



April 19, 2023

Via Electronic Mail

CONFIDENTIAL

Ms. Stephanie Bonic
Senior Development Manager
Devron Developments Inc.
31 Scarsdale Road, Unit 5
Toronto, Ontario
M3B 2R2

Dear Ms. Bonic:

**Reference: 21-0153.11 Addendum to Environmental Site Assessments
Conducted at 13, 15, 17, 19, 21 John Street and
36, 38 and 40 South Station Street, Toronto, Ontario**

Further to your request, Watters Environmental Group Inc. (Watters Environmental) is pleased to provide Devron Developments Inc. (Devron) with this addendum letter summarizing the environmental conditions at several commercial properties located in Toronto, Ontario. The subject properties are listed below.

Area 1: Contiguous properties located at 13, 15, 17, 19, and 21 John Street and 40 South Station Street, currently containing:

- A two-storey multi-tenant commercial building with a basement located at 13, 15, 17, and 19 John Street;
- A single-storey commercial building with no basement located at 21 John Street; and
- A single-storey institutional building with a basement located at 40 South Station Street.

Area 2: Contiguous properties located at 36 and 38 South Station Street, currently containing:

- A two-storey residential building with a basement located at 36 South Station Street, which is used for commercial purposes; and

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- A gravel-covered vacant lot located at 38 South Station Street.

Areas 1 and 2 are separated by a laneway, which is the northern portion of the property municipally addressed as 1919 Weston Road, which is not part of Devron's development plan.

As part of the due diligence acquisition process, Watters Environmental conducted Phase I and II Environmental Site Assessments (ESAs) and prepared the following reports for Devron:

"Phase I Environmental Site Assessment. 13, 15, 17, 19, and 21 John Street and 36, 38, and 40 South Station Street, Toronto, Ontario", dated January 2022; and

"Phase II Environmental Site Assessment. 13, 15, 17, 19, and 21 John Street and 36, 38, and 40 South Station Street, Toronto, Ontario", dated January 2022.

Environmental Status of Area 1

Based on the above-noted Phase II ESA, Watters Environmental offers the following summary of findings:

Petroleum hydrocarbons (PHCs) and volatile organic compounds (VOCs) are present in soil in the central and northern portion of 21 John Street at concentrations exceeding the currently applicable regulatory standards for residential land use;

Lead in the fill soil is present in the eastern portion of 13-19 John Street at concentrations exceeding the currently applicable regulatory standards for residential land use;

Lead and zinc are present in the fill soil within the central portion of 40 Station Street at concentrations exceeding the currently applicable regulatory standards for residential land use; and

PHCs and VOCs are present in groundwater in the northern portion of 21 John Street at concentrations exceeding the currently applicable regulatory standards for residential land use.

Since the completion of the above-noted Phase II ESA, Watters Environmental conducted additional subsurface investigations to delineate the extent of the contamination in Area 1. This additional investigation work has further determined the lateral and vertical extent of the contaminated soil and groundwater. Other than a few additional metals that contain concentrations exceeding the applicable standards (i.e., barium and boron-hot water soluble), no new issues were identified in Area 1.

Environmental Status of Area 2

No testing was conducted to determine the subsurface condition within Area 2 during the due diligence investigation program. Since that time, Watters Environmental has drilled several boreholes on Area 2 to address the potential concern of fill material placed on the 38 South Station Street property. These investigations identified select metals (i.e., lead, mercury, and boron-hot water soluble) and polycyclic aromatic hydrocarbons (PAHs) at concentrations that exceed the applicable regulatory standards for residential land use.

Qualifications and Limitations

Watters Environmental has prepared this letter for the exclusive use of Devron. Watters Environmental will not be responsible for the use of this letter by any other party, or reliance on or any decision to be made based on it without the prior written consent of Watters Environmental. Watters Environmental accepts no responsibility for damages, if any, by any other party as a result of decisions or actions based on this letter.

The findings contained in this letter were based, in part, on information provided by others. No assurance is made or responsibility taken regarding the accuracy of the information not generated by Watters Environmental. Watters Environmental has prepared this letter using information understood to be factual and correct and shall not be responsible for conditions arising from information or facts that were concealed or not fully disclosed to Watters Environmental.

Closing

We trust that this letter meets your current requirements. However, should you have any questions, or require additional information, please contact either of the undersigned.

Yours very truly,

WATTERS ENVIRONMENTAL GROUP INC.



Basil Wong, M.Eng., P.Eng.
Vice President, Technical Services



Mitchell Reynolds, B.Eng.
Project Manager

Attach/