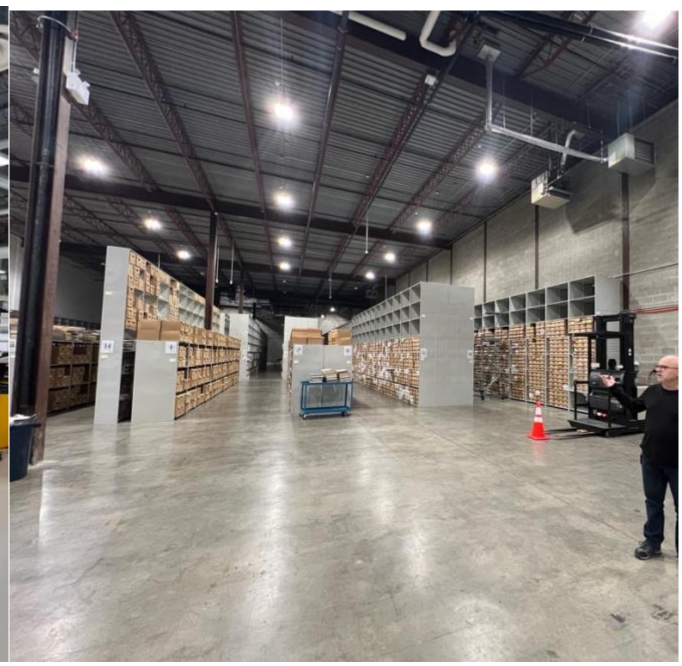
MORTGAGE FINANCING INVESTMENT SUMMARY:



Property:

1450 Mountain Winnipeg, Manitoba

2 Storey Industrial Building

263,000 SF of Leasable industrial

Attached Sections:

Section I : :Project Information

Section II : Loan Underwriting

Section III : Analysis Mortgage Loan details

SECTION I: PROJECT INFORMATION

Investment Type	:	LP Acquisition
Investment Amount	:	$7,000,000.00
Purpose	:	**Purchase**
Property Address	:	**1450 Mountain, Winnipeg, Manitoba** **Cadastral #:** (“the property”)
Property Description	:	A 263,000 SF Industrial building built in 1977 consisting of two Sections: Section I: 238,992 SF 29 Ft Wall Height Section II: 13,440 SF 10 Ft. Wall Height
Buyer	:	**LP to The Satisfaction Of The Lender**
Guarantor(s)	:	Henry Zavriyev
Property / Security	:	**The Lenders under these facilities will receive the following securities:**

1. A **Second Ranking** Immovable Hypothec on the lands and buildings municipally known as **“the property”** and all rents and insurance proceeds. No other second rank is allowed.
2. LP/GP Share ownership, see summary below
3. The personal guarantee of all borrowers (Jointly and Severally) for the full loan amount. The Guarantors shall be solidarily liable with the Borrower and any other Guarantors hereunder.
4. An unlimited environmental indemnity by borrowers and guarantors
5. Any other security documentation requested by the Notary.

GP/LP Walk Through :

- An LP buys a property
- HenryCo will hold Class A voting units in the LP (he invests $2,000,000 and owns 2,000,000 shares)
- Investor invests $7M and subscribes to 7,000,000 Class B non-voting units in the LP for 12 months ("**Lock-In Period**")
- Class B Unitholders are guaranteed 16% annual yield:
  - 6% of this return is paid monthly (subject to there being available cash)
  - 10% is paid with available cash when possible but no later than at the end of the year
  - Upon an event of liquidity, investment is paid back and once it is fully paid off (including the annualized return of 16%), then the investor's units are repurchased at $1.00
- Call option: LP can buy out the Class B unitholders at any time upon payment of the Investment plus annual yield (minus what has already been paid)
- Put option: investment is locked in for the Lock-In Period. Investor can require LP to repurchase their units at any time after the expiry of the Lock-In Period
- As security, Henry pledges the units of the GP in the partnership and all Class A units in the partnership. This way, in an event of default, Investor takes full control of the partnership.

Purpose / Status :

The purpose of the investment contemplated herein is to assist the borrower with the acquisition of newly renovated property on a total consideration of $7 million at a purchase price of $26.2 million which will have a first ranking $17.5 million loan with Addenda capital at 6%. Henry Zavriyev will be injecting $2 million dollars in this LP. The tenants include Canada Goose, the city of Winnipeg and Shared Health. Client needs a short-term bridge to secure and close the acquisition so he can then increase revenues given the deep discount at which tenants are currently renting the space. Given the quality of the tenant in place, strong NOI of $1,901,000 and the amount invested in renovations by Canada goose manufacturing we believe this property is being purchased at a below market cost. Given no renovations are need this project is a straightforward optimization play. The clients strategy is to increase rents of the office space which he already has an LOI for and increase the rent or replace the health clinic as lease is coming due in 2024. The client plans on having a mix between cash from his operating business and increase in refinance with addenda to pay off this investment as soon as possible. The borrower, Henry Zavriyev has a personal net worth value significantly above $100 million, is very well versed and experience in real estate acquisitions and has used private lending over 20 times with no issues.

