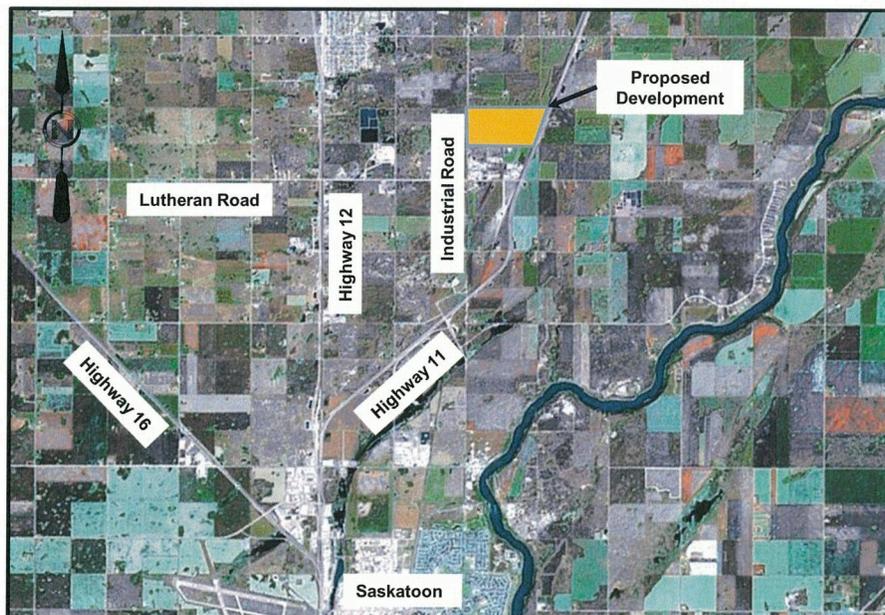


North Spur Industrial Properties



North Corman Industrial Park Expansion Proposal

Proposed Development Location



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Executive Summary

The North Corman Park Industrial Park expansion project is the expansion and upgrading of an existing industrial park located just outside of Saskatoon, Saskatchewan as per the Rural Municipality of Corman Park's comprehensive concept zoning plan (Bylaw No. 17/08 – Appendix A). The bylaw approval process engaged in by the Rural Municipality involved a public hearing process, the notification of utilities, Saskatchewan heritage, highways, and other stakeholders including CN rail which is adjacent to the property.

North Spur Industrial Properties (NSIP) is a Joint Venture company with land adjacent to the existing North Corman Industrial Park and located within the concept plan bylaw for industrial use. Formed to hold and develop industrial real estate at this location for lease or sale, it holds 301.1 acres (121.9 ha) of potential industrial property. A remaining 10 acres, which has already been zoned industrial, is independently held by a shareholder.

The land is located to the north of the current industrial park adjacent to the CN rail line to the east with spur line plans prepared by professional engineers of the firm AECOM out of Edmonton in co-operation with CN rail and with the approval of the RM of Corman Park. The Industrial Park itself is conveniently located between the three cities of Saskatoon, Martensville and Warman. The necessary steps to develop the property, including the environmental, heritage, geotechnical, engineering, topographical, traffic planning and landscaping studies required for zoning have already been conducted. A comprehensive development plan, with development agreements with the municipality, including integrating existing municipal infrastructure with the existing park is in the process awaiting finalizing plans with any prospective anchor tenants.

Rail access lands are in especially short supply in the Saskatoon region and the planning has incorporated maximum flexibility to allow for rail access lots. NSIP anticipates developing a substantial spur line to open much of the property for rail access for clients interested in manufacturing, processing, or warehousing operations. There is also demand for rural industrial lots with larger lot acreage buffered away from populated areas, something only being provided by private developers and not offered by the municipalities of the cities of Saskatoon, Warman or Martensville.

Competitive Advantages

The land is well situated on the north side of Saskatoon adjacent to major transportation routes (highways 11 and 12) to northern Saskatchewan, the resource sector in northern Alberta and close to the future perimeter highway around Saskatoon. It is situated between two major arterial CN rail lines that run east-west near Saskatoon and is strategically located within the Warman, Martensville, and Saskatoon tri-city triangle and with ample access to a skilled workforce.

The lands to be developed are adjacent to an existing industrial park (North Corman Industrial Park) and a currently underutilized rail spur, and therefore adjacent to existing services and infrastructure dramatically reducing development costs resulting in substantial savings. Being located outside of the City of Saskatoon planning district allows for reduced infrastructure costs, avoiding the need for costly underground sewage and sanitation drainage and allowing for grey-water holding tanks and ditch drainage and retention ponding at the outset of the development, more than adequate for lightly serviced industrial land. That being said, NSIP plans on exploring with its engineers the future possibility of offering a sanitation system utility and integrating such with the municipal infrastructure as it is of added benefit to clients and will add value to the property to make it comparable to urban industrial properties in the future. Engineering studies in partnership with the municipality will be undertaken on sanitation and water systems. Aside from cost savings compared to comparable land in the City of Saskatoon and other western Canadian cities, the major competitive advantage is the rail access feature, something unique to this industrial park in the Saskatoon region. It is also close to other industrial parks, and in the Saskatoon, Martensville and Warman commuter triangle, offering a rural industrial setting with a buffer zone from populated areas, but still within a short commuter distance from each for a depth of skilled and diverse labour force.

