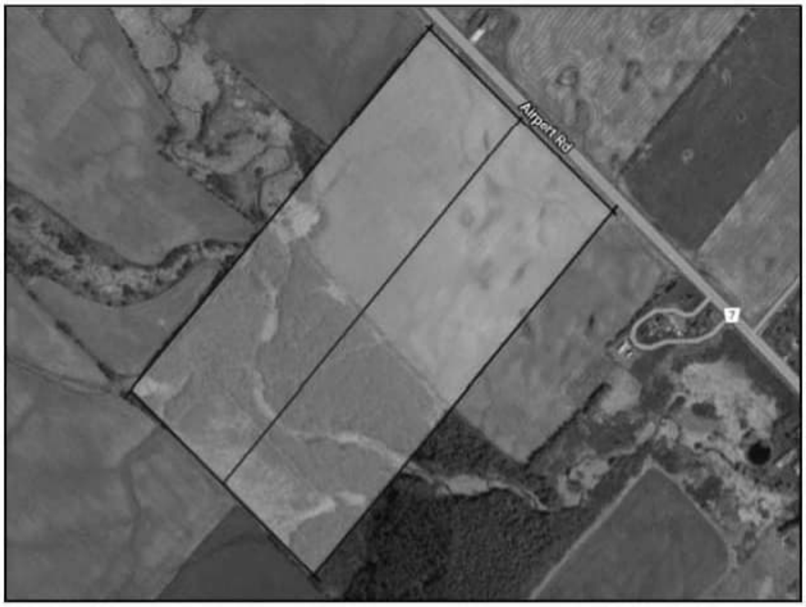
INDEX 5 13541-13571 AIRPORT ROAD & 13649 AIRPORT ROAD, CALEDON

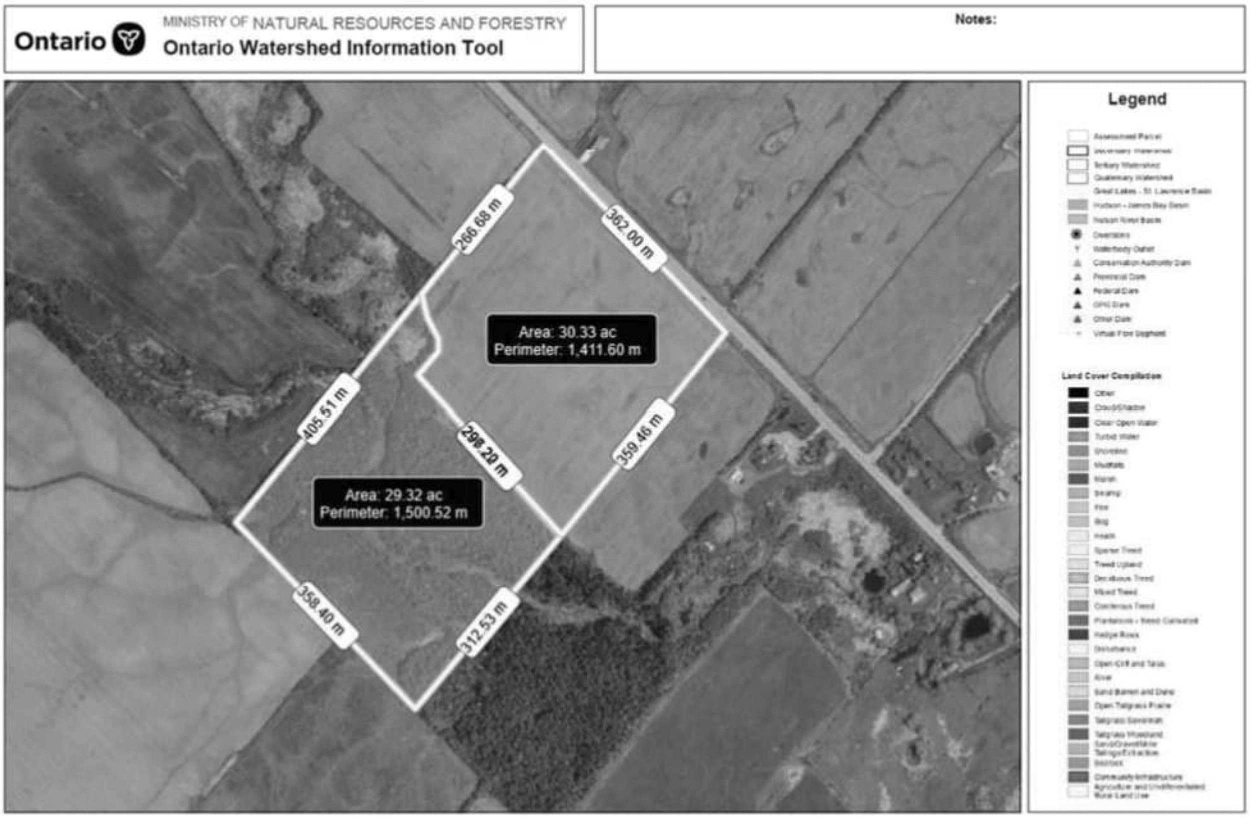
Sale Date	:	December 9, 2022
Location	:	Located south of King Street, east side of Airport Road.
Vendor	:	An individual(s) acting in his/her own capacity
Purchaser	:	13541 Airport Road Holdings Inc.; 13649 Airport Road Holdings Inc.
Legal Description	:	**14327-0053** PT LT 9 CON 1 ALBION AS IN RO1067515; CALEDON **14327-0054** PT LT 8 CON 1 ALBION AS IN RO921663; CALEDON
PIN(s)	:	14327-0053; 14327-0054
Land Use	:	The Town of Caledon Official Plan designates the property Prime Agricultural Area and Environmental Policy Area. The Zoning By-law classifies the property as A1, an Agricultural zone classification. Designated as "Future Strategic Employment Reserve" under Caledon's Growth Concept Map (part of OP Review).
Area	:	103.18 acres
Sale Price	:	$89,800,000 ($28,000,000 cash / $61,800,000 VTB @ 3.75%)
Price Per Acre	:	$870,323
Remarks	:	At the time of sale, the property was improved with a detached dwelling and some agricultural infrastructure. The property comprises a mostly rectangular-shaped parcel. The location is just north of the proposed Highway 413.
	:	This is a land assembly of two adjoining parcels which were each purchased for $44,900,000 resulting in a total consideration of $89,800,000, and an overall price per acre of $870,323.
	:	According to the Region of Peel, there is a 600mm sanitary trunk sewer fronting the comparable (13541, 13571 & 13649 Airport Rd). According to the CCTV Reports, the sanitary lateral connection for 13541 Airport Rd (SMH308092-SMH308091) may be located 57.05m from manhole 308092. The sanitary lateral connection for 13571 Airport Rd (SMH308093-SMH308092) may be located 103.23m from manhole 308093. The sanitary lateral connection for 13649 Airport Rd (SMH 308115-SMH308093) may be located 3.08m from manhole 308115. There is no water infrastructure fronting the comparable. There is a 300mm watermain that fronts the neighbouring property at 13441 Airport Rd.

INDEX 6 W/S AIRPORT ROAD, CALEDON



Sale Date	:	June 30, 2022
Location	:	Located on the west side of Airport Road, north of Mayfield Road, and approximately 900 metres south of Old School Road.
Vendor	:	BVD Petroleum (2832418 Ontario Inc.)
Purchaser	:	Broccolini Airport Road GP Inc.
Legal Description	:	**14347-0117:** PT LT 21 CON 6 EHS CHINGUACOUSY AS IN VS219234; T/W VS219234; CALEDON **14347-0118:** PT LT 21 CON 6 EHS CHINGUACOUSY AS IN VS219362; T/W VS219362; CALEDON
Land Use	:	The Town of Caledon Official Plan designates the property Prime Agricultural. The Zoning By-law classifies the property A1 and EPA2, an Agricultural and an Environmental Policy Area classification. Designated as "Employment" under Caledon's Growth Concept Map (part of OP Review).
Area	:	60.27 acres
Developable	:	±30.3 acres (estimated)
Sale Price	:	$62,000,000 (100% Cash)
Price Per Acre	:	$1,028,738 – *based on gross acreage* $2,046,205 – *based on developable portion (estimated)*
Remarks	:	There was no development application submitted at the time of the sale. PepsiCo North Yard, DHL Warehouse, and multiple other industrial sites were located 1.8 kilometers south from the site; the urban built-up boundary of Brampton was located 2.3 kilometres south from the site. The site was well connected to King Street and Mayfield Road.
	:	At the time of sale, the property was vacant and unimproved.
	:	Municipal services – No services currently available to the site.
	:	The property includes non-developable EPA land in the western portion of the site. We have calculated the approximate developable area using online mapping. This calculation is shown on the following page. The developable area is estimated to total approximately 30.3 acres (rounded).

INDEX 6 – APPROXIMATE CALCULATION OF EP LANDS



INDEX 7 TORBRAM ROAD, CALEDON

Sale Date	:	April 19, 2022
Location	:	Located on the east side of Torbram Road, approximately 1.5 kilometres north of Mayfield Road
Vendor	:	Private individual
Purchaser	:	RICE Group (Tullamore Industrial Nominee 2 Limited)
Legal Description	:	PT LT 20 CON 6 EHS CHINGUACOUSY AS IN RO1126012, EXCEPT PT 1 TO 4, 43R7983; CALEDON
PIN(s)	:	14347-0096
Land Use	:	The Town of Caledon Official Plan designates the property Prime Agricultural Area. The Zoning By-law classifies the property A1, an Agricultural classification.
		Designated as "Employment" under Caledon's Growth Concept Map (part of OP Review).
Area	:	97.31 acres
Sale Price	:	$100,000,000
Price Per Acre	:	$1,027,686
Remarks	:	At the time of sale, the property was vacant and unimproved.
	:	No development application had been submitted for the site. It should be noted that an Official Plan & Zoning amendment, and draft plan of subdivision were submitted in 2021 for the adjacent lands immediately south of this property, to facilitate future industrial and commercial development.
	:	The site is located just south of the proposed Highway 413.
	:	Municipal services – No services currently available.

INDEX 8 10223 HIGHWAY NO. 50, VAUGHAN

Sale Date	:	January 12, 2022
Location	:	Located on the east side of Highway No. 50, just north of Major Mackenzie Road.
Vendor	:	Groupe Mach (Complexe Vaughan Inc./Vaughan Complex Inc.)
Purchaser	:	Crestpoint Real Estate Investments & PSP Investments (CPSP Vaughan Nominee Inc.)
Legal Description	:	PT LT 22 CON 10 VAUGHAN AS IN VA58849 EXCEPT VA83345, VA83346 & PT 4, 65R13046; VAUGHAN
PIN(s)	:	03321-0049
Improvements	:	At the time of sale, the property was improved with a single family detached residential dwelling.
Land Use	:	The City of Vaughan Official Plan designates the property Agricultural. The Zoning By-law classifies the property "A", an Agricultural classification. The Zoning By-law also classifies the eastern portion of the comparable sale as "OS1", an Open Space classification.
Area	:	85.10 acres
Developable	:	±65.2 acres (estimated)
Sale Price	:	$124,000,000
Price Per Acre	:	$1,457,041 – *based on gross acreage* $1,901,840 – *based on developable portion (estimated)*
Remarks	:	Some local municipal services are available to the site along Highway 50. External works are required to connect them to the subject property.
	:	This property is well-situated in the northwest portion of Vaughan, just south of Bolton. The location benefits from being just a few lots north of the CPKC Vaughan Intermodal Terminal, as well as the Highway 427 extension (which accesses Major Mackenzie Drive).
	:	The property includes non-developable "open space" land in the eastern portion of the site. We have calculated the approximate developable area using online mapping. This calculation is shown on the following page. On this basis, the developable area is estimated to total approximately 65.2 acres (rounded).

INDEX 8 – APPROXIMATE CALCULATION OF EP LANDS

SUMMARY OF ADJUSTMENTS

Although the comparable sales are generally similar to the subject, we have, where necessary, made adjustments for dissimilarities between the comparable sales and the subject. The various adjustments considered in the analysis are outlined as follows.

PROPERTY RIGHTS APPRAISED

- In each case the property rights appraised are those of the fee simple interest, wherein no adjustment is required.

FINANCING

- A majority of the sales utilized in this analysis was transacted with cash and/or cash and market-based financing, or with a market-based vendor take-back financing. Therefore, no adjustment for financing terms is required.

SALE CONDITIONS

- Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. To the best of our knowledge, each of the sales was an open market transaction between willing sellers and willing buyers, wherein no adjustments to the comparable sales have been made.

DATE OF SALE

- The various sales occurred over a relatively recent period of time from January 2022 to May 2023. Industrial property values generally continued to increase through 2022. However, multiple interest rate increases were implemented beginning in March 2022 through July 2023, which have severely impacted mortgage rates and affordability, and has tempered demand. Furthermore, land values have been tempered by increasing development charges, as well as increasing costs of construction. On this basis, downward adjustments are appropriate to most of sales, to reflect declining market conditions through the end of 2022 and first half of 2023.

LOCATION

- There have been few sales of large-scale rural-industrial land in Markham, whereby we have expanded the search to other similar areas of the Greater Toronto Area. On this basis, the comparable sales are specifically located within rural areas of York Region and Peel Region. Adjustments have been made to the comparable sales for differences in location, including curb appeal, access, exposure to a major arterial roadways/highways, and if the site is an interior or corner location.
- Furthermore, development charges vary between municipalities, with the City of Markham being at the high end compared to other municipalities in the GTA. This makes future development more costly, requiring some adjustments to the sales.

SIZE

- The subject property comprises an 80.02-acre parcel, with approximately 65.63 acres developable. It falls in the middle of the range of the comparables in terms of lot size. Typically, smaller sites sell for higher per-acre rates than larger sites. As we found this to generally be the case in the subject's market, we have adjusted the comparable sales to the subject property accordingly. Specifically, downward adjustments are appropriate for some of the smaller sites, as they would attract a wider range of purchasers.

SERVICING

- The subject property does not currently have access to municipal services. There are hydro lines and a natural gas line along the Woodbine Avenue frontage.
- It is intended for future servicing to be brought to the site, however, it would be contingent on the submission of a development plan.
- In terms of servicing, most of the comparable sales are similar to the subject, being generally unserviced land. Some of the sales have services along their road frontage(s), and these sales are typically toward the upper end of the range, requiring downward adjustments.

DEVELOPMENT POTENTIAL

- A property's value is impacted by factors including: estimated time to develop, external development costs, market demand and municipal servicing available. Properties with shorter development times will sell at a premium to reflect the lower amount of risk associated with these sites. Conversely, properties with longer development times will sell at a discount, since they typically involve more risk to the purchaser with regards to future land use policies and approvals.
- Adjustments have been made to sales on this basis, with consideration given to the subject property's previous site plan pertaining to a proposed production studio campus; though this development was specific to the current owner (who has defaulted on the mortgage), a potential purchaser may use the land for an alternative development.

UTILITY

- A property's value is impacted by its ability to offer utility to a potential user. Sites that have extra frontage which can offer good exposure, superior zoning designations (which allows for additional or restricted uses), and no environmental concerns will typically offer superior utility, and widen the market of potential users.
- The subject is a corner lot along two arterial roads. Some of the comparable sales have highway frontage, which is superior. The subject site is mostly rectangular shaped, providing good utility. However, the site includes some environmentally protected lands along the Woodbine Avenue frontage, and the subject property is bisected by a watershed that separates the property into an East Portion and West Portion (irregularly-shaped).
- Many of the comparable sales include portions of non-developable land. Where the non-developable portions appear to be substantial, we have accounted for this by calculating the rate per acre on the developable portion of the site (similar to the analysis of the subject property). In some cases, we have estimated the developable area using online mapping, which provides an approximate calculation of the portion that is zoned as environmentally protected. These calculations are rough estimates, and meant for analysis purposes only.
- The subject property is a large parcel of rolling land that includes various changes in elevation, including some mild hills and valleys. These changes in elevation would present a concern with regards to future grading of the site. It is understood that all comparable sites will also require grading prior to development, and these costs will vary from property to property. Some adjustments have been made based on site topography.
- For Index 2, the land was sold by the City of Pickering and Province of Ontario, and therefor includes various stipulations to prevent speculation on the property, and ensure it is developed as intended. An upward adjustment has been applied to this sale, as these covenants restrict the utility of the property.

CURRENT LISTINGS AVAILABLE FOR PURCHASE

In order to supplement our sales analysis, we have also conducted a search of available tracts of comparable large-scale parcels of rural industrial land in the Greater Toronto Area.

