Court File No. CV-23-00703161-00CL
Court of Appeal File No. COA-23-CV-1129

COURT OF APPEAL FOR ONTARIO

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

B E T W E E N:

ROMSPEN INVESTMENT CORPORATION

Applicant (Respondent on Appeal)

\- and -

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

Respondents (Appellants on Appeal)

MOTION RECORD OF THE MOVING PARTY, ERNST & YOUNG INC.
(Receiver's Motion for Directions Before a Single Judge
of the Court of Appeal returnable November 9, 2023)
[VOLUME 4 OF 4]

November 1, 2023

BLANEY McMURTRY LLP
2 Queen Street East, Suite 1500
Toronto, ON M5C 3G5

Eric Golden (LSO #38239)
(416) 593-3927 (Tel)
egolden@blaney.com

Chad Kopach (LSO #48084G)
(416) 593-2985 (Tel)
ckopach@blaney.com

Lawyers for the Court-appointed Receiver,
Ernst & Young Inc.

TO: **SERVICE LIST**

Court File No. CV-23-00703161-00CL
Court of Appeal File No. COA-23-CV-1129

COURT OF APPEAL FOR ONTARIO

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

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INDEX

Appendix “H”

Court File No. CV-23-703161-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

ROMSPEN INVESTMENT CORPORATION

Applicant

and

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

Respondent

APPLICATION UNDER SUBSECTIONS 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

AFFIDAVIT OF PHILIP WONG

I, Philip Wong, of the City of Hong Kong, in the Country of China, MAKE OATH AND SAY:

1. I am a director of Sow Capital Ontario Limited ("**Sow**"), and as such, I have personal knowledge of the matters to which I hereinafter depose, save where I have been advised of the same, in which case I have specified the source of the information and in all such cases I do verily believe to be true such matters of which I have been advised.

2. The Respondents are the lands referred to below:

PIN	03055 - 0379 LT
Description	PART LOT 30, CONCESSION 4, PARTS 1, 4 & 5 PLAN 65R39839; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 7 & 8 PLAN 65R39880 & PART 2 PLAN 65R39948 AS IN YR3455770; CITY OF MARKHAM
Address	MARKHAM
PIN	03055 - 0380 LT
Description	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
Address	MARKHAM
PIN	03055 - 0377 LT
Description	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 YR3454770; CITY OF MARKHAM
Address	MARKHAM

(hereinafter collectively referred to as the "**Property**")

3. Sow was granted a mortgage which is secured and registered against title to the Property. Attached hereto and marked as **Exhibit "A"** are true copies of the parcel registers for the Property.

4. The said mortgage granted to Sow is, and remains, in default.

5. On or around May 17, 2023, Sow served its Notice of Sale. Attached hereto and collectively marked as **Exhibit "B"** are true copies of the Notice of Sale and registered mail receipts.

6. On or around July 18, 2023, Sow entered into an Agreement of Purchase and Sale to sell the Property, under power of sale, to 2816513 Ontario Inc. (the "**Purchaser**") for

$66,000,000 (the "**APS**"). Attached hereto and marked as **Exhibit "C"** is a true copy of the APS.

7. Upon execution of the APS, the Purchaser provided a deposit into the trust account of Keyser Mason Ball LLP in the amount of $1,000,000 (the "**First Deposit**"). Attached hereto and marked as **Exhibit "D"** is a true copy of the wire confirmation of the First Deposit.

8. Upon the completion of the First Deposit, Amandeep Sidhu (counsel for Sow) wrote to the various interested parties and advised that the Property has been sold by Sow under power of sale. Attached hereto and marked as **Exhibit "E"** is a true copy of the said correspondence from Mr. Sidhu.

9. The Purchaser then had a conditional period to conduct its due diligence.

10. The Purchaser waived the condition and has provided the additional deposit into the trust account of Keyser Mason Ball LLP in the amount of $2,000,000 (the "**Second Deposit**"). Attached hereto and marked as **Exhibit "F"** is a true copy of the wire confirmation of the Second Deposit.

11. On August 30, 2023, Mr. Sidhu notified all of the various interested parties that the APS has become firm. Attached hereto and marked as **Exhibit "G"** is a true copy of Mr. Sidhu's email to the various interested parties.

12. On September 5, 2023, Mr. Sidhu notified all of the various interested parties that the Purchaser has paid the Second Deposit. Attached hereto and marked as **Exhibit "H"** is a true copy of Mr. Sidhu's email to the various interested parties.

13. On August 30, 2023, Mr. Sidhu prepared a draft order to deal with matters prior to closing. The said draft order was circulated to all of the various interested parties on August 30, 2023. Attached hereto and marked as **Exhibit "I"** is a true copy of Mr. Sidhu's email to the various interested parties. Attached hereto and marked as **Exhibit "J"** is a true copy of the said proposed draft order.

14. On September 5, 2023, Mr. Sidhu followed up with the various interested parties regarding the draft order. Attached hereto and marked as **Exhibit "H"** is a true copy of Mr. Sidhu's email to the various interested parties.

15. To date, no parties has provided any comments towards the said draft order.

16. The power of sale transaction between Sow and the Purchaser has become firm and/or unconditional with a closing date of November 30, 2023.

17. Prior to entering into the APS, Sow obtained two (2) appraisals. Attached hereto and marked as **Exhibit "K"** is a true copy of the appraisal report from Avison Young. Attached hereto and marked as **Exhibit "L"** is a true copy of the appraisal report from Wagner Andrews Kovacs.

18. The said appraisal report from Avison Young concluded a valuation of $63,200,000.

19. The said appraisal report from Wagner Andrews Kovacs concluded a valuation of $62,350,000.

20. Romspen had initially entered into an Agreement of Purchase and Sale to sell the Property, under power of sale, at a price of $69,500,000. That deal ultimately failed to materialize. Romspen then re-listed the Property on the Multiple Listing Service (MLS) for a price of $64,500,000 on or around April 4th, 2023.

21. The purchase price of the APS is $66,000,000 (higher than both appraisals and Romspen's listing price on the MLS).

22. The Purchaser is closely related to Lee Li Holdings ("**Lee Li**") in Mississauga. Sow Capital is not related to the Purchaser and/or Lee Li (either directly or indirectly) in any way. In addition, save and except for completing the sale of the APS and realizing on its investment/mortgage, Sow has no interest in the Property after the closing.

23. Attached hereto and marked as **Exhibit "M"** is a true copy of the Corporate Profile Report for the Purchaser.

24. Attached hereto and marked as **Exhibit "N"** is a true copy of the Corporate Profile Report for Lee Li.

25. A review of the Corporate Profile Reports from the Purchaser and Lee Li will reveal that they have the same registered head office and Lee Q. Shim is the president and director of both corporations.

26. Furthermore, I had attempted to assist the Respondents in either selling or refinancing the Property (as doing so would hopefully pay off and discharge Sow's mortgage).

27. This was done from approximately January, 2022 to February 2023. I considered myself on good terms with the principals of the Respondents during that period.

28. There is no animosity between Sow and the Respondents. All Sow is seeking is the return of their mortgage.

29. Sow is seeking an order permitting it to complete its power of sale to the Purchaser and in the event that the said power of sale transaction is not completed, Romspen may proceed with its Receivership Order.

30. At this time, it would not be just or convenient to grant the receivership order due to the following: 1. The receiver would cost more, and likely would not realize a more favourable sale price and, 2. The receiver would take more time. Based on the foregoing, the creditors would be prejudiced if the receivership order is granted in so much as the debts due will continue to increase, the eventual sale price may decrease, and a potential sale may not occur in the near future.

Marketing Efforts

31. Sow engaged Dutfield International Group Co. Ltd. ("**Dutfield**"), Metro Union Inc. ("**Metro**"), The Morris Group Companies ("**Morris**"), and Cogito Capital ("**Cogito**") for the purpose of marketing the sale of the Property to potential investors. Sow, through the aforementioned companies, actively marketed the Property from in or around February, 2023 to August, 2023.

32. Sow had retained the services of Ivy Chan ("**Ivy**") to assist in marketing the Property, who is currently the Honourable Chairlady of Dutfield. Ivy is an experienced

investment consultant specializing in real estate development and investment. Among other things, she has been responsible for packaging numerous successful real estate acquisitions including No. Nine Queen's Road, No. 3 Repulse Bay Road, Regent on the Park, No. 8 Wyndham Street, over several millions of square feet of farmland, as well as other commercial and residential buildings worth over several billions of dollars.

33. Dutfield and Ivy had marketed the Property to at least ten (10) parties with potential interest in investing in Toronto assets.

34. Metro had also approached the following potential groups of investors: Lee Li, Corebridge Development, City of Markham, Sunny Communities, Realtrium Realty Ltd., Landing Realty, and Mon Sheong Foundation. Metro was actively speaking with the owner of Corebridge Development, however Corebridge Development was unable to compete with Lee Li and was outbid for the sale of the Property.

35. The CEO of Morris, Joseph Grinkorn ("**Joseph**"), was also personally involved in marketing the Property to potential investors. The investors approached by Morris included but are not limited to, QMW Corp and Magic Investors Inc.

36. It should be emphasized that both Ivy and Joseph were engaged based on their robust business networks, extensive international exposure, and exemplary track records. Their professional capacities extended beyond the confines of Canada, demonstrating their global reach and influence. This strategic selection was made with the intent of broadening the reach of Sow's marketing initiative to encompass not only the local Canadian market but also extend beyond national borders.

37. Sow endeavored to secure the services of alternative firms, namely Colliers Canada, Cushman and Wakefield. However, it is noteworthy that Romspen had designated Royal Lepage as the exclusive agent, subsequently listing the Property on the Multiple Listing Service. As a result of customary industry practices, these aforementioned firms declined to enter into marketing discussions with Sow, as established norms dictate that their interactions should be solely with Royal Lepage.

38. I swear this Affidavit in response to the the motion of Romspen to appoint a receiver and in support of Sow's motion.

SWORN BEFORE ME by videoconference in accordance with O. Reg. 431/20 this 26th day of September, 2023 at the City of Mississauga, in the Province of Ontario with the deponent in the City of Hong Kong, in the Country of China

Amandeep Sidhu

Commissioner for Taking Affidavits
(or as may be)

AMANDEEP SIDHU

PHILIP WONG

ROMSPEN INVESTMENT CORPORATION
Applicant

-and-

TUNG KEE INVESTMENTS CANADA LTD. et al.
Respondents

Court File No. CV-23-703161-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF PHILIP WONG

KEYSER MASON BALL LLP
Barristers and Solicitors
3 Robert Speck Parkway, Suite 900
Mississauga, ON. L4Z 2G5

Amandeep Sidhu (LSO# 613080)
Telephone No.: (905) 276-0401
Email: asidhu@kmblaw.com

Lawyers for Sow Capital Ontario Limited

RCP-E 4C (May 1, 2016)

This is Exhibit "A" 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

ario ServiceOntario

LAND
REGISTRY
OFFICE #65

03055-0377 (LT)

PREPARED FOR asidhu01
ON 2023/08/04 AT 11:10:41

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

ON: 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 YR3454770; CITY OF MARKHAM

RECENTLY:
DIVISION FROM 03055-0002

PIN CREATION DATE:
2022/06/13

IFIED

CAPACITY SHARE

T CANADA LTD.