Key Features of the Land

The proposed industrial park expansion has several key features compared to other industrial parks in the Saskatoon market. Some of the factors that make the property ideally situated for a vendee or lessee interested in a large parcel of property for significant site location are categorized below:

Unique features of the property:

- a. **Ready access to infrastructure such as water, gas, and electrical services** adjacent to the property in the current industrial park. Bringing in services would be more cost efficient than another location not adjacent to an existing industrial area.
- b. **Two major city water mains pass the property on the west boundary.** The main line between Saskatoon and the city of Warman runs adjacent to the property to the west and currently supplies major industries along Industrial and Waneskewin road, providing ample water supply. Effluent possibilities are possible for larger clients willing to discuss costs with future municipal upgrades (discussed below).
- c. **SaskPower has recently expanded capacity in anticipation of the future development** and will make required upgrades in the area as needed. It is standard business practice for SaskPower only to bring in services as they are needed.

- d. **Proximity to other manufacturing businesses**, allowing for designing possible eco-networking efficiencies where businesses co-operate with each other in an attempt to reduce waste, efficiently share resources (such as information, materials, water, energy, infrastructure, and natural resources) with the intention of increasing economic gains and improving environmental quality. For instance, there is a steel manufacturer and a sand blasting and painting business in the current park.
- e. **Topographical and geotechnical nature of the property** on relative flat land with a solid foundation for heavy loads (the land is currently used as farmland) reducing landscaping costs and facilitating the level grade needed for the rail spur concept.

Transportation Networks:

- f. **Access to major rail, highway, and road networks**. A rail line is adjacent to the property with spur line plans in discussion with CN rail. This aspect is unique to this location with respect to other industrial properties coming on the market in the Saskatoon area.
- g. **Proximity to highways**: the Yellowhead Number 16 Trans-Canada highway west as a shipping route to the Alberta resource sector of Edmonton, Grande Prairie and Fort McMurray. Proximity to Highways 11 and 12 north to the resource sector in Northern Saskatchewan.
- h. **Proximity to the planned perimeter road infrastructure** to be built around Saskatoon as a transportation route a short distance away from the industrial park, as well as the recently opened Chief Mistawasis commuter bridge on the north end of the city.
- i. **Access to adjacent road networks in the current industrial park**. A natural extension of the road network in the current park north would service the entire property. Saskatchewan Highways has recently upgraded the intersection into the park from Highway 11. The RM will upgrade the road network in the current park as needed.

Zoning and subdivision:

- j. **Fast tracked approval for industrial subdivision given the the already approved comprehensive concept plan** approved by the rural municipality of Corman Park council which held its own public hearings.
- k. **The location of the property outside the City of Saskatoon Planning District** meaning less costly infrastructure. Property *inside* the Planning District requires plans for city standard curbs with underground sewage systems and storm water drainage. Being outside of the Planning District allows for a less costly installation of services and infrastructure (i.e. grid roads, ditch system drainage, storm ponds, septic sewer) without the concern of a heavy infrastructure investment (unlike other industrial parks in the area).
- l. **The potential future municipal upgrades** could provide for a sanitation system planned as a possible alternative to greywater holding tanks, a cost advantage for clients in the long term.
- m. **Rail Access**: The relative shortage of alternate locations near rail property and existing industrial that could be rezoned industrial given the guidelines established by the Saskatoon City Planning District and the Rural Municipality of Corman Park.

- n. ***Current tax abatement policies and incentives*** offered by the R.M. of Corman Park for new businesses moving into the area.

Proximity to Saskatoon:

- o. ***The proximity to Saskatoon:*** The property is within a short commuter distance from Saskatoon, and between Saskatoon the suburban commuter Cities of Martensville and Warman.
- p. ***Relative cost of industrial properties:*** compared to cities such as Winnipeg, Edmonton and Calgary. The property's location on the northern limit of the City of Saskatoon make it ideal for servicing the booming resource sector in both Alberta and Saskatchewan.

Labour Pool Availability

- q. ***Large potential labour pool*** given the proximity to the Saskatoon metropolitan area, providing a skilled labour pool with a wealth of educational and technical training institutions. Saskatoon's metropolitan area population is over 300,000 people.
- r. ***High quality of life for employees:*** being near a large enough urban centre to ensure a making retention of skilled labour more likely and turnover of employees less costly.
- s. ***Proximity to labour skill training*** institutes and educational facilities in and around Saskatoon making skill retention and development less costly.