Guarantor(s) : **Henry Zavriyev**

Owner real estate company Leyad (https://www.leyad.ca) with over 30 employees. Mr. Zavriyev has a net worth of over 100 million dollars and above 15 million in cash in date of today. He is known for his expertise in turning low performing real estate into high performing assets.

Tenant(s) :

Current Rent Roll

Tenant	Term	Start	Expiry	Renewal	Size	Annual Base Rent
Canada Goosse	10 years	1/4/2018	31/3/2028	2x5	141,628.00	$932,655.00
City of Winnipeg	8 years	1/12/2018	30/11/2026	-	33,282.00	$208,013.00
Shared Health	3 years	1/11/2021	31/10/2024	-	66,142.00	$512,601.00
Office	1	01/02/2024	31/10/2025	-	22,828.00	$273,936.00
Total					263,880 SF	$1,927,205

SECTION II: LOAN UNDERWRITING

Income Statement:

1450 Mountain

In-place Income	**Size**	**$/sqft**		**Total**
Base Rent				
Canada Goosse	141,642	$6.58		932,655
City Of Winnipeg	33,282	$6.25		208,013
Shared Health Inc	66,142	$8.25		545,672
Office	22,828	$12.00		273,936
Total Base Rent				**1,960,275**
Additional Rent				
Canada Goosse		$1.82		257,214
City Of Winnipeg		$1.82		60,438
Shared Health Inc		$1.82		120,110
Office		$1.82		41,454
Total Additional Rent				**479,216**
Vacancy	3.0%			(58,808)
Net Effective Income				**2,380,683**

In-place Expenses	**%**	**$/sqft**		**Total**
Management	5.00%	1.60		384,614
Insurance		0.31		75,000
Structurale Reserve		0.08		19,603
Total Operating Expenses	**20.13%**	1.82		**$479,216**
Net Operating Income				**$1,901,466**
Addenda Dept Service			$	1,244,667

Price to Value Based Evaluation Report:

Purchase Price: $26,200,000.00

Valuation (based on income approach): $29,240,000.00

LTV: 89.60%

Valuation (based on comp. approach): $27,570,000.00

LTV: 95.03%

Price to Value Based on Income Approach:

NOI: $1,901,466.00
Valuation: $27,163,800.00
Cap Rate: 7%
Purchase Price to Value: 96.45%

Value Per Square Foot of Industrial:

Square footage of property: 263,000 SF
Purchase Price: $26,200,000.00
Price/SF: 99.62$/SF
LP Price/SF: 92.02$/SF

Price to Value Based on Year One Stabilization Approach (Shared Health at 12$/SF):

NOI: $2,142,000.00
Valuation: $30,600,000.00
Cap Rate: 7%
PTV: 85.62%

Price to Value Based on Stabilized Income Approach (All Tenants at 12$/SF):

NOI: $3,071,000.00
Valuation: $43,871,428.00
Cap Rate: 7%
PTV: 59.72%

Investment Return Coverage at a minimum of 6% Per Month:

Current NOI: $1,901,466.00
Addenda Mortgage Payment: $1,244,667.00
Excess Cash: $656,799.00
Monthly Minimum Payment: $35,000.00
Payment Service Coverage: 1.56

SECTION III: MORTGAGE LOAN DETAILS

TOTAL REQUIRED MORTGAGE FINANCING:

The following $7,000,000.00 total investment is required

Investment Amount	:	**$7,000,000.00 LP Injection**
Rate of Return	:	**16.00% Per Annum Capital Gain**
Net to investor	:	**14.00% Per Annum Capital Gain (Equivalent to 21% interest return)**
Term	:	12 Months Opened
Amortization	:	0, Interest Only
Prepayment privileges	:	Open for repayment at any point, however, investor will be due 16% annualized return, $1,120,000.00 (capital gain for the whole year). This is equivalent to 24% interest return.
Monthly payments	:	Minimum of 6%, $35,000.00
Closing Date	:	March 15th 2024

Loan Participant:

Balto Capital Inc.	**$7,000,000.00**	**100%**

Documents reviewed by Balto Capital Inc. accessible upon request via OneDrive:

1) A copy of Environmental Report
2) Certificate of location
3) A Copy of Guarantor Net worth Statement
4) Offer to purchase
5) Lease agreement
6) Tenant org chart, financials, and business presentation
7) Property Taxes
8) Building plans
9) Building inspection report
10) Pictures of property

PLEASE BE ADVISED THAT BALTO CAPITAL INC ARE ONLY ACTING AS A NOMINEE FOR THE SUBJECT MORTGAGE INVESTMENT AND EACH INVESTOR IS SOLELY RESPONSIBLE WITH THE ASSISTANCE OF THEIR PROFESSIONALS FOR EVALUATING THE SUBJECT MORTGAGE INVESTMENT AND DETERMINING WHETHER OR NOT THEY WISH TO INVEST.