TE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
*DES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2022/06/13 ***				
ST REGISTRATION UNDER THE LAND TITLES ACT, TO:				
*TION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES **				
CHEATS OR FORFEITURE TO THE CROWN.				
GHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF				
OUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY				
TION.				
ASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.				
*ION TO LAND TITLES: 1999/09/27 ***				
08/24	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT	
AERONAUTICS ACT AND PICKERING AIRPORT SITE ZONING REGULATIONS				
03/07	TRANS PARTNERSHIP		TUNG KEE INVESTMENT LIMITED PARTNERSHIP	TUNG KEE INVESTMENT CANADA LTD.
03/26	CHARGE	$5,000,000	TUNG KEE INVESTMENT CANADA LTD.	SOW CAPITAL ONTARIO LIMITED JIAYI INTERNATIONAL INVESTMENTS LTD.
03/26	NO ASSGN RENT GEN		TUNG KEE INVESTMENTS CANADA LTD.	SOW CAPITAL ONTARIO LIMITED JIAYI INTERNATIONAL INVESTMENTS LTD.
YR3083072				
05/07	TRANSFER OF CHARGE		JIAYI INTERNATIONAL INVESTMENTS LTD.	SOW CAPITAL ONTARIO LIMITED
YR3083072.				
05/07	NO ASSGN RENT GEN		JIAYI INTERNATIONAL INVESTMENTS LTD.	SOW CAPITAL ONTARIO LIMITED
ASSIGNS YR3083073				

OTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
OTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

TE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
08/18	TRANSFER OF CHARGE		SOW CAPITAL ONTARIO LIMITED	F A CREDIT SOLUTIONS CANADA INC. SOW CAPITAL ONTARIO LIMITED
YR3083072.				
01/27	CHARGE	$30,000,000	TUNG KEE INVESTMENT CANADA LTD.	ROMSPEN INVESTMENT CORPORATION
01/27	NO ASSGN RENT GEN		TUNG KEE INVESTMENT CANADA LTD.	ROMSPEN INVESTMENT CORPORATION
YR3373212				
01/27	CHARGE	$8,500,000	TUNG KEE INVESTMENT CANADA LTD.	AMBER MORTGAGE INVESTMENT CORP.
01/27	NO ASSGN RENT GEN		TUNG KEE INVESTMENT CANADA LTD.	AMBER MORTGAGE INVESTMENT CORP.
YR3373214				
01/27	CHARGE	$8,000,000	TUNG KEE INVESTMENT CANADA LTD.	2149602 ONTARIO INC.
01/27	NO ASSGN RENT GEN		TUNG KEE INVESTMENT CANADA LTD.	2149602 ONTARIO INC.
YR3373216				
01/27	TRANSFER OF CHARGE		F A CREDIT SOLUTIONS CANADA INC.	SOW CAPITAL ONTARIO LIMITED
YR3083072.				
01/27	CHARGE	$3,540,000	TUNG KEE INVESTMENT CANADA LTD.	PA, FRANK TUNG, STEPHEN
01/28	POSTPONEMENT		SOW CAPITAL ONTARIO LIMITED	ROMSPEN INVESTMENT CORPORATION
R3083072, YR3083073, YR3247257, YR3247258, YR3300382,YR3373212, YR3373213 TO YR3373218				
01/28	POSTPONEMENT		SOW CAPITAL ONTARIO LIMITED	AMBER MORTGAGE INVESTMENT CORP.
YR3083072, YR3083073, YR3247257, YR3247258, YR3300382,YR3373214,YR3373215 TO YR3373218				
01/28	POSTPONEMENT		SOW CAPITAL ONTARIO LIMITED	2149602 ONTARIO INC.
YR3083072, YR3083073, YR3247257, YR3247258, YR3300382, TO YR3373218				
02/24	NOTICE	$8,000,000	TUNG KEE INVESTMENT CANADA LTD.	2149602 ONTARIO INC.
YR3373216				
03/22	NOTICE		THE CORPORATION OF THE CITY OF MARKHAM	TUNG KEE INVESTMENT CANADA LTD.
03/22	POSTPONEMENT		SOW CAPITAL ONTARIO LIMITED	THE CORPORATION OF THE CITY OF MARKHAM
YR3083073, YR3247257, YR3247258, YR3300382, YR3373218 TO YR3397626				

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03055-0377 (LT)

PREPARED FOR asidhu01
ON 2023/08/04 AT 11:10:41

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

TE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
03/22	POSTPONEMENT		ROMSPEN INVESTMENT CORPORATION	THE CORPORATION OF THE CITY OF MARKHAM
YR3373212 TO YR3397626				
03/22	POSTPONEMENT		AMBER MORTGAGE INVESTMENT CORP.	THE CORPORATION OF THE CITY OF MARKHAM
YR3373214, YR3373215 TO YR3397626				
03/22	POSTPONEMENT		2149602 ONTARIO INC.	THE CORPORATION OF THE CITY OF MARKHAM
YR3373216, YR3373217 TO YR3397626				
03/22	POSTPONEMENT		PA, FRANK TUNG, STEPHEN	THE CORPORATION OF THE CITY OF MARKHAM
YR3373219 TO YR3397626				
04/07	PLAN REFERENCE			
05/16	PLAN REFERENCE			
06/17	NOTICE	$9,500,000	TUNG KEE INVESTMENT CANADA LTD.	2149602 ONTARIO INC.
YR3373216, YR3373217, YR3373405, YR3385745, YR3397630				
06/17	POSTPONEMENT		SOW CAPITAL ONTARIO LIMITED	PA, FRANK TUNG, STEPHEN
YR3083072 & YR3373218 TO YR3373219				
06/17	POSTPONEMENT		SOW CAPITAL ONTARIO LIMITED	2149602 ONTARIO INC.
YR3083072 & YR3373218 TO YR3440956				
07/04	NOTICE	$8,500,000	TUNG KEE INVESTMENT CANADA LTD.	AMBER MORTGAGE INVESTMENT CORP.
) YR3373214 AND YR3373215				
07/20	TRANSFER EASEMENT	$2	TUNG KEE INVESTMENT CANADA LTD.	ALECTRA UTILITIES CORPORATION
07/20	POSTPONEMENT		2149602 ONTARIO INC.	ALECTRA UTILITIES CORPORATION
YR3373216. YR3373217 TO YR3454770				
07/20	POSTPONEMENT		SOW CAPITAL ONTARIO LIMITED	ALECTRA UTILITIES CORPORATION
YR3083072, YR3083073, YR3247257, YR3247258, YR3300382, YR3373218, YR3441040, YR3440959 TO YR3454770				
07/20	POSTPONEMENT		ROMSPEN INVESTMENT CORPORATION	ALECTRA UTILITIES CORPORATION
YR3373212, YR3373213 TO YR3454770				
07/20	POSTPONEMENT		AMBER MORTGAGE INVESTMENT CORP.	ALECTRA UTILITIES CORPORATION
YR3373214, YR3373215 TO YR3454770				

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OTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

TE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
07/20	POSTPONEMENT		PA, FRANK TUNG, STEPHEN	ALECTRA UTILITIES CORPORATION
YR3373219 TO YR3454770				
08/30	CHARGE	$8,500,000	TUNG KEE INVESTMENT CANADA LTD.	AMBER MORTGAGE INVESTMENT CORP.
08/30	NO ASSGN RENT GEN		TUNG KEE INVESTMENT CANADA LTD.	AMBER MORTGAGE INVESTMENT CORP.
YR3470726.				
.2/06	NOTICE	$9,500,000	TUNG KEE INVESTMENT CANADA LTD.	2149602 ONTARIO INC.
NOTICE TO BE DELETED UPON DELETION OF YR3373216				
.2/06	POSTPONEMENT		PA, FRANK TUNG, STEPHEN	2149602 ONTARIO INC.
YR3373219 TO YR3505530				
.2/06	POSTPONEMENT		SOW CAPITAL ONTARIO LIMITED	2149602 ONTARIO INC.
YR3083072 TO YR3505530				
01/09	TRANSFER OF CHARGE		SOW CAPITAL ONTARIO LIMITED	MILTOM SERVICES LIMITED SOW CAPITAL ONTARIO LIMITED
04/05	NOTICE	$2	TUNG KEE INVESTMENT CANADA LTD.	SOW CAPITAL ONTARIO LIMITED
YR3083072				
04/14	CONSTRUCTION LIEN	$4,653,028	DX STRATEGIES INC.	
04/17	NO CHNG ADDR INST		SOW CAPITAL ONTARIO LIMITED	
YR3538686				
06/16	CERTIFICATE		ONTARIO SUPERIOR COURT OF JUSTICE	DX STRATEGIES INC.
YR3541410				

ON: PART LOT 30, CONCESSION 4, PARTS 1, 4 & 5 PLAN 65R39839; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 7 & 8 PLAN 65R39880 & PART 2 PLAN 65R39948 AS IN YR3455770; CITY OF MARKHAM

PLANNING ACT CONSENT IN DOCUMENT YR3412266.

RECENTLY:
DIVISION FROM 03055-0376

PIN CREATION DATE:
2022/09/08

IFIED

CAPACITY SHARE

T CANADA LTD.

TE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
*DES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2022/09/08 ***				
ST REGISTRATION UNDER THE LAND TITLES ACT, TO:				
*TION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES **				
CHEATS OR FORFEITURE TO THE CROWN.				
GHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF				
OUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY				
TION.				
ASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.				
*ION TO LAND TITLES: 1999/09/27 ***				
08/24	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT	
AERONAUTICS ACT AND PICKERING AIRPORT SITE ZONING REGULATIONS				
03/22	NOTICE		THE CORPORATION OF THE CITY OF MARKHAM	TUNG KEE INVESTMENT CANADA LTD.
04/07	PLAN REFERENCE			
04/21	TRANSFER		TUNG KEE INVESTMENT CANADA LTD.	TUNG KEE INVESTMENT CANADA LTD.
05/16	PLAN REFERENCE			
07/12	PLAN REFERENCE			
07/20	TRANSFER EASEMENT	$2	TUNG KEE INVESTMENT CANADA LTD.	ALECTRA UTILITIES CORPORATION
08/30	CHARGE	$30,000,000	TUNG KEE INVESTMENT CANADA LTD.	ROMSPEN INVESTMENT CORPORATION

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REGISTRY
OFFICE #65

03055-0379 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

TE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
08/30 *YR3470724.*	NO ASSGN RENT GEN		TUNG KEE INVESTMENT CANADA LTD.	ROMSPEN INVESTMENT CORPORATION
08/30	CHARGE	$8,500,000	TUNG KEE INVESTMENT CANADA LTD.	AMBER MORTGAGE INVESTMENT CORP.
08/30 *YR3470726.*	NO ASSGN RENT GEN		TUNG KEE INVESTMENT CANADA LTD.	AMBER MORTGAGE INVESTMENT CORP.
08/30	CHARGE	$9,500,000	TUNG KEE INVESTMENT CANADA LTD.	2149602 ONTARIO INC.
08/30 *YR3470728.*	NO ASSGN RENT GEN		TUNG KEE INVESTMENT CANADA LTD.	2149602 ONTARIO INC.
08/30	CHARGE	$3,540,000	TUNG KEE INVESTMENT CANADA LTD.	PA, FRANK TUNG, STEPHEN
08/30	CHARGE	$5,000,000	TUNG KEE INVESTMENT CANADA LTD.	SOW CAPITAL ONTARIO LIMITED
08/30 *YR3470731.*	NO ASSGN RENT GEN		TUNG KEE INVESTMENTS CANADA LTD.	SOW CAPITAL ONTARIO LIMITED
12/06 *YR3470728*	NOTICE	$9,500,000	TUNG KEE INVESTMENT CANADA LTD.	2149602 ONTARIO INC.
12/06 *YR3470730 TO YR3505533*	POSTPONEMENT		PA, FRANK TUNG, STEPHEN	2149602 ONTARIO INC.
12/06 *YR3470731 TO YR3505533*	POSTPONEMENT		SOW CAPITAL ONTARIO LIMITED	2149602 ONTARIO INC.
01/09 *YR3470731.*	TRANSFER OF CHARGE		SOW CAPITAL ONTARIO LIMITED	MILTOM SERVICES LIMITED SOW CAPITAL ONTARIO LIMITED
04/05 *YR3470731*	NOTICE	$2	TUNG KEE INVESTMENT CANADA LTD.	SOW CAPITAL ONTARIO LIMITED
04/14	CONSTRUCTION LIEN	$4,653,028	DX STRATEGIES INC.	
04/17 *YR3538687*	NO CHNG ADDR INST		SOW CAPITAL ONTARIO LIMITED	

OTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
OTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

TE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
06/16 YR3541410	CERTIFICATE		ONTARIO SUPERIOR COURT OF JUSTICE	DX STRATEGIES INC.

ario ServiceOntario

LAND
REGISTRY
OFFICE #65

03055-0380 (LT)

PREPARED FOR asidhu01
ON 2023/08/04 AT 11:12:05

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

ON: 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

PLANNING ACT CONSENT IN DOCUMENT YR3412266.

RECENTLY:
DIVISION FROM 03055-0376

PIN CREATION DATE:
2022/09/08

IFIED

CAPACITY SHARE

T CANADA LTD.

TE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
*DES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2022/09/08 ***				
ST REGISTRATION UNDER THE LAND TITLES ACT, TO:				
*TION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES **				
CHEATS OR FORFEITURE TO THE CROWN.				
GHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF				
OUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY				
TION.				
ASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.				
*ION TO LAND TITLES: 1999/09/27 ***				
08/24	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF CANADA AS REPRESENTED BY THE MINISTER OF TRANSPORT	
AERONAUTICS ACT AND PICKERING AIRPORT SITE ZONING REGULATIONS				
03/22	NOTICE		THE CORPORATION OF THE CITY OF MARKHAM	TUNG KEE INVESTMENT CANADA LTD.
04/07	PLAN REFERENCE			
04/21	TRANSFER		TUNG KEE INVESTMENT CANADA LTD.	TUNG KEE INVESTMENT CANADA LTD.
05/16	PLAN REFERENCE			
07/20	TRANSFER EASEMENT	$2	TUNG KEE INVESTMENT CANADA LTD.	ALECTRA UTILITIES CORPORATION
08/30	CHARGE	$30,000,000	TUNG KEE INVESTMENT CANADA LTD.	ROMSPEN INVESTMENT CORPORATION
08/30	NO ASSGN RENT GEN		TUNG KEE INVESTMENT CANADA LTD.	ROMSPEN INVESTMENT CORPORATION
YR3470724.				

OTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
OTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

TE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO
08/30	CHARGE	$8,500,000	TUNG KEE INVESTMENT CANADA LTD.	AMBER MORTGAGE INVESTMENT CORP.
08/30	NO ASSGN RENT GEN		TUNG KEE INVESTMENT CANADA LTD.	AMBER MORTGAGE INVESTMENT CORP.
YR3470726.				
08/30	CHARGE	$9,500,000	TUNG KEE INVESTMENT CANADA LTD.	2149602 ONTARIO INC.
08/30	NO ASSGN RENT GEN		TUNG KEE INVESTMENT CANADA LTD.	2149602 ONTARIO INC.
YR3470728.				
08/30	CHARGE	$3,540,000	TUNG KEE INVESTMENT CANADA LTD.	PA, FRANK TUNG, STEPHEN
08/30	CHARGE	$5,000,000	TUNG KEE INVESTMENT CANADA LTD.	SOW CAPITAL ONTARIO LIMITED
08/30	NO ASSGN RENT GEN		TUNG KEE INVESTMENTS CANADA LTD.	SOW CAPITAL ONTARIO LIMITED
YR3470731.				
12/06	NOTICE	$9,500,000	TUNG KEE INVESTMENT CANADA LTD.	2149602 ONTARIO INC.
YR3470728				
12/06	POSTPONEMENT		PA, FRANK TUNG, STEPHEN	2149602 ONTARIO INC.
YR3470730 TO YR3505533				
12/06	POSTPONEMENT		SOW CAPITAL ONTARIO LIMITED	2149602 ONTARIO INC.
YR3470731 TO YR3505533				
01/09	TRANSFER OF CHARGE		SOW CAPITAL ONTARIO LIMITED	MILTOM SERVICES LIMITED SOW CAPITAL ONTARIO LIMITED
YR3470731.				
04/05	NOTICE	$2	TUNG KEE INVESTMENT CANADA LTD.	SOW CAPITAL ONTARIO LIMITED
YR3470731				
04/14	CONSTRUCTION LIEN	$4,653,028	DX STRATEGIES INC.	
04/17	NO CHNG ADDR INST		SOW CAPITAL ONTARIO LIMITED	
YR3538687				
06/16	CERTIFICATE		ONTARIO SUPERIOR COURT OF JUSTICE	DX STRATEGIES INC.
YR3541410				

This is Exhibit “B” 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

TAKE NOTICE that default has been made in payment of the monies due under a certain charge/mortgage of land made between:

TUNG KEE INVESTMENT CANADA LTD.

as Mortgagor

- and -

SOW CAPITAL ONTARIO LIMITED

as Mortgagee

upon the security of following properties which can be found at Schedule "B" which charge/mortgage was registered on the in the Land Registry Office for the Land Titles Division of York (No. 65) as Instrument Number Nos. YR3470731, YR3538687, YR3538686 and YR3083072, which charge/mortgage has not been assigned.

AND WE hereby give you notice that the amount now due on the charge/mortgage for principal money, interest, fees, discharge fees, charges for missed or late payment or cheques returned "NSF", property management charges and costs, respectively, are as follows:

For Principal balance	$ 9,598,444.00
For Accrued Interest from Nov 5, 2021 to May 17, 2023	$ 1,636,172.00
For Legal Fees & Disbursement for Discharge of Mortgage	$ 2,034.00
For Discharge Registration Fee	$ 83.81
For Legal Fees and Disbursements for Mortgage Enforcement	$ 6,965.02
TOTAL AMOUNT NOW DUE	$11,243,698.82

(Per Diem: $4,928.74)

Such amount for costs being up to and including the service of this Notice only, and thereafter such further costs and disbursements will be charged as may be proper, together with interest at the rate of 16 per cent per annum on the principal and interest hereinbefore mentioned.

AND unless the said sums are paid on or before the 22nd day of June, 2023, I shall sell the property covered by the said charge/mortgage under the provisions contained in it.

THIS NOTICE is given to you as you appear to have an interest in the mortgaged property and may be entitled to redeem the same.

Sow Capital Ontario Limited
by its lawyers
KEYSER MASON BALL LLP

Per: ______________________________

Amandeep Sidhu (LSO No. 61308O)
Lawyers for the Mortgagee

Keyser Mason Ball LLP
Barristers & Solicitors
3 Robert Speck Parkway, Suite 900
Mississauga, ON. L4Z 2G5

Tel: 905-276-0401
Email: asidhu@kmblaw.com

TO NOTICE OF SALE DATED May 17, 2023

To: Miltom Services Limited
c/o David Tang
Miller Thomson LLP
Barristers & Solicitors
40 King Street West, Suite 5800
Toronto, ON. M5H 3S1

To: 2149602 Ontario Inc.
1101 Leslie Street, Suite 903
Toronto, ON. M3C 4G3

To: Frank Pa
80 Acadia Ave., Suite 211
Markham, ON. L3R 9V1

To: Stephen Tung
80 Acadia Ave., Suite 211
Markham, ON. L3R 9V1

To: Romspen Investment Corp.
162 Cumberland Street, Suite 300
Toronto, ON. M5R 3N5

To: DX Strategies Inc.
362 Dupont Street
Toronto, ON. M5R 1V9

To: Amber Mortgage Investment Corp.
415 - 5900 No. 3 Richmond
Richmond, BC. V6X 3P7

To: Tung Kee Investment Canada Ltd.
118 Grey Alder Ave.
Richmond Hill, BC. L4B 3P9

To: Tung Kee Investment Canada Ltd.
118 Grey Alder Ave.
Richmond Hill, ON. L4B 3P9

To: The Corporation of the City of Markham
Legal Services Department
101 Town Centre Boulevard
Markham, ON. L3R 9W3

To: F A Credit Solutions Canada Inc.
3220 Dufferin Street, Unit 3
Toronto, ON. M6A 2T3

650 - 999 West Broadway
Vancouver, BC. V5Z 1K3

To: Tung Kee Investment Canada Ltd.
286 Parkview Ave.
Toronto, ON. M2N 3Z4

To: Tung Kee Investment Limited Partnership
286 Parkview Ave.
Toronto, ON. M2N 3Z4

PIN:	03055 - 0380 (LT)
Description:	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
LRO No.	65

PIN:	03055 - 0377 (LT)
Description:	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 INYR3454770; CITY OF MARKHAM
LRO No.	65

PIN:	03055 - 0379 (LT)
Description:	PART LOT 30, CONCESSION 4, PARTS 1, 4 & 5 PLAN 65R39839; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 7 & 8 PLAN 65R39880 & PART 2 PLAN 65R39948 AS INYR3455770; CITY OF MARKHAM
LRO No.	65

Registered Mail Receipt

Keyser Mason Ball, LLP
900 – 3 Robert Speck Pkwy.
Mississauga, ON L4Z 2G5

Lawyer: AS

File No: 260-12-01

CANADA POST / POSTES CANADA — REGISTERED DOMESTIC CUSTOMER RECEIPT / RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT — R

To / Destinataire
Name / Nom: 2149602 ONTARIO INC.
Address / Adresse: 1101 LESLIE ST. SUITE 903
City / Prov. / Postal Code / Ville / Prov. / Code postal: TORONTO, ON M3C 4G3
Declared Value / Valeur déclarée $
FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON canadapost.ca or/ou postescanada.ca 1 888 550-6333
CPC Tracking Number / Numéro de repérage de la SCP: RN 712 592 185 CA
33-086-584 (17-12)

CANADA POST / POSTES CANADA — REGISTERED DOMESTIC CUSTOMER RECEIPT / RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT — R

To / Destinataire
Name / Nom: Tung Kee Investment LTD
Address / Adresse: 286 Parkview Ave
City / Prov. / Postal Code / Ville / Prov. / Code postal: Toronto / ON / M2N 3Z4
Declared Value / Valeur déclarée $
FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON canadapost.ca or/ou postescanada.ca 1 888 550-6333
CPC Tracking Number / Numéro de repérage de la SCP: RN 712 591 940 CA
33-086-584 (17-12)

CANADA POST / POSTES CANADA — REGISTERED DOMESTIC CUSTOMER RECEIPT / RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT — R

To / Destinataire
Name / Nom: The Corpration City of Markham
Address / Adresse: 101 Town Centre Blvd
City / Prov. / Postal Code / Ville / Prov. / Code postal: Markham, ON / L3R 9W3
Declared Value / Valeur déclarée $
FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON canadapost.ca or/ou postescanada.ca 1 888 550-6333
CPC Tracking Number / Numéro de repérage de la SCP: RN 712 592 171 CA
33-086-584 (17-12)

CANADA POST / POSTES CANADA — REGISTERED DOMESTIC CUSTOMER RECEIPT / RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT — R

To / Destinataire
Name / Nom: Frank PA
Address / Adresse: 80 Acadia Ave #211
City / Prov. / Postal Code / Ville / Prov. / Code postal: Markham / ON / L3R 9V1
Declared Value / Valeur déclarée $
FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON canadapost.ca or/ou postescanada.ca 1 888 550-6333
CPC Tracking Number / Numéro de repérage de la SCP: RN 712 591 936 CA
33-086-584 (17-12)

CANADA POST / POSTES CANADA — REGISTERED DOMESTIC CUSTOMER RECEIPT / RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT — R

To / Destinataire
Name / Nom: Amber Mortgage Investment
Address / Adresse: 415-5900 #3 Richmond
City / Prov. / Postal Code / Ville / Prov. / Code postal: Richmond / ON / V6X 3P7
Declared Value / Valeur déclarée $
FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON canadapost.ca or/ou postescanada.ca 1 888 550-6333
CPC Tracking Number / Numéro de repérage de la SCP: RN 712 591 919 CA
33-086-584 (17-12)

CANADA POST / POSTES CANADA — REGISTERED DOMESTIC CUSTOMER RECEIPT / RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT — R

To / Destinataire
Name / Nom: Million Services / David Tang
Address / Adresse: 40 King Street West #5800
City / Prov. / Postal Code / Ville / Prov. / Code postal: Toronto / ON / M5H 3S1
Declared Value / Valeur déclarée $
FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON canadapost.ca or/ou postescanada.ca 1 888 550-6333
CPC Tracking Number / Numéro de repérage de la SCP: RN 712 591 967 CA
33-086-584 (17-12)

CANADA POST / POSTES CANADA — REGISTERED DOMESTIC CUSTOMER RECEIPT / RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT — R

To / Destinataire
Name / Nom: Stephen Tung
Address / Adresse: 80 Acadia ave #211
City / Prov. / Postal Code / Ville / Prov. / Code postal: Markham / ON / L3R 9V1
Declared Value / Valeur déclarée $
FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON canadapost.ca or/ou postescanada.ca 1 888 550-6333
CPC Tracking Number / Numéro de repérage de la SCP: RN 712 591 922 CA
33-086-584 (17-12)

CANADA POST / POSTES CANADA — REGISTERED DOMESTIC CUSTOMER RECEIPT / RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT — R

To / Destinataire
Name / Nom: FA Credit Soultions inc
Address / Adresse: 3220 Dufferin Street #3
City / Prov. / Postal Code / Ville / Prov. / Code postal: Toronto / ON / M6A 2T3
Declared Value / Valeur déclarée $
FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON canadapost.ca or/ou postescanada.ca 1 888 550-6333
CPC Tracking Number / Numéro de repérage de la SCP: RN 712 591 953 CA
33-086-584 (17-12)

Registered Mail Receipt

CANADA POST

Keyser Mason Ball, LLP
900 – 3 Robert Speck Pkwy.
Mississauga, ON L4Z 2G5

Lawyer: AS

File No: 2601 12-01

CANADA POST / POSTES CANADA
REGISTERED DOMESTIC / RECOMMANDÉ RÉGIME INTÉRIEUR
CUSTOMER RECEIPT / REÇU DU CLIENT
R
To / Destinataire
Name / Nom: Tong kee investment ltd
Address / Adresse: 286 Parkview Ave
City / Prov. / Postal Code / Ville / Prov. / Code postal: Toronto, ON / M2N 3Y4
Declared Value / Valeur déclarée $
FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON
canadapost.ca or/ou postescanada.ca
1 888 550-6333
CPC Tracking Number / Numéro de repérage de la SCP
RN 712 592 004 CA
33-086-584 (17-12)