Completed Work Ready for Development

Geotechnical Assessment – Suitability of the land for industrial facilities was established in a geotechnical assessment conducted by AMEC engineering. Geotechnical and groundwater level tests on the soil and found it was more than suitable foundation for even the heaviest of manufacturers (see Appendix B).

Topographical Study– the firm of George Nickolson Franko & Associates then conducted extensive legal and topographical survey plans on the property and will conduct further legal subdivision surveying pending plan approval (Appendix C). The topographical study was crucial for site drainage and spur line development.

Lot Layout Planning - The firm of Crosby Hanna & Associates have been engaged in an ongoing basis in working with NSIP to develop phasing plans, rail line planning, landscape planning guidelines, conceptual planning drawings, and currently a comprehensive development review. Rail access lots are shown with potential spur lines that will be constructed by clients off the main spur that runs east west. Some lots could have ready rail access. As one can see from preliminary conceptual drawings (Appendix D and E), cost savings are achieved by the placing of retention ponds in natural low spots, allowing natural drainage. The development will proceed along four phases (Appendix F). Exceptions could be made for more immediate access to rail access in the south-eastern corner, tentatively slated for phase 3.

Landscape and site guidelines: Crosby Hanna & Associates have also planned site and landscape guidelines for the new development up to the RM standards based on other developments they have worked on within the RM of Corman Park (caption in Appendix E).

Engineering – Caterall and Wright Engineering has been working with NSIP pertaining to the engineering of the project, including exceeding a 1 in 200 year drainage criteria and temporary ponding to facilitate the phased construction in a cost efficient means. (Appendix H). In doing so it considered an AECOM (UMA) engineering report into the drainage problems in the current industrial park, and the cost efficiencies with the existing topography and infrastructure in allowing for a phased development. Temporary drainage plans developed by Caterall and Wright Engineering enables phase one and much of phase 2 to be developed prior to any construction of retention ponds by the construction of a temporary berm across the property midline and southern boundary

Traffic Studies – MMM Group was retained to conduct a traffic study of the development in coordination with our planners and in consideration of the highway 11 and highway 12 overpass construction and future perimeter highway which it was also working on for the Saskatoon Planning District. This study was shared with the municipality and civic administrations for future planning.

Saskatchewan Highways – Saskatchewan Highways has been contacted regarding the development pertaining to potential client's specific needs and anticipated traffic and had input into the concept plan bylaw. The park location has been considered in light of future overpass planning in the regions long term planning. Upgrades have currently been recently made for the turn-off into the existing industrial park for the increase in anticipated traffic. No further entrances are to be permitted from Highway 11 across the CN rail line onto property owned by NSIP, as current access is deemed sufficient. Internal existing roads are to be maintained by the RM to a heavy haul standard.

Rail Access Engineering- AECOM Edmonton – the Edmonton branch of AECOM engineering was retained on advice of CN rail to develop the spur line concept in collaboration with Crosby Hanna & Associates based on the technical requirements provided by CN rail for spur line construction. The larger parcels have degrees of track curvature specifically engineered allowing for loading and unloading of rail cars (Appendix I).

Environmental Clearance – AMEC Earth and Environmental conducted an environment assessment of the property and found no environmental or unique or endangered flora or fauna or concerns over habitat. Catterall and Wright have engineering effluent and drainage that meets Saskatchewan Watershed Authority criteria.

Heritage Clearance – the Saskatchewan Heritage department has conducted a heritage review of the location and found no unique attributes or archeological significance that would impede development.

Fire Marshall Clearance – written commentary was sought from the Fire Marshall about the capacity to provide fire protection to the industrial park. It was indicated specific industries are to

seek approval at the time of their development, and that fire protection is offered to North Corman Industrial Park in the current agreement. Although not a requirement of the RM guidelines nor required by the Marshall for rural industrial parks, the proximity of the city water mains has NSIP engineers planning for hydrant supplied water as a service for fire protection. The use of retention pond fire protection hydrants remains a less costly option.

Utilities – The adjacent infrastructure of roads, power, gas, water, and electrical are all in or adjacent to the current industrial park. Each of the utilities of water, power, gas, and telephone had been contacted as part of the RM’s bylaw approval process pertaining to the industrial park expansion. Saskwater has been in contact with the RM pertaining to adequate water supply, and two significant city water mains pass the property’s western boundary en route to communities to the north. Saskpower and Sasktel have made recent upgrades in the area to facilitate expansion. Saskpower has provided a servicing plan for the development.

Future Industrial Land Use

Rail and Non-rail Access

We believe there is a demand for industrial land not located in the middle of a city. Some industrial clients, by the nature of their business, wish a certain distance from populated areas, either for reasons of noise, safety, or aesthetics. Two strategies are possible dependent on the type of purchaser. Non-rail access will tend toward smaller lot sizes. Rail access will require somewhat larger parcels to be developed along an east-west spur as demand necessitates. We anticipate from inquiries to date these will be purchased by larger companies requiring significant rail access. Lot parcel sizes for rail access have been kept small in the planning stages for flexibility. In all likelihood the need for rail access land will necessitate the combining of lots and customization for anchor tenants. Development of the initial phase of the lands along existing roads and infrastructure is planned to reduce costs of construction and work.

