

Metro Vancouver Industrial Park, Langley, BC Mezzanine Financing Announcement

July 2016 – Gracorp Capital Advisors Ltd. (“Gracorp”) is pleased to announce that it has facilitated the placement of an \$8 million secured mezzanine loan with Desert Properties, Inc. (the “Borrower”). The mezzanine loan will provide financing for an industrial land assembly project being undertaken by the Borrower in Langley, BC (the “Langley Project”).

The Langley Project is currently one of the largest industrial park developments in Metro Vancouver. It includes approximately 85 gross acres of land and is located on Highway 1, which is a high-occupancy transportation corridor and the main east-west transportation route in BC. There is also a new \$59 million interchange and highway widening project planned for Highway 1, which includes a major interchange adjacent to the Langley Project.

This area of the Metro Vancouver market currently has a shortage of available industrial land. As such, the Langley Project presents an excellent opportunity for both the Borrower and Gracorp to benefit from the development of the industrial park.

The rezoning and entitlement process for the Langley Project is expected to be completed in Summer, 2017, at which time site servicing will begin. The full build out of the Langley Project is expected to be completed within two years after site servicing.

About Gracorp and Graham Group

Gracorp is a subsidiary of the Graham Group Ltd. (the “Graham Group”), one of Canada’s largest and most respected construction companies. Gracorp is a merchant style, private market real estate developer with over \$100 million in equity assets under management and offices in Vancouver, Calgary and Toronto. From office, retail, hospitality, industrial and institutional to multi-family residential, Gracorp partners with a variety of land owners, developers and investment firms to deliver real estate investment opportunities to the marketplace.

With locations across Canada and the northern United States, the Graham Group (www.graham.ca) is an innovative construction solutions provider with annual revenues exceeding \$2 billion. Founded in Saskatchewan in 1926, Graham Group is proudly employee-owned. Graham Group provides a full range of construction solutions including general contracting, CM/GC, project management, design-build, design-bid-build, integrated project delivery, turnkey solutions, renovations/upgrades, public-private partnerships (P3s), commissioning and post-construction management.