For Sale
Modern Abattoir and Processing Plant

7392 Highway #89 Mt. Forest, Ontario, NW of Orangeville, Guelph & Greater Toronto

Submitted by
David S. Moore CCIM SIOR
Senior Vice President, Broker

Indusite Realty Corp
July 22, 2011
TABLE OF CONTENTS

1. Overview and History
2. Property Description and Aerial View
3. Survey
4. Site Plan
5. Floor Plan & Layout
6. Zoning & Permitted Uses
7. Equipment List
8. Financial: Property Taxes
9. Licenses, Certifications, Approvals
10. Location Map and Local Economy
11. About Indusite Realty & Contact Information
OVERVIEW AND HISTORY
OVERVIEW AND HISTORY

The Frey’s Meats plant was built by the current owners, starting in 2003 and the expansion continued to 2005. They operate a custom slaughter and processing operation for beef, pork and lamb.

Ideally located in the heart of scenic Ontario farm country, their suppliers of raw product are local and many of their producers are organic. The owners are a member of the growing “Buy Local” Network, serving region-wide retail and restaurant demand. The retail storefront also permits direct-to-consumer sales and special orders.

Excellent certifications allow export to US markets and products for the growing Halal specialized products. The kill floor is CFIA Licensed, USDA/ISNA approved and HACCP recognized.

The processing plant has a provincial license which is easily converted to CFIA, and shows great potential to increase business.

Proximity to Greater Toronto and the New York and Michigan borders is an opportunity to expand further processing of packaged goods into new markets.
PROPERTY DESCRIPTION
PROPERTY DESCRIPTION

Aerial view of property, which fronts on Highway #89, a major east-west artery in South-Central Ontario, on the border of Grey and Wellington Counties.
PROPERTY DESCRIPTION

Legal Description  Part Lots 9 & 10 Concession 4
Geographic Township of Egremont
Township of Southgate
County of Grey
Plan 16R-9855

Lot Size  5.75 acres

Total Building Area  17,000 SF
Office Area  1,000 SF
Industrial Area  16,000 SF
Clear Height  18’ various

Shipping  3 Truck Level, 1 Double Man Door

Zoning  M2-238 Site Specific Rural Industrial

Services  Waste water storage tank
Well and Septic
Propane Gas
SURVEY
SITE PLAN
FLOOR PLAN & LAYOUT
SLAUGHTER
ZONING & PERMITTED USES
ZONING MAP
THE TOWNSHIP OF SOUTHGATE
BY-LAW NUMBER 16-2010

BEING a by-law to amend Zoning By-law No. 19-2002, entitled the “Township of Southgate Zoning By-law”;

WHEREAS the Council of the Corporation of the Township of Southgate deems it in the public interest to pass a by-law to amend Zoning By-law No. 19-2002;

AND WHEREAS pursuant to the provisions of Section 34 of the Planning Act, R.S.O. 1990, as amended, by-laws may be amended by Councils of municipalities;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF SOUTHGATE ENACTS AS FOLLOWS:

1. Schedule "42" to Zoning By-law No. 19-2002 is hereby amended by changing the zone symbols on those lands described as the East ½ of Lot 9 and Lot 10, Concession 4, Township of Southgate (formerly the Township of Egremont) from the Agricultural (A1) & Rural Industrial Exception 67 (M2-67) Zones to the Rural Industrial Exception 238 (M2-238) & Agricultural Exception 239 (A1-239) Zones, as shown on Schedule “42-B”, affixed hereto.

2. Section 33 to By-law No. 19-2002 is hereby amended by adding the following Subsection:
   “33-238 M2-238
   Notwithstanding the permitted uses of Section 23.1, the following shall be the only permitted uses allowed on those lands zoned Rural Industrial Exception 238 (M2-238) and shown on Schedule “42-B”, affixed hereto:
   (i) An Abattoir, including a business office, employee washrooms and retail store
   (ii) A maximum of two (2) waste water storage facilities
       Special Regulations applicable to the Abattoir use:
       (i) The maximum combined floor area of the abattoir, business office, employee washrooms and retail store shall be 1,490 m²
       (ii) No outdoor storage shall be permitted.
   Notwithstanding the provisions of Section 23.2 (a) & (f), the following provisions, in addition to any other provisions of the Rural Industrial (M2) Zone shall apply to those lands zoned Rural Industrial Exception 238 and shown on Schedule “42-B”, affixed hereto:
       Minimum Lot Area 2.3 ha. (5.7 ac.)
       Minimum Rear Yard Setback 7 metres (23 ft.)”