There is no substantive quantity of rail access property available currently for industrial purposes in the Saskatoon Area, a niche market for NSIP with its CN rail access and an underutilized rail spur already on-site in the current industrial park that will be incorporated into the design. Fully serviced and lightly serviced lands are market segments.

Water Use, Sanitation and Effluent Considerations

The expansion offers lightly serviced industrial property for the Saskatoon market, with larger acre parcels of land with low water and sewer requirements with grey water holding tanks or a future onsite sanitation system (still under discussion to integrate with the current industrial park and municipal or civic infrastructures) for sewage and ditch surface drainage that exceeds a one-in-a-two hundred-year storm water retention ponding system.

By offering sanitation and access to the two water mains of city water adjacent to the land, the park could be a “dry park” with the only substantive limitation being the amount of effluent permitted or engineered. “Wet parks” usually need to be located near a large water source. The

current proposal for the park envisions drainage the RM ditch network from the park and graywater holding tanks as envisioned in the comprehensive planning zoning bylaw. However, a future sanitation system and onsite treatment is possible and being considered in light of municipal upgrades (below). This could also entail effluent possibilities with the construction of a designated effluent line to the river for process water. The current retention ponding however is for surface drainage.

Water mains adjacent to the property to the west supply ample water to communities to the north of Saskatoon. Other water intensive industries, particularly Saskatoon Chemicals (Erco Worldwide) located just to the south on the northern edge of the Saskatoon city limits takes water into holding tanks during off peak hours for process use during the day (it solution mines salt for use in its chemical production). Process water is treated onsite, monitored, and held in ponding before effluent to the river.

In the North Corman Park Expansion, however, significant effluent solutions would require the construction of a designated line to the river and/or possible partnership with surrounding municipalities pertaining to upgrades and discussions with Saskwater. The Saskatchewan River is less than five miles away, and the City of Saskatoon treatment lagoons are located between the property and the river. Municipal upgrades currently being considered by the City of Martensville make a future effluent and sanitation system possible. The main Martensville effluent line currently flows just south and adjacent to the current industrial park to the river. Discussions with the RM are ongoing regarding future effluent solutions into the Saskatchewan river in a designated line, and a co-ordinated sanitation and drainage plan for the area.

Saskatoon Market Growth Prospects

Saskatoon, with a population of over 300,000 people, is the largest city in the province of Saskatchewan. Serving over 400,000 people locally, the region produces outstanding products and services in demand throughout the world. Saskatoon is strategically placed for companies selling goods, and as Saskatoon is the largest centre in central and northern Saskatchewan, it is known as a “Hub City” inasmuch as it is a major centre for purchasing goods for retail and wholesale distributors given its centralized location. Long term planning by the City of Saskatoon envisions growth to over 500,000 people in the near term and plans for eventually 1 million, along the same growth curve as Calgary’s growth.

Backed by a solid infrastructure, natural resources, research and development facilities, and a well-educated workforce, Saskatoon has one of the most diversified economies in the country, and is one of the fastest growing cities in Canada. Saskatoon has lower wage rates and a quality educated workforce than surrounding jurisdictions. This cost advantage has made the region an attractive place for companies to locate and expand.

Saskatoon is at the junction of two of Canada’s major highway systems: the Yellowhead, (Highway 16 from Winnipeg to Edmonton and west to Vancouver); and Highway 11, (a four-lane highway with a direct connection to the Trans-Canada Highway at Regina). Both of these systems join the U.S. Interstate system, through border crossings that serve both the Eastern and

Western States. From Saskatoon, goods can be transported via highway to Northern Ontario, Northern Canada, and Western Canada within a few days. There are 10 million people within one day of Saskatoon, and more than 80 million within a two-day drive. The Saskatoon region is also an excellent base for exporting, with highway access to the United States, and rail access. Goods can be shipped via CN rail and its partners to three ocean ports, and are only a few days shipping away from the Vancouver coast. Over 85% of all manufacturing companies in the region ship goods around the world. Importing supplies to produce goods in Saskatoon is essential, and the region benefits from strong highway, rail and air infrastructure. Recent growth in Saskatoon's economy can be attributed to strong commodity prices. These natural resources are readily available for local manufacturers to produce goods, and are a leading reason that many companies look to the Saskatoon Region for value added opportunities.

Saskatoon is also an attractive place for company employees to relocate. Residents are active throughout the year, enjoying all four seasons in and around the city. The Meewasin trail offers residents the ability to jog, cycle, cross-country ski or walk over 21 kilometres of riverbank trails. The city boasts over 140 parks, and a lifestyle that matches the pace of a mid-sized city and is an attractive place to live. The average commute time in Saskatoon is 15 minutes. The University of Saskatchewan is a world class institution with 13 colleges and over 20,000 students. Over three-hundred thousand consumers live within one hundred kilometres (62 miles) of the city of Saskatoon, and over 1.1 million people live in Saskatchewan.

