRIPTION	
9 - 10	NEW OR LIKE NEW
7 - 8	NORMAL MAINTENANCE REQUIRED. CLEAR DRAINS OF DEBRIS. INSPECT SURFACES/SEALANTS AND CORRECT AS REQUIRED.
4 - 6	MAINTENANCE/MODERATE IMPROVEMENT REQUIRED AND/OR MID-WAY THROUGH DESIGN LIFE. UNCORRECTED DEFICIENCIES WILL RESULT IN ACCELERATED DETERIORATION OF SYSTEM.
2 - 3	MAINTENANCE/MAJOR IMPROVEMENT REQUIRED AND/OR APPROACHING END OF DESIGN LIFE.
0 - 1	100% REPLACEMENT REQUIRED.

This drawing has been prepared solely for the use of THE CADILLAC FAIRVIEW CORPORATION LIMITED

Consultants
Civil: INFIN8 CONSULTING GROUP LTD.

LEGENDS:	
— GAS —	GAS LINE
RTU	ROOF TOP UNIT
RD	DRAIN
VE	VENT
EXH	EXHAUST FAN
SS	SOIL STACK
ES	ELECTRICAL STACK
DH	DOG HOUSE
PO	POST
SC	SCUPPER
CUT TEST	
ELEC	ELECTRICAL CABLE
S	SUPPORT
PP	PITCH POCKET

Drawn
R.P.
Approved
R.R.
Client
TORYS LLP

Project
CF LIME RIDGE MALL
2025 HUDSON'S BAY ROOF
ASSESSMENT

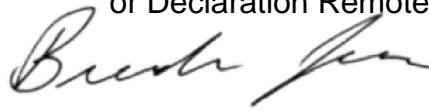
Drawing Title
ROOF PLAN

Scale
N.T.S.

Project No.
ICGL10106RAI

Drawing No.
RP-1

**THIS IS EXHIBIT “AA” TO
THE AFFIDAVIT OF PATRICK SULLIVAN
SWORN REMOTELY** by Patrick Sullivan being located
in the Municipality of Sicamous, in the Province of
British Columbia, before me at the Municipality of
Picton, in the Province of Ontario, on August 9th, 2025,
in accordance with O.Reg 431/20, administering Oath
or Declaration Remotely

A handwritten signature in black ink, appearing to read "Brendan Jones", written in a cursive style.

Commissioner, etc.
Brendan Jones



August 1, 2025

Primaris REIT
181 Bay Street, Suite 2720
Toronto, Ontario, M5J 2T3

E-mail: khuynh@primarisreit.com

Attention: Kevin Huynh
Project Manager, Development and Construction

Re: Hazardous Building Materials Removal Budget Estimate Letter
999 Upper Wentworth Street, Hamilton, Ontario
Pinchin File: 362375

Pinchin Ltd. (Pinchin) was retained by Primaris REIT (Client) to develop a High-Level Budget Estimate for hazardous building materials abatement work within the Hudson's Bay Company (HBC) space within The Lime Ridge Mall located at 999 Upper Wentworth Street, Hamilton, Ontario.

The costing provided is a Class D budget estimate $\pm 25\text{--}50\%$ or more based on the quantities of materials identified or assumed within the HBC spaces. The estimates are around 40% higher than standard Class D estimates due to the presumption that some materials contain asbestos and because their quantities have been estimated conservatively.

This is provided only for general guidance as costs will vary considerably based on site specific conditions (such as schedule, difficulty of access, size of individual work areas, whether the work is for renovation or demolition, if work is conducted concurrently or piecemeal, etc.). Costs may also vary depending on seasonal work patterns, availability of contractors, or local market/economic conditions.

1.0 METHODS AND LIMITATIONS

Pinchin performed a desktop review of existing hazardous building materials reports for the HBC spaces. Pinchin relied on the reports for to identify confirmed asbestos-containing materials, and their respective quantities. The reports were developed for long-term management and compliance with asbestos regulations and did not for provide sufficient detail for building renovation and/or demolition. Where materials were not identified or quantities were not available, Pinchin made best effort assumptions based on our experience in similar buildings, historical knowledge of the asbestos materials, their typical usage, and estimations based on floor plans and building area. These assumptions introduce significant room for error in the budget estimates.



