

Private and Confidential



Bonnefield Financial Inc.

Request for Proposal for Farmland
Appraisal Services

June 6, 2022

Purpose

This Request for Proposals (“RFP”) invites appraisal firms to submit proposals for the performance of farmland appraisal services for Bonnefield. Properties to be appraised are in Elgin County, Ontario, and Kings County, Nova Scotia. Appraisal firms may express their interest in either or both regions.

Period of Farmland Appraisal Services

The period for the farmland appraisal services will be for the quarter-ended September 30, 2022 and for the year-ended December 31, 2022, and may continue thereafter on a quarterly or an annual basis.

Please note that some of the properties will be appraised on a quarterly basis, while others will be appraised on an annual basis. For details, see “Scope of Farmland Appraisal Services”.

Background

Bonnefield Financial Inc. (“Bonnefield”) is Canada's leading farmland investment manager. For over 10 years, Bonnefield has offered leading Canadian farmers an alternative to traditional debt or equity financing through farmland lease financing agreements which allow farm operators to strengthen their balance sheets, improve cash flow, expand their land base, and / or plan for generational transfer. Bonnefield’s investment model provides investors with low-correlated, low-volatility, equity-like returns while preserving farmland for farming.

As of March 31, 2022, Bonnefield had over \$1.16 billion in assets under management (“AUM”), more than any other Canadian farmland manager. Bonnefield currently manages three stand-alone investment partnerships: Bonnefield Canadian Farmland Evergreen LP (“EG LP”), Bonnefield Canadian Farmland LP III (“LP III”), and Bonnefield Canadian Farmland LP IV (“LP IV”). Furthermore, Bonnefield manages three additional partnerships under a master-feeder structure: Bonnefield Canadian Farmland LP V (“LP V Canadian”) and Bonnefield Canadian Farmland LP V International (“LP V International”), both of which invest into Bonnefield Canadian Farmland LP V Master (“LP V Master”). The investment partnerships currently managed by Bonnefield have farmland portfolios that comprise ~140,000 acres, leased to ~110 farm families across Canada. Bonnefield has received an “A” rating from the United Nations supported Principles for Responsible Investing (“UN-PRI”) since becoming a signatory to the organization in 2014.

Scope of Farmland Appraisal Services

Appraisals are required for properties in the following regions:

Region	Counties	# of properties*	Appraisal frequency	Total acres	Market Value (Mar. 31'22)
Ontario	Elgin County	2	Quarterly	949	\$23,171,000
Ontario	Elgin County	14	Annual	3,889	\$50,951,324
Nova Scotia	Kings County	3	Annual	1,121	\$8,570,000

*A property is a collection of land parcels, improvements, permanent crop, buildings, equipment (“Leasable Assets”)

Bonnefield is looking to engage individual appraisal firms to conduct appraisals on a portfolio of Canadian farmland on a property-by-property basis. Specifically, the intent of this RFP is to select the appraiser or series of appraisers which:

- Support the valuation of investment properties for Bonnefield’s investment partnerships’ quarter end September 30th unaudited financial statements and year end December 31st audited financial statements, in accordance with International Financial Reporting Standards (“IFRS”).
 - o The appraisals impact the Net Asset Value (“NAV”) of the investment partnerships. The NAV drives the price investors transact into/out of the partnership at. As a result, these appraisals should be neither overstated nor understated, but should fairly represent market value.
- Provide comprehensive market knowledge and significant valuation expertise on a national and local level that cover major agricultural markets in Canada, and;
- Provide these services with accuracy and timeliness at a competitive price.

Scope of Work

- Full narrative appraisal reports in accordance with the Appraisal Institute of Canada.
- A tour and inspection of each portfolio property within the respective region.
- Consolidation of multiple properties to a single report, to the extent that various properties utilize the same comparable sales analysis.
- Where feasible, appraisers to inspect relevant comparable properties.
- The valuation of each Leasable Asset using a replacement cost or comparable sales method.
- The valuation detailing the breakdown of appraised value per Leasable Asset, even if that asset has a value of \$nil.
- With comparable sales, provide explanations of adjustments relative to subject properties.
- Expectation to interact with Bonnefield staff in its review process of the appraisal reports.
- Opportunity to provide subsequent annual appraisals using a short-form desktop appraisal without a site visit.

Timetable

RFP issued	June 6, 2022
Response to be returned on or before	June 17, 2022
Bonnefield selection on or before	June 29, 2022
Bonnefield governance approval on or before	July 15, 2022
Q3	
Draft appraisal submitted to Bonnefield	August 26, 2022
Final appraisal submitted to Bonnefield	September 30, 2022
Q4	
Draft appraisal submitted to Bonnefield	November 25, 2022
Final appraisal submitted to Bonnefield	January 13, 2023

Proposal Preparation

In order to facilitate the review process and enhance comparability of the proposals received, your proposal should include the following information:

SECTION 1 - PROPOSAL

Title page

Show request for proposal (RFP) subject, name of firm, address, name of contact person and contact details.

Transmittal letter

A one or two-page summary stating the Proposer's understanding of the work to be done and making a positive commitment to perform the work within the time period required.

Table of contents

A clear identification of the material by section and page number

Profile of the proposer

Include relevant background information on the firm, including location of office(s) and the number of professional staff for in the office location(s) and groups performing the appraisal work. State whether the firm has been disciplined by any regulatory or licensing agency in the past five years, and detail the circumstances leading to the discipline and the sanctions imposed on the firm.

Qualification and experience of staff

Include a list of personnel who will be involved in providing services to Bonnefield and their role and qualifications. Brief resumes or CVs, including education, experience, type of clients served, and any other pertinent information must be included for each of the key personnel. Also of relevance is the office in which the staff will be located.

An example of a full narrative and a short-form desktop farmland appraisal report completed by the appraiser(s) proposed for the project should be included.

Appraisal approach

A clear description of the approach and methodology for executing the appraisal and ensuring a high level of appraisal quality.

This subsection should describe:

- (a) Methodology used to appraise the properties
- (b) Any framework or minimum requirements for comparable sales used in the appraisal.

SECTION II - COST PROPOSAL

Include a cost statement showing proposed fees to perform the appraisal services. This information should include a table identifying costs associated with each property and a listing of all other expenses or fees proposed, including out of pocket expenses and travel.

EVALUATION PROCEDURES

EVALUATION CRITERIA

The proposals will be evaluated by a committee comprised of members of management and the Board based on the following criteria and point ranges:

Valuation approach:	0-50
<ul style="list-style-type: none">- The valuation methodology proposed is logical and appropriate. Also based on the clarity of the valuation approach from previous appraisals done for Bonnefield if applicable.- Any guidance or framework proposed for compiling comparable sales data. Also based on the relevance and appropriateness of valuation data, mainly comparable sales used in previous appraisals if applicable.	
Qualifications and experience of firm and staff to be assigned. Education, position in the firm, and years and types of experience will be considered:	0-25
<ul style="list-style-type: none">- Qualifications of appraisal team- Experience of firm in the farmland industry- Experience of team with farmland appraisals	
Cost	0-25
TOTAL POINTS	0-100

QUESTIONS

For questions on this RFP or more details on the properties, please contact Matthew Kim, Funds Controller, at 647-556-2390 or mkim@bonnefield.com.