INDEX	ADDRESS/LOCATION	ASKING PRICE	SITE AREA ACRES	ASKING PRICE PER ACRE	REMARKS
L1	1751 19th Avenue Richmond Hill	$35,000,000	38.749 ac	$903,249	- OP: Office, Protected Countryside, and Natural Heritage System (North Leslie Secondary Plan) - Zoning: A1 - ***Majority of the site is designated as Greenbelt Outer Boundary. Approximately 4 hectares (±10 acres) are developable*** - In 2020, property was denied a request to convert the lands from employment to non-employment use (in attempt to allow future residential development).
L2	13523-13689 Torbram Road Caledon	$118,000,000	±197 ac	$598,985	- OP: Prime Agricultural - Zoning: A1 & EPA2 - Approx. 4% of the site is zoned EPA - Designated by the Region of Peel plan for "Future Study Area" and abutting Future Employment Lands of Caledon, near proposed Hwy 413 expansion - Seller may provide VTB with min. 50% down - 24 days on market
L3	3427 King Street Caledon	$79,500,000	±82 ac	$969,512	- OP: Prime Agricultural & EPA - Zoning: A1 & EPA2 - Designated as being within the Campbell's Cross Transition Area; SABE Employment Area; & Settlement Area. - Proposed Hwy 413 expansion to be located 1 block south of the site. - 41 days on market
L4	Lot 35, King Vaughan Road Vaughan	$62,000,000	40.76 ac	$1,521,099	- OP: Employment; Prestige & General Employment under Secondary Plan - Zoning: FD (Future Development) - Frontage along east side of Hwy 400. - 19 days on market
L5	3369 Burnhamthorpe Rd W Milton	$55,000,000	±51 ac	$1,078,431	- OP: Agricultural - Zoning: A1 - Immediately south of planned CN Intermodal Terminal Hub in Milton - Currently being farmed, owner willing to farm land after purchase or vacate - 87 days on market
L6	20541 Woodbine Avenue East Gwillimbury	$25,000,000	±76 ac	$328,947	- Adjacent To Industrial Development as Prestige Employment & Mixed Business - Property not in Oak Ridges Moraine (River) and is in Greenbelt. - Connection to municipal water / sanitary sewers will reportedly complete in 2026 - 179 days on market

- The current listings indicate asking prices ranging from \$330,000 per acre to upwards of \$1,500,000 per acre (rounded), which is generally similar to the range indicated by the comparable sales.
- Index L1 is located a short distance west of the subject, along 19th Avenue, and is listed at a rate of \$903,249 per acre. It should be noted that the majority of this site is non-developable (within the Greenbelt, and having "Protected Countryside & Natural Heritage System" land use designations). The portion of the site that is developable allows for Office use. On this basis, the rate per acre is skewed, since it pertains to the gross acreage. It is our understanding that approximately 10 acres are developable, which would result in an adjusted rate per acre of \$3,500,000 on the usable portion. Despite the location being in close proximity to the subject, we have not given much weight to this listing, since its land use designation and developable area concerns make it not very comparable.
- Index L2 is a much larger 197-acre parcel of Agricultural land in Caledon, which is designated by the Region as being "Future Study Area", and abutting Future Employment Lands. The lower rate per acre is reflective of the larger size, as well as the planning uncertainty associated with the land.
- Index L3 is also located in Caledon, but has a better location than Index L2, being situated with the Settlement Area Boundary Expansion (SABE) area, designated as future Employment Area, and "Campbell's Cross Transition Area". The proposed Highway 413 will be located just south of this property. It should be noted that this site appears to include some EPA land, which would reduce the developable area (resulting in a higher rate per acre on the usable portion).
- Index L4 is a smaller, superior parcel with frontage along Highway 400 at the north end of Vaughan. As a result of the size, utility, and location, this property is listed at the upper end of the range at just over \$1.5 million per acre.
- Index L5 is a slightly smaller parcel of agricultural land at the southern border of Milton, listed at \$1.078 million per acre. The current land use regulations are agricultural; however, the land is situated immediately south of the planned CN Milton Logistics Hub which was approved by the federal government in 2021. The property is within the 1km Buffer Area of the terminal.
- Index L6 is a 76-acre parcel located much further north of the subject, in East Gwillimbury, just off Highway 404 at Queensville Side Road. This is an inferior parcel given the location, and that it is fully located in the Greenbelt which makes future development much more difficult.

SUMMARY AND KEY REMARKS

The comparable land sales indicate a wide range in values equivalent to rates from approximately $350,000 per acre to over $2,000,000 per acre (rounded), based on developable areas. Current listings also indicate a relatively similar range. As previously noted, we have analyzed the sales on the basis of developable area, where possible/applicable. This method accounts for portions of the sites that are considered unusable to the purchaser and would otherwise skew the 'per acre' rate (environmental lands are typically attributed little to no value). Adjustments were primarily made for the size, location, utility of the comparable sales, and development potential.

The subject property is located in the City of Markham, which has relatively high development charges compared to most of the sales' municipalities. This increases the cost of development, requiring downward adjustments to these sales.

Consideration has been given to declining market conditions resulting from rapidly increasing interest rates through 2022 and 2023, which has severely impacted affordability and caused a slowdown of transactions. Downward adjustments are appropriate on this basis.

After considering the current market conditions, the overall characteristics of the subject and the comparable land sales, it is our opinion that a reasonable rate per acre applicable to the subject is within the range from $925,000 to $975,000 per acre (developable). We have selected a midpoint rate of $950,000 per acre.

Applied to the 65.63 acres of developable lands, this results in a value estimate for the subject property as follows:

65.63 acres (developable) @ $950,000 per acre	=	$62,348,500
Rounded	**@**	**$62,350,000**

VALUE BY THE DIRECT COMPARISON APPROACH ... $62,350,000

FINAL VALUE ESTIMATE

Having considered the data investigated, and all other factors which may affect value, it is our opinion that the market value of the subject property (fee simple interest), as of July 17, 2023, is:

SIXTY-TWO MILLION, THREE HUNDRED AND FIFTY THOUSAND DOLLARS
$62,350,000

It is an extraordinary assumption of this appraisal that the developable area of the site is 65.63 acres (which excludes non-developable Greenway lands and road widening buffers). This figure is based on calculations provided to us by CXT Architects, as outlined herein. The overall site area is 80.02 acres. Any variance in the actual developable area may impact our final value estimate. Should the developable area differ, we reserve the right to review the market value estimate concluded herein.

Values contained in this appraisal are based on market conditions as at the time of this report. This appraisal does not provide a prediction of future values. In the event of market instability and/or disruption, values may change rapidly and such potential future events have NOT been considered in this report. As this appraisal does not and cannot consider any changes to the property appraised or market conditions after the Effective Date, readers are cautioned in relying on the appraisal after the Effective Date noted herein.

MARKETING TIME

Assuming that there is no change in the current market conditions, and the subject is properly marketed, it is our opinion that the time required to realize the indicated value estimate is 3 to 12 months.

3. Special Provisions:

The Owner covenants and agrees as follows:

(a) that the lands for a future road widening to establish a right of way width of 43.0 m (141.08 ft) as identified by Map 12 – Street Network in the Region's Official Plan, measured from the proposed centerline of 19th Avenue and identified as Parts 1 and 2 on the draft reference plan, prepared by R-PE Surveying Ltd. Job. No. 21-141, received by the City of Markham as of December 22, 2021, be conveyed to the City, prior to the execution of a Site Plan Agreement;

(b) that the Owner shall submit the Environmental Site Assessment for the lands comprising the future road widening noted above to the City for peer review and acceptance, and file a Record of Site Condition (RSC) for those lands prior to its conveyance to the City in accordance with O. Reg. 153/04.

(c) That the lands for a future road widening to establish a right of way width of 21.50 m (70.54 ft) from the centerline of construction of Woodbine Avenue, as identified by Map 12 – Street Network in the Region's Official Plan, measured from the centerline of construction of Woodbine Avenue, and a 15.0 m (49.21 ft) x 15.0 m (49.21 ft) daylighting triangle at the south east corner of Woodbine Avenue and 19th Avenue be conveyed to the Regional Municipality of York prior to the execution of a Site Plan Agreement; and

(d) That the Owner and City hereby agree and acknowledge that some of the lands are located within the Greenway System of the 2014 Markham Official Plan (the "Official Plan") and that the delineation of the Natural Heritage Network, Rouge Watershed Protection Area, and Hazardous lands shall occur through the Site Plan Approval process, including preparation of an Environmental Impact Study and review thereof in accordance with the policies of Section 3.1 of the Official Plan. The Environmental Impact Study also shall assess the potential impacts of trails, fencing and any other infrastructure, and provide recommendations on the mitigation of impacts and enhancements of the Greenway System to the satisfaction of the Director of Planning and Urban Design. The Owner agrees that the Site Plan Agreement will require the Owner to convey to the City the natural heritage and hydrologic features, and hazardous lands, as defined by the Official Plan (currently identified as Part 3 on the Draft Reference Plan submitted to the City on November 19, 2021, and which is to be confirmed through the Environmental Impact Study). For the lands in the Greenway System outside of the natural and hydrologic features, and hazardous lands, the Owner further agrees that the Site Plan Agreement will require the Owner to address those aforementioned lands (including protection and re-naturalization) as appropriate pursuant to the Official Plan.

1. This report is prepared at the request of *SOW Capital Ontario Inc.* for the purpose of an appraisal of the market value of the subject property. It is not reasonable for any other person or company other than *SOW Capital Ontario Inc.* to rely upon this appraisal without first obtaining written authorization from this appraiser. There may be qualifications, assumptions or limiting conditions in addition to those set out below relevant to that person's identity or his intended use. This report is prepared on the assumption that no other person will rely on it for any other purpose and that all liability to all such persons is denied.

2. While expert in appraisal matters, the author is not qualified and does not purport to give legal advice. It is assumed that:

   (a) a legal description as set out herein is correct;

   (b) title to the property is good and marketable;

   (c) there are no encroachments, encumbrances, restrictions, leases or covenants that would in any way affect the valuation, except as expressly noted herein;

   (d) the existing use is a legally conforming use, which may be continued by any purchaser from the existing owner;

   (e) rights-of-way, easements or encroachments over the real property and leases or other covenants noted herein are legally enforceable.

   Because these assumptions have been made, no investigation, legal or otherwise, has been undertaken which would verify these assumptions except as expressly noted herein.

3. The author is not a qualified surveyor and no legal survey concerning the subject property has been provided. Sketches, drawings, diagrams, photographs, etc. are presented in this report for the limited purpose of illustration and are not to be relied upon in themselves.

4. The author is not qualified to give engineering advice. It is assumed that there are no patent or latent defects in the subject improvements, that no objectionable materials such as Urea Formaldehyde foam are present, and that they are structurally sound and in need of no immediate repairs, unless expressly noted within this report. No soil tests have been done, nor have tests been done of the heating, plumbing, electrical, air-conditioning or other systems and, for the purpose of this opinion, they are assumed to be in good working order.

5. No investigation has been undertaken with the local zoning office, the fire department, the building inspector, the health department or any other government regulatory agency unless such investigations are expressly presented to have been made in this report. The subject property must comply with such government regulations and, if it does not comply, its non-compliance may affect market value. To be certain of compliance, further investigations may be necessary.

6. The author of this report cannot accept responsibility for legal matters, opinions of title, hidden and/or unapparent conditions of the property. The estimated current market value of the real property which is appraised in this report pertains to the value of the fee simple interest in the real estate. The property rights appraised herein exclude mineral rights, if any.

7. The property has been valued on the basis that there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or saleability of the subject property or any portion thereof.

8. The interpretation of the contractual agreements, pertaining to the operation and ownership of the property, as expressed herein, is solely the opinion of the author and should not be construed as a legal interpretation. Further, the summary of these contractual agreements, is presented for the sole purpose of giving the reader an overview of the salient facts thereof.

9. Neither possession of this report nor a copy carries with it the right of publication, except for those rights granted in Paragraph 1. All copyright is reserved to the author and this report is considered confidential by the author and the Client. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference.

10. Market data has been obtained in part from documents at the Land Registry Office, or as reported by the real estate board. These data are not guaranteed for accuracy. As well as using such documented and generally reliable evidence of market transactions, it was also necessary to rely on hearsay evidence.

11. Values contained in this appraisal are based on market conditions as at the time of this report. This appraisal does not provide a prediction of future values. In the event of market instability and/or disruption, values may change rapidly and such potential future events have been NOT been considered in this report. As this appraisal does not and cannot consider any changes to the property appraised or market conditions after the Effective Date, readers are cautioned in relying on the appraisal after the Effective Date noted herein.

12. Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without warning, the market value expressed as of the date of this appraisal cannot be relied upon to estimate the market value of any other date except with further advice of the appraiser.

13. The compensation for services rendered in this report does not include a fee for court preparation or court appearances, which must be negotiated separately. However, neither this nor any other of these limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial body which will decide the use of the report which best serves the administration of justice.

14. Our appraisal assumes that the subject property, both its land and building components, are free of toxic waste, fill or hazardous materials that may be environmental contaminants. This statement is made as the result of inspection as real estate appraisers and not environmental consultants. An environmental audit of the property is needed to verify its environmental status and this is beyond our professional expertise.

15. It is imperative that the reader or any other interested party be aware that the Appraiser did not inspect the premises for fire detection or smoke detection systems, or for the presence of carbon monoxide detectors, nor did the Appraiser inspect the condition of such equipment, if present. The Appraiser takes no responsibility whatsoever for the lack of, or condition of, detection devices that may be located on the premises, nor does the Appraiser warrant compliance in any manner of such equipment, if present.

16. The aggregate value of a limited partnership interest may be different than the value of the freehold or fee simple interest in the real estate, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.

17. The reader should be aware that, when preparing a report for financing purposes, appraisers do not investigate if the prospective loan and applicant satisfy prudent underwriting criteria. Consequently, we assume no responsibility for losses on loans involving our appraisal efforts that result from the lender's failure to do proper due diligence regarding the creditworthiness of the borrower or their ability to service or repay the loan.

18. The appraiser shall not be responsible for any loss or damage arising from his authorship of this report, or any reliance placed upon it, if this report is used by the Client or any other person for any reason other than mortgage lending purposes by a lender without the explicit permission of the appraiser.

19. All efforts have been made in the preparation of this report to comply with the requirements under the Personal Information Protection and Electronic Documents Act (PIPEDA). This includes obtaining verbal consent to take the interior photographs included in this report from a representative from the owner.

20. Only intended users identified by name in the report are able to use and rely on this report bearing original signature(s) of the author(s).

DYLAN A. OSBORNE, BA, AACI, P.APP

EXPERIENCE

PARTNER | WAGNER, ANDREWS & KOVACS LTD.
2022 – Present

ASSOCIATE PARTNER | WAGNER, ANDREWS & KOVACS LTD.
2020 – 2021

APPRAISER | WAGNER, ANDREWS & KOVACS LTD.
2012 – 2020

Has worked with Wagner Andrews & Kovacs Ltd. since 2012 completing industrial, commercial (retail and office), and investment appraisals, including improved properties and vacant land.

- Appraisal experience includes major investment portfolios, warehouse/manufacturing facilities, industrial malls, office complexes, retail plazas, shopping centres, multi-family apartment complexes, and commercial/residential development land. Consulting assignments include highest and best use studies, market rent analyses, and cash flow analyses.
- Valuations typically completed for the purpose of mortgage financing, fund reporting, IFRS reporting, purchase/sale and due diligence.
- Expertise in Argus valuation software (Argus DCF and Argus Enterprise).
- Involved in mentoring junior appraisers.

Wagner, Andrews & Kovacs Ltd. is a boutique commercial appraisal company in Toronto, and is one of the largest independent appraisal companies specializing in commercial real estate in Canada.

EDUCATION

UNIVERSITY OF BRITISH COLUMBIA – SAUDER SCHOOL OF BUSINESS (REAL ESTATE DIVISION) | 2011 – 2016
- Appraisal Institute of Canada Distance Education Program (AACI)
- Diploma Program in Urban Land Economics (DULE)

UNIVERSITY OF TORONTO | 2006 – 2011
- Honours Bachelor of Arts
  Major in Urban Studies, Minors in Geographic Information Systems and History

PROFESSIONAL DEVELOPMENT

APPRAISAL INSTITUTE OF CANADA (AIC) | 2012 – PRESENT
- Designated AACI, P.App (Accredited Appraiser Canadian Institute / Professional Appraiser) in 2017
- Member in good standing with the AIC, having completed all requirements and credits under the mandatory Continuing Professional Development Program

BISHARA GAFOUR, B.A., AIC CANDIDATE MEMBER

EXPERIENCE

ASSOCIATE APPRAISER | WAGNER, ANDREWS & KOVACS LTD.
2021-Present

ASSOCIATE APPRAISER | GSI REAL ESTATE & PLANNING ADVISORS INC.
2017-2020

Approximately 5 years of professional commercial real estate appraisal experience, specializing in valuations for industrial, office, multi-residential and retail properties across the Greater Golden Horseshoe and Greater Toronto Area for mortgage financing, acquisitions and due diligence. Appraisal assignments carried out for major financial institutions, public and private investors and developers.

Real estate career began with a role as an Associate Appraiser of GSI Real Estate & Planning Advisors, followed by current position as an Associate Appraiser with Wagner, Andrew & Kovacs Ltd. Wagner, Andrews & Kovacs Ltd. is a boutique commercial appraisal company in Toronto, and is one of the largest independent appraisal companies specializing in commercial real estate in Canada.

EDUCATION

DALHOUSIE UNIVERSITY | 2008

- Bachelor of Arts – Economics with Minor in Business

UNIVERSITY OF BRITISH COLUMBIA – SAUDER SCHOOL OF BUSINESS (REAL ESTATE DIVISION) | 2018 - PRESENT

- AIC Education Program – AACI (Accredited Appraiser Canadian Institute) Pathway

PROFESSIONAL DEVELOPMENT

APPRAISAL INSTITUTE OF CANADA (AIC) | 2022 – PRESENT
Candidate Member in good standing with the Appraisal Institute of Canada, having completed all annual requirements and credits under the mandatory Continue Professional Development Program

I certify that to the best of my knowledge and belief:

Dylan Osborne, AACI inspected the subject property at 3143 19th Avenue in the City of Markham on July 17, 2023.

The statements of fact contained in this report are true and correct.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal impartial, and unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report, or to the parties with this assignment.

My engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the Client.

My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards.

I have the knowledge and experience to complete the assignment competently.

The Appraisal Institute of Canada has a mandatory Continuing Professional Development program for designated members. As of the date of this report the undersigned has fulfilled the requirements of the AIC's Continuing Professional Development Program.

The undersigned is a member in good standing of the Appraisal Institute of Canada. Dylan Osborne is accredited with an AACI designation from the Appraisal Institute of Canada, Membership No. 906750. Bishara Gafour is a Candidate Member of the Appraisal Institute of Canada, Membership No. 915792, working under the supervision of Dylan Osborne, AACI.

Having regard to all of the information contained in this appraisal report, it is our opinion that the current fair market value of the appraised property (fee simple interest), subject to the underlying assumptions and limiting conditions outlined in the report, as at July 17, 2023, is:

SIXTY-TWO MILLION, THREE HUNDRED AND FIFTY THOUSAND DOLLARS
$62,350,000

It is an extraordinary assumption of this appraisal that the developable area of the site is 65.63 acres (which excludes non-developable Greenway lands and road widening buffers). This figure is based on calculations provided to us by CXT Architects, as outlined herein. The overall site area is 80.02 acres. Any variance in the actual developable area may impact our final value estimate. Should the developable area differ, we reserve the right to review the market value estimate concluded herein.

Values contained in this appraisal are based on market conditions as at the time of this report. This appraisal does not provide a prediction of future values. In the event of market instability and/or disruption, values may change rapidly and such potential future events have NOT been considered in this report. As this appraisal does not and cannot consider any changes to the property appraised or market conditions after the Effective Date, readers are cautioned in relying on the appraisal after the Effective Date noted herein.