3. Section 33 to By-law No. 19-2002 is hereby amended by adding the following Subsection:
   “33-239 A-239
   Notwithstanding any provisions of By-law No. 19-2002 to the contrary, the maximum number of animal units to be kept and/or housed on those lands zoned Agricultural Exception 239 (A1-239) on the attached Schedule “42-B”, shall be four (4) livestock units. For the purposes of this by-law one (1) horse equals one (1) livestock unit.”

4. Schedule "42-B" and all other notations thereon is hereby declared to form part of this by-law.
EQUIPMENT LIST
## EQUIPMENT LIST

<table>
<thead>
<tr>
<th>QUANTITY</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROCESSING</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Hobart grinder, 56 head</td>
</tr>
<tr>
<td>1</td>
<td>Biro automatic bacon slicer</td>
</tr>
<tr>
<td>1</td>
<td>Small tenderizer</td>
</tr>
<tr>
<td>2</td>
<td>Biro hand slicers</td>
</tr>
<tr>
<td>1</td>
<td>Hantman VF 50 stainless stuffer</td>
</tr>
<tr>
<td>1</td>
<td>Biro 7552 7.5 hp meat grinder, stainless (new 2011)</td>
</tr>
<tr>
<td>1</td>
<td>Biro 22 table band saw</td>
</tr>
<tr>
<td>1</td>
<td>5X12’ stainless table with cutting board top</td>
</tr>
<tr>
<td>4</td>
<td>Stainless tables, 2-8 ft, 2-4 ft.</td>
</tr>
<tr>
<td>2</td>
<td>Stainless tables with cutting board tops, 30” X 5 ft and 30” X 6 ft</td>
</tr>
<tr>
<td>1</td>
<td>10’ X 14’ smoke room</td>
</tr>
<tr>
<td>1</td>
<td>Box strapping machine</td>
</tr>
<tr>
<td>1</td>
<td>Large double chamber Vac Pac machine</td>
</tr>
<tr>
<td>1</td>
<td>Plastic freezer baskets, 250-300</td>
</tr>
<tr>
<td>10</td>
<td>Stainless racks, 4’ X 4’ X 5’ with smoke bars</td>
</tr>
<tr>
<td>1</td>
<td>500 lb. stainless electric smoke house and smoke generator</td>
</tr>
<tr>
<td>200</td>
<td>White Nestier totes with lids</td>
</tr>
<tr>
<td>2</td>
<td>Table band saws, Biro 44 and Butcher Boy</td>
</tr>
<tr>
<td><strong>ABATTOIR</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Air operated diaphragm pump for blood</td>
</tr>
<tr>
<td>1</td>
<td>3000 Gal. stainless blood tank</td>
</tr>
<tr>
<td>6</td>
<td>Stainless offal racks</td>
</tr>
<tr>
<td>1</td>
<td>Hide conveyor</td>
</tr>
<tr>
<td>2</td>
<td>Air compressors, 10 hp and 15 hp</td>
</tr>
<tr>
<td>2</td>
<td>Hot water boilers, 450,000 btu</td>
</tr>
<tr>
<td>1</td>
<td>Forklift with stainless bucket</td>
</tr>
<tr>
<td>300</td>
<td>Drop rods, stainless or galvanized</td>
</tr>
<tr>
<td>300</td>
<td>Pig or lamb gams</td>
</tr>
<tr>
<td>4</td>
<td>Scale with platform for combos and small platform for boxes, with Datamax printer</td>
</tr>
<tr>
<td>1</td>
<td>Stainless hornclipper, hydraulic, new in 2011</td>
</tr>
<tr>
<td>1</td>
<td>Dehairing machine and scald tank</td>
</tr>
<tr>
<td>1</td>
<td>Stainless gutting stand with air manlift</td>
</tr>
<tr>
<td>1</td>
<td>Pressure washer for carcass, low psi, organic acid metered-in before washing</td>
</tr>
<tr>
<td>1</td>
<td>Manlift at hidepuller, hydraulic 2 station</td>
</tr>
<tr>
<td>3</td>
<td>Stainless splitting saws, 2-wide band, 1-088 Jarvis</td>
</tr>
<tr>
<td>1</td>
<td>Brisket saw, new in 2010, stainless</td>
</tr>
<tr>
<td>1</td>
<td>Foot clippers, air control hydraulic</td>
</tr>
<tr>
<td>1</td>
<td>Carcass wash cabinet, computer controlled</td>
</tr>
<tr>
<td>6</td>
<td>Manlifts, air powered</td>
</tr>
<tr>
<td>1</td>
<td>Hide puller, hydraulic drum chain</td>
</tr>
<tr>
<td>16</td>
<td>Shackles, 8 beef, 8 pork</td>
</tr>
<tr>
<td>500</td>
<td>Rollers with stainless hook, some bearings</td>
</tr>
<tr>
<td>1</td>
<td>Knockbox, hydraulic, Hali, kosher, calf or pig head confinement insert</td>
</tr>
<tr>
<td>2</td>
<td>Hoists 2 tonne Makita</td>
</tr>
<tr>
<td>5</td>
<td>Hoists 1/2 tonne Makita</td>
</tr>
</tbody>
</table>
## EQUIPMENT LIST (CONTINUED)