A number of specific limitations exist to the thoroughness of reports used to develop these budget estimates. These limitations include:

- Assessment of only the most accessible and visible materials.
- Limited observation into partially concealed areas.
- Non-intrusive and no observations into concealed areas.
- Assuming some materials contain asbestos (presumed asbestos).
- Data collection and data entry methodology varying between reports.
- Quantities are visual estimates.

The costs associated with presumed asbestos-containing materials that are visible were included in the estimate based on professional judgement and Pinchin's previous knowledge/experience of the buildings/wings and the probability of the material being asbestos based on historical use and knowledge of the material. The following assumptions were made for presumed asbestos-containing materials that were visible:

1. Roofing materials: Quantities were calculated by taking the total square feet of the building (Facility Size provided by the Client) and dividing by the number of floors above and below grade.
2. Caulking and butyl sealant: Quantities were calculated based on the approximate number of windows/doors multiplied by 50 linear feet per window/door has been allocated, this value includes both the window caulking and butyl sealant on the glazing units. The total approximate number of windows/doors was estimated based on the floor plans in the previous reports.
3. Drywall/Plaster Wall Finishes: Where quantities were presented in existing reports and appeared accurate, these values were used. In building with no quantities provided, Pinchin estimated wall lengths based on floor plans and building areas and used wall heights of 8 feet within residential and commercial/office buildings and 15 feet for warehouse and equipment/material storage buildings, to determine quantity estimates.
4. Vermiculite in block walls was calculated by taking the perimeter length of the building and assuming a height of 15 feet for the walls.
5. Disposal costs were including using ten percent (10%) of the asbestos abatement costs.
6. Some materials were presumed to be present in the building based on historical and industry knowledge of the use of these materials and the assumption that it may be hidden within the spaces.



Hazardous Building Materials Removal Budget Estimate Letter

999 Upper Wentworth Street, Hamilton, Ontario
Primaris REIT

August 1, 2025
Pinchin File: 362375

2.0 COST ESTIMATES

Hazardous Material	Class D Cost Estimate
Asbestos Abatement	\$4,800,000.00
Lead Abatement/Removal	\$26,500.00
Mercury Removal	\$3,200.00
Polychlorinated biphenyl (PCB) Removal	\$27,000.00
Ozone Depleting Substances (ODS) Removal	\$13,000.00
Disposal Fees	\$490,000.00
TOTAL ESTIMATE (Class D $\pm 25-50\%$)	\$5,359,700.00

3.0 TERMS AND LIMITATIONS

This work was performed subject to the Terms and Limitations presented or referenced in the proposal for this project.

Information provided by Pinchin is intended for Client use only. Pinchin will not provide results or information to any party unless disclosure by Pinchin is required by law. Any use by a third party of reports or documents authored by Pinchin or any reliance by a third party on or decisions made by a third party based on the findings described in said documents, is the sole responsibility of such third parties. Pinchin accepts no responsibility for damages suffered by any third party as a result of decisions made or actions conducted. No other warranties are implied or expressed.

4.0 CLOSURE

Should you have any questions or concerns regarding the contents of this letter, please contact the Project Manager at 905.245.0691 or mhorobin@pinchin.com.

Yours truly,

Pinchin Ltd.

Prepared by:

Mike Horobin, C.E.T., EP
Team Leader/Senior Project Manager

Reviewed by:

Tanya Stanisc, B.Sc. Hons, Dip EMA
Operations Manager

\\pinchin.com\pet\Job\362000s\0362372.000 Primaris,National\VariousLocations,Haz,AR\Deliverables\362372 HAZ Budgets Letter HBC Space 999 Upper Wentworth Hamilton ON Primaris Aug 1 2025.docx

Template: Master Letter Template, January 24, 2023

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HUDSON'S BAY COMPANY ULC / COMPAGNIE DE LA BAIE D'HUDSON SRI et al.

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

Proceeding commenced at Toronto

AFFIDAVIT OF PATRICK SULLIVAN

BLANEY McMURTRY LLP

Lawyers

2 Queen Street East, Suite 1500

Toronto ON M5C 3G5

John C. Wolf (LSO#: 30165B)

Tel: 416-593-2994

jwolf@blaney.com

Brendan Jones (LSO #56821F)

Tel: (416) 593-2997

bjones@blaney.com

Lawyers for the Respondents, Primaris Management
Inc. and QuadReal Property Group

Email for party served:
The Service List