APPRAISER

Dylan Osborne, BA, AACI, P.App

Signature:

Name: Dylan Osborne
AIC Designation/Status: AACI, P.App
Membership #: 906750
Date of Report/Date Signed: July 17, 2023
Personally Inspected the Subject Property: Yes
Date of Inspection: July 17, 2023

CO-SIGNING CANDIDATE APPRAISER

Bishara Gafour, AIC Candidate Member

Signature:

Name: Bishara Gafour
AIC Designation/Status: AIC Candidate Member
Membership #: 915792
Date of Report/Date Signed: July 17, 2023
Personally Inspected the Subject Property: No
Date of Inspection: n/a

wagner andrews & kovacs
real estate valuation

367 Rimrock Road | Unit 2 | Toronto, ON | M3J 3C6
T 416.633.4437 | F 416.633.5020 | www.wakconsulting.com

This is Exhibit “M” referred to in the Affidavit of Philip Wong sworn before me by videoconference this 26th day of September 2023

Amandeep Sidhu

Commissioner for Taking Affidavits (or as may be)

AMANDEEP SIDHU

Transaction Number: APP-A10271291686
Report Generated on September 15, 2023, 12:29

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

2816513 ONTARIO INC. as of September 15, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2816513 ONTARIO INC.
Ontario Corporation Number (OCN)	2816513
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	February 16, 2021
Registered or Head Office Address	299 Courtneypark Drive East, Mississauga, Ontario, Canada, L5T 2T6

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	LEE Q SHIM
Address for Service	56 Boake Trail, Richmond Hill, Ontario, Canada, L4B 2Y5
Resident Canadian	Yes
Date Began	February 16, 2021

Active Officer(s)

Name	MAY HAN JUDY PUN
Position	Secretary
Address for Service	456 Summeridge Drive, Thornhill, Ontario, Canada, L4J 9H9
Date Began	February 16, 2021

Name	LEE Q SHIM
Position	President
Address for Service	56 Boake Trail, Richmond Hill, Ontario, Canada, L4B 2Y5
Date Began	February 16, 2021

Name	YU LEUNG YAU
Position	Treasurer
Address for Service	118 Woody Vineway, North York, Ontario, Canada, M2J 4H6
Date Began	February 16, 2021

Corporate Name History

Name	2816513 ONTARIO INC.
Effective Date	February 16, 2021

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: MAY HAN JUDY PUN	August 29, 2023
BCA - Articles of Incorporation	February 16, 2021

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

This is Exhibit “N” referred to in the Affidavit of Philip Wong sworn before me by videoconference this 26th day of September 2023

Amandeep Sidhu

Commissioner for Taking Affidavits (or as may be)

AMANDEEP SIDHU

Transaction Number: APP-A10271544565
Report Generated on September 15, 2023, 15:27

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

LEE LI HOLDINGS INC. as of September 15, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	LEE LI HOLDINGS INC.
Ontario Corporation Number (OCN)	1400456
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	February 08, 2000
Registered or Head Office Address	299 Courtneypark Drive East, Mississauga, Ontario, Canada, L5T 2T6

Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	LEE Q SHIM
Address for Service	56 Boake Trail, Richmond Hill, Ontario, Canada, L4B 2Y5
Resident Canadian	Yes
Date Began	February 08, 2000

Active Officer(s)

Name	LEE Q SHIM
Position	President
Address for Service	56 Boake Trail, Richmond Hill, Ontario, Canada, L4B 2Y5
Date Began	February 08, 2000

Name	LEE Q SHIM
Position	Secretary
Address for Service	56 Boake Trail, Richmond Hill, Ontario, Canada, L4B 2Y5
Date Began	February 08, 2000

Corporate Name History

Name	LEE LI HOLDINGS INC.
Effective Date	June 11, 2001
Previous Name	1400456 ONTARIO INC.
Effective Date	February 08, 2000

Active Business Names

Name	LEE LI GROUP
Business Identification Number (BIN)	110643905
Registration Date	June 12, 2001
Expiry Date	June 07, 2026

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: LEE Q SHIM	July 13, 2023
Annual Return - 2001 PAF: Y. L. YAU - OTHER	February 23, 2008
Annual Return - 2000 PAF: Y.L. YAU - OTHER	February 23, 2008
Annual Return - 2005 PAF: Y L YAU - OTHER	February 23, 2008
Annual Return - 2002 PAF: Y.L. YAU - OTHER	February 23, 2008
Annual Return - 2003 PAF: Y.L. YAU - OTHER	February 23, 2008
Annual Return - 2007 PAF: Y.L. YAU - OTHER	February 23, 2008
Annual Return - 2006 PAF: Y.L. YAU - OTHER	February 23, 2008
Annual Return - 2006 PAF: Y.L. YAU - OTHER	October 20, 2007
Annual Return - 2005 PAF: Y L YAU - OTHER	September 08, 2007
Annual Return - 2004 PAF: LEE Q SHIM - DIRECTOR	April 01, 2006
CTA - Complied	February 11, 2006
CTA - Default Corporations Tax Act	December 05, 2005
CIA - Initial Return	June 20, 2001

PAF: LEE Q. SHIM - DIRECTOR

BCA - Articles of Amendment	June 11, 2001
BCA - Articles of Incorporation	February 08, 2000

All “PAF” (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Appendix "I"

Court File No. CV-23-00703616-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990 C. C.43, AS AMENDED

BETWEEN:

ROMSPEN INVESTMENT CORPORATION

Applicant

and

TUNG KEE INVESTMENT CANADA LTD. and TUNK KEE INVESTMENT LIMITED PARTNERSHIP

Defendants

AFFIDAVIT OF HUNTER LAM

I, HUNTER LAM, in the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Vice President of Business Development and Planning of Lee Li Holdings Inc. (Lee Li), and its related and associated companies, including 2816513 Ontario Inc. (2816513), and have such as knowledge as the matters hereinafter deposed to.
2. Attached hereto and marked as Exhibit "A" to this my affidavit is a true copy of the Ontario Profile Report of Lee Li. Attached hereto and marked as Exhibit "B" to this my affidavit, is a true copy of the Ontario Profile Report of 2816513.
3. Lee Li started business in March 1984. Its principle is Lee Q. Shim. From its humble beginnings, Lee Li has grown the business significantly and it is a multinational corporation, with many resources and assets. Attached hereto and marked as Exhibit "C" to this my affidavit, is a true

copy of the website of Lee Li Holdings, accurately summarizing the company history, and the companies that it owns.

4. 2816513, was incorporated for this specific purpose of acquiring the subject property, which will be identified below.
5. In this affidavit, when I refer to "we" or "us", I am referring to Lee Li, and/or, 2816513.
6. In November 2022, we became aware of the subject lands (3143 19th Avenue, in the City of Markham) were potentially available for sale. There were discussions and draft agreements that were exchanged between TKIC and us to enter into an agreement to purchase the subject lands. Unfortunately, we were not able to finalize an agreement to acquire the subject property.
7. I understand that the Applicant (the first mortgagee) issued Notice of Sale. As a result, 2816513, prepared an offer signed May 24, 2023 and submitted it to the Applicant. Attached hereto and marked as Exhibit "D" to this my affidavit is a true copy of the offer that was prepared and signed on May 24, 2023.
8. We understood at the time that the Applicant had entered into a conditional agreement to sell the subject premises. Despite this, we instructed our lawyer, Robert Kligerman to contact the Applicant and deliver the offer on our behalf. Attached hereto and marked as Exhibit "E" to this my affidavit is a true copy of an email dated May 24, 2023, delivered by Mr. Kligerman to David Preger, the lawyer for the Applicant.
9. I am advised by Mr. Kligerman that he did not receive a response from Mr. Preger. We did not receive a response from the Applicant to this email.
10. We became aware that the Agreement of Purchase and Sale that the Applicant had entered into, which is alluded to in Mr. Kligerman's email, was not completed, and/or, terminated. Accordingly, Mr. Kligerman wrote to Mr. Preger by email dated June 20, 2023. Attached hereto and marked as Exhibit "F" to this my affidavit is a true copy of Mr. Kligerman's email to Mr. Preger, dated June 20, 2023. I am advised by Mr. Kligerman that he never received a response from Mr. Preger. We received no response to our inquiry to the Applicant.
11. By Agreement of Purchase and Sale (APS), 2816513, as purchaser, agreed to purchase the subject property from Sow Capital Ontario Ltd (Sow) as vendor. We understood that Sow was the fifth and last mortgagee of the subject property. Attached hereto and marked as Exhibit "G" to this my affidavit is a true copy of the Agreement of Purchase and Sale executed by the parties on July 18, 2023 (APS).
12. The significant terms of this APS are:
    a) The purchase price is $66,000,000.00;
    b) There was a due diligence period for a period of 30 days, following acceptance;

c) A first deposit of $1,000,000.00 was required upon acceptance;

d) After waiver of the due diligence period, a second deposit of $2,000,000.00, was required to be paid;

e) The closing date was scheduled to take place 60 days, following satisfaction of the due diligence period.

13. On August 17, 2023, an Amendment to the APS was executed by 2816513 and Sow, which extended the due diligence period to August 28, 2023, and fixed the closing date for October 16, 2023. Attached hereto and marked as Exhibit "H" to this my affidavit is a true copy of the Amendment to the APS.

14. On August 28, 2023, 2816513 and Sow entered into a Waiver and Amendment to the APS. The closing date to complete the APS was changed from October 16, 2023, to November 30, 2023. Attached hereto and marked as Exhibit "I" to this my affidavit is a true copy of the Waiver and Amendment to the APS, executed by the parties on August 28, 2023.

15. The deposits that were required to be paid pursuant to the APS, as amended, totalled $3,000,000.00 and have been paid to Sow's lawyer, and are currently being held in trust.

16. There was no real estate broker or agent involved in the APS and consequently, no real estate commissions are payable on closing.

17. Attached hereto and marked as Exhibit "J" to this my affidavit is a true copy of a letter from Lee Li's banker, confirming that there are sufficient funds available to complete the APS.

18. The Affidavit of Wesley Roitman, sworn September 29, 2023, raises certain concerns regarding "debtor, Wong, and Sow Capital". We have no direct or indirect relationship to the debtor, Wong, and/or Sow as defined by Roitman. We do not know the individuals personally and have had no prior business dealings with any of the entities and/or Wong, personally. We are an independent, arms-length, third-party purchaser. There are no agreements that have been entered into between us and the debtors, Wong, and or Sow, other than the APS, as amended, and annexed hereto as Exhibit "G".

19. I note on reviewing the Affidavit of Roitman, sworn September 29, 2023, that their agreement with their proposed purchaser, Times, was executed on September 15, 2023, after the APS that we entered into with Sow became firm and binding.

20. We wish to complete the APS in accordance with its terms and will be ready, willing, and able to do so on the scheduled closing date.

SWORN BEFORE ME at)
The City of Toronto, Province)
Of Ontario, this 4)
day of October, 2023)

Commissioner for Taking Affidavits

HUNTER LAM

This is **Exhibit "A"** referred to
in the Affidavit of Hunter Lam
Sworn before me this 4^{th}
Day of October, 2023

Transaction Number: APP-A10282671241
Report Generated on October 03, 2023, 09:44

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

LEE LI HOLDINGS INC. as of October 03, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	LEE LI HOLDINGS INC.
Ontario Corporation Number (OCN)	1400456
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	February 08, 2000
Registered or Head Office Address	299 Courtneypark Drive East, Mississauga, Ontario, Canada, L5T 2T6

Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	LEE Q SHIM
Address for Service	56 Boake Trail, Richmond Hill, Ontario, Canada, L4B 2Y5
Resident Canadian	Yes
Date Began	February 08, 2000

Active Officer(s)	
Name	LEE Q SHIM
Position	President
Address for Service	56 Boake Trail, Richmond Hill, Ontario, Canada, L4B 2Y5
Date Began	February 08, 2000
Name	LEE Q SHIM
Position	Secretary
Address for Service	56 Boake Trail, Richmond Hill, Ontario, Canada, L4B 2Y5
Date Began	February 08, 2000

Corporate Name History

Name	LEE LI HOLDINGS INC.
Effective Date	June 11, 2001
Previous Name	1400456 ONTARIO INC.
Effective Date	February 08, 2000

Active Business Names

Name	LEE LI GROUP
Business Identification Number (BIN)	110643905
Registration Date	June 12, 2001
Expiry Date	June 07, 2026

Expired or Cancelled Business Names
This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: LEE Q SHIM	July 13, 2023
Annual Return - 2001 PAF: Y. L. YAU - OTHER	February 23, 2008
Annual Return - 2000 PAF: Y.L. YAU - OTHER	February 23, 2008
Annual Return - 2005 PAF: Y L YAU - OTHER	February 23, 2008
Annual Return - 2002 PAF: Y.L. YAU - OTHER	February 23, 2008
Annual Return - 2003 PAF: Y.L. YAU - OTHER	February 23, 2008
Annual Return - 2007 PAF: Y.L. YAU - OTHER	February 23, 2008
Annual Return - 2006 PAF: Y.L. YAU - OTHER	February 23, 2008
Annual Return - 2006 PAF: Y.L. YAU - OTHER	October 20, 2007
Annual Return - 2005 PAF: Y L YAU - OTHER	September 08, 2007
Annual Return - 2004 PAF: LEE Q SHIM - DIRECTOR	April 01, 2006
CTA - Complied	February 11, 2006
CTA - Default Corporations Tax Act	December 05, 2005
CIA - Initial Return	June 20, 2001

PAF: LEE Q. SHIM - DIRECTOR

BCA - Articles of Amendment	June 11, 2001
BCA - Articles of Incorporation	February 08, 2000

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

This is **Exhibit "B"** referred to
in the Affidavit of Hunter Lam
Sworn before me this 4th
Day of October, 2023

Transaction Number: APP-A10282674830
Report Generated on October 03, 2023, 09:45

Ontario

Ministry of Public and
Business Service Delivery

Profile Report

2816513 ONTARIO INC. as of October 03, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2816513 ONTARIO INC.
Ontario Corporation Number (OCN)	2816513
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	February 16, 2021
Registered or Head Office Address	299 Courtneypark Drive East, Mississauga, Ontario, Canada, L5T 2T6

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)	
Minimum Number of Directors	1
Maximum Number of Directors	10

Name	LEE Q SHIM
Address for Service	56 Boake Trail, Richmond Hill, Ontario, Canada, L4B 2Y5
Resident Canadian	Yes
Date Began	February 16, 2021

Active Officer(s)

Name	MAY HAN JUDY PUN
Position	Secretary
Address for Service	456 Summeridge Drive, Thornhill, Ontario, Canada, L4J 9H9
Date Began	February 16, 2021

Name	LEE Q SHIM
Position	President
Address for Service	56 Boake Trail, Richmond Hill, Ontario, Canada, L4B 2Y5
Date Began	February 16, 2021

Name	YU LEUNG YAU
Position	Treasurer
Address for Service	118 Woody Vineway, North York, Ontario, Canada, M2J 4H6
Date Began	February 16, 2021

Corporate Name History	
Name	2816513 ONTARIO INC.
Effective Date	February 16, 2021

Active Business Names
This corporation does not have any active business names registered under the Business Names Act in Ontario.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: MAY HAN JUDY PUN	August 29, 2023
BCA - Articles of Incorporation	February 16, 2021

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

This is **Exhibit "C"** referred to
in the Affidavit of Hunter Lam
Sworn before me this 4th
Day of October, 2023

Lee Li Holdings is a leading multinational company with a goal of creating a first-class vertical integration to service a number of industries.

Our Vision

At Lee Li Holdings, we believe that everything must operate and executed at a certain standard. Not only do we value the health of our employees, but the health of our products, technology, and equipment must also be preserved. This will enable us to remain agile, so that we can easily adapt and evolve to our environment. It is also important to always expect and prepare for all possible outcomes, so that our businesses can continue to operate and not be hindered by external factors.

Our vision is to extend our current operations to build an even bigger platform, and continue expanding the entire vertical integration that we have created and fostered over the years.

Company History

The early roots of Lee Li Holdings history can be found in March 1984, an enterprising entrepreneur Lee Q. Shim started a meat distributor and wholesale business primarily for restaurants. From its humble beginnings, it has since become a leading multinational conglomerate encompassing companies across the food, beverage, real estate development, property management, medical, private equity, mining and exploration.

determination, it was in this facility that Gallant Foods established itself as the premiere provider of premade, ready-for-market food products that were fully prepared, cooked, and packaged for both taste and convenience. Gallant Foods rapidly transformed into the trusted supplier of choice for many global brands, restaurant franchises, retailers, and the airline industry. In 2000, Gallant Foods was purchased and rebranded to don the mantle of Schneiders, Canada's largest food processor.

To ensure the quality of the products and seeing a market demand for cold storage, Lee Li Holdings purchased Imperial Freezer in 1997. In 2000, Lee Li Holdings constructed a brand-new state-of-the-art storage and distribution centre and began to provide cold storage services under the name Imperial Cold Storage.

In 2001, Fortune Foods merged with Wing Lung Food Products Ltd. to become Ontario's premiere one-stop shop for Asian goods, with full service in production, packaging, and delivery. This set the bar for the food and beverage industry in Canada, in which Lee Li Holdings established itself as the industry standard in food supplier excellency and quality.

In the same year, Lee Li Holdings ventured beyond food products and into the beverage industry. Imperial Chilled Juice was established to manufacture premium juices. This includes household brands such as Minute Maid Juices, Simply Lemonade, Simply Orange Juice, and other juice brand mainstays. With the introduction of almond milk, soymilk, nut milk, and oat milk lines, Imperial Chilled Juice is the only facility in Canada to produce for both low acid dairy alternatives and high acid juices. This success has led to Lee Li Holdings to become the major contract packager for Coca-Cola.

To provide seamless logistics and seeing a necessity for a distribution centre in its supply chain, Lee Li Holdings established Courtneypark Distribution Centre in 2002, which receives its products through a temperature-controlled bridge from the adjacent Imperial Chilled Juice building and has an automated palletized distribution system to increase capacity, maximize time and efficiency for its products to ship.

In 2014, Lee Li Holdings with Earth's Own Food Company entered into a joint venture operating the name First Choice Beverage. With manufacturing facilities in British Columbia and Ontario, First Choice Beverage is able to serve the national market from coast to coast.

In 2013, Lee Li Holdings expanded to diversify its portfolio by investing in residential and commercial real estate. Under Better Build Developments & Co. Ltd., the company now oversees the construction and building of custom residential homes, subdivisions, townhouses, and detached homes. As a full-service, turnkey provider of dream homes, the company also offers loan and mortgage services through Lee Li Holdings' financial division called Ivy Mortgage and Finance Corporation.

In commercial real estate, Lee Li Holdings has developed comprehensive property management services through its Huntcrest Property Management Corp. company. Leveraging years of experience in managing its extensive commercial and industrial properties, Huntcrest Property Management Corp. is perfectly poised to streamline the relationship between landlords and tenants.