<table>
<thead>
<tr>
<th>QUANTITY</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PLANT FACILITIES</strong></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>pressure washers, 10 hp 2200 psi stationery with piping through building</td>
</tr>
<tr>
<td>2</td>
<td>hydraulic power pac 15 hp</td>
</tr>
<tr>
<td>1</td>
<td>Standby Genset, 850 hp Cummins, 450 kw</td>
</tr>
<tr>
<td><strong>VEHICLES</strong></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Reefer tram trailers 48 ft. Safety, licensed, reefers services</td>
</tr>
<tr>
<td>1</td>
<td>farm trailer enclosed for paunch manure</td>
</tr>
<tr>
<td>1</td>
<td>Reefer 14 ft. pull behind trailer plug in or diesel</td>
</tr>
</tbody>
</table>
Due to the recent severance of the property, taxes are yet to be assessed by the township.
LICENSES, CERTIFICATIONS
AND APPROVALS
LICENCE TO OPERATE
A REGISTERED ESTABLISHMENT
No: 656-2399-14323

This licence is issued under the authority of the
Meat Inspection Act and Regulations / Loi et du Règlement sur l'inspection des viandes

and authorizes
FREY'S CUSTOM MEATS INC.

to operate the establishment described below until this licence expires, is
suspended or cancelled.

Establishment Registration Number 656 Numéro d'agrément de l'établissement

located at / situé à
LOT 10 CONC 4
GREY COUNTY #7392 HWY 89
SOUTHGATE TOWNSHIP, ONTARIO, NOG 2L0

August 11, 2008

DIRECTOR, FOOD OF ANIMAL ORIGIN DIVISION
DIRECTEUR, DIVISION DES ALIMENTS D'ORIGINE ANIMALE

TO BE DISPLAYED IN A PROMINENT PLACE IN THE
REGISTERED ESTABLISHMENT
DOIT ÊTRE AFFICHÉ BIEN EN VUE DANS
L'ETABLISSEMENT
MAP AND LOCAL ECONOMY
Bordering Grey and Wellington Counties, the advantages of this rural location include lower operating and overhead costs. Commutes for the labour force are more direct and there is a relaxed working culture. The Grey-Bruce adult population is 82,000 and 70% are employed in the county, demonstrating affordability of housing and entrepreneurial opportunity.

Highway #89 is a busy corridor for commercial and leisure traffic. Some are destined for tourism centres, including the all-season sun-ski destination in Blue Mountains/Collingwood, the Bruce Trail and Niagara Escarpment. Cottages, recreation and conservation authority parks are abundant and the counties offer a picturesque place to start or expand a business, raise a family and contribute to a community.
Agri-Tourism Initiatives

- Marketing/branding products to permanent residents, cottagers and tourists;
- Creating a network (web) of farming excellence to assist farmers to keep up with current best practices in agriculture. This network would include distance education and could be especially helpful to young farmers; and,
- Establishing local energy alternatives to be used on farms such as bio-digesters, windmills, solar and bio-diesel.