CANADA POST / POSTES CANADA
REGISTERED DOMESTIC / RECOMMANDÉ RÉGIME INTÉRIEUR
CUSTOMER RECEIPT / REÇU DU CLIENT
R
To / Destinataire
Name / Nom: Jiayi International LTD
Address / Adresse: 650 - 999 West Broadway
City / Prov. / Postal Code / Ville / Prov. / Code postal: Vancouver / BC / V5Z 1K3
Declared Value / Valeur déclarée $
FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON
canadapost.ca or/ou postescanada.ca
1 888 550-6333
CPC Tracking Number / Numéro de repérage de la SCP
RN 712 592 049 CA
33-086-584 (17-12)

CANADA POST / POSTES CANADA
REGISTERED DOMESTIC / RECOMMANDÉ RÉGIME INTÉRIEUR
CUSTOMER RECEIPT / REÇU DU CLIENT
R
To / Destinataire
Name / Nom: Tong kee investments LTD
Address / Adresse: 118 Grey Alder Ave
City / Prov. / Postal Code / Ville / Prov. / Code postal: Richmond Hill / ~~BC~~ / L4B / 3P9
Declared Value / Valeur déclarée $
FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON
canadapost.ca or/ou postescanada.ca
1 888 550-6333
CPC Tracking Number / Numéro de repérage de la SCP
RN 712 591 998 CA
33-086-584 (17-12)

CANADA POST POSTES CANADA
101119
MAY 17 2023
POST OFFICE

CANADA POST / POSTES CANADA
REGISTERED DOMESTIC / RECOMMANDÉ RÉGIME INTÉRIEUR
CUSTOMER RECEIPT / REÇU DU CLIENT
R
To / Destinataire
Name / Nom: DX strategies inc
Address / Adresse: 362 Dupont Street
City / Prov. / Postal Code / Ville / Prov. / Code postal: Toronto / ON / M5R 1V9
Declared Value / Valeur déclarée $
FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON
canadapost.ca or/ou postescanada.ca
1 888 550-6333
CPC Tracking Number / Numéro de repérage de la SCP
RN 712 591 984 CA
33-086-584 (17-12)

CANADA POST / POSTES CANADA
REGISTERED DOMESTIC / RECOMMANDÉ RÉGIME INTÉRIEUR
CUSTOMER RECEIPT / REÇU DU CLIENT
R
To / Destinataire
Name / Nom: Ronpen investment corp
Address / Adresse: 162 Cumberland street
City / Prov. / Postal Code / Ville / Prov. / Code postal: Toronto, ON / M5R 3N5
Declared Value / Valeur déclarée $
FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON
canadapost.ca or/ou postescanada.ca
1 888 550-6333
CPC Tracking Number / Numéro de repérage de la SCP
RN 712 591 975 CA
33-086-584 (17-12)

This is Exhibit "C" 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

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.

C.

"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;

li

(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 **HST**

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 **Adjustments**

(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

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).

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 <u>Conditions for the Vendor</u>

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 <u>Non-Satisfaction of Conditions</u>

(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:

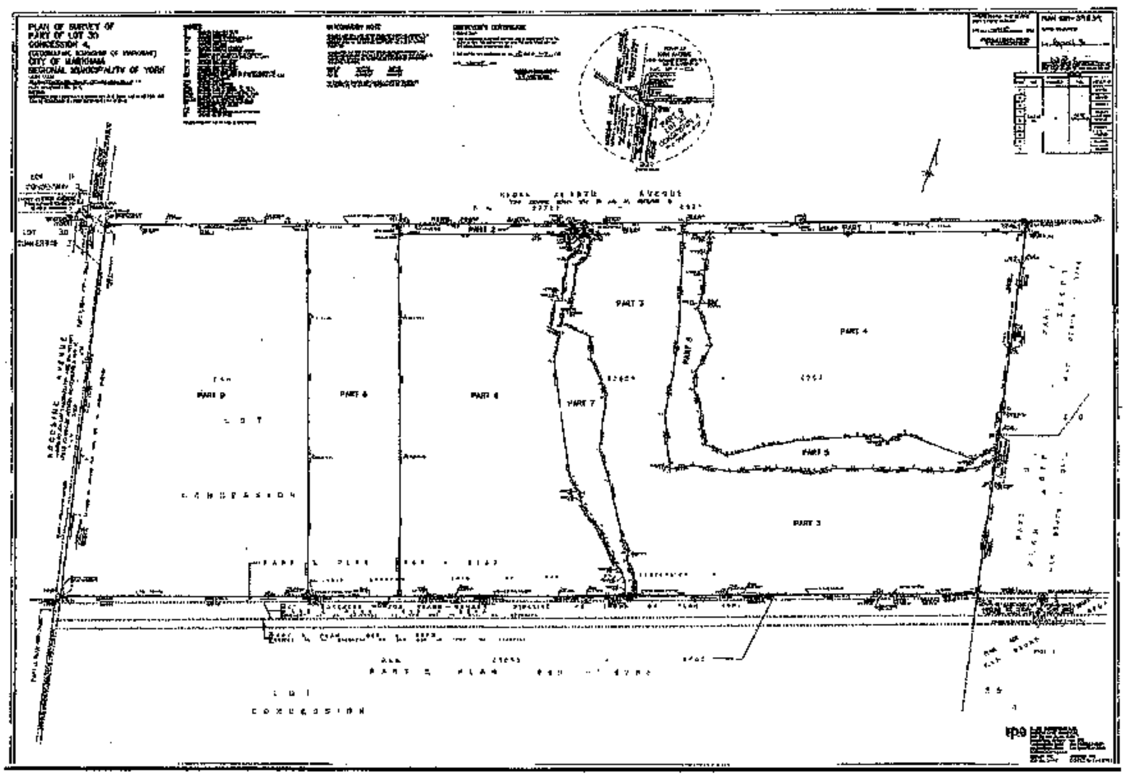
I have the authority to bind the corporation.

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.

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This is Exhibit "D" 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

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Wire Payments

Help

Activity List - View Payment Details

Print this page

Template Name:	**N/A**		
Payment Type:	**Payment to Beneficiary**		
Payment ID:	**38748230721003**	TD Payment ID:	**230721B4550700**

Sender Information

TD Bank has populated the sender's name and address based on the settlement account selected. If this information is incorrect, you will need to either contact your relationship manager or your local branch.

Sender Name:	KESLASSY FREEDMAN GELFAND LLP		
Street:	2345 YONGE ST SUITE 300		
City:	TORONTO		
Prov/State:	ONTARIO - ON	Country:	CANADA - CA

Beneficiary Information

Beneficiary Name:	KEYSER MASON BALL LLP		
Street:	3 Robert Speck Parkway Unit 900		
City:	MISSISSAUGA		
Prov/State:	ONTARIO - ON	Country:	CANADA - CA
Payment Destination:	Other Financial Institution		

Beneficiary Account Information

Beneficiary Account Number:	1132802

Beneficiary's Bank Information

Beneficiary's Bank Name:	Royal Bank of Canada		
Bank Id:	000303132		
Street:	33 City Centre Dr		
City:	Mississauga		
Prov/State:	ONTARIO - ON	Country:	CANADA - CA

Due Date	Value Date	Payment Must be Sent to Bank Before:
07/21/2023	07/21/2023	View Cutoff Table

Payment Currency	Payment Amount
CAD	1,000,017.50

Settlement Currency	FX Type/ Contract Number	Exchange Rate	Settlement Amount	Settlement Account
CAD	Bulletin	1.000000	**1,000,017.50**	01284 5275221

Your Reference

2300014

Reason for Wire Payment

2300014 Shim Lee 3143 19th Avenue Markham Ontario First Deposit

Instructions

Beneficiary:

TD Bank:

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This is Exhibit “E” 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

KMB LAW
KEYSER | MASON | BALL LLP

Amandeep Sidhu
905.276.0401
asidhu@kmblaw.com

3 ROBERT SPECK PARKWAY
SUITE 900
MISSISSAUGA, ONTARIO
CANADA L4Z 2G5
TELEPHONE: 905.276.9111
FACSIMILE: 905.276.2298
WEBSITE: KMBLAW.COM

July 19, 2023

Delivered by Email David Preger Dickinson Wright LLP 199 Bay Street, Suite 200 Toronto, ON. M5L 1G4	**Delivered by Email** Bernard B. Gasee and Derek Ketelaars Barristers & Solicitors 980 – 90 Eglinton Ave. East Toronto, ON. M4P 2Y3
Delivered by Email Jonathan Kulathungam Teplitsky LLP 70 Bond Street, Suite 200 Toronto, ON. M5B 1X3	**Delivered by Email** Leonard Susman Barrister & Solicitor 1000 Finch Avenue West, Suite 608 Toronto, ON. M3J 2V5

Dear Sirs:

Re: Tunk Kee Investments Canada Ltd. m/t Sow Capital Ontario Limited
3143 19th Avenue, Markham, Ontario (the "Mortgaged Property")
Matter #: 26042-1

As you are aware, we act for the Sow Capital Ontario Limited ("**Sow**"), which is a mortgagee with respect to the Mortgaged Property.

Please be advised that Sow has sold the Mortgaged Property, under power of sale, and the closing is scheduled for 90 days. My office will reach out to you shortly for discharge statements.

Yours truly,

KEYSER MASON BALL, LLP

Amandeep Sidhu
AS/sa
c.c. Sow Capital Ontario Limited (via email)

This is Exhibit “F” 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

Wire Payments

Help

Activity List - View Payment Details

Print this page

Template Name:	**N/A**		
Payment Type:	**Payment to Beneficiary**		
Payment ID:	**38748230904001**	TD Payment ID:	**230905B2872800**

Sender Information

TD Bank has populated the sender's name and address based on the settlement account selected. If this information is incorrect, you will need to either contact your relationship manager or your local branch.

Sender Name:	KESLASSY FREEDMAN GELFAND LLP		
Street:	2345 YONGE ST SUITE 300		
City:	TORONTO		
Prov/State:	ONTARIO - ON	Country:	CANADA - CA

Beneficiary Information

Beneficiary Name:	KEYSER MASON BALL LLP IN TRUST		
Street:	900-3 Robert Speck Parkway		
City:	MISSISSAUGA		
Prov/State:	ONTARIO - ON	Country:	CANADA - CA
Payment Destination:	Other Financial Institution		

Beneficiary Account Information

Beneficiary Account Number: 104-065-8

Beneficiary's Bank Information

Beneficiary's Bank Name:	Royal Bank of Canada		
Bank Id:	000303132		
Street:	33 City Centre Dr		
City:	Mississauga		
Prov/State:	ONTARIO - ON	Country:	CANADA - CA

Due Date	Value Date	Payment Must be Sent to Bank Before:
09/05/2023	09/05/2023	View Cutoff Table

Payment Currency	Payment Amount
CAD	2,000,017.20

Settlement Currency	FX Type/ Contract Number	Exchange Rate	Settlement Amount	Settlement Account
CAD	Bulletin	1.000000	**2,000,017.20**	01284 5275221

Your Reference

2300014

Reason for Wire Payment

1286

2300014 Second Deposit Purch of 3143 19th Avenue Markham ON
Instructions
Beneficiary:
TD Bank:

<<Back

Print this page

(Server ID: wasappvm1-2vla55_node:WP_ReviewWirePaymentDetails.jsp:v_23.3.0.16)

This is Exhibit “G” 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

Amandeep Sidhu

From: Amandeep Sidhu
Sent: August 30, 2023 9:56 AM
To: 'David P. Preger'; 'jchan@jtcprofcorp.com'; 'vdare@foglers.com'; 'maya@chaitons.com'
Cc: Gideon S. Bell
Subject: RE: Sow Capital sale of 3143 19th Ave., Markham, Ontario

I can advise that the condition has been waived and the parties have agreed to a closing date of November 30th. The APS is now firm and unconditional.

I will report back once the 2nd deposit has been made.

KMB LAW
KEYSER | MASON | BALL LLP

AMANDEEP SIDHU J.D. Certified Specialist (Civil Litigation)
Partner | Commercial Litigation
905.276.0401 | asidhu@kmblaw.com
Mississauga Office: 900 - 3 Robert Speck Parkway, Mississauga, ON L4Z 2G5
Burlington Office: 400 - 3115 Harvester Road, Burlington, ON L7N 3N8
Markham Office: 400 - 85 Enterprise Blvd, Markham, ON, L6G 0B5

https://www.linkedin.com/in/amandeep-sidhu-84a53413/

[redacted]

This is Exhibit "H" 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

Amandeep Sidhu

From:	Amandeep Sidhu
Sent:	September 5, 2023 12:59 PM
To:	'David P. Preger'; 'jchan@jtcprofcorp.com'; 'vdare@foglers.com'; 'maya@chaitons.com'; 'leonardsusman@bellnet.ca'
Cc:	Gideon S. Bell
Subject:	RE: Sow Capital sale of 3143 19th Ave., Markham, Ontario

I am happy to report that we are in receipt of the 2nd deposit

May I please hear from you regarding my draft order?