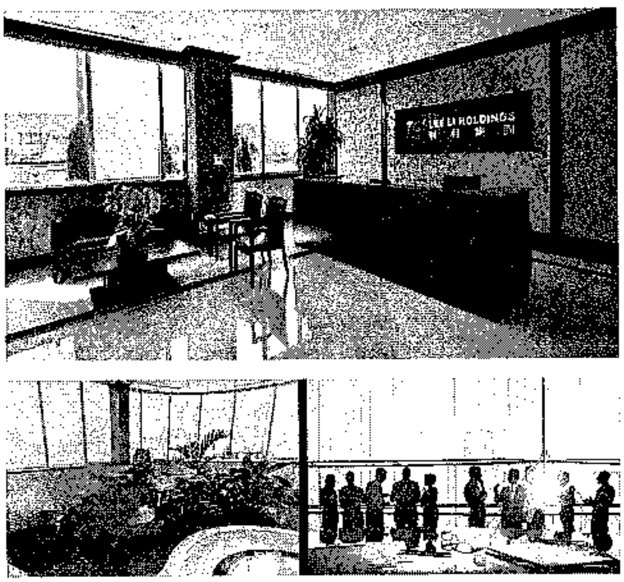
As Lee Li Holdings keeps striving for opportunities in new businesses, investments in mining and exploration led to the launch of Canadian North Resources Inc., with a focus on the Ferguson Lake Project in Nunavut, one of the largest mining opportunities in Canada.

Throughout our long history, the goal of Lee Li Holdings has always been the same: to provide complete and full service for our customers. Our process is to cater for every need, with quality at every step. Whether that's in the form of what we consume, to where we live, and how we invest, we pride ourselves in each individual business that allows us to serve each individual need.

Our Group of Companies

View All Our Companies Here >

CANADIAN NORTH RESOURCES INC. IVY BETTER BUILD HUNTCREST Primus International Inc. FIRST CHOICE BEVERAGE Inc. Imperial



CORPORATE OVERVIEW

Lee Li Holdings is a leading multinational company with a goal of creating a first-class vertical integration to service a number of industries.

FOUNDER, PRESIDENT & CEO

Lee Q. Shin

EMAIL

info@leeli.com

OFFICE LOCATION

299 Courtneypark Drive East,
Mississauga, Ontario, L5T 2T6

PHONE & FAX NUMBER

905-565-5968
905-565-5983

Our Companies

We are proud of the individual businesses that Lee Li Holdings comprises of – learn more about each below, including individual company websites if applicable.

CANADIAN NORTH RESOURCES INC.

CANADIAN NORTH RESOURCES

Ontario. Incorporated in 2013, CNRI is presently in complete ownership of the Ferguson Lake Project in Nunavut.

VISIT SITE

BETTER BUILD
DEVELOPMENTS & CO.

BETTER BUILD DEVELOPMENTS
betterbuilddevelopments.com

In an industry that often places profit margins over long-term homeowner happiness, Better Build Developments & Co. remains steadfast in its philosophy towards quality workmanship and build efficiency that sets us apart from the competition.

VISIT SITE

HUNTCREST
PROPERTY MANAGEMENT CORP.

HUNTCREST PROPERTY MANAGEMENT

Since its establishment, Huntcrest Property Management has held true to its mission of managing commercial properties effectively and efficiently. Huntcrest embodies years of property management experience across commercial office, manufacturing, and warehouse locations.

PRIMUS INTERNATIONAL INC.

primusinternational.com

Primus International Inc. is an import/export trading company engaged in wholesale distribution of a wide variety of consumer goods, including food products (especially frozen fruits), beverages, food additives and general household goods.

VISIT SITE

FIRST CHOICE BEVERAGE Inc.

FIRST CHOICE BEVERAGE INC.

firstchoicebeverage.com

First Choice Beverage occupies a 100,000+ sq. ft. facility and is the only juice plant in Canada that supplies both low acid (dairy, oats, nuts and soy) and high acid (juice) beverage products to Canadian markets.

VISIT SITE

imperial Cold Storage & Distribution Inc

IMPERIAL COLD STORAGE

imperialcoldstorage.com

For over two decades, Imperial Cold Storage has served satisfied customers across Canada with best-in-class public storage for frozen products.

VISIT SITE

TRI-COUNTY DIAGNOSTICS & IMAGING

tricountyimaging.com

Tri-County Diagnostic & Imaging Centers strive to provide high-quality, safe, and excellent care in diagnostic imaging to patients, referring physician and our community at large. Tri-County MRI works diligently to guarantee that our care helps support treatment.

VISIT SITE

IVY Mortgage & Finance Corporation

IVY MORTGAGE AND FINANCE

Founded in 2019, Ivy Mortgage & Finance Corporation (Ivy) has grown to hold a diversified mortgage-lending portfolio, offering competitive loans to both individuals and commercial projects. Operating as a private second mortgage lender, Ivy caters to the growing number of mortgage seekers who are experiencing difficulty obtaining loans and fulfilling special needs, including owners of multiple properties, professionals in a high-income bracket, new immigrants, and young graduates embarking on their career.

+905-565-5968

299 Courtneypark Dr E, Mississauga

info@leeli.com

Home Vision Who We Are Our Companies Contact

This is **Exhibit "D"** referred to
in the Affidavit of Hunter Lam
Sworn before me this 4th
Day of October, 2023

____

OREA Ontario Real Estate Association

Agreement of Purchase and Sale
Commercial

Form 500
for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 19th day of May, 20 23

BUYER: 2816513 Ontario Inc. (Full legal names of all Buyers), agrees to purchase from

SELLER: Rompspen Investment Corporation (Full legal names of all Sellers), the following

REAL PROPERTY:

Address 3143 19th Avenue, Markham

fronting on the south side of 19th Avenue

in the City of Markham in the Regional Municipality of York

and having a frontage of see Schedule "A" more or less by a depth of See Schedule "A" more or less

and legally described as

see Schedule "A"

(Legal description of land including easements not described elsewhere) (the "property")

PURCHASE PRICE: Dollars (CDN$) 64,000,000.00

Sixty Four Million Dollars

DEPOSIT: Buyer submits Upon Acceptance (Herewith/Upon Acceptance/as otherwise described in this Agreement)

One Million Dollars (CDN$) 1,000,000.00

by negotiable cheque payable to Seller's Solicitors "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A and B **attached hereto form(s) part of this Agreement.**

1. **IRREVOCABILITY:** This offer shall be irrevocable by Seller (Seller/Buyer) until 5 pm (a.m./p.m.) on the 20th day of June, 20 23 after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the .... day of See Schedule A, 20........ Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S): **INITIALS OF SELLERS(S):**

3. ~~**NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.~~

~~FAX No.:~~ .... ~~(For delivery of Documents to Seller)~~ ~~FAX No.:~~ .... ~~(For delivery of Documents to Buyer)~~

~~Email Address:~~ .... (For delivery of Documents to Seller) ~~Email Address:~~ .... (For delivery of Documents to Buyer)

4. **CHATTELS INCLUDED:**

None

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. **FIXTURES EXCLUDED:**

None

6. **RENTAL ITEMS (Including Lease, Lease to Own):** The following equipment is rented and **not** included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

None

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

7. **HST: If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price.** The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

INITIALS OF BUYER(S): **INITIALS OF SELLERS(S):**

8. TITLE SEARCH: Buyer shall be allowed until 6:00 p.m. on the .... day of................See Schedule A...................., 20..............., (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that its present use (...............not applicable...............) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. FUTURE USE: Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. TITLE: Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement ~~and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telecommunication services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telecommunication lines, cable television lines or other services which do not materially affect the use of the property.~~ If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. CLOSING ARRANGEMENTS: Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Ontario. Unless otherwise agreed to by the lawyers, such exchange of Requisite Deliveries shall occur by the delivery of the Requisite Deliveries of each party to the office of the lawyer for the other party or such other location agreeable to both lawyers.

12. DOCUMENTS AND DISCHARGE: Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. INSPECTION: Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

14. INSURANCE: All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

INITIALS OF BUYER(S): **INITIALS OF SELLERS(S):**

15. PLANNING ACT: This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.

16. DOCUMENT PREPARATION: The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.

17. RESIDENCY: (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada;
(b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.

18. ADJUSTMENTS: Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.

19. TIME LIMITS: Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.

20. PROPERTY ASSESSMENT: The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.

21. TENDER: Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.

22. FAMILY LAW ACT: Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless the spouse of the Seller has executed the consent hereinafter provided.

23. UFFI: Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.

24. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE: The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.

25. CONSUMER REPORTS: The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.

26. AGREEMENT IN WRITING: If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.

27. ELECTRONIC SIGNATURES: The parties hereto consent and agree to the use of electronic signatures pursuant to the *Electronic Commerce Act, 2000*, S.O. 2000, c17 as amended from time to time with respect to this Agreement and any other documents respecting this transaction.

28. TIME AND DATE: Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S): ( ) **INITIALS OF SELLERS(S):** ( )

29. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

2816513 Ontario Inc.

(Witness)	(Buyer/Authorized Signing Officer)	(Seal)	MAY 24TH/23 (Date)
(Witness)	(Buyer/Authorized Signing Officer)	(Seal)	(Date)

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Romspen Investment Corporation

(Witness)	(Seller/Authorized Signing Officer)	(Seal)	(Date)
(Witness)	(Seller/Authorized Signing Officer)	(Seal)	(Date)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family ~~Law Act, R.S.O.1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.~~

~~(Witness)~~ ~~(Spouse)~~ ~~(Seal)~~ ~~(Date)~~

~~**CONFIRMATION OF ACCEPTANCE:** Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at .... (a.m./p.m.) this .... day of ...., 20......~~

~~(Signature of Seller or Buyer)~~

~~**INFORMATION ON BROKERAGE(S)**~~

~~Listing Brokerage~~ .... ~~(Tel.No.)~~

~~(Salesperson/Broker/Broker of Record Name)~~

~~Co-op/Buyer Brokerage~~ .... ~~(Tel.No.)~~

(Salesperson/Broker/Broker of Record Name)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Seller) (Date)

(Seller) (Date)

Address for Service ....

.... (Tel. No.)

Seller's Lawyer David Preger, Dickinson Wright LLP

Address 199 Bay Street Suite 2200, Toronto, Ont.

Email DPreger@dickinson-wright.com

(416) 646-4606 (Tel. No.) (Fax. No.)

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Buyer) (Date)

(Buyer) (Date)

Address for Service ....

.... (Tel. No.)

Buyer's Lawyer Robert Kligerman, KFG Law

Address 2345 Yonge Street, Toronto, Ontario

Email robert@kfglaw.ca

416-662-1948 (Tel. No.) 416-665-4291 (Fax. No.)

~~FOR OFFICE USE ONLY~~ ~~**COMMISSION TRUST AGREEMENT**~~

~~To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:~~
~~In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.~~

~~DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale.~~ ~~Acknowledged by:~~

(Authorized to bind the Listing Brokerage) (Authorized to bind the Co-operating Brokerage)

This Schedule "A" is attached to and forms part of the Agreement of Purchase and Sale between 2816513 Ontario Inc.as Buyer and Romspen Investment Corporation. as Seller for the purchase and sale of 3143 19th Avenue, Markham

1. Additional Deposit and Balance Due On Closing

(a) Within four calendar days after the Buyer's waiver of the condition in Paragraph 2 the Buyer shall pay Two Million Dollars ($2,000,000.00) to the Seller's Solicitors to be held by the Seller's Solicitors in trust (the "Second Deposit" and collectively with the First Deposit being the "Deposit"). to be credited against the Purchase Price on Closing.

(b) The Buyer shall pay to the Seller on the completion of this transaction, the balance of the purchase price, subject to the usual and any other adjustments set out in this Agreement, with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.

(c) The Deposit shall be held, in trust, to secure and bind the performance of Buyer hereunder, pending the completion or other termination of the purchase transaction contemplated by this Agreement. The Deposit shall be invested by the Deposit Holder in an interest bearing trust account with all interest earned on such term deposit to belong absolutely and be paid forthwith following the completion of the transaction to the Buyer, unless the Buyer shall, by reason of the Buyer's default pursuant to the provisions of this Agreement, forfeit the aforesaid deposit, in which event the Seller shall be entitled to retain all such interest earned pursuant to the term deposit for its own benefit.

2. Buyer's Condition

This Agreement and completion of the transaction herein contemplated is conditional for a period (the "Buyer's Conditional Period") of 30 calendar days following the execution of this Agreement by both parties upon the Buyer satisfying itself, in its sole and absolute discretion of the environmental condition of the Property and the economic viability of the Property for development (all of the foregoing being hereinafter collectively referred to as the "Buyer's Condition"). If the Buyer determines that the Buyer's Condition has been satisfied, the Buyer shall have the right by delivery of written notice to the Seller on or before the expiration of the Buyer's Conditional Period to waive the Buyer's Condition and to proceed with this Agreement. If written notice of waiver of the Buyer's Condition is not delivered to the Seller on or before the expiration of the Buyer's Conditional Period, this Agreement of Purchase and Sale shall be null and void, in which event the Seller shall forthwith repay to the Buyer all deposit monies without deduction, and all parties to this Agreement shall thereafter be relieved of any obligation or liability hereunder. For further certainty, and without limiting the generality of the foregoing, the Seller acknowledges and agrees that it shall be estopped from challenging the Buyer's right to terminate this Agreement pursuant to this Paragraph 2 on the basis that the Buyer's discretion hereunder was exercised unreasonably.

3 Inspections and Other Matters

From and after the date of this Agreement the Buyer, its agents and representatives, shall be allowed free and reasonable access to the Property, as required by the Buyer from time to time both before and after the waiver of the condition contained in Paragraph 3, at the Buyer's sole risk and expense, for the purpose of making any inspections but not to include any invasive drilling or testing..

4. Requisition and Closing Dates, and Adjustments

The closing date of the transaction herein contemplated shall be on the first day that the Land Titles Office is open for document registration that is 60 days following the waiver of the Buyer's Condition (the "Closing Date") provided that the Buyer may advance on the closing date upon five (5) days written notice to the Seller. The date of Title Search in Section 8 of the third page of this agreement shall be to and until 10 calendar days before the Closing Date.

5. Assignment

Buyer shall not assign this Agreement or its rights hereunder without Seller's prior written consent, provided that Buyer shall have the right, prior to Closing and without Seller's consent, to assign its rights under this Purchase Agreement to an affiliate (as defined in the Canada Business Corporations Act) provided that (i) Buyer gives prior written notice and (ii) the assignee covenants and agrees with Seller to assume and perform all obligations covenants and conditions on the part of Buyer to be performed and observed hereunder, in which event the person, firm or

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corporation to whom this agreement is assigned shall be deemed to be Buyer hereunder as if such assignee had originally executed this agreement, except that Buyer shall not be relieved of any obligations pursuant to this Purchase Agreement.

6. Adjustments

Adjustments shall be made as of 12:01 a.m. on the Closing Date for realty taxes, local improvement rates, municipal/provincial levies, and, except as set forth in this Agreement, any other items which are usually adjusted in transactions of purchase and sale involving commercial properties located in the Province of Ontario. The Seller and the Buyer agree to readjust any items on or omitted from the Statement of Adjustments and this Agreement shall survive the Closing Date.

7. Notice

Any notice given hereunder shall be deemed given and received when delivered personally or where a facsimile number or email address is provided when transmitted electronically to that facsimile number or email address respectively to:

in the case of the Buyer:
2816513 Ontario Inc.
c/o Robert Kligerman
Keslassy Freedman Gelfand LLP
2345 Yonge Street, Suite 300
Toronto, Ontario
Fax: 416-665-4291
Email: robert@kfglaw.ca

and in the case of the Seller:
Romspen Investment Corporation
c/o David P. Preger
199 Bay Street Suite 2200
Toronto, Ontario

Fax 844-670-6009
Email DPreger@dickinsonwright.com

Such notice shall be deemed to have been delivered upon delivery or communicated upon transmission unless such notice is delivered or transmitted outside of usual business hours, in which event the notice shall be deemed to have been delivered or transmitted during the next usual business hour. A party may change its address and/or facsimile machine number by providing notice in accordance with this Section.

8 General Matters

(a) Except as expressly set out in this Agreement, the computation of any period of time referred to in this Agreement shall exclude the first day and include the last day of such period. If the time limited for the performance or completion of any matter under this Agreement expires or falls on a day that is not a Business Day, the time so limited shall extend to the next following Business Day.

(b) Should there be found to be any inconsistency or conflict between this Schedule "A" and the preprinted form of Agreement of Purchase and Sale attached hereto, the provisions of this Schedule "A" shall be deemed to be the true intent of the parties and shall prevail.

(c) The Seller shall assign and sell to the Buyer on closing without any further consideration all plans, surveys, drawings, engineering plans, specifications, studies, soil, environmental and all other reports, and generally all documents and material whatsoever under the control of the Seller.

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(d) Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

(e) A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the party to be bound by the waiver or its solicitor. No waiver shall be inferred from or implied by any failure to act or delay in acting by a party in respect of any default, breach or nonobservance or by anything done or omitted to be done by the other party. The waiver by a party of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

(f) This Agreement shall be binding upon and shall enure to the benefit of the Seller and the Buyer, and their respective successors and assigns. This Offer when accepted, shall, subject to the conditions herein set out, constitute a binding contract of purchase and sale and time shall in all respects be of the essence hereof. Any tender of documents or monies hereunder may be made upon the Seller or the Buyer or the respective solicitor acting on their behalf, and money may be tendered by negotiable cheque, certified by a chartered bank or trust company. This Offer and its acceptance is to be read with all changes in gender and number required by the contact.

(g) "Business Day" means any day other than a Saturday, Sunday, statutory, civic or bank holiday in the City of Toronto;

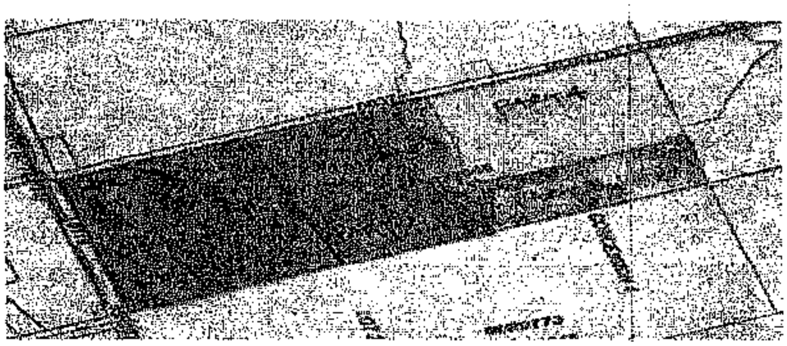
10. The Property

The legal description and location of the property is

(a) Part 1 on the following plan:
Part Lot 30, Concession 4, Parts 8 and 9 Plan 65R-39839; Subject to an Easement in Gross Over Parts 1 to 3 inclusive Plan 65R-39880 As In YR3455770, City of Markham

(b) Part 2 on the following plan:
Part Lot 30, Concession 4, Parts 2, 6 and 7 Plan 65R-39839; Subject to an Easement in Gross Over Parts 4 & 5 Plan 65R-39880 As In YR3455770, City of Markham

(c) Part 4 on the following map:
Part Lot 30, Concession 4, Parts 1, 4 & 5 Plan 65R-39839; Subject to an Easement in Gross Over Parts 7 & 8 Plan 65R-39880 & Part 2 Plan 65R-39948 As In YR3455770, City of Markham



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SCHEDULE "B" TO THE AGREEMENT OF PURCHASE AND SALE

For **3143 19th Avenue, Markham** ______________________(Address for the "Property") Romspen Investment Corporation___(Seller)

Sale to 2816513 Ontario Inc.______________________________(Buyer[s])

The following terms replace, modify or add to other terms of the Agreement of Purchase and Sale to which it is appended. The terms in this Schedule override any other term or condition of the agreement. Any matter provided for in this Schedule as well as any other part of the Agreement shall be settled by a broad construction of the applicable term in this Schedule.