NSIP has been active in attending open forums and providing its input with the Saskatoon North Partnership for Growth pertaining to the long term vision of the growth of the north Saskatoon region encompassing the cities of Warman, Martensville, the RM of Corman Park and the City of Saskatoon. For more information see <https://www.saskatoon.ca/business-development/planning/regional-planning/saskatoon-north-partnership-growth-p4g>.

Current Ownership and Management of NSIP

North Spur Industrial Properties is a joint venture of four companies, 101120690 Saskatchewan Ltd., 101120694 Saskatchewan Ltd., 101120696 Saskatchewan Ltd., 101120697 Saskatchewan Ltd. that jointly own the prospective property. The president of each company sits as the corporate representative on the management group of NSIP, as per a signed joint venture agreement, and act as one company.

For Further Information

For further information, including to the studies referenced in this portfolio, please contact Robert or Philip Dobrohoczki of North Spur Industrial Properties at the information below:

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Appendix A

CORMAN INDUSTRIAL PARK Concept Plan, Bylaw No. 17/08

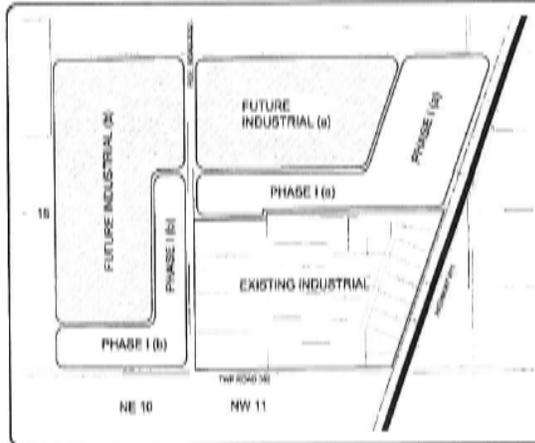
1.0 Concept Plan – Corman Industrial Park

The Corman Industrial Park is a hub of industrial activity that is significant to the municipality and the region. This Concept Plan is adopted under Section 44 of *The Planning and Development Act 2007*, as a supplement to the Official Community Plan of The R.M. of Corman Park NO 344 (Corman Park). This Concept Plan provides a framework for future infrastructure improvements and expansion of the Corman Industrial Park infrastructure sufficient to meet industrial land needs in the area for thirty years.

2.0 Objectives

The following objectives respond to the important role played by industrial land use and development in Corman Park:

1. To enhance the viability of existing industrial use.
2. To sequentially add more industrial land.
3. To provide effective infrastructure and services.
4. To manage the area and its use sustainably.



3.0 Policies

This concept plan provides policy direction under four Official Community Plan considerations: land use, infrastructure and drainage, environmental sustainability, and development phasing.

3.1 Land Use

The Corman Industrial Park shall accommodate a variety of industrial uses that require larger parcels of land with limited water supply and on site sewage systems.

Land adjacent to the existing railway shall be reserved for uses that show a specific need for rail service. The potential for rail spur construction shall be accommodated in subdivisions east of Range Road 3051.

Public reserve will be used to accommodate drainage works, tree planting, and environmental improvements.

The minimum lot size shall be 2.02 ha (5.0 acres) with no maximum size and wherever possible roadways shall be double loaded.

Industrial operations with outdoor (open yard) recyclable or scrap material storage shall be discretionary uses. These uses may store material for no longer than 200 days before processing or removal. Such uses shall be directed to the "Future Industrial" area at the west end of the park (see map).

3.2 Infrastructure and Drainage

Unless otherwise agreed, all new and upgraded infrastructure shall be provided by the developer.

Internal subdivision roads shall be at least 10 metres top, gravel surfaced, to Primary Grid and Special Road standard.

Water supply and sewage system operation and maintenance shall be the responsibility of the developer or a water and sewage utility. All sewage facilities must be approved by the Saskatoon Health District. Corman Park may provide water quality monitoring and billing/collection services to a water and sewage utility.

Other services such as natural gas, electricity, and telecommunications shall be installed by the developer.

Corman Park will address drainage issues in the existing park in co-operation with existing property owners and future developers. New subdivisions shall provide for necessary grading, drainage, water retention and other facilities and works as needed to mitigate potential on site and downstream

flooding. New subdivision and all future site development shall provide for retention of incremental runoff to a 1:100 year storm event.

All excavated material suitable for construction shall remain in the area and be used to construct drainage works, elevate land, or otherwise to mitigate flood damage. Excess soil shall be placed as directed by the municipality.

3.3 Environmental Sustainability

Drainage improvements shall consider environmental impacts including contamination potential, ecological effects, and socio-economic implications on and off site.