Grey Bruce Local Food Project Goals

- To increase the net income of primary and secondary farm produce (meat, vegetables, fruit and other products) growers in Bruce and Grey Counties by linking these producers with potential institutional and food service (restaurants) customers in the Counties in a self sustaining manner;
- To increase/establish the use of Bruce and Grey County food products in local restaurants, schools, government food establishments and other institutional uses by linking producers to end users in a self sustaining manner;
- To review the potential for expansion of the project by linking, or improving upon existing linkages, to the general public and other potential consumers;
- To act as a clearinghouse for information on local foods in Bruce and Grey Counties.

Grey Bruce Local Food Project Components

- Producer Marketing Program
- Video & Print Media Contest
- Farmers Market Network
- Seasonal Produce Promotions
- Institutional Sector Pilot Project
- Grey Bruce Food Summit
Agriculture & Culinary Association (ACA)

Founded in 2007, this is a non-profit association dedicated to the promotion of “Buy Local, Buy Fresh” by linking Grey Bruce farmers, processors and restaurants to deliver an authentic culinary experience. ACA is supported by its members and funded in part by the Province of Ontario, the Ontario Ministry of Agriculture, Food and Rural Affairs, Grey and Bruce Counties and the surrounding municipalities. Their website includes a list of local farms, restaurants and description of events: http://www.foodlinkgreybruce.com

Reasons to Locate in Southgate Township

Here are some reasons why an established business or a start up venture should seriously consider in deciding to locate or relocate. Reprinted from the Southgate website:
http://www.town.southgate.on.ca/siteengine/activepage.asp?PageID=64
· A business friendly Administration that strives to understand and respond to the needs of the business community,
· Availability of low cost fully serviced industrial and commercial land,
· Good transport infrastructure in place with direct access to the Toronto/GTA region and other markets,
· Existing high seasonal traffic counts along Highway 10, the major route leading north to recreational and cottage areas of Georgian Bay and Bruce Peninsula
· Future availability of new rail service through Dundalk’s eco-park
· Low business and realty taxes compared to other areas.
· Comparatively low labour and construction costs,
· Inexpensive residential accommodations compared to other areas,
· Recognition by Grey County that the Township of Southgate will experience the largest population growth of any Grey County municipality in the foreseeable future,
· Southgate’s recently completed Business Retention and Expansion survey recommending the adoption of a community improvement plan for downtown revitalization which would embody streetscape and façade improvements in the downtown core of Dundalk.
· Recognition by Council of the importance of maintaining and enhancing the quality of life for employers and their employees by encouraging high quality educational facilities, diverse recreational opportunities, affordable housing, access to excellent health care facilities and a variety of cultural/social activities.

Reprinted from the Southgate website: http://www.town.southgate.on.ca/siteengine/activepage.asp?PageID=64

Agriculture is the largest single industry in Southgate, with strong family based farms and a thriving active Mennonite community. This presents opportunities for farm related products and services, such as:

· Small scale farm related businesses
· Food processing i.e. meat, dairy, fruits, vegetables
· Micro brewery
· Bed & Breakfast Accommodations
· Value added farm products
· Farm Implement Dealership in Dundalk
· Cheese production
· Bio-Diesel Production

Contact Henry Micek – Economic Development Officer
Cell: 519-377-5057
E-Mail: hmicke@town.southgate.on.ca
ABOUT INDUSITE REALTY

Thinking of expanding your food business? Call an industrial professional for superior results. Consulting to food processors for over 20 years, we have successfully managed hundreds of successful industrial transactions and design-builds.

A veteran ICI practitioner and Senior VP, David Moore has been a real estate and leasing specialist since 1988 and is one of the company’s top producers. His reputation for excellence in food processing was accomplished by the sale of dozens of Canadian food plants and profitable businesses. A skilled negotiator in commercial/residential/industrial and land development, he also brings 12 years of construction technology experience to assist clients to achieve their vision in design build projects.

A consultative sales specialist, he has a diverse client base, from start-ups to multi-nationals and high net-worth individuals. David has established an enviable reputation consulting to entrepreneurs who have ambitious growth and integration strategies for mergers and acquisitions of going concerns as well as property development. Backed by a team of researchers and marketers, he credits diligent work and attention to detail for his long-term success.

Contact:
David S. Moore  CCIM, SIOR
Senior Vice President, Broker
dmoore@indusite.com  905-609-0943