Thank you

AMANDEEP SIDHU J.D. Certified Specialist (Civil Litigation)
Partner | Commercial Litigation
905.276.0401 | asidhu@kmblaw.com
Mississauga Office: 900 - 3 Robert Speck Parkway, Mississauga, ON L4Z 2G5
Burlington Office: 400 - 3115 Harvester Road, Burlington, ON L7N 3N8
Markham Office: 400 - 85 Enterprise Blvd, Markham, ON, L6G 0B5

https://www.linkedin.com/in/amandeep-sidhu-84a53413/

[redacted]

This is Exhibit “I” 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

Amandeep Sidhu

From: Amandeep Sidhu
Sent: August 30, 2023 12:11 PM
To: 'David P. Preger'; 'jchan@jtcprofcorp.com'; 'vdare@foglers.com'; 'maya@chaitons.com'; 'leonardsusman@bellnet.ca'
Cc: Gideon S. Bell
Subject: RE: Sow Capital sale of 3143 19th Ave., Markham, Ontario
Attachments: Draft Order.doc

All:

Now that the purchaser has waived the condition and the APS is firm, I wanted to work on a draft order dealing with a few matter. We are still waiting for the 2nd deposit (of $2 million) but the purchaser has 5 business days to satisfy same.

Please see the attached. I have left it in word format to allow for track changes.

Can you please review same and let me know if it is approved? Once approved by everyone, I will circulate a consent for execution

Thanks

KMB LAW
KEYSER | MASON | BALL LLP

AMANDEEP SIDHU J.D. Certified Specialist (Civil Litigation)
Partner | Commercial Litigation
905.276.0401 | asidhu@kmblaw.com
Mississauga Office: 900 - 3 Robert Speck Parkway, Mississauga, ON L4Z 2G5
Burlington Office: 400 - 3115 Harvester Road, Burlington, ON L7N 3N8
Markham Office: 400 - 85 Enterprise Blvd, Markham, ON, L6G 0B5

https://www.linkedin.com/in/amandeep-sidhu-84a53413/

[redacted]

This is Exhibit “J” 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

Court File No. CV-23-703161-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	____________DAY THE ______
	)	
JUSTICE OSBORNE	)	DAY OF SEPTEMBER, 2023

B E T W E E N:

ROMSPEN INVESTMENT CORPORATION

Applicant

and

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

Respondent

APPLICATION UNDER SUBSECTIONS 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

ORDER

THIS CONFERENCE/APPOINTMENT made by Sow Capital Ontario Limited (“**Sow**”), with notice, was heard this day at the courthouse located at 330 University Ave., 8th Floor, Toronto, Ontario.

ON READING the executed consent and draft order, filed,

1) **THIS COURT ORDERS** that on or before November 23, 2023, all mortgagees with mortgages secured and registered against title to the lands referred to in Schedule “A” (hereinafter collectively referred to as the “**Property**”) shall deliver a payout statement, effective for November 30, 2023, to the following individuals:

a. Amandeep Sidhu at asidhu@kmblaw.com as counsel for Sow;

b. Gideon Bell at gbell@kmblaw.com as counsel for Sow;

c. David Preger at DPreger@dickinson-wright.com as counsel for Romspen Investment Corporation;

d. Justin Chan at jchan@jtcprofcorp.com as counsel for DX Strategies Inc.;

e. Leonard Susman at leonardsusman@bellnet.ca as counsel for Amber Mortgage Investment Corp.;

f. Maya Poliak at maya@chaitons.com as counsel for Tung Kee Investment Canada Ltd. and Tung Kee Investment Limited Partnership; and

g. Vern DaRe at vdare@foglers.com as counsel for 149602 Ontario Inc., Frank Pa and Stephen Tung.

(hereinafter collectively referred to as the "**Mortgagees**")

2) **THIS COURT FURTHER ORDERS** that in the event that any Mortgagees have issue(s) with any of the payout statements, as reference above in paragraph one (1) above, the Mortgagee(s) may bring a motion to determined that correct amount that ought to be due and owing.

3) **THIS COURT FURTHER ORDERS** that in the event that a Mortgagee brings a motion, as contemplated in paragraph two (2) above, the parties shall reasonable work together to release the undisputed amounts of the payout statements.

4) **THIS COURT FURTHER ORDERS** that in the event that the motion, as contemplated in paragraphs two (2) and three (3) above, is returnable or disposed of after November 30, 2023, the power of sale transaction of the Property shall still proceed as scheduled on November 30, 2023 and Keyser Mason Ball LLP shall undertake to hold the sale proceeds in trust (less amounts that have been agreed upon to be released) pending a resolution or court order.

5) **THIS COURT FURTHER ORDERS** that simultaneously with the power of sale of the Property, the following instruments shall also be expunged from title of the Property:

Description	LRO Number	Instrument Number	Date of Registration
Construction Lien	65	YR3541410	April 14, 2023
Certificate	65	YR3563830	June 16, 2023

(hereinafter collectively referred to as the "**Construction Lien**")

6) **THIS COURT FURTHER ORDERS** that upon satisfaction of the amounts due and owing to the Mortgagees, Keyser Mason Ball LLP shall pay into court and to the credit of the action bearing Court File No. CV-23-2703-0000; Newmarket Registry the balance of the net sale proceeds but only to a maximum amount of $4,903,028.11 and another over and above the sum of $4,903,028.11 shall be released to Chaitons LLP, in trust, as counsel for Tung Kee Investment Canada Ltd. and Tung Kee Investment Limited Partnership.

7) **THIS COURT FURTHER ORDERS** that in the event that the power of sale transaction of the Property fails to close, Keyser Mason Ball LLP shall retain the deposit paid under the Agreement of Purchase and Sale and the said deposit shall not be released pending a written agreement amongst the parties or a court order.

____

Schedule "A"

PIN	03055 - 0379 LT
Description	PART LOT 30, CONCESSION 4, PARTS 1, 4 & 5 PLAN 65R39839; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 7 & 8 PLAN 65R39880 & PART 2 PLAN 65R39948 AS IN YR3455770; CITY OF MARKHAM
Address	MARKHAM
PIN	03055 - 0380 LT
Description	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
Address	MARKHAM
PIN	03055 - 0377 LT
Description	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 YR3454770; CITY OF MARKHAM
Address	MARKHAM

ROMSPEN INVESTMENT CORPORATION and **TUNG KEEE INVESTMENT CORPORATION et al.**
Applicant Respondents

Court File No. CV-23-703161-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER

KEYSER MASON BALL LLP
Barristers & Solicitors
3 Robert Speck Parkway, Suite 900
Mississauga, ON. L4Z 2G5

Amandeep Sidhu (LSO# 61308O)
Telephone No.: (905) 276-0401
Email: asidhu@kmblaw.com

Lawyers for Sow Capital Ontario Limited

This is Exhibit "K" 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

AVISON YOUNG

Appraisal Report

VACANT EMPLOYMENT LAND
3143 19th Avenue,
Markham, ON

Effective Date: July 17, 2023

Prepared for:

SOW Capital Ontario Inc.

Prepared by:
Avison Young Valuation & Advisory Services, LP
55 Commerce Valley Drive West, Suite 501,
Mailbox #7, Markham, ON L3T 7V9
T 905 474 1155 **F** 905 886 5744
www.avisonyoung.ca

AVISON YOUNG

55 Commerce Valley Drive West
Suite 501
Markham, ON, L3T 7V9
Canada

T 905.474.1155
F 905.886.5744

avisonyoung.com

August 25, 2023

SOW Capital Ontario Inc.
602 Unicorn Trade Centre,
127-131 Des Voeux Road Central,
Hong Kong

Re: 3143 19th Avenue, Markham, Ontario

At your request, we have examined the above-referenced property for the purpose of estimating the current market value, as of July 17, 2023. It is our understanding that this report is being prepared for internal valuation purposes to assist in the potential sale of the site under court ordered procedures only. The reported analysis opinions and conclusions developed in this appraisal report have been prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP").

The subject property is located at the southeast intersection of 19th Avenue and Woodbine Avenue in the City of Markham, Province of Ontario. The property comprises a rectangular shaped vacant 99.43-acre parcel of land with approximately 3,300 feet of frontage along 19th Avenue and approximately 1,300 feet frontage along Woodbine Avenue. Based upon the MZO application (File No.: MZO 21 121854) that was submitted on July 8, 2021, it was noted that approximately 66.57 acre at the site is developable.

The subject property is located within the City of Markham's "Future Urban Area", and portions of the property are designated "Future Employment Area", and "Greenway" under the Official Plan. Lands designated "Future Employment Area" will be re-designated to one of the other "Employment Lands" through the approval of secondary plans for the "Future Urban Area". Lands designated "Greenway" bisect the property and are located along Woodbine Avenue; these lands are intended to protect natural heritage and hydrologic features, including wildlife habitat, while supporting agricultural activities, passive recreation uses, and enhancement of natural heritage. Further, based on the MZO approval provided by the client, the majority of the property is zoned "Business Park" in accordance with a MZO issued by the Ministry of Municipal Affairs and Housing (MMAH) through Ontario Regulation 599/21. Parts of the lands zoned "Business Park" will allow for a wide range of employment uses within these areas, and their future development would require review and approval of future Draft Plan of Subdivision and Site Plan applications. Remaining portions of the property that are located outside of the MZO are subject to By-law 304-87, as amended, and are zoned "Open Space One Zone – (O1)" and "Agriculture One Zone – (A1)", which limits permitted uses within these areas. An MZO is part of Ontario's Planning Act and allows Municipal Affairs and the housing minister to make a ruling on how a piece of land is to be used in the province, with no chance of appeal by municipalities, citizens, or environmental groups.

The highest and best use of the property is a commercial development that supports employment. The Direct Comparison Approach was the only approach considered in estimating the current market value of the subject property as vacant employment land. Both the Income and Cost Approaches are deemed to not provide any additional insight and are not developed in this report.

An exposure and marketing period of six to twelve months is forecast at our estimate of market value. A thorough review of this appraisal report should be made to fully understand the criteria and basis for the final value estimate.

Based upon our investigation of the real estate market and after considering all of the pertinent facts as set forth in the body of this appraisal report, as of July 17, 2023, the subject property is estimated to have a current market value of:

SIXTY-THREE MILLION TWO HUNDRED THOUSAND DOLLARS
($63,200,000)

Extraordinary Assumption:

- *It is assumed, for the purposes of this report, that the Subject Property is not subject to any encumbrances or rights of way that would materially affect the impact of the market value of the Subject Property.*
- *As per the MZO approval dated August 27, 2021, the Net Developable Acreage of the Subject Property is 66.57 Acres. Any alteration to this assumption may have an impact on the final estimate of value contained herein and the appraiser reserves the right to make changes to the analysis in case any new or contradictory information is made available.*

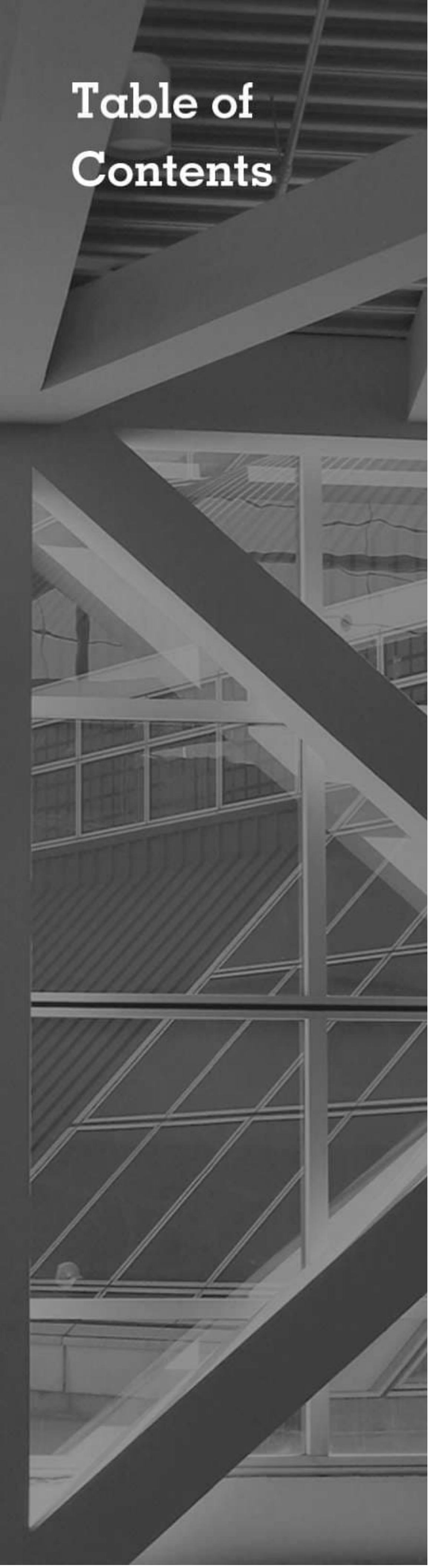
The full narrative appraisal report that follows sets forth the pertinent data and analyses leading to the conclusions presented herein. The appraisal requirements section of this report sets out the basis of the appraisal, definitions and the valuation methodology and must be read to gain a full understanding of the process.