Industries operating in the Corman Industrial Park shall be in full compliance with Saskatchewan's Environmental Planning and Management Act, The Heritage Properties Act, and all other provincial and federal regulations governing the storage, handling, shipping, and use of hazardous materials, the release of contaminants, and other regulated impacts and effects.

Lighting shall be directed to roadways or onto the development site and light sources shall not be directly visible elsewhere.

Site development shall include perimeter and lot frontage landscaping including tree and shrub planting according to an approved, professional landscape plan using a variety of regionally hardy deciduous and coniferous plant material.

Existing industrial developments shall be encouraged to consider landscaping standards equal to new development.

3.4 Phasing

Both the north and west parts of the expansion will occur in phases as mapped, beginning with lands adjacent to roadways, north and west of the existing park. Subsequent phases shall be permitted as prior phases are at least 70% occupied, or as may be otherwise agreed from time to time by amendment of this Concept Plan.

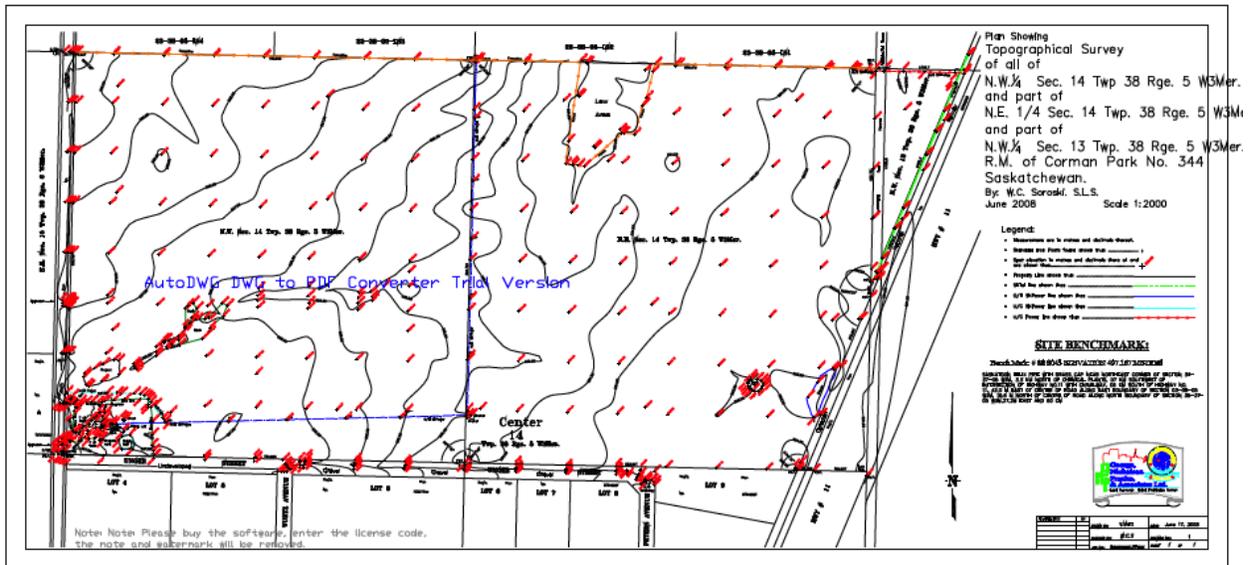
A Bylaw of the Rural Municipality of Corman Park No. 344 of Saskatchewan to amend Bylaw No. 8/94 being a bylaw for the purpose of providing for the amenity of the area known as the Rural Municipality of Corman Park No. 344, and for the health, safety and general welfare of the inhabitants thereof. Under the authority of Section 44 of the Planning and Development Act this 14th day of April, 2008.

Appendix B



Geotechnical study, test-hole location excerpt from Amec Earth & Environmental Report