1. The description of the Property is believed by the Seller to be correct but if any statement, misstatement, error or omission shall be found in the particulars thereof, the same shall not annul or terminate the sale nor entitle the Buyer to be relieved of any obligation hereunder, nor shall any compensation or abatement in the Purchase Price be allowed to either the Seller or the Buyer in respect thereof.

2. The Buyer acknowledges that the Seller is selling the lands and premises to the Buyer in exercise of the Power of Sale provisions contained in a mortgage (the "Mortgage") the Seller holds on the Property. The Buyer agrees to accept title pursuant to the rights of the Seller under its mortgage and in accordance with the terms of the Mortgage and Part III of the Mortgages Act (Ontario), as same may be amended from time to time.

3. The Seller represents herein that there is a default under the terms of its mortgage as of the date hereof which default entitles the Seller to exercise its rights of Power of Sale. The Transfer/Deed shall exclude the implied covenants in Subsection 5(1) (I) (ii) and (iii) of the Land Registration Reform Act (Ontario). The Transfer/Deed shall contain the appropriate statements as determined by the solicitor for the Seller that the sale herein complies with the provisions of the Charge/Mortgage and the Mortgages Act of Ontario.

4. The Buyer shall purchase the Property as it exists at the present time without representation, warranty or condition with respect to the fitness, condition, zoning or lawful use of the Property. The Seller makes no representations or warranty with respect to any defects in workmanship, state of repair or location of structures, walls, retaining walls or fences (freestanding or otherwise). The Seller shall *have* no responsibility whatsoever to remedy any defect, comply with any work orders, or complete any unfinished work. The Buyer will accept the Property "as is" on the day of closing and acknowledges that it has relied entirely upon its own inspections and investigations with respect to the quantity, quality and value of the Property. The Seller shall not be required to discharge any mortgages, liens or other encumbrances registered subsequent to the Charge/Mortgage of Land under which the Power of Sale is being exercised.

5. The Buyer agrees that the Seller may, in its absolute discretion accept, on or before the closing date or any extension thereof, redemption of the Mortgage in whole or in part, by any party having an interest in the Property and, thereupon, the Seller may terminate this agreement without liability of any kind to the Buyer.

6. The Buyer agrees to accept the Property regardless of any order affecting the Property regarding its condition or use (including deficiency or other notices, compliance requests, work and other orders) and subject to all judicial, municipal or any other governmental by- laws, agreements, restrictions (registered or unregistered), or orders as well as any registered restriction agreements or covenants which run with the land. Without limiting the generality of the foregoing, the Buyer agrees to accept title to the Property subject to any registered Notices of Security Interest, any easements in favour of any utility and further agrees to accept any standard municipal subdivision agreements with the Municipality registered on the title to the Property, providing each has been complied with, or providing security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant Municipality. The Buyer further agrees to accept the Property subject to rights of way, easements, covenants that run with the land or minor encroachments by buildings or fences on the subject Property or adjoining properties or streets, all municipal and other development and sewer levies, fees, imposts and charges and all amounts added to the tax roll (other than realty taxes imposed on the assessment of the Property and public utilities which are a lien prior to the Mortgage), in all cases regardless or whether there is compliance. If the Property is oil heated, the Buyer accepts the oil tank in its "as is" condition.

7. In the event any issue is raised with respect to the exercise of the Power of Sale by the Seller which affects the Seller's ability to transfer title to the Property in accordance with this Agreement by requisition, notice, certificate of pending litigation or any other manner, or if vacant possession cannot be provided, the Seller may at its option extend the closing date for a period or periods of time not exceeding 60 days in total. If the Seller is unable to resolve any such issue by the expiry of the extension period or periods, the Seller at its sole option may terminate this Agreement without liability of any kind to the Buyer and the deposit returned without interest or deduction.

8. Notwithstanding any other clauses set out in this Agreement, the purchase price herein shall not include any chattels. The Seller agrees to sell only such interest as it may have in the fixtures and chattels as referred to in the Agreement of Purchase and Sale and/or located on the Property and does not guarantee title to the chattels nor does it warrant the condition or state of repair of the chattels. The Seller shall deliver possession of the said fixtures and chattels found on the Property "as is" on closing without bill of sale, warranty, security interest discharge, or title documentation and shall make no further adjustments or abatements in the purchase price with respect thereto. The Seller shall not be obligated to remove any chattels prior to closing.

9. The Seller covenants that it has done no act to encumber the Property as at the date hereof and the Seller covenants that it shall do no act to encumber the Property from the date of acceptance hereof to the date of closing. The Seller shall not sell or dispose of the Property between the date hereof and the date of closing. The Seller shall not be required to furnish or produce any abstract, deed, declaration or other document or evidence of the title except those in its possession.

10. Where a Court of competent jurisdiction prevents the completion of the within sale by an interim, interlocutory, permanent injunction or otherwise, then the Seller (Mortgagee) is not obligated to complete the said transaction and this Agreement is to be terminated as being null and void and the deposit shall be returned to the Buyer without interest or deduction. In no event shall the Seller be responsible for any costs, expenses, loss or damages incurred or suffered by the Buyer in any way related to this Agreement.

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11. The Buyer agrees to assume all existing tenancies affecting the Property and the Seller shall provide to the Buyer on closing any documentation relating to those tenancies which it has in its possession. The Seller makes no representation whatsoever with respect to any tenancy or occupancy of the Property or as to the compliance of the existing rents with existing rent control legislation. The Seller shall not be required to provide any documentation signed by tenant(s) confirming the status of the tenancy/ies or occupancy. The Seller shall further not be obligated to provide any credit or other adjustment to the Buyer on closing for any current or pre-paid rent, interest, or other adjustments respecting any tenancy other than for rent actually received by the Seller. Where the Buyer provides the Seller with a sworn declaration pursuant to Section 53 of the Mortgages Act that the Buyer requires possession for personal or family occupancy, the Seller will serve the tenants with a Notice of Termination in the prescribed manner, but the Seller shall not be required to take any further action on behalf of the Buyer to seek or recover vacant possession of the Property, which shall remain the Buyer's responsibility.

12. Notwithstanding any other clauses in this Agreement, the Seller makes no representation whatsoever as to whether the Property has been insulated with Urea Formaldehyde Foam Insulation or whether the Property contains any other substances that may be hazardous or toxic or toxic within the meaning of the Environmental Protection Act (Ontario).

13. If this transaction is subject to Harmonized Sales Tax (HST), then such HST shall be in addition to and not included in the purchase price. The Seller shall not supply any Warranty, Statutory Declaration or Certificate with respect to the subject Property's status as a used residential property or as to whether this transaction is an exempt supply in accordance with the provisions of the Excise Tax Act (Part VII) (HST). The Buyer further indemnifies and saves harmless the Vendor and its solicitors, from all claims that may be made in connection with any HST which may be applicable to this transaction. The Seller shall not be responsible to provide any certificates with respect to the applicability of HST to the transaction. Provided, however, that the Seller is solely responsible for the payment of HST on the amount of any real estate commission payable by the Seller hereunder.

14. Notwithstanding any statement to the contrary contained in the Agreement of Purchase and Sale, the Seller shall not be obligated to obtain or provide any survey of the subject Property save as may actually be in the possession of the Seller.

15. The Buyer herein represents and warrants that it has no association with, is not acting on behalf of, nor is it related to the Mortgagor/registered owner of the subject Property whose mortgage is in default and pursuant to which mortgage the Seller is selling the Property under Power of Sale. This representation and warranty shall survive the closing of the within transaction.

16. Post-closing adjustments will only be made if brought to the Seller's attention within 30 days of the date of closing, otherwise there will be no adjustments whatsoever after closing, including without limiting the foregoing, adjustments for realty taxes, business taxes, property assessments, sewer levies, water, hydro and utilities.

17. If the Property is a condominium, notwithstanding anything to the contrary in this Agreement, the Seller makes no representations and warranties about condominium matters, including current expenses, potential special assessments or legal actions pending against the condominium corporation, if any, and the Buyer shall not be entitled to terminate or to any abatement or damages relating to these matters. If any special assessments are levied and outstanding, the Seller is responsible for amounts payable on account thereof only for its period of possession until closing.

18. The Seller states and the Buyer acknowledges that the Seller is not and will not be at time of closing a non-resident of Canada as defined by the Income Tax Act; the Seller will not provide any affidavit evidence with respect thereto.

19. Where the provisions of this Schedule conflict with any terms in the Agreement of Purchase and Sale, the parties agree that the provisions of this Schedule shall govern and prevail.

20. Acceptance of this offer by either party and communication of same by facsimile transmission shall be binding upon each party as if such documents transmitted were original executed documents. Where available, title shall be conveyed electronically. Whether conveyed electronically or in the manner required by the Director of Titles, the Buyer shall accept the prescribed solicitor's statements attached to the transfer as conclusive evidence of compliance with the Mortgages Act and other applicable legislation. The Seller will not provide any affidavit evidence in support of compliance. At the Seller's option, the Buyer shall deliver all closing funds through the Teranet Closure System and all costs and fees of delivering the closing funds in such manner shall be paid for by the Buyer.

21. Upon termination of this Agreement by reason of default of the Buyer, the deposit together with any interest herein shall be paid to the Seller by the Seller's Agent forthwith without any further direction or consent from the Buyer being required, and the Buyer shall not direct or cause or attempt to cause the Seller's Agent to do otherwise.

Per:_______________   _______________
Seller   Date

Per: _______________   MAY 24TH/23
Buyer   Date

This is **Exhibit "E"** referred to
in the Affidavit of Hunter Lam
Sworn before me this 4th
Day of October, 2023

Mark Klaiman

From: Robert Kligerman <robert@kfglaw.ca>
Sent: October 2, 2023 2:47 PM
To: Mark Klaiman
Subject: FW: 3143 19th Avenue, Markham
Attachments: Agreement of Purchase and Sale - 3143 19th Avenue, Markham - May 19th, 2023.pdf

You don't often get email from robert@kfglaw.ca. Learn why this is important

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

As discussed.

Robert Kligerman
Counsel

KFG LAW

Keslassy Freedman Gelfand LLP
2345 Yonge Street, Suite 300
Toronto, Ontario M4P 2E5
T: 416.366-6217
F: 416.665.4291
robert@kfglaw.ca
www.kfglaw.ca
Practicing through Kligerman Law Firm Professional Corporation

From: Robert Kligerman
Sent: Wednesday, May 24, 2023 8:45 PM
To: David P. Preger <DPreger@dickinson-wright.com>
Subject: 3143 19th Avenue, Markham

Hello David;

I am attaching an offer to purchase the above property which is not intended to interfere with the current conditional agreement of purchase and sale but rather be available for acceptance should Rompsen Investment Corporation no longer be bound by that agreement.

Please let me know when you can as to the situation.

Robert Kligerman
Counsel

KFG LAW
Keslassy Freedman Gelfand LLP
2345 Yonge Street, Suite 300
Toronto, Ontario M4P 2E5
T: 416.366-6217
F: 416.665.4291
robert@kfglaw.ca
www.kfglaw.ca
Practicing through Kligerman Law Firm Professional Corporation

This is **Exhibit "F"** referred to
in the Affidavit of Hunter Lam
Sworn before me this 4th
Day of October, 2023

____

Mark Klaiman

From: Robert Kligerman <robert@kfglaw.ca>
Sent: October 2, 2023 2:47 PM
To: Mark Klaiman
Subject: FW: 3143 19th Avenue, Markham

Robert Kligerman
Counsel

Keslassy Freedman Gelfand LLP
2345 Yonge Street, Suite 300
Toronto, Ontario M4P 2E5
T: 416.366-6217
F: 416.665.4291
robert@kfglaw.ca
www.kfglaw.ca
Practicing through Kligerman Law Firm Professional Corporation

From: Robert Kligerman <robert@kfglaw.ca>
Sent: Tuesday, June 20, 2023 9:43 AM
To: David P. Preger <DPreger@dickinson-wright.com>
Subject: Re: 3143 19th Avenue, Markham

Hello David:

My client understands that the property is now available for purchase. Please let me know if Romspen can respond to the offer I had sent over previously. I can have it refreshed.

Robert Kligerman

Counsel

Keslassy Freedman Gelfand LLP
2345 Yonge Street, Suite 300
Toronto, Ontario M4P 2E5
T: 416.366.6217
F: 416.665.4291
robert@kfglaw.ca
www.kfglaw.ca

Practicing through Kligerman Law Firm
Professional Corporation

From: Robert Kligerman
Sent: Wednesday, May 24, 2023 8:44:54 PM
To: David P. Preger <DPreger@dickinson-wright.com>
Subject: 3143 19th Avenue, Markham

Hello David;

I am attaching an offer to purchase the above property which is not intended to interfere with the current conditional agreement of purchase and sale but rather be available for acceptance should Rompsen Investment Corporation no longer be bound by that agreement.

Please let me know when you can as to the situation.

Robert Kligerman
Counsel

KFG LAW

Keslassy Freedman Gelfand LLP
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T: 416.366-6217
F: 416.665.4291
robert@kfglaw.ca
www.kfglaw.ca
Practicing through Kligerman Law Firm
Professional Corporation

This is **Exhibit "G"** referred to
in the Affidavit of Hunter Lam
Sworn before me this 4th
Day of October, 2023

8th
THIS AGREEMENT OF PURCHASE AND SALE made as of the ~~7th~~ day of July, 2023

BETWEEN:

SOW CAPITAL ONTARIO LIMITED, UNDER POWER OFSALE

(hereinafter called the "**Vendor**")

OF THE FIRST PART

- and –

2816513 Ontario Inc.

(hereinafter called the "**Purchaser**")

OF THE SECOND PART

WHEREAS:

A. The Vendor is a mortgagee of a mortgage which is secured and registered against title to the Lands. The said mortgage is in default and the redemption period pursuant to the Vendor's Notice of Sale expired June 22, 2023; and

B. The Vendor has agreed to sell under power of sale and convey the Lands to the Purchaser and the Purchaser has agreed to purchase the Property from the Vendor, under power of sale, on the terms and conditions set forth in this Agreement.

ARTICLE 1

INTERPRETATION

1.01 Definitions

For all purposes of this Agreement, the terms defined herein shall have the following meanings, unless the context expressly or by necessary implication otherwise requires:

"Acceptance Date" means the date on which this Agreement has been executed by and delivered to both the Vendor and the Purchaser.

"Adjustments" has the meaning set out in Section 3.06.

"Advisors" has the meaning set out in Section 2.07(b).

"Agreement" means this agreement of purchase and sale and the schedules attached hereto, as same may be amended, in writing, from time to time.

"Applicable Law" and/or **"Applicable Laws"** means, in respect of any person, property, transaction or event, all applicable federal, provincial and municipal laws, including Environmental Laws, statutes, regulations, rules, by-laws, policies and guidelines, all orders and permits and all applicable common laws or equitable principles whether now or hereafter in force.

"Authority" and/or **"Authorities"** means any person, utility, agency, board, tribunal, commission, branch or office of any federal, provincial, regional, municipal or other governmental department having jurisdiction over the whole or any part of the Property, this transaction or the parties.

"Balance" has the meaning set out in Section 3.03.

"Business Day" means any day which is not a Saturday or a Sunday or a statutory holiday in the Province of Ontario or a day on which the majority of the chartered banks in the City of Toronto are not open for business.

"Calendar Day" means any day recorded on the Gregorian calendar

"Closing" means the closing of the sale of the Property.

"Closing Date" means the date that is sixty (60) Calendar Days following waiver or satisfaction of the Due Diligence Condition.

"Closing Documents" means the agreements, instruments, documents and other items to be delivered by any party on or before Closing pursuant to Sections 7.01 and 7.02.

"Deposit" means collectively, the First Deposit and the Second Deposit.

"Due Diligence Condition" has the meaning set out in Section 2.04.

"Due Diligence Date" means 5:00 p.m. on the date which is thirty (30) Calendar Days following the Acceptance Date.

"Encumbrance" means any mortgage, lien, charge, encumbrances, restriction, security interest, conditional sale agreement, lease, restriction, covenant, easement, encroachment and any other similar claim or interest.

"Environmental Laws" means all present and future Applicable Laws, standards and requirements pertaining to environmental or occupational health and safety matters, including without limitation, those pertaining to reporting, licensing, permitting, investigation, disposal, storage, use, remediation and clean up of a Hazardous Substance or the presence or release of same.

"First Deposit" means the amount of One Million Dollars ($1,000,000) payable to the Vendor's Solicitors, being Keyser Mason Ball LLP, in trust.

"HST" has the meaning set out in Section 3.05.

"Hazardous Substance" means any substance or material that is prohibited, controlled or regulated by any Authority including any contaminants, pollutants, asbestos, lead, polychlorinated biphenyl or hydrocarbon products, any materials containing same or directives thereof, underground storage tanks, dangerous substances or goods, toxic or hazardous substances or materials, controlled products, hazardous wastes and any other materials which may by their nature be hazardous, either in fact or as defined in or pursuant to any Environmental Laws.

"Information" has the meaning set out in Section 2.07.

"Joint Direction" has the meaning set out in Section 3.04.

"Lands" means certain lands located in Markham, Ontario as legally described in Schedule "A" hereto.

"MZO" means the Minister's Zoning Order and consent to severance (File B.025.21) affecting the Lands.

"Notice" has the meaning set out in Section 8.15.

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"Permitted Encumbrances" means, collectively, the encumbrances listed on Schedule B attached hereto.

"Property" means the Lands and any other buildings, improvements, structures, fixtures, appurtenances and attachments to the Lands as at the Closing.

"Purchase Price" has the meaning set out in Section 3.02.

"Purchaser's Solicitors" means KFG Law.

"Purchaser's Waiver Notice" has the meaning set out in Section 2.04.

"Purchaser" means 2816513 Ontario Inc..