Respectfully submitted,
Avison Young Valuation & Advisory Services, LP

Siddharth Durani, MBA, MRICS, AACI, P. App
siddharth.durani@avisonyoung.com

Graham Morrison, HBA, AACI, P. App.
graham.morrison@avisonyoung.com

Table of Contents



Executive Summary

Property Type	Vacant Employment Land
Municipal Address	3143 19th Avenue, Markham
Owner of Record	TUNG KEE INVESTMENT CANADA LTD. (as per Geowarehouse)
Sales History	The subject property has not transacted in the last three years. However, the property was listed on MLS (#N6007225) on April 4, 2023, for $69,500,000 and has been in the market for 108 days. As of the effective date of this appraisal, the subject property is listed on MLS for an asking price of $64,500,000.
Listing History	The subject property has been listed for sale on MLS (#N6007225) since April 4, 2023. The property was originally listed for $69,500,000 and the listing price has since been reduced to $64,500,000.
Purpose	Estimate the current market value of the subject property
Intended Use	Internal valuation purposes to assist in the potential sale of the site under court ordered procedures only
Intended User	**SOW Capital Ontario Inc.**
Property Rights Appraised	Fee Simple Interest
Date of Inspection	July 17, 2023
Date of Valuation	July 17, 2023
City of Markham Official Plan	"Future Employment Area and Greenway"
Zoning By-law No. 304-87	"Business Park"
Site Size (provided by client)	**Total** - 99.43 acres **Net Developable** – 66.57 acres
Highest and Best Use	Employment Development
Estimated Exposure Marketing Time	6 – 12 months

Executive Summary

Valuation Conclusion

LAND VALUE	
Direct Comparison Approach	$63,200,000
Income Approach - Direct Cap	Not developed
Cost Approach	Not developed
Estimate Value Per Acre (rounded)	$950,000
Final Market Value Estimate	**$63,200,000** (rounded)

Property Data

Site Description

Municipal Address	3143 19th Avenue, Markham
Location	Southeast intersection of 19th Avenue and Woodbine Avenue in the City of Markham, Province of Ontario.
Legal Description	PT LT 30 CON 4 MARKHAM AS IN R614168 EXCEPT EXPROP PL MA49271; MARKHAM
Site Area	**Total** - 99.43 acres **Net Developable –** 66.57 acres
PIN	03055-0002
Frontage	Approximately 3,300 feet of frontage along 19th Avenue; Approximately 1,300 feet frontage along Woodbine Avenue
Shape	Rectangular (refer to the aerial photo below) 

Property Data

Services	Municipal services are not currently available to the Subject property lot line, nor are municipal services available within the area surrounding the Subject Property.
Topography	Level and at grade with adjacent properties and both 19th Avenue and Woodbine Avenue.
Access	Access is available from both 19th Avenue and Woodbine Avenue.
Improvements	As of the date of inspection, the subject site was vacant land
Easements/Restrictions	None that would have a negative impact on the value or marketability of the subject property.
Assessment & Taxes	According to the Assessment Roll reports from MPAC, the subject property is assessed as follows: **Assessment Roll No.** 1936020160835000000 **2016 Assessment** $1,666,000

Soil Conditions

We have not undertaken a detailed soil analysis, and as we are not qualified to comment on soil conditions, we have assumed that there are not contaminants affecting the site. The sub-soil is assumed to be similar to other lands in the area and suitable in drainage qualities and load bearing capacity to support the existing or additional development.

Commentary

Overall, the subject site is capable of supporting an employment development consistent with the current zoning and permitted uses.

SUBJECT PHOTOGRAPHS

Subject Site - Vacant Land

Subject Site - Vacant Land

Subject Site - Vacant Land

Subject Site - Vacant Land

Access to Site

Access to Site

Municipal Data

Official Plan

The City of Markham Official Plan (Region Approved June 2014) designates the Subject as being Future Employment Area and Greenway.

The "Future Employment Area' Lands will be redesignated to one of the other "Employment Lands" through the approval of secondary plans for the "Future Urban Area Lands".

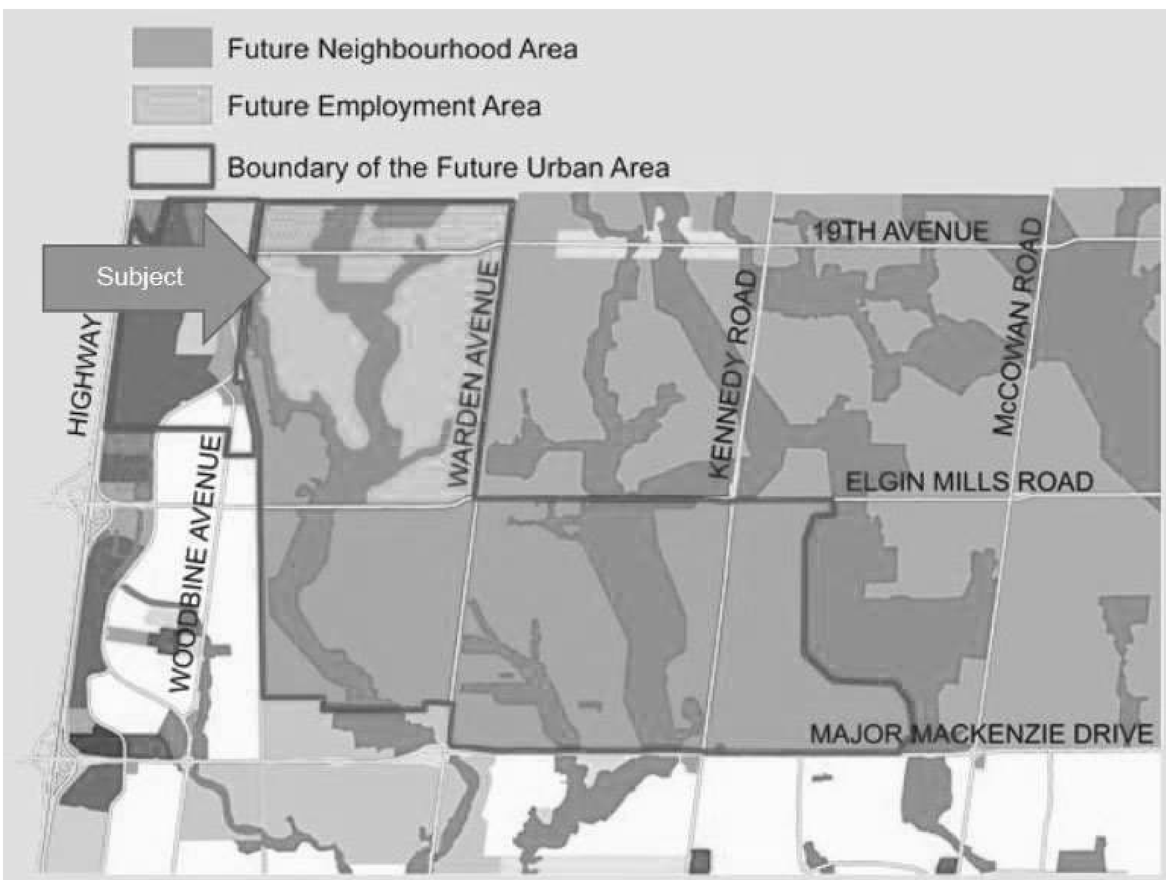
Markham's "Greenway" designation lands are intended to protect natural heritage and hydrologic features and certain protected agricultural lands while supporting agricultural activities, protection of wildlife habitat, passive recreation uses, natural heritage enhancement opportunities and nature appreciation. The Greenway System also protects cultural heritage resources associated with valley lands and watercourse corridors through the application of the Rouge Watershed Protection Area. It helps ensure that land use decisions in support of urban development and infrastructure contribute to the protection and enhancement of the Greenway System while having a minimum impact on the natural environment.

North Markham Future Urban Area

The City of Markham is undertaking a comprehensive planning process to guide development of the Future Urban Area lands in north Markham. This Future Urban Area will accommodate neighbourhood and employment growth in north Markham. A Conceptual Master Plan is being developed based on a number of background studies to guide development for the entire area. The Conceptual Master Plan will provide direction for more detailed planning, which will be carried out through Secondary Plans and plans of subdivision.

The north Markham Future Urban Area covers about 1,288 hectares (3,183 acres) bordered by Major Mackenzie Drive to the south, the Hydro Corridor and Woodbine Avenue to the west, the northerly City limits and Elgin Mills Road to the north, and the Robinson Creek to the east. Approximately 675 hectares (1,668 acres) of developable lands are designated for future neighbourhoods, located primarily between Major Mackenzie Drive and Elgin Mills Road. Approximately 300 hectares (741 acres) located north of Elgin Mills Road are designated for employment uses. In total, the Future Urban Area is intended to accommodate approximately 12,000 residential units with a population of approximately 38,000 persons, and approximately 19,000 jobs. The remainder of the lands, which contain watercourses and other natural heritage features, are designated as "Greenway" in the Official Plan and will not be developed.

The Greenway comprises of natural heritage and hydrologic features and their functions, vegetation protection zones, protected agricultural lands and enhancement lands.



Municipal Data

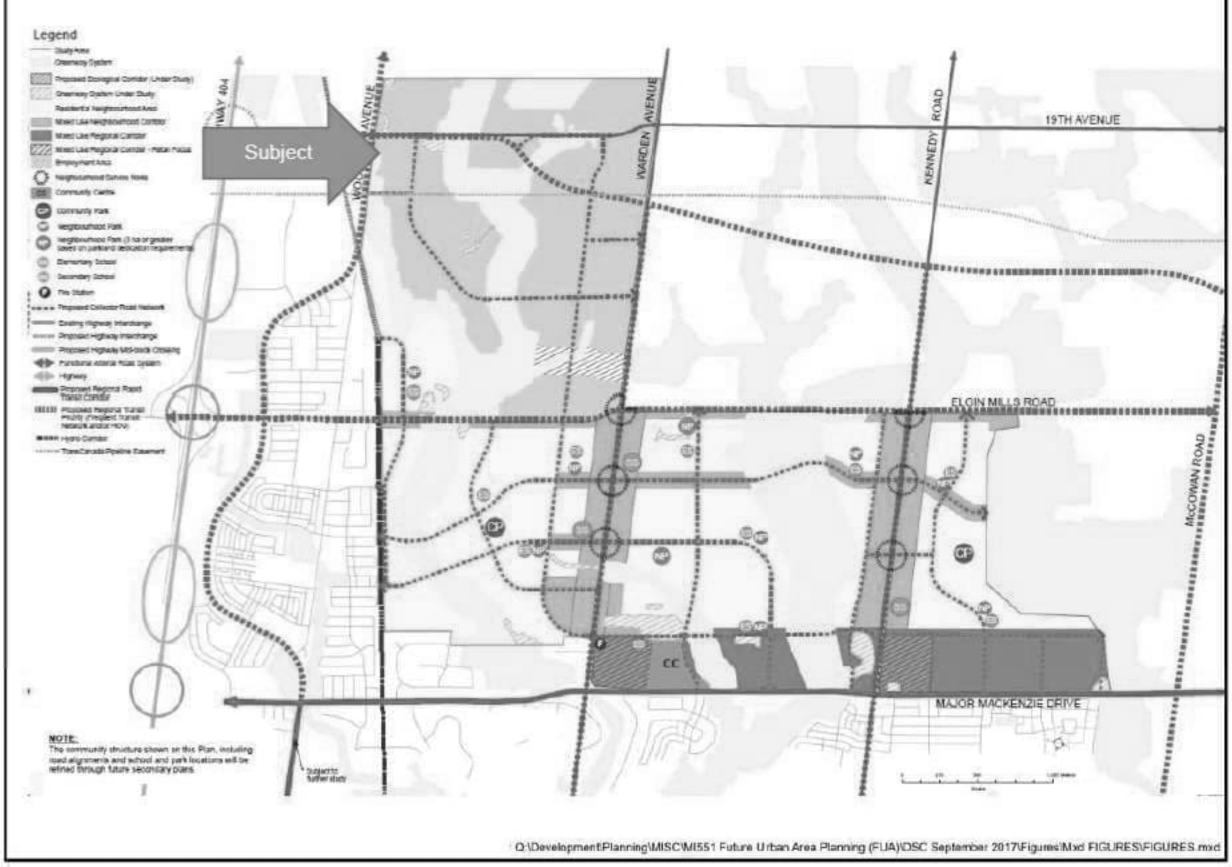
Conceptual Master Plan

The Community Structure Plan identifies structural land use categories, a high-level transportation and servicing system, an open space system and major community facility requirements. The policy direction addresses the requirements for sustainable community development as identified in the York Region and Markham Official Plans, as well as provincial and regulatory agency requirements.