Appendix C

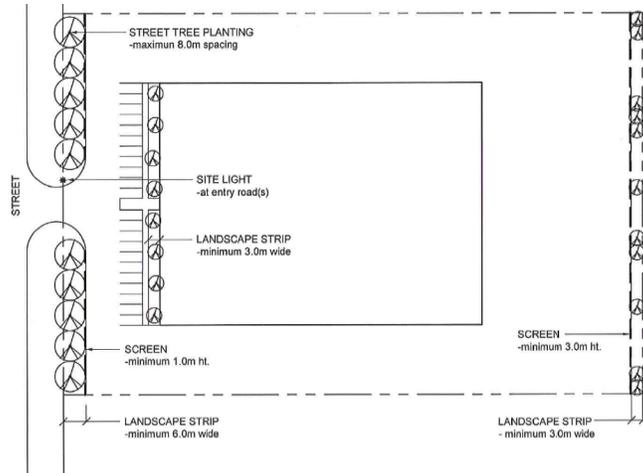


Land topography diagram, excerpt from George Nikolson Franko & Associates report

Appendix D



Current lot lay-out planned by Crosby Hanna & Associates

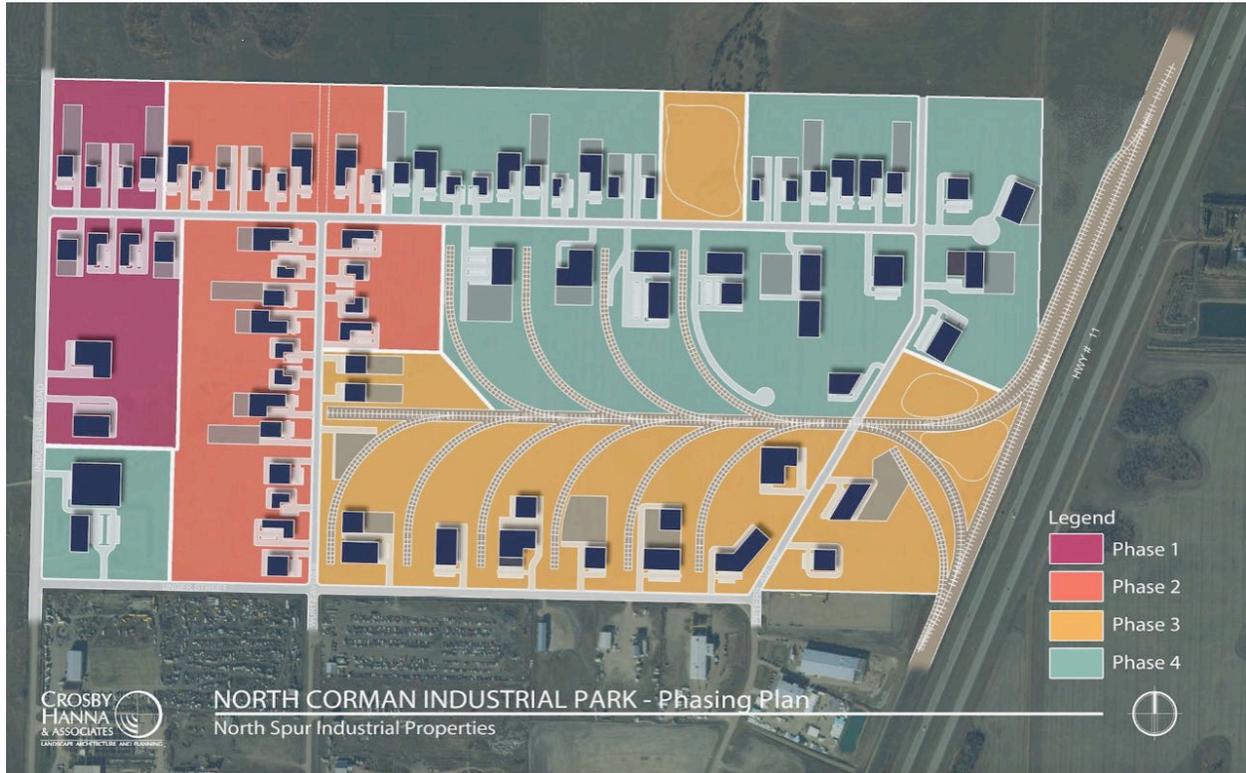


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CROSBY HANNA & ASSOCIATES LANDSCAPE ARCHITECTURE COMMUNITY PLANNING 407 1st Ave. North Durham, NC 27701 T 919 463-5441 F 919 463-9413	NORTH CORMAN PARK INDUSTRIAL PARK EXPANSION Project Title	DEMONSTRATION SITE PLAN Drawing Title	Date: SD Checked: RC
			Scale: N.T.S. Date: 2009/11/25
			Project No: 08079 Drawing: PL.1
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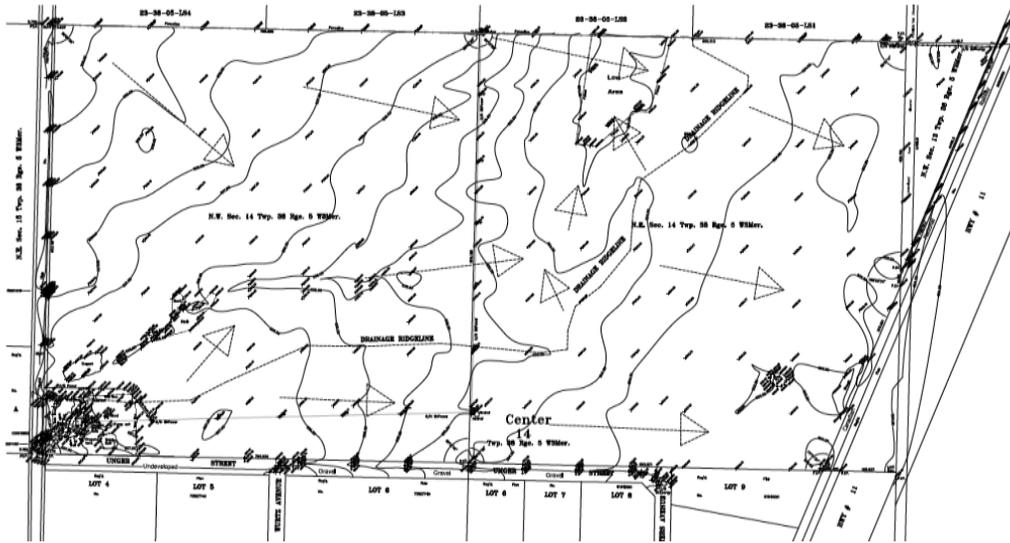
Landscape guidelines excerpt