"Second Deposit" means the amount of Two Million Dollars ($2,000,000) payable to Keyser Mason Ball LLP, in trust.

"Statement of Adjustments" means a statement of the Purchase Price and all Adjustments thereto prepared by the Vendor.

"Transaction" means the transaction contemplated by this Agreement.

"Vendor" means SOW Capital Ontario Limited.

"Vendor's Solicitors" means Keyser Mason Ball LLP.

ARTICLE 2

AGREEMENT OF PURCHASE AND SALE AND DUE DILIGENCE MATTERS

2.01 Agreement of Purchase and Sale

The Vendor hereby agrees to sell under power of sale and convey the Property to the Purchaser and the Purchaser hereby agrees to purchase the Property from the Vendor at the Purchase Price and on and subject to the terms and conditions of this Agreement.

2.02 Power of Sale

The Purchaser agrees and acknowledges the following:

1. The Vendor is selling the Property under power of sale;
2. The Vendor is not the owner of the Property and it is selling the Property under its rights under the mortgage;
3. The Property is being sold "as is" and the Vendor is not making any representations whatsoever towards the Property; and
4. The Purchaser is recommended to get an opinion of title from a lawyer to determine current status of title and encumbrances.

2.03 Due Diligence

The Purchaser shall have until the Due Diligence Date to satisfy itself, in its sole and absolute discretion as to the following:

(i) the Purchaser obtaining, at the Purchaser's expense, approval from the City of Markham and/or the Region of York and/or any other Authority having jurisdiction to review the Purchaser's proposed concept plan for the developable land area;

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(ii) all aspects of the Property, including, without limitation, title to the Property, the physical condition of the Property and all systems therein, the environmental condition of the Property, including soils and ground water and all tests and inspections in respect thereto, and any other matters of interest to the Purchaser; and

(iii) reviewing and accepting the terms of all documentation and agreements relating to the Property (collectively, the "**Due Diligence Condition**").

The Purchaser shall be deemed not to be satisfied with the results of its due diligence unless it delivers to the Vendor prior to the Due Diligence Date a Notice (the "**Purchaser's Waiver Notice**") stating that it is waiving the Due Diligence Condition. If the Purchaser does not deliver to the Vendor the Purchaser's Waiver Notice prior to the Due Diligence Date, or if at any time prior to the Due Diligence Date, the Purchaser delivers to the Vendor a Notice that it is not satisfied with the results of its due diligence, then this Agreement shall automatically terminate and be of no further force or effect without any further action or documentation upon the Due Diligence Date or the earlier date such Notice of non-satisfaction, if any, is delivered, as the case may be, and, upon such termination, each of the Purchaser and the Vendor shall be released from all terms, covenants, indemnities, obligations, liabilities and responsibilities under this Agreement (except for those terms, covenants, indemnities, obligations, liabilities and responsibilities in this Agreement which are contemplated to survive and not merge on the termination of this Agreement) and the First Deposit and all interest accrued thereon shall be returned to the Purchaser in accordance with Section 4.03(a) herein.

2.04 <u>Confidentiality</u>

The Purchaser acknowledges that all information, if any, in respect of the Property furnished to or acquired by the Purchaser, including environmental information, all information obtained with respect to this transaction, the financial provisions of this Agreement and all information obtained by the Purchaser in connection with the Inspections (collectively, the "**Information**"), which is not otherwise generally available to the public or required at law to be disclosed, is subject to the following:

(a) the Information is confidential;

(b) the Information is to be used solely for the purposes of evaluating the proposed acquisition of the Property by the Purchaser and may not be disclosed or delivered by the Purchaser to any person or entity other than the Purchaser's directors, officers, employees, agents and representatives, lawyers, financial advisors, shareholders, solicitors, potential investors, partners, consultants, proposed lenders and potential users, whom the Purchaser wishes be advised of such Information for the purpose of evaluating the proposed acquisition of the Property (collectively, the "**Advisors**"). The Advisors will be informed by the Purchaser of the confidential nature of the Information, will be directed by the Purchaser to treat the Information confidentially, and will agree to be bound hereby and to disclose the Information only to other persons and entities to whom the Purchaser may disclose the same; and

(c) in the event of the termination of this Agreement for any reason, the Purchaser shall promptly return to the Vendor all copies of any Information obtained from the Vendor without retaining any copy thereof, except such as must be retained by any professionals to whom such Information has been disclosed in accordance with this section in order to comply with their professional obligations.

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ARTICLE 3

CLOSING DATE, PURCHASE PRICE, DEPOSIT AND OTHER MATTERS

3.01 Closing Date

The Closing shall take place on the Closing Date. If the Closing Date or any other date in which a matter is to be completed by under this Agreement falls out on a day which is not a Business Day, such date shall be deemed to be the first Business Day immediately thereafter.

3.02 Purchase Price

The purchase price payable by the Purchaser to the Vendor for the Property (the "**Purchase Price**") shall be Sixty-Six Million ($66,000,000) Dollars.

3.03 Balance Due on Closing

The Purchase Price, as adjusted by the Adjustments, and less the Deposit received by the Vendor prior to the Closing Date (collectively, the "**Balance**"), shall be paid on Closing by wire transfer made payable to the Vendor or to whom the Vendor may direct in writing to the Purchaser.

3.04 Deposit

(a) By no later than 5:00 p.m. (Eastern Standard Time) within Five (5) Business Day following the Acceptance Date, the Purchaser shall pay the First Deposit by wire transfer to the Vendor's Solicitors, in trust for the benefit of the Purchaser, to be held by the Vendor's Solicitors in an interest bearing term certificate or trust account of a Schedule "I" Canadian bank, as a deposit until released by the Vendor's Solicitors in the manner contemplated herein.

(b) If the Purchaser has delivered the Purchaser's Waiver Notice, the Purchaser covenants and agrees in favour of the Vendor to pay the Second Deposit by wire transfer to the Vendor's Solicitors by no later than 5:00 p.m. (Eastern Standard Time) within Five (5) Business Day following the date of delivery of the Purchaser's Waiver Notice. The Second Deposit shall be held by the Vendor's Solicitors in trust for the benefit of the Purchaser along with the First Deposit as an additional deposit until released by the Vendor's Solicitors in the manner contemplated herein.

(c) On Closing, the Deposit shall be unconditionally released in its entirety to the Vendor and credited against the Purchase Price due on Closing.

(d) If the Transaction is not completed for any reason except solely by reason of either the default of the Purchaser or the default of the Vendor, the Deposit, together with all interest accrued thereon, shall be returned to the Purchaser and the parties hereto shall be released from all obligations under this Agreement (except those which are to survive termination pursuant this Agreement). If the Transaction is not completed solely by reason of the default of the Purchaser, the Vendor shall be entitled to retain the Deposit as a pre-agreed upon genuine estimate of liquidated damages for any claim that the Vendor may have against the Purchaser as a result of the default of the Purchaser and not as penalty and in full satisfaction of any other claims, rights and remedies the Vendor may have under to this Agreement, in equity or at law as a result of the Purchaser's default and the Purchaser hereby irrevocably directs the Vendor's Solicitors to immediately forward/release the Deposit to the Vendor in such circumstances and the parties hereto shall be released from all obligations under this Agreement (except those which are to survive termination pursuant to this Agreement). If the Transaction is not completed solely by reason of the default of the Vendor shall be returned to the Purchaser without prejudice to any rights and remedies the Purchaser may have in respect of the Vendor's breach, provided that

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the quantum of damages which the Purchaser may claim or recover in connection with such default shall in no event exceed, in the aggregate, an amount equal to that portion of the Deposit, if any, actually paid by the Purchaser to the Vendor's Solicitors at the time of termination. This Section shall survive any termination of this Agreement;

(e) In holding and dealing with the Deposit pursuant to this Agreement, the Vendor's Solicitors shall continue to represent the Vendor and are not bound in any way by any agreement (other than this Agreement), and the Vendor's Solicitors shall not be considered to assume any duty, liability, or responsibility other than to hold the Deposit in accordance with the provisions of this Agreement and to pay the Deposit and any interest earned thereon to the Persons becoming entitled thereto in accordance with the terms of this Agreement (as evidenced by a joint direction in writing executed by the Vendor and the Purchaser) (the "**Joint Direction**") except in the event of a dispute between the parties as to entitlement to the Deposit and any interest earned thereon in which event the Vendor's Solicitors may, in their sole, unfettered and unreviewable discretion, pay the Deposit into Court, whereupon the Vendor's Solicitors shall have no further obligations relating to the Deposit. The Vendor's Solicitors will not, under any circumstances, be required to verify or determine the validity of the Joint Direction and the Vendor's Solicitors are hereby relieved of any liability or responsibility for any loss or damage which may arise as the result of the acceptance by the Vendor's Solicitors of the Joint Direction in good faith so long as the Vendor's Solicitors have no notice to the contrary.

3.05 <u>HST</u>

With respect to the harmonized sales tax ("**HST**") payable pursuant to the *Excise Tax Act* (Canada) (the "**Act**"), which shall be additional to and not included in the Purchase Price, the parties covenant and agree as follows:

(a) Subject to Section 3.05(b), the Purchaser shall pay to the Vendor on Closing, by wire transfer, all HST applicable to the sale and transfer of the Property.

(b) The Purchaser shall not be required to pay HST to the Vendor in accordance with Section 3.05(a) if the Purchaser provides the Vendor, on or before the Closing Date, with (i) such evidence as the Vendor's Solicitors may reasonably require to ascertain that the Purchaser is the "recipient" (as defined in the Act) of a supply of the Property for purposes of the Act and is registered for purposes of the Act on the Closing Date, and such evidence shall consist of a certificate of the Purchaser confirming its HST registration number and that such registration continues to be in full force and effect, and (ii) an indemnity in favour of the Vendor, in form and substance satisfactory to the Vendor, acting reasonably, for any HST claimed from the Vendor in the event the Purchaser does not pay the HST payable by the Purchaser in respect of this transaction.

3.06 <u>Adjustments</u>

(a) The adjustments to the Purchase Price (the "**Adjustments**") shall include, without restricting the generality thereof, adjustments for rentals received, real estate taxes, related to the period after Closing, operating costs, local improvement charges, accounts payable, prepaid rent and other amounts, if any, prepaid by tenants in the nature of accounts of tenants for property taxes, utilities and operating costs, deposits, utilities and any other expenses and other items customarily adjusted between a vendor and a purchaser of commercial real estate in the Province of Ontario.

(b) Adjustments shall be made as of the Closing Date with the Closing Date itself to be apportioned to the Purchaser. After the Closing Date, the Purchaser shall be responsible for all expenses and shall be entitled to all income accruing from the

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Property. The Vendor shall be responsible for all expenses and entitled to all income accrued from the Property for the period ending at 11:59 p.m. on the day immediately preceding the Closing Date.

(c) If the final cost or amount of any item which is to be adjusted cannot be determined at Closing, then an initial adjustment for such item shall be made at Closing based on the estimate of the Vendor, acting reasonably and in good faith, subject to re-adjustment when such cost or amount is determined.

(d) There shall be no re-adjustment on account of any of the Adjustments following the Closing Date.

(e) There will be no adjustments for accounts receivable except that if the Purchaser receives monies from a tenant who was in arrears at Closing, those monies will be first applied to payments then due to the Purchaser and, thereafter, shall be paid to the Vendor to the extent of the arrears.

(f) Vender shall pay and be responsible for all outstanding realty taxes including penalties and interest to the Closing Date.

3.07 Realty Taxes

The Purchaser agrees that the benefit of any reduction, rebate, credit or similar entitlement of realty taxes for the Lands for periods prior to the Closing Date shall be for the Vendor and the Purchaser agrees to pay the Vendor any refund, rebate, credit or similar entitlement of realty taxes (collectively, the "**refund**") received by the Purchaser for any period prior to the Closing Date. The Purchaser acknowledges that an appeal of the realty taxes may be ongoing and/or may be commenced by the Vendor prior to or following the Closing Date. The Purchaser shall execute a direction to the relevant taxing authority directing such refund to the Vendor and provide an undertaking to the Vendor to forward to the Vendor any refund that is delivered to the Purchaser, notwithstanding the direction to the relevant taxing authority. The covenant and undertaking shall be executed by the Purchaser and delivered to the Vendor as a closing delivery on the Closing Date. If required by the Vendor, the Purchaser shall execute any and all documents required by the Vendor, whether prior to or after the Closing Date, regarding any appeal of the realty taxes.

ARTICLE 4
CONDITIONS PRECEDENT

4.01 Conditions for Purchaser

The obligations of the Purchaser to complete the agreement of purchase and sale constituted on the execution and delivery of this Agreement shall be subject to the following conditions:

(a) Prior to the Due Diligence Date, waiver or satisfaction of the Due Diligence Condition;

(b) on Closing, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor shall have been complied with or performed in all material respects at the times contemplated herein; and

(c) on Closing, the representations or warranties of the Vendor set out in Section 5.01 shall be true and accurate in all material respects;

The conditions set forth in this Section are for the sole benefit of the Purchaser, and may be waived in whole or in part by the Purchaser by Notice to the Vendor or the Vendor's Solicitors in writing on or before the applicable date referred to above (completion of the transactions herein constituting a deemed waiver of such conditions).

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Unless the Purchaser, prior to the Due Diligence Date, delivers notice in writing to the Vendor waiving or giving notice of satisfaction with the Purchaser's Condition, the Purchaser's Condition shall be deemed not to have been satisfied or waived and this Agreement shall be terminated and shall become null and void, the deposit monies shall, except as set out herein, be forthwith returned to the Purchaser and without deduction and the parties hereto shall have no further liability or obligations hereunder except for those liabilities or obligations which survive termination.

4.02 Conditions for the Vendor

The obligations of the Vendor to complete the agreement of purchase and sale constituted on the execution and delivery of this Agreement shall be subject to the following conditions:

(a) on Closing, all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser shall have been complied with or performed in all material respects at the times contemplated herein;

(b) on Closing, the representations or warranties of the Purchaser set out in Section 5.02 shall be true and accurate in all material respects.

The conditions set forth this Section are for the sole benefit of the Vendor, and may be waived in whole or in part by the Vendor by Notice to the Purchaser on or before the applicable date referred to above (completion of the transactions herein constituting a deemed waiver of such conditions).

4.03 Non-Satisfaction of Conditions

(a) In the event that the Purchaser has not given written Notice to the Vendor of satisfaction or waiver of each of the conditions set forth in Section 4.01 on or before the applicable date referred to therein, this Agreement shall be terminated, null and void and of no further force or effect whatsoever and the deposit monies shall, except as set out herein, be forthwith returned to the Purchaser and without deduction and the parties hereto shall have no further liability or obligations hereunder except for those liabilities or obligations which survive termination.

(b) For certainty, in the event that the Vendor has not given written Notice to the Purchaser of satisfaction or waiver of each of the conditions set forth in Section 4.02 on or before the applicable date referred to therein, this Agreement shall be terminated, null and void and of no further force or effect whatsoever and no party to this Agreement shall have a claim against any other party hereto with respect to this Agreement, other than any claim arising as a result of or in connection with a misrepresentation, breach of or default under this Agreement (whether or not giving rise to the non-satisfaction of the condition resulting in the termination of this Agreement) and, except as herein otherwise provided, the Deposit shall be returned to the Purchaser.

(c) Each party agrees to proceed in good faith and with promptness and reasonable diligence to attempt to satisfy those conditions contained in ARTICLE 4 that are within its control, acting reasonably. Notwithstanding the foregoing, unless the Vendor has otherwise in the Agreement specifically agreed to do so, nothing in this Agreement shall be interpreted as requiring the Vendor to pay any amounts or otherwise spend money (other than fees of its own professional advisors) to satisfy any conditions or to address any defects, deficiencies or concerns identified by the Purchaser with respect to the Property or any other matter or aspect of the transaction whatsoever, unless otherwise set out in this Agreement.

(d) Any condition that is required to be satisfied on the Closing Date shall be deemed to be satisfied if Closing occurs.

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4.04 Title

On Closing, title to the Lands shall be free from all Encumbrances except for the Permitted Encumbrances.

Vender represents therein that there is a default under the terms of its mortgage as of the date hereof which default entitles Vender to exercise its right of Power of Sale. Vender shall provide documentation and the Transfer/Deed shall contain the appropriate statements that the sale herein complies with the provisions of the Charge/Mortgage and the Mortgages Act of Ontario.

ARTICLE 5

REPRESENTATIONS, WARRANTIES AND SURVIVAL

5.01 Vendor's Representations

The Vendor hereby represents and warrants to the Purchaser (it being acknowledged that the Purchaser is relying on such representations and warranties in entering into this Agreement and in completing the transactions contemplated in this Agreement) that:

(a) The Vendor is an Ontario limited partnership registered to carry on business in the Province of Ontario and has the power, authority, right and capacity to enter into, execute and deliver this Agreement and to carry out the transaction contemplated by this Agreement in the manner contemplated by this Agreement;

(b) the Vendor is not aware of any adverse or unusual soil or environmental conditions affecting the Property and/or any environmental contamination which would adversely affect the development of the Property;

(c) to the best of the Vendor's knowledge and belief, the Vendor has not committed any act of bankruptcy or is an insolvent person (as such term is defined by the *Bankruptcy and Insolvency Act* (Canada)), and no petition or receiving order has been filed against it and no proceedings for a composition with or proposal to its creditors or for the winding-up, liquidation, or other dissolution of it have been instituted by or against it under any provincial or federal law;

(d) the Vendor does not have any indebtedness that might by operation of law or otherwise constitute a lien, charge, or financial encumbrance on all or any part of the Property or that could affect the right of the Purchaser, from and after the completion date, to own and occupy the Property free and clear of all encumbrances other than title encumbrances permitted by this Agreement;

(e) the Vendor is a mortgagee which has a mortgage, which is in default, secured and registered against title the Property;

(f) and the Vendor is not a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada).

The foregoing representations and warranties made by the Vendor are true and accurate as of the date of acceptance of this Agreement, except where otherwise specified, and as at Closing, as if made at and as such time.

Except as to the Vendor's representations and warranties set out in Section 5.01, the Purchaser agrees that it has relied and will rely on its own consultants, advisors, counsel, employees, and agents, with respect to the Property and their condition, value and potential and with respect to the Purchaser's intended use of same.

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5.02 Purchaser's Representations

The Purchaser hereby represents and warrants to the Vendor (it being acknowledged that the Vendor is relying on such representations and warranties in entering into this Agreement) that the Purchaser has the requisite capacity and authority to enter into and perform each of its obligations under this Agreement and under any other agreements to be entered into by it as contemplated by this Agreement.