According to the Future Urban Area Conceptual Mater Plan, the Subject Property is designated as "Employment Area", "Greenway System" and "Greenway System Under Study". The Subject Property is located at the southeast intersection of 19th Avenue and Woodbine Avenue. Based upon the community structure plan, it designates this area for "Proposed Regional Transit Priority (Frequent Transit Network and/or HOV" and "Proposed Collector Road Network".

FIGURE 12

COMMUNITY STRUCTURE PLAN



Municipal Data

City of Markham Zoning By-Law 304-87

According to the City of Markham zoning bylaw 304-87, the property was classified A1/O1 (Agricultural One / Open Space One).

Further, based on the MZO approval provided by the client, the majority of the property is zoned "Business Park" in accordance with a MZO issued by the Ministry of Municipal Affairs and Housing (MMAH) through Ontario Regulation 599/21. Parts of the lands zoned "Business Park" will allow for a wide range of employment uses within these areas, and their future development would require review and approval of future Draft Plan of Subdivision and Site Plan applications. Remaining portions of the property that are located outside of the MZO are subject to By-law 304-87, as amended, and are zoned "Open Space One Zone – (O1)" and "Agriculture One Zone – (A1)", which limits permitted uses within these areas. An MZO is part of Ontario's Planning Act and allows Municipal Affairs and the housing minister to make a ruling on how a piece of land is to be used in the province, with no chance of appeal by municipalities, citizens, or environmental groups.

Filed with the Registrar of Regulations
Déposé auprès du registrateur des règlements

AUG 27 2021

Number (O. Reg.)
Numéro (Régl. de l'Ont.) 599/21

ONTARIO REGULATION

made under the

PLANNING ACT

ZONING ORDER - CITY OF MARKHAM, REGIONAL MUNICIPALITY OF YORK

Definitions

1. In this Order,

"commercial use" means a use, building or structure that primarily serves the employment use and production studio, including,

(a) an art gallery,

(b) a child care centre,

(c) a commercial fitness centre,

(d) a nightclub,

(e) a personal service shop,

(f) a place of amusement,

(g) a place of entertainment,

(h) a recreation establishment,

(i) a retail store,

(j) a restaurant,

(k) a take-out restaurant, and

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(l) a theatre;

"employment use" means an industrial use, a business office, a medical office, a trade and convention centre or a production studio;

"hotel" means a non-residential establishment for temporary overnight accommodation not exceeding 180 consecutive days that is open to the public, which may include individual hotel rooms that include cooking facilities and which may include accessory meeting facilities, recreation facilities, restaurants, a banquet hall and retail stores, all of which are located on the same lot;

"production studio" means the use of land, buildings or structures where live broadcasts, motion pictures or audio or video recordings or transmissions are filmed, produced or edited and includes other accessory uses;

"Zoning By-law" means Zoning By-law 177-96 of the City of Markham.

Application

2. This Order applies to lands in the City of Markham in the Regional Municipality of York, in the Province of Ontario, being the lands outlined in red on the map numbered 270 and filed at the Toronto office of the Ministry of Municipal Affairs and Housing located at 777 Bay Street.

Permitted uses — Business Park Zone

3. Every use of land and every erection, location or use of any building or structure is prohibited on the lands located in the area shown as the Business Park Zone on the map referred to in section 2, except for,

(a) all uses permitted in the Business Park Zone under the Zoning By-law;

(b) all uses permitted in the Greenway Zone under the Zoning By-law;

(c) commercial uses;

(d) a hotel;

(e) a private park; and

(f) a production studio.

Zoning requirements — Business Park Zone

4. Despite the zoning requirements set out in the Zoning By-law, the zoning requirements for the lands described in section 3 are as follows:

Municipal Data

1. The minimum required yard setback to a street is three metres.
2. There is no maximum depth of parking area in front yard.
3. There is no minimum depth of parking area in exterior side yard.
4. There is no minimum required yard setback to any other lot line.
5. The minimum required width of landscaping adjacent to the front lot line is 1.5 metres.
6. Underground parking garages must be located a minimum of 0.6 metres from any lot line.
7. Despite anything else in this section, a minimum seven-metre setback is required for all principal buildings or structures, roads, driveways, parking spaces and parking areas from the edge of the TransCanada PipeLines Limited right of way.
8. All commercial use buildings or structures must be located a minimum of three metres from the edge of the TransCanada PipeLines Limited right of way.
9. The maximum floor space index is 1.5 measured over the entirety of the area shown as Business Park Zone on the map referred to in section 2.
10. Commercial uses shall not exceed 15 per cent of the gross floor area of all employment and hotel uses.
11. 90 per cent of the combined floor area of all commercial uses shall be located within multi-storey buildings.
12. All hotel and commercial uses must be located within 400 metres of Woodbine Avenue.
13. The minimum required step back for accessory parking garages integrated within a building to any other portion of a building is three metres.
14. The maximum height of buildings located 400 or fewer metres from the centre line of Woodbine Avenue is 20 storeys.
15. The maximum height of buildings located farther than 400 metres from the centre line of Woodbine Avenue is six storeys.
16. The maximum height for a podium is six storeys.

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17. The minimum step back of a point tower from a podium is 1.8 metres.

18. A minimum parking rate of 1.5 parking spaces for each 100 square metres of gross floor area applies to production studios.

19. 10 percent of the required parking spaces must be electric vehicle charging station parking spaces.

20. For all uses permitted under section 3, the minimum number of bicycle parking spaces required shall be one space per 670 square metres of gross floor area.

21. Despite paragraph 20, hotel uses are not required to provide bicycle parking.

22. Warehouse uses are not permitted unless they are accessory to a permitted employment use.

23. Warehouse uses are limited to 50 per cent of the gross floor area of all permitted employment uses in the Business Park Zone.

24. Any individual industrial uses shall have a minimum gross floor area of 450 square metres.

25. Outdoor storage is not permitted.

Terms of use

5. (1) Every use of land and every erection, location and use of buildings or structures shall be in accordance with this Order.

(2) Nothing in this Order prevents the use of any land, building or structure for any use prohibited by this Order if the land, building or structure is lawfully so used on the day this Order comes into force.

(3) Nothing in this Order prevents the reconstruction of any building or structure that is damaged or destroyed by causes beyond the control of the owner if the dimensions of the original building or structure are not increased and its original use is not altered.

(4) Nothing in this Order prevents the strengthening or restoration to a safe condition of any building or structure.

Deemed by-law

6. This Order is deemed for all purposes, except the purposes of section 24 of the Act, to be and to always have been a by-law passed by the council of the City of Markham.

Municipal Data

Commencement

7. This Regulation comes into force on the day it is filed.

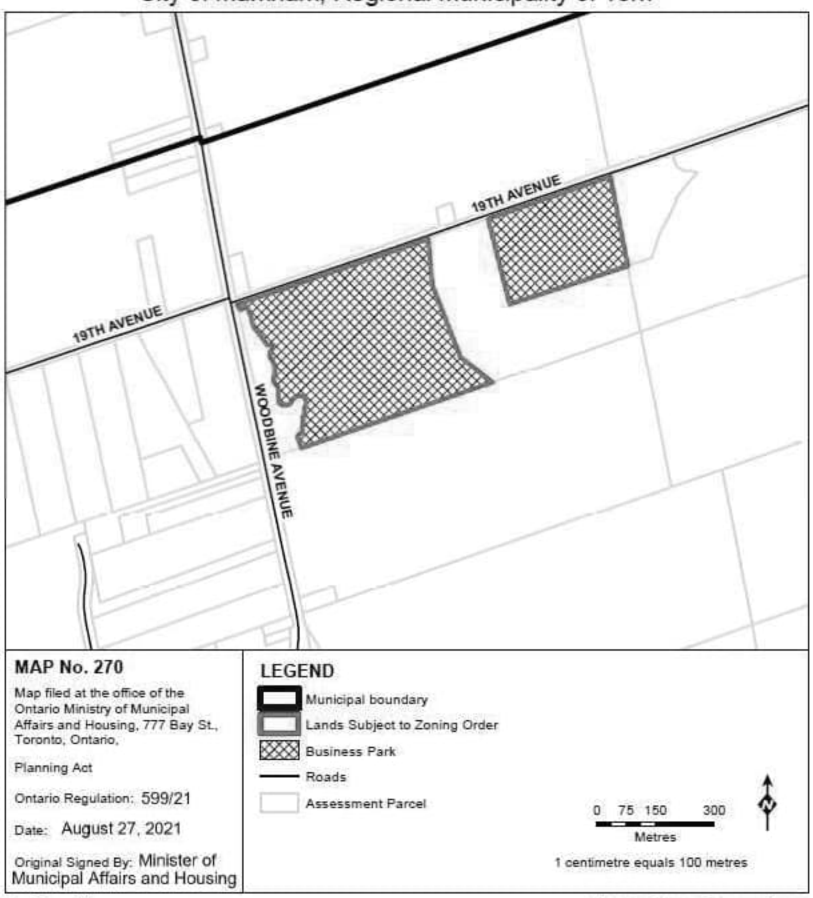
Made by:

Signature

Minister of Municipal Affairs and Housing

Date made: August 27/2021

Part of Lot 30, Concession 4
City of Markham, Regional Municipality of York



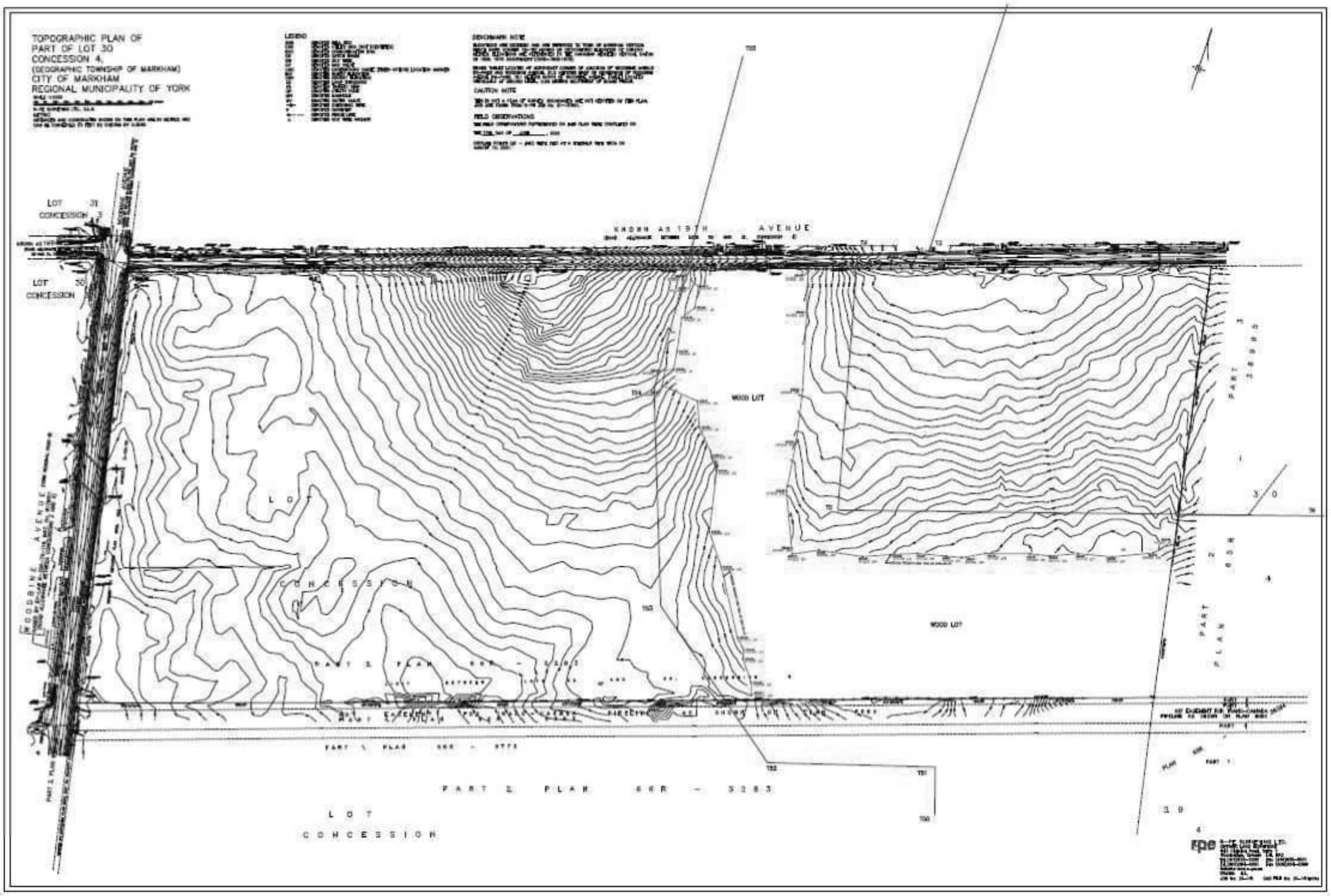
Map Description:
This is map no. 270 referred to in a Minister's Zoning Order. It shows lands which are located in Part of Lot 30, Concession 4, City of Markham, Regional Municipality of York.
We are committed to providing accessible customer service (https://www.ontario.ca/page/accessible-customer-service-policy).
On request, we can arrange for accessible formats and communications supports.
Please contact MMAH by email (mininfo@ontario.ca) for regulation details.