Appendix F

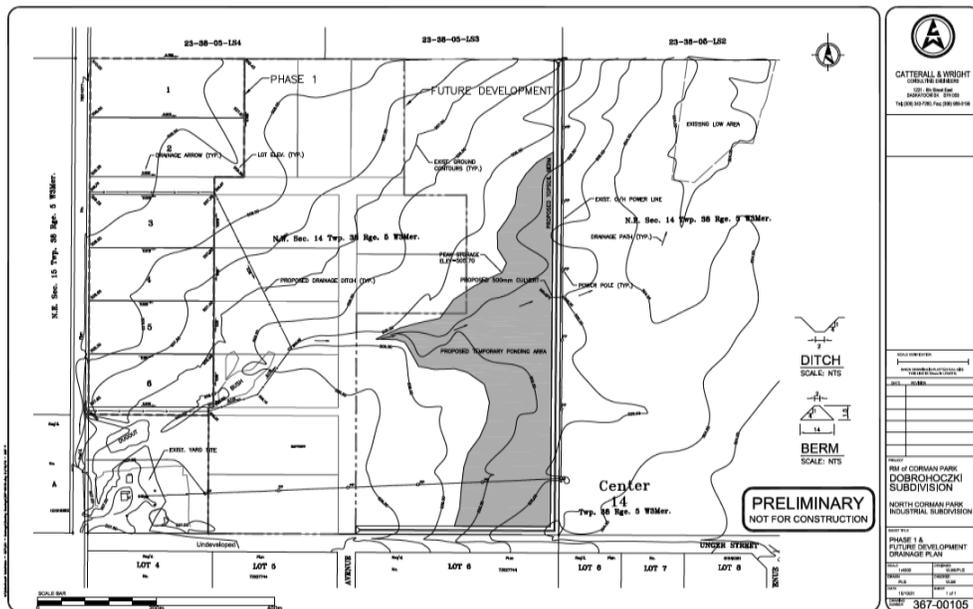


Phased development along current roads and infrastructure.

Appendix G

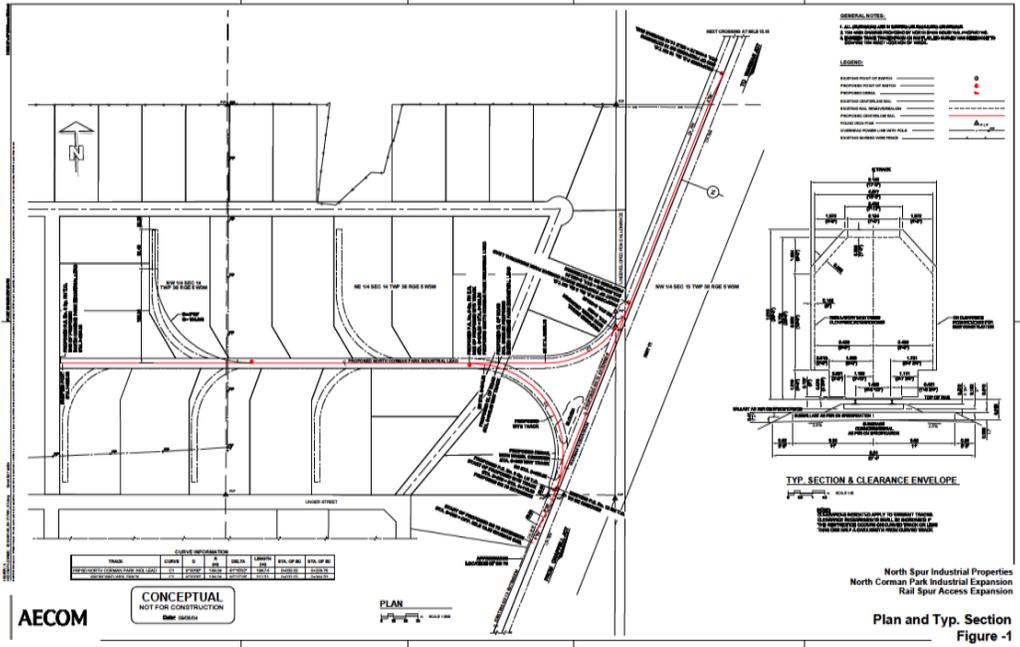


Land topography diagram, excerpt from Caterall and Wright engineering and drainage report



Temporary storm ponding for phase 1 and 2 by use of a temporary berm

Appendix I



Rail Spur design excerpt from AECOM engineering report