5.03 Survival of Representations

(a) The representations and warranties contained in Sections 5.01 and 5.02 shall survive Closing.

(b) If any breach of any representation or warranty by any party becomes known to any party prior to Closing, then such party will immediately communicate the details of such breach to the other party by notice in writing.

ARTICLE 6

OTHER MATTERS

6.01 Zoning

The Vendor hereby confirms that the Property is currently zoned by Zoning Order-City of Markham, Regional Municipality of York, Ontario Regulation 599/21 as Business Park.

6.02 Solicitation

The Vendor acknowledges and agrees that so long as this Agreement is in existence and in force and effect, the Vendor will not solicit or entertain any offers or discussions with respect to a possible sale or disposition of the Property or any part thereof with any other prospective buyer.

6.03 Claims

Any claims that might be made by any person as a result of anything which occurred prior to the date of closing are not the responsibility of the Purchaser (including all legal costs which may be incurred); should the Purchaser for any reason have to make compensation on account of any claim made, or defend any claim made, the Purchaser will be indemnified and saved harmless from any monies which may have to be paid by the Purchaser, as a result of such claims.

ARTICLE 7

CLOSING DOCUMENTS AND DELIVERIES

7.01 Vendor's Closing Documents

On or before Closing, the Vendor shall execute or cause to be executed and shall deliver or cause to be delivered to the Purchaser the following:

(a) the Statement of Adjustments, to be delivered no later than five (5) Business Days prior to Closing;

(b) a direction as to the payee or payees of the Purchase Price;

(c) a registrable transfer under power of sale of the Lands in favour of the Purchaser;

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(d) a certificate of the Vendor, dated as of Closing, confirming that the Vendor is not a non-resident of Canada within the meaning of Section 116 of *Income Tax Act* (Canada);

(e) satisfaction of Vendor's conditions;

(f) all other documents as are customary in similar transactions and which are necessary to give effect to this transaction; and

(g) discharges of all Encumbrances being registered in priority to Vender's mortgage.

All such documentation shall be in form and substance acceptable to the Purchaser's Solicitors and the Vendor's Solicitors.

7.02 Purchaser's Closing Documents

On or before Closing, subject to the terms and conditions of this Agreement, the Purchaser shall execute or cause to be executed and shall deliver or cause to be delivered to the Vendor the following:

(a) the Balance;

(b) the HST certificate referred to in Section 3.05;

(c) satisfaction of Purchaser's conditions;

(d) the undertaking and direction re: realty tax refund (if applicable); and

(e) all other documents as are customary in similar transactions and which are necessary to give effect to this transaction.

All such documentation shall be in form and substance acceptable to the Purchaser's Solicitors and the Vendor's Solicitors, each acting reasonably.

7.03 Document Registration Agreement

In respect of Closing arrangements, the Vendor and Purchaser irrevocably instruct their respective solicitors to be bound by the document registration agreement which is recommended from time to time by the Law Society of Ontario, with such amendments as are reasonably required the Vendor's Solicitors or the Purchaser's Solicitors (the "**DRA**"). The DRA shall be executed and exchanged no later than two (2) Business Days prior to Closing.

7.04 Registration and other Costs

The Purchaser shall be responsible for the costs of registration of the transfer of power of sale referred to in Section 7.01(c) and all applicable land transfer tax, HST and other taxes and registration costs relating to the transfer of the Property.

ARTICLE 8

GENERAL

8.01 Gender and Number

Words importing the singular include the plural and vice versa. Words importing gender include all genders.

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8.02 Captions and Table of Contents

The captions, headings and table of contents contained herein are for reference only and in no way effect this Agreement or its interpretation. The terms "Article", "Section" and "Subsection" mean and refer to the specified article, section and subsection of this Agreement.

8.03 Obligations as Covenants

Each agreement and obligation of any of the parties hereto in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

8.04 Applicable Law

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable thereto and shall be treated in all respects as an Ontario contract.

8.05 Currency

All references to currency in this Agreement are in Canadian dollars and shall be payable in lawful money of Canada.

8.06 Invalidity

If any immaterial covenant, obligation, agreement or part thereof or the application thereof to any person or circumstance, to any extent, shall be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement or part thereof to any person, party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby. Each covenant, obligation and agreement in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

8.07 Amendment of Agreement

No amendment of this Agreement shall be binding unless executed in writing by the parties or between the Vendor's Solicitors and the Purchaser's Solicitors on behalf of the parties, respectively.

8.08 Time of the Essence

Time shall be of the essence of this Agreement, provided that the time for doing or completing of any matter provided for herein may be extended by an agreement in writing between the parties or between the Vendor's Solicitors and the Purchaser's Solicitors on behalf of the parties, respectively.

8.09 Entire Agreement

This Agreement and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the parties hereto constitute the entire agreement between the parties hereto pertaining to the agreement of purchase and sale provided for herein and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto.

8.10 Waiver

No waiver of any of the provisions of this Agreement shall be valid unless expressed in writing and no waiver shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided in writing.

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8.11 Solicitors as Agents and Tender

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Vendor's Solicitors on behalf of the Vendor and any tender of Closing Documents and the Balance may be made upon the Vendor's Solicitors and the Purchaser's Solicitors, as the case may be.

8.12 Survival

This Agreement, and the obligations and covenants set out herein, shall not merge on Closing.

8.13 Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns, including the parties' successors in title.

8.14 Assignment

The Purchaser shall have the right at any time prior to Closing to assign this Agreement to any person, persons or corporation, either existing or to be incorporated, upon delivery to the Vendor of notice of such assignment, together with the assignee's covenant in favour of the Vendor to be bound hereby as the Purchaser, following which it shall be released from all further liability hereunder.

8.15 Notice

Any notice, demand, approval, consent, information, agreement, offer, request or other communication (hereinafter referred to as a "**Notice**") to be given under or in connection with this Agreement shall be in writing and may only be delivered to the addresses as provided herein or by email. Notice by postal mail is not good notice. Notices will be deemed to be received on the date of actual delivery at a party's address for notice by 5:00 p.m. on a Business Day if delivered, provided such place of business has not closed for business on such Business Day for any applicable public health order, directive, guideline or other governmental recommendation. If a Notice is delivered outside of these times, it will be deemed to be delivered on the next Business Day that business may open as a result of any change to any applicable public health order, directive, guideline or other governmental recommendation. If a notice is transmitted by email by 5:00 p.m. on a Business Day, it will be deemed to have been received at the time of transmission. If a notice is emailed outside of these times, it will be deemed to be delivered on the next Business Day. Any party may from time to time change its address under this Section by notice to the other party given in the manner provided by this Section.

(a)

Vendor:

Sow Capital Ontario Limited
c/o Amandeep Sidhu
Keyser Mason Ball LLP
3 Robert Speck Parkway, Suite 900
Mississauga, Ontario, L4Z 2G5

Attention: Philip Wong
Email: philip.wong@sowcapital.com.hk

With a copy to:

Keyser Mason Ball LLP
3 Robert Speck Parkway, Suite 900
Mississauga, Ontario, L4Z 2G5
Attention: Amandeep Sidhu
Email: asidhu@kmblaw.com

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(b)

Purchaser: 2816513 Ontario Inc.
299 Courtneypark Drive East
Mississauga, Ontario, L5T 2T6
Attention:
Email:

With a copy to: KFG Law
2345 Yonge Street, Suite 300
Toronto, Ontario, M4P 2E5
Attention: Robert Kligerman
Email: robert@kfglaw.ca

8.16 No Registration

The Purchaser covenants and agrees with the Vendor and acknowledges that it will at no time prior to the Closing Date register or permit to be registered on title to the Property this Agreement or any notice of this Agreement. This Section shall survive any termination of this Agreement.

8.17 Planning Act

This Agreement is subject to the subdivision control provisions of the Planning Act and this Agreement shall be effective to create an interest in the Lands only if such provisions are complied with by the Vendor by Closing.

8.18 Counterparts and Electronic Transmission

This agreement may be executed in counterparts and transmitted by electronic means, and each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear date as of the date first written above.

Communication of acceptance of this Agreement by any party shall be conclusively made by delivery of an email copy of a counterpart executed by such party to the other party and/or their solicitors, and such email copy shall constitute an original for all purposes.

[Remainder of page intentionally left blank; signature page follows]

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IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

SOW CAPITAL ONTARIO LIMITED, UNDER POWER OF SALE

Per:

Name: Philip Wong Kun To

Title: Director

I have the authority to bind the corporation.

2816513 Ontario Inc.

Per:

Name:

Title:

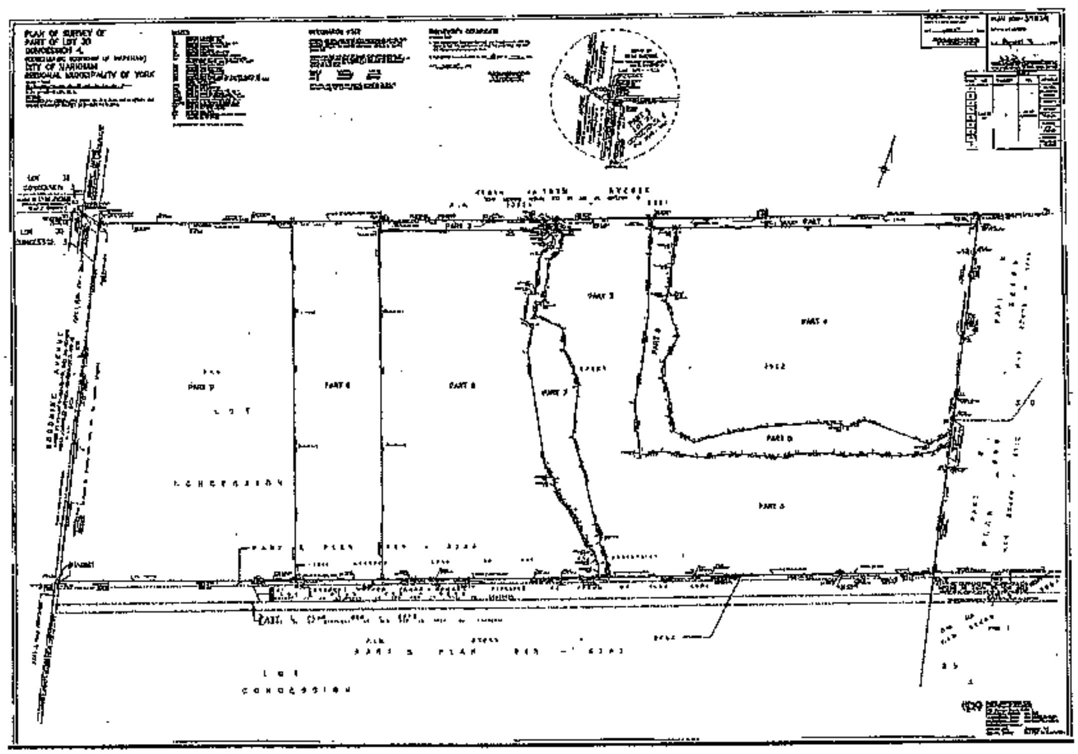
I have the authority to bind the corporation.

SCHEDULE A
DESCRIPTION OF THE LANDS

a) PART LOT 30, CONCESSION 4, PARTS 2, 6 & 7 PLAN 65R39839; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 4 & 5 PLAN 65R39880 AS IN YR3455770; CITY OF MARKHAM.

b) PART LOT 30 CONCESSION 4 DESIGNATED AS PARTS 8 AND 9 PLAN 65R39839; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 1 TO 3 INCLUSIVE PLAN 65R39880 AS IN YR3455770; CITY OF MARKHAM.

c) PART LOT 30 CONCESSION 4 DESIGNATED AS PARTS 1, 4 AND 5 PLAN 65R39839; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 7 AND 8 PLAN 65R39948 AS IN YR3455770; CITY OF MARKHAM.



SCHEDULE B

PERMITTED ENCUMBRANCES

1. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown, as varied by statute.

2. All applicable building and zoning by-laws of the City referable to the Lands.

3. Any encroachments or other matters disclosed by any surveys or reference plans of the Lands.

4. Easements, rights of way, restrictive covenants and other similar rights in land granted to, reserved or taken by any Authority or public utility.

5. Encroachments of improvements on the Lands over neighbouring lands, including City lands, and/or permitted under agreements with neighbouring land owners and encroachments over the Lands by improvements of neighbouring land owners, including City lands, and/or permitted under agreements with neighbouring land owners.

6. Any rights of expropriation, access, use or any other right conferred or reserved by or in any statute of Canada or the province of Ontario.

7. The provisions of Applicable Laws, including Environmental Laws, and further including by-laws, regulations, ordinances and similar instruments relating to development and zoning.

8. Any liens for taxes, rates, assessments or governmental charges or levies related to the Property not at the time due and delinquent

9. Undetermined or inchoate liens arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with Applicable Law or of which written notice has not been duly given in accordance with Applicable Law or which, although filed or registered, relate to obligations not due or delinquent;

10. Title defects, encroachments or irregularities which are of minor nature and in the aggregate will not materially impair the use of the Property and other matters disclosed by any existing survey or certificate of location or which would be disclosed by an up-to-date survey

Any right of expropriation vested in any governmental or public body or Authority.

Ri

This is **Exhibit "H"** referred to
in the Affidavit of Hunter Lam
Sworn before me this 4^{th}
Day of October, 2023

THIS AGREEMENT is made the 17th day of August, 2023.

AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

BETWEEN:

SOW CAPITAL ONTARIO LIMITED, UNDER POWER OF SALE (the **"Vendor"**)

- and -

2816513 ONTARIO INC. (the **"Purchaser"**)

WHEREAS the Vendor and Purchaser have previously entered into an agreement of purchase and sale agreement dated July 18, 2023 (the **"Agreement"**) whereby the Vendor agreed to sell and the Purchaser agreed to purchase those lands described as Part Lot 30, Concession 4, Part 2, 6 & 7 on Plan 65R-39839, Subject to an Easement in Gross over Parts 4 & 5 on Plan 65R-39880 as in YR3455770, City of Markham, being P.I.N. No. 03055-0380 (LT), Part Lot 30 Concession 4 designated as Parts 8 & 9 on Plan 65R-39839, Subject to an Easement in Gross over Parts 1 to 3 inclusive Plan 65R-39880 as in YR3454770, City of Markham, being P.I.N. No. 03055-0377 (LT) and Part Lot 30, Concession 4, Parts 1, 4 & 5 on Plan 65R-39839, Subject to an Easement in Gross over Parts 7 & 8 Plan 65R-39880 & Part 2 Plan 65R-39948 as in YR3455770, City of Markham, being all of P.I.N. No. 03055-0379 (LT) and municipally known as 3413 19th Avenue, Markham, Ontario (the **"Property"**);

AND WHEREAS the parties wish to amend the Agreement on the terms hereinafter set out;

NOW THEREFORE in consideration of the payment of the sum of $2.00 and the exchange of the covenants and agreements contained in this amendment and for other good and valuable consideration (the receipt and sufficiency of which is expressly acknowledged by the parties hereto), the Assignor and the Assignee each covenant and agree as follows:

1. Section 1 to the Agreement is amending by deleting the following:

   "***Due Diligence Date***" means thirty (30) Calendar Days following the Acceptance Date.

   "***Closing Date***" means the date that is sixty (60) Calendar Days following waiver of satisfaction of the Due Diligence Condition.

   and replacing the above deleted wording with the following:

   "***Due Diligence Date***" means August 28, 2023.

   "***Closing Date***" means October 16, 2023.

2. All other terms and conditions of the Agreement shall remain the same and continue to be in full force and effect and time shall continue to be of the essence.

3. This Agreement may be executed in any number of counterparts. A party may send a copy of its executed counterpart to the other party by scan and email or facsimile transmission instead of delivering a signed copy original of that counterpart. Each executed counterpart (including each copy sent by email or facsimile transmission) shall be deemed to be an original. Executed counterparts signed by all parties collectively, shall constitute one agreement and shall have the same legally binding effect as if it were an original.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

2816513 ONTARIO INC.

Per: ______________________
Name: HUNTER Yam.
Title: Authorized Signing Officer

I/We have authority to bind the Corporation.

SOW CAPITAL ONTARIO LIMITED, UNDER POWER OF SALE

Per: ______________________
Name: Philip Wong Kun To
Title: Authorized Signing Officer

I/We have authority to bind the Corporation.

This is **Exhibit "I"** referred to
in the Affidavit of Hunter Lam
Sworn before me this 4th
Day of October, 2023

WAIVER and AMENDMENT TO AGREEMENT OF PURCHASE AND SALE

BETWEEN:

SOW CAPITAL ONTARIO LIMITED, UNDER POWER OF SALE (the 'Vendor")

- and -

2816513 ONTARIO INC. (the "Purchaser")

WHEREAS the Vendor and Purchaser have previously entered into an agreement of purchase and sale agreement dated July 18, 2023 (the "Agreement") whereby the Vendor agreed to sell and the Purchaser agreed to purchase those lands described as Part Lot 30, Concession 4, Part 2, 6 & 7 on Plan 65R-39839, Subject to an Easement in Gross over Parts 4 & 5 on Plan 65R-39880 as in YR3455770J City of Markham, being P.I.N. No. 03055-0380 (LT), Part Lot 30 Concession 4 designated as Parts 8 & 9 on Plan 65R-39839, Subject to an Easement in Gross over Parts 1 to 3 inclusive Plan 65R-39880 as in YR3454770, City of Markham, being P.I.N. No. 03055-0377 (LT) and Part Lot 30, Concession 4, Parts 1, 4 & 5 on Plan 65R-39839, Subject to an Easement in Gross over Parts 7 & 8 Plan 65R-39880 & Part 2 Plan 65R-39948 as in YR3455770, City of Markham, being all of P.I.N. No.03055-0379 (LT) and municipally known as 341 3 1 9th Avenue, Markham, Ontario (the "Property");

AND WHEREAS the parties wish to amend the Agreement on the terms hereinafter set out;

AND WHEREAS the Agreement provides for a Due Diligence Condition of the Agreement which the Purchaser wishes to waive;

NOW THEREFORE in consideration of the payment of the sum of $2.00 and the exchange of the covenants and agreements contained in this amendment and for other good and valuable consideration (the receipt and sufficiency of which is expressly acknowledged by the parties hereto), the Assignor and the Assignee each covenant and agree as follows:

1. Section 1 to the Agreement is amending by deleting the following:

   „Due Diligence Date" means thirty (30) Calendar Days following the Acceptance Date.

   "Closing Date" means October 16th, 2023.

   and replacing the above deleted wording with the following:

   "Closing Date" means November 30th .2023.