THIS IS NOT A PLAN OF SURVEY

Information provided by the Ministry of Municipal Affairs and Housing, under licence with the Ministry of Natural Resources.

Ontario

Subject Site Survey



Market Overview

Commercial Real Estate Investment Review (Q1 2023)

Greater Toronto market fundamentals

$6.3B total commercial real estate investment volume during Q1 2023 **up 67% quarter-over-quarter**	**178** number of Q1 2023 industrial asset sales **40% of total transactions**	**$588M** total office investment volume during Q1 2023 **up 93% quarter-over-quarter**
1,964 acres of ICI land sold during Q1 2023 **across the Greater Toronto Area (GTA)**	**3.9%** Average capitalization rate for multi-residential assets **up from 3.2% in 2021**	**$361** average sale price per square foot (psf) for industrial assets **across the GTA**

Investment market trends

01

Stabilizing inflation provides confidence

Inflation in Canada appears to have begun to stabilize, implying that interest rates may remain stable or even start to decline in coming quarters.

Our take on this trend...

A sense of stability and predictability of interest rates gives investors more confidence to transact. The results can be seen in the market's quarterly investment volume total of $6.3 billion – which is up 67% compared to Q4 2022, and down only 10% from the hectic pace set in Q1 2022.

02

Capital is available – at the right price

Capital is available once again after a period of heightened caution from lenders. Debt can be obtained for assets that meet lenders' criteria and is priced according to risk.

Our take on this trend...

Increased selectiveness or scrutiny from lenders, in many ways, shows that the market may be closer to returning to "normal" after a period of frenzied activity that has lasted for a number of years, predating the pandemic. The current trend is representative of a more balanced, less overheated marketplace.

03

Mortgage defaults may start to increase

Distress sales may begin to increase as borrowers whose mortgage payments have risen in recent years struggle with the costs of holding or developing their assets.

Our take on this trend...

Although unlikely to be widespread, distressed-asset sales are expected to experience an uptick. Non-income-producing assets (such as future development sites) are most likely to be at risk if owners' financial models did not account for rising interest rates and elevated construction costs including materials, labour and development charges.

Industrial

Investment in the industrial sector rose 77% quarter-over-quarter to $3.5 billion in Q1 2023, representing a hefty 56% of the GTA quarterly total. The impressive quarterly volume was largely attributable to the acquisition of Summit Industrial Income REIT by a joint venture between GIC and Dream Industrial REIT, as the GTA portion of this nationwide transaction totaled $2.3 billion in value. Demand from tenants continues to outstrip supply on the leasing side, fueling investors' appetite for industrial assets. Meanwhile, many investors are looking to increase their allocations to this sector. With financing readily available, investors and users are all chasing the same limited selection of available assets to purchase.

Market Overview

ICI Land

Ongoing demand for development sites – particularly for industrial – helped investment volume for ICI land assets rebound by 35% quarter-over-quarter to nearly $1.1 billion in Q1 2023 (17% of the GTA total). Nevertheless, volume was down compared to the results posted between Q2 2021 and Q2 2022, when the market was especially active. Activity in this sector remains strong, but land assets offer some unique considerations for potential buyers. Debt and construction costs have increased significantly over the past several years – factors which affect pricing for land sites – while the lengthy process of securing planning approvals also has an impact on investors' financial models. As such, there is the potential for some cooling-off in land values.

Retail

Retail assets accounted for 12% of GTA dollar volume during Q1 2023, as investment in the sector rose 70% quarter-over-quarter to $763 million. The quarter's largest transaction was the sale of Erin Mills Town Centre in Mississauga for $272 million ($303 psf). For perspective, the centre was last sold in 2010 for $370 million ($460 psf). Most types of assets are experiencing good demand from investors, with some exceptions. Tenant mix and location are key – neighbourhood shopping centres anchored by grocery or other necessity-based retailers are particularly sought-after, for example, while demand for enclosed malls varies more widely based on tenant-specific or asset-specific factors. Those with excess land or redevelopment potential may be regarded more favorably by prospective purchasers.

Office

Following a lacklustre finish to 2022, investment in the office sector rose 93% quarter-over-quarter to $588 million in Q1 2023 (9% of the GTA total). The market continues to be impacted by a degree of uncertainty surrounding tenants' longer-term workplace strategies and the effects of employees working from home – all of which affects investors' desire for office buildings. Buyer interest in office assets is primarily from private buyers and is very specific to the particular building, with location, condition, and in-place tenancies the most important considerations. Smaller to medium-sized buildings are transacting more easily at the moment, while the market for large assets remains characterized by caution on the part of lenders and investors alike. Large institutions may be looking to decrease rather than increase their allocations to the office sector

Market Overview

Multi-Residential

Making up just 6% of overall GTA investment volume during Q1, activity in the multi-residential sector was up 47% quarter-over-quarter but down 62% year-over-year to $345 million.

The pace of activity in Q1 was muted as deal closings are a lagging indicator, reflecting transactions negotiated earlier. Investors held off from committing themselves in late 2022, instead waiting for more stable and predictable financing rates – and a bid/ask spread remained.

More recently, market sentiment indicates that there are many potential buyers looking to place capital, so activity is expected to increase, especially in the second half of the year.

The city's housing issue continues to become more acute and will be key in the upcoming mayoral election. The outcome of the election will certainly have an impact on the market, as all the prominent candidates consider housing an important issue and have voiced a variety of strategies to tackle it.

Market Overview

Regional Overview

- The City of Markham forms the southeast portion of the Regional Municipality of York and includes within its boundaries the former Township of Markham, the Villages of Markham, Unionville and the easterly portion of the Village of Thornhill.
- Markham is located immediately north of the new, expanded City of Toronto and extends north from Steeles Avenue, a distance of about 7 miles and east from Yonge Street a distance of about 10 miles.
- The City of Markham is the largest of nine communities in York Region with a population of 328,966 in 2016, up 9.0% since the previous census in 2011.
- Markham is recognized as a high-tech destination within the region and across Canada. Accordingly, the City has over 900 high-tech and 100 life sciences companies situated in various business parks. The firms serve as a major catalyst for employment and provide a strong impetus for residential development and housing.

Infrastructure

Highway's 404 and 407 are the main expressways providing excellent access to the Toronto Region. Bus service is provided by York Region Transit (YRT) and Viva. Markham is well served by GO transit with five stations providing train and bus service to the Toronto Region.

Market Overview

REGIONAL MAP

Economic and Demographic Profile – City of Markham	
Population	338,503 (2021 Statistics Canada)
Total Private Dwellings	114,908 (2021 Statistics Canada)
Median Household Income	$104,000 (2021 Statistics Canada)
Labour Force	170,540 (2021 Statistics Canada)
Unemployment Rate	13.8% (2021 Statistics Canada)
Tax Rates (2022)	– Residential – 0.645017% – Multi-Residential – 0.645017% – Commercial (Occupied) –1.552103% – Industrial (Occupied) – 1.788483%

Source of Information – City of Markham 2022 & Statistics Canada

Market Overview

Neighbourhood Overview

- Real Estate within the Subject neighbourhood is a combination of industrial land uses bordering Highway 404 and Woodbine Avenue; a residential node situated in between Woodbine Avenue, Elgin Mills Road East, and Victoria Square Boulevard; and the remainder being agricultural in nature with the prospect of longer-term employment use.
- Public transit within the Subject neighbourhood is provided via public bus, operated by York Region.
- There are some institutional uses located within the residential neighbourhood, most notably Victoria Square Public School and William Cantley Park.

Adjacent Land Use	North	- Vacant Land
	South	- Vacant Land
	East	- Vacant Land
	West	- Vacant Land

Commentary

The Subject neighbourhood is located on the east side of Highway 404, within the City of Markham. Access to the district is considered to be good, with numerous arterial routes and multiple points of access to and from Highway 404.

Market Overview

NEIGHBOURHOOD MAP

AERIAL MAP

Highest & Best Use

Real estate is valued in terms of its highest and best use. Highest and best use is defined as:

"The reasonably probable use of real property, that is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value."

Source: Appraisal Institute of Canada "Canadian Uniform Standards of Professional Appraisal Practice". 2022

To properly analyze highest and best use, two determinations must be made. First, the highest and best development of the site as though vacant and available for use, is made. Second, the highest and best use of the property as improved is analyzed and estimated. The highest and best use of both the land as though vacant and the property as improved must meet four criteria: physically possible, legally permissible, financially feasible, and maximally productive. Of the uses that satisfy the first three tests, the use that produces the highest price or value consistent with the rate of return warranted by the market is the maximally productive use.

Physically Possible

The subject property is located at the southeast intersection of 19th Avenue and Woodbine Avenue in the City of Markham, Province of Ontario. The property comprises a rectangular shaped vacant 99.43-acre parcel of land with approximately 3,300 feet of frontage along 19th Avenue and approximately 1,300 feet frontage along Woodbine Avenue. Based upon the MZO application (File No.: MZO 21 121854) that was submitted on July 8, 2021, it was noted that approximately 66.57 acre at the site is developable. A review of the subject property's physical characteristics indicates that the site could adequately support commercial development.

Legally Permissible

The subject property is located within the City of Markham's "Future Urban Area", and portions of the property are designated "Future Employment Area", and "Greenway" under the Official Plan. Lands designated "Future Employment Area" will be re-designated to one of the other "Employment Lands" through the approval of secondary plans for the "Future Urban Area". Lands designated "Greenway" bisect the property and are located along Woodbine Avenue; these lands are intended to protect natural heritage and hydrologic features, including wildlife habitat, while supporting agricultural activities, passive recreation uses, and enhancement of natural heritage. Further, based on the MZO approval provided by the client, the majority of the property is zoned "Business Park" in accordance with a MZO issued by the Ministry of Municipal Affairs and Housing (MMAH) through Ontario Regulation 599/21. Parts of the lands zoned "Business Park" will allow for a wide range of employment uses within these areas, and their future development would require review and approval of future Draft Plan of Subdivision and Site Plan applications. Remaining portions of the property that are located outside of the MZO are subject to By-law 304-87, as amended, and are zoned "Open Space One Zone – (O1)" and "Agriculture One Zone – (A1)", which limits permitted uses within these areas. Commercial development would be permitted as it conforms with the plans/zoning criteria.

Financially Feasible

There is strong evidence in the market for acquisitions motivated for commercial use development which supports employment, as outlined in the valuation section of the report.

Highest and Best Use

Maximally Productive

Given the location, market conditions and the surrounding uses as well as the land use policy, a commercial development which supports employment is likely the maximally productive use.

Commentary

Given the land use controls, subject site characteristics and the surrounding land uses, the Highest and Best Use for the subject property would be for a commercial development that supports employment.

Valuation

Method of Valuation

The two most common approaches used to value vacant employment sites are the Direct Comparison and Land Residual approaches.

Direct Comparison Approach

The Direct Comparison Approach is the common method of valuation through the development of market transactions of similar vacant industrial development land. The approach is successfully applied where there is a reasonable volume of transactions having similar characteristics compared to the subject property.

Land Residual Approach

The Land Residual Approach is based on a proposed development of the land, typically applied when the costs of construction and development are known; these costs are deducted along with an estimated risk/profit margin from the expected market value of the completed project, to indicate the price that a developer would be prepared to pay for the land as a development site. The Land Residual Approach can provide support for the Direct Comparison, but it is generally dependent on the availability of reliable estimates of revenue projections and project costs as there is a high degree of sensitivity to these inputs.

Conclusion

We have relied on the Direct Comparison Approach in valuing the subject property.

Direct Comparison Approach

The unit of comparison relied upon in this section is overall sale price and the price expressed on a price per acre of net land area. Following is a Summary of Comparable Sales as well as an analysis of the data and a conclusion as to an estimate of market value.

Adjustments to Sale Data

The sales selected for this analysis are compared to the subject property and appropriate adjustments for the elements of comparison are considered. Elements of comparison analyzed in this valuation include conditions of sale, market conditions, location, economic