2. The Purchaser hereby waives the Due Diligence Condition and confirms that the Agreement is now firm and binding.

3. All other terms and conditions of the Agreement shall remain the same and continue to be in full force and effect and time shall continue to be of the essence.

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4. This Agreement may be executed in any number of counterparts. A party may send a copy of its executed counterpart to the other party by scan and email or facsimile transmission instead of delivering a signed copy original of that counterpart. Each executed counterpart (including each copy sent by email or facsimile transmission) shall be deemed to be an original. Executed counterparts signed by all parties collectively, shall constitute one agreement and shall have the same legally binding effect as if it were an original.

IN WITNESS WHEREOF the Vendor and Purchaser have executed this amendment and waiver on the 28th day of August, 2023.

SOW CAPITAL ONTARIO LIMITED

Per: ______________________
Name:
Position:
I am authorized to bind the Corporation

2816513 ONTARIO INC

Per: ______________________
Name:
Position:
I am authorized to bind the Corporation

This is **Exhibit "J"** referred to
in the Affidavit of Hunter Lam
Sworn before me this 4th
Day of October, 2023

HSBC

MR. LEE QUAN SHIM
56 BOAKE TRAIL
RICHMOND HILL ON L4B 2Y5

HSBC InvestDirect
1725 16th Avenue,
Suite 102
Richmond Hill, Ontario
L4B 4C6

T. 1-800-760-1180
F. 1-866-336-8471
investdirect@hsbc.ca

October 03, 2023

RE: ***Account Balances of your HSBC InvestDirect Account***

Dear Mr. Lee Quan Shim,

As requested, please find the October 2, 2023 closing balances of your account. Should you have further questions, please do not hesitate to contact our Customer Services Representative. Thank you

Account number	Name of the account	Total Equity Value
6Y2HNM	Mr. Lee Quan Shim (sole)	1,793,982 CAD
6Y6JTD	KRE DEVELOPMENTS CO. LTD.	62,959,988 CAD
6Y6JTQ	THE LEE QUAN SHIM FAMILY TRUST	17,595,000 CAD

Sincerely,

Jerry Yeh
Client Services Presentative
HSBC InvestDirect
a division of HSBC Securities (Canada) Inc.

Appendix "J"

From: Eric Golden
To: David P. Preger; Lisa S. Corne; Justin Chan; "David Z. Seifer"; philip.wong@sowcapital.com.hk; timothy.wu@sowcapital.com.hk; lai.pui.ling8@gmail.com; maya@chaitons.com; stung@igrm.ca; jciardullo@stikeman.com; insolvency.unit@ontario.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; info@aamic.ca; asidhu@kmblaw.com; dtang@millerthomson.com; abaniasadi@millerthomson.com; rgray@millerthomson.com; lsivak@millerthomson.com; customerservice@markham.ca; leonardsusman@bellnet.ca; jfried@foglers.com; jchan@jtcprofcorp.com; ken.rosenberg@paliareroland.com; RJaipargas@blg.com; IKlaiman@lzwlaw.com; Douglas.Montgomery@paliareroland.com; Edmund Yau; Matthew Wong; "Fried, Joseph"; Michael Fallone; Randy Lebow; asidhu@kmblaw.com; vdare@foglers.com; "myoung@foglers.com"
Cc: Chad Kopach; "Jeffrey Kerbel"; Edmund Yau
Subject: Romspen Investment Corporation v Tung Kee Investment Canada Ltd et al CV-23-00703161-00CL - appeals and Receiver Motion for Directions
Date: Friday, October 27, 2023 6:09:08 PM
Attachments: Letter to Counsel -October 27, 2023.PDF
Notice of Appeal - October 27, 2023.PDF
Appellant"s Certificate Respecting Evidence - October 27, 2023.PDF
CV-23-00703161-00CL Romspen Inv v Tung Kee Inv Endorsement Oct 19 23.pdf
AVO issued and entered re Tung Kee.pdf
Appointment Order issued and entered re Tung Kee.pdf
image001.png
image002.png

The Receiver was provided earlier this afternoon with the attached letter and Notice of Appeal from counsel for 2816513 Ontario Inc. ("**281 Ontario**"), which had entered into an APS with the fifth mortgagee, Sow Capital.

We understand that the mortgagor Tung Kee will also be delivering on Monday a Notice of Motion seeking to appeal the attached decision of Justice Osborne, which resulted in the attached two Orders (the Appointment Order and the AVO).

The Receiver's position is that 281 Ontario falls within the "bitter bidder" caselaw and has no standing to appeal. In addition, even if 281 Ontario did have standing, it does not have an appeal as of right under the BIA. Similarly, the mortgagor Tung Kee does not have an appeal as of right. Tung Kee (and 281 Ontario if it had standing), both must seek leave to appeal, and based on the current caselaw for leave, neither should be granted leave.

In addition, the closing date for the Times APA is scheduled for November 15, 2023, adding real time urgency to the factual matrix. The delivery of the 281 Ontario Notice of Appeal today and the Tung Kee Notice of Appeal Monday only adds to the time crunch.

As a result, the Receiver will be responding this Tuesday by serving a motion for directions before a single judge of the ONCA. I anticipate that the Receiver will seek in its Notice of Motion, among other things, advice and directions regarding the Notices of Appeal and whether:

1. 281 Ontario has standing to appeal, or not;

2. if 281 Ontario does have standing, whether it can appeal as of right, or whether it requires leave of the Court to do so;

3. whether Tung Kee can appeal as of right, or whether it requires leave of the Court to do so;

4. if leave to appeal is required, whether it should be granted; and

5. if leave is not required, whether the Appointment Order and AVO are stayed by the Notices of Appeal or not, and if stayed whether the stays should be lifted;

As a result of the closing date on November 15, 2023, the Receiver's motion must be heard forthwith, and it will be scheduled for a day the week of November 6, 2023.

Therefore, if there are any days the week of Nov. 6 when Maya (for the mortgagor) and Mark (for 281) cannot be available to argue the motion for directions in the ONCA, please advise forthwith.

The Receiver is sending this email today to provide 281 Ontario and Tung Kee with as much notice as possible of its motion for directions, and we will of course do our best to accommodate any conflicts, but ultimately with the closing date of the Times APS scheduled for Nov 15, 2023, the decision will come down to what dates are available in the ONCA. In the event of a conflict between their availability and available court dates, the parties seeking to appeal will have to arrange their schedules to be available on whatever date is available in the ONCA that week (and I believe the Courts may be closed on Friday Nov. 10 for the Remembrance Day statutory day), or arrange to have someone else at their respective firms argue the matter. The Receiver and its counsel will have to do the same.

Please let me know if you have any questions.

Eric Golden
Partner - Co-chair, Business Reorganization & Insolvency Group

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TAB 3

Court of Court of Appeal File No.:
Court File No. CV-23-00703161-00CL

COURT OF APPEAL FOR ONTARIO

B E T W E E N:

ROMSPEN INVESTMENT CORPORATION

Applicant

and

TUNG KEE INVESTMENT CANADA LTD. and TUNK KEE INVESTMENT LIMITED PARTNERSHIP

Respondents

NOTICE OF APPEAL

THE APPELLANT, 2816513 Ontario Inc. ("**281**" or the "**Appellant**"), appeals to the Court of Appeal from the Orders of the Honourable Justice Osborne, dated October 19, 2023, made at Toronto, Ontario.

THE APPELLANT ASKS:

(a) that the Learned Justice's Orders, (i) appointing Ernst & Younge Inc. (the "**Receiver**") as receiver and manager over the assets and property of Tung Kee Investment Canada Ltd. ("**TKIC**") and Tung Key Investment Limited Partnership, including the property municipally known as 3134 19th Avenue, Markham, Ontario (the "**Property**"), and (ii) approving the sale transaction (the "**Times Transaction**") contemplated by an agreement of purchase and sale between Romspen Investment Corporation ("**Romspen**") and Times 1010 Inc. dated September 15, 2023, as amended by a waiver, assignment and amending agreement dated September 29, 2023 between Romspen and Times 1010 Inc., 3143 Holdings Inc., and Times 3143 Limited Partnership, authorizing the Receiver to complete the Times Transaction, and vesting in 3143 Holdings Inc. all rights, title and interests of TKIC in and to the Property, and dismissing the cross motion of Sow Capital Ontario Ltd. ("**Sow**") for an order permitting the completion of its Agreement of Purchase and

Sale between with 281, as purchaser, for the sale of the Property dated July 18, 2023, as amended by an Amending Agreement dated August 17, 2023 and a Waiver and amending Agreement dated August 28, 2023 (the "**281 APS**"), be set aside and an Order be made permitting the 281 APS to be completed;

(b) for leave to hear this Appeal on an expediated basis;

(c) for costs of this Appeal; and

(d) for such further and other relief as this Honourable Court may deem just.

THE GROUNDS OF APPEAL are as follows:

1. The Learned Justice made fundamental errors at law and made palpable and overriding errors, in:

(a) failing to grant 281 standing to challenge Romspen's motion;

(b) failing to properly consider and apply the law relating to 281's interest as a beneficial owner of the Property, through the doctrine of equitable conversion, once the 281 APS was executed;

(c) failing to consider and/or apply the law providing that the lawful power of sale process engaged in by Sow should not be interfered with, absent evidence of bad faith, collusion or fraud, which was not present;

(d) failing to properly consider and apply the law pertaining to law pertaining to disclaiming 281's interest in the Property pursuant to the 281 APS;

(e) failing to consider and properly apply the law in connection with the vesting out of and extinguishing 281's proprietary interesting the Property, and particularly, the analysis set out in *Third Eye Capital Corporation v. Ressources Dianor Inc./ Dianor Resources Inc.*, 2019 ONCA 508; and

(f) Such further and other ground as counsel may advise and this Honourable Court permit.

THE BASIS OF THE APPELLATE COURT'S JURISDICTION is**:**

(a) Sections 193(a) and (c) of the *Bankruptcy and Insolvency Act, R.S.C. 1985, c.B-3* ("**BIA**"), which provides that an appeal to the Court of Appeal of Ontario from any order or decision of a Judge is as of right;

(b) Leave is not required as the Appellant appeals from an order of a Judge on an issue that involves future rights, and where the property involved in the appeal exceeds ten thousand dollars in value; and

(c) Rules 31(1) and 32 of the *Bankruptcy Insolvency Act*, General Rules, C.R.C., c.368.

OCTOBER 27, 2023

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TO **SERVICE LIST**

ROMSPEN INVESTMENT CORPORATION -and- TUNG KEE INVESTMENT CANADA LTD., et al.
Applicant Respondents

COA File No.

COURT OF APPEAL FOR ONTARIO

Proceeding commenced at

TORONTO

NOTICE OF APPEAL

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TAB 4

Court of Appeal File No.

Ontario Superior Court of Justice No. CV-23-00703161-00CL

COURT OF APPEAL FOR ONTARIO

B E T W E E N:

ROMSPEN INVESTMENT CORPORATION

Applicant (Respondent on Appeal)

- and -

TUNG KEE INVESTMENT CANADA LTD. and TUNG KEE INVESTMENT LIMITED PARTNERSHIP

Respondents (Appellants on Appeal)

NOTICE OF APPEAL

THE APPELLANTS, TUNG KEE INVESTMENT CANADA LTD. and TUNG KEE INVESTMENT LIMITED PARTNERSHIP APPEAL to the Court of Appeal from the Order (appointing Receiver) dated October 19, 2023 (the "**Appointment Order**") and the Approval and Vesting Order dated October 19, 2023 of the Honourable Mr. Justice Osborne (the "**Sale Order**", and together with the Appointment Order, the "**Orders**"), made in Toronto, Ontario.

THE APPELLANTS ASK that the Orders be set aside and an Order granted as follows:

1. Dismissing the motion of Romspen Investment Corporation, the Respondent on Appeal ("**Romspen**") for the Sale Order: (i) approving an agreement of purchase and sale (the "**Sale Agreement**") between Romspen and Times 1010 Inc. ("**Times**") for the sale of the property municipally known as 3143 19th Avenue,

Markham, Ontario (the “**Property**”); (ii) authorizing Ernst & Young Inc., in its capacity as court-appointed receiver (the “**Receiver**”), to complete the sale of the Property to Times and (iii) vesting title to the Property in Times free and clear of all claims and encumbrances and authorizing and directing the Receiver to conduct a sale process for the Property;

2. In the alternative, declaring that the Appellants’ rights to challenge the sale of the Property to Times (the “**Sale Transaction**”) as an improvident sale are reserved and preserved;

3. In the further alternative, dismissing Romspen’s application for the appointment of the Receiver and setting aside the Appointment Order and the Sale Order;

4. In the further alternative, ordering a new hearing of the motion;

5. In the further alternative, if necessary, granting leave to appeal the Orders and staying the Orders pending Appeal; and

6. Awarding the Appellants their costs of the appeal on substantial indemnity basis.

THE GROUNDS OF APPEAL are as follows:

1. The Motion Judge erred in law and made palpable and overriding errors in:

i. Misapplying the test relating to “quick flip” sale transactions;

ii. Finding that the sale process followed by Romspen was fair and reasonable despite Romspen having filed evidence that “a court-supervised marketing and sale process is likely to be a better approach to achieving a definitive sale than a power of sale process";

iii. Failing to address Romspen's conflicting evidence on the motion;

iv. Failing to consider or give any or adequate weight to the Appellants' appraisal from a well-recognized and respected appraiser evidencing that the value of the Property was approximately $60 million higher than the purchase price under the Sale Agreement;

v. Failing to address the Appellants' argument that the Romspen sales process was tainted or lacked integrity and fairness as Times had knowledge of the purchase price under a competing agreement of purchase and sale entered into by a subsequent mortgagee under power of sale;

vi. Failing to take into account that the sale price under the Sale Agreement was higher than the purchase price payable under the sale agreement between Sow Capital Ontario Inc. ("**Sow**") and 2816513 Ontario Inc. ("**281**") by failing to take into account the commission payable under the Sale Agreement;

vii. Finding that there was prejudice to the first four mortgagees if the "quick flip" is not approved. This finding was wholly unsupported by the evidence before the Court which demonstrated that the only fulcrum stakeholders were Sow and the Appellants, both of whom opposed the sale to Times.

viii. Failing to consider and address the Appellants' submissions on the discrepancies between Romspen's appraisal and the Appellants' appraisal and in particular, failure of those appraisals to consider the value of the municipal zoning order granted by the City of Markham;

ix. Finding that the test for a "quick flip" transaction as set out in *Elleway Acquisitions Ltd. v. Cruise Professionals Ltd.*, 2013 ONSC 6866 ("*Elleway*") was met because "there may well be erosion of realization by further delay, with the professional costs and the very significant interest that continues to accrue on all of the mortgages." This finding was not supported by the evidentiary record which disclosed that the first four mortgagees were in the money and would not be prejudiced by a further court-supervised sale process;

x. Erroneously relying on the proposed Receiver's pre-filing report in its assessment of prejudice. The proposed Receiver's pre-filing report does not include any payout statements from the mortgagees and confirms that the proposed Receiver did not review any of the mortgagees' security;

xi. Concluding that a vesting order was appropriate in the circumstances where: (i) Romspen had been marketing the Property for sale through a real estate agent under power of sale; (ii) Romspen had served an Application Record in August 2023 returnable October 10, 2023 for the appointment of a receiver on the basis that a court-supervised sale process was a better approach for marketing and selling the Property; (iii) while the application was pending, Romspen entered into the Sale

Agreement under power of sale with Times; (iv) Romspen had the ability under the *Mortgages Act* (Ontario) to transfer title to the Property free and clear of all claims; and (v) Times' request for a vesting order was nothing more than a contrivance designed to protect Romspen from an improvident sale claim and was an abuse of process;

xii. Finding that the Appellants' request that the approval and vesting order be made without prejudice to their right to attack the sale to Times as an improvident sale is "antithetical to the basis upon which the sale transaction is approved in the first place". It was not necessary for the motion judge to expressly or implicitly determine if the sale process by which the purchase agreement was obtained and the purchase price were fair and commercially reasonable in order to grant a vesting order transferring title to the purchaser free and clear;

xiii. Failing to allow the Appellants to reserve and preserve their claim for an improvident sale;

xiv. Section 193 of the *Bankruptcy and Insolvency Act* ("**BIA**");

xv. Such further and other grounds as counsel may advise and this Honourable Court permit.

THE BASIS OF THE APPELLATE COURT'S JURISDICTION IS:

1. This is an appeal as of right pursuant to Sections 193(a) to (c) of the *Bankruptcy and Insolvency Act, R.S.C., c.B-3* ("**BIA**").

2. Leave is not required for the commencement of this appeal under ss. 193(a) to (c) as:

   i. matters raised in the within appeal involve future rights, including the Appellants' right to sue Romspen for improvident sale which would only arise after Romspen completed the sale of the Property to Times; and

   ii. the value of the property that is the subject of the Order and that is involved in this appeal exceeds ten thousand dollars.

3. In the alternative, if leave is required under section 193(e) of the BIA, the Appellants seek leave to appeal the Order and ask for a stay of the Order pending the resolution of this appeal.

4. It is appropriate that leave be granted because the appeal:

   i. is of general importance to the practice of bankruptcy/insolvency matters and/or to the administration of justice as a whole, namely:

      a. the appropriateness of protecting a mortgagee exercising power of sale remedies from an improvident realization claim by seeking the court's appointment of a receiver to complete a quick-flip transaction and obtaining an approval and vesting order to complete the transaction;

      b. the appropriateness of the use of a quick-flip transaction by a mortgagee of raw land in circumstances where alternative remedies are available and have been utilized by mortgagees;

      c. the appropriateness of the use of a quick-flip transaction to approve the sale of raw land; and

      d. the need for clarification from the Court of Appeal on the circumstances in which it is just and convenient for a mortgagee who has exercised a power of sale and entered into a purchase and sale agreement to obtain an appointment of a receiver to complete the sale transaction through an order that approves the sale transaction and thereby insulates the mortgagee from an improvident realization;

ii. is *prima facie* meritorious; and

iii. would not unduly hinder the progress of the herein proceeding.

October 30, 2023

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ROMSPEN INVESTMENT CORPORATION	-and-	TUNG KEE INVESTMENT CANADA LTD. et. al.
Applicant (Respondent)		Respondents (Appellants)

Court of Appeal File No.
Court File No. CV-23-00703161-00CL

COURT OF APPEAL FOR ONTARIO

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF APPEAL

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ROMSPEN INVESTMENT CORPORATION -and- **TUNG KEE INVESTMENT CANADA LTD. et al.**

Applicant Respondents

COURT OF APPEAL FOR ONTARIO

MOTION RECORD OF THE MOVING PARTY, ERNST & YOUNG INC.
[Volume 4 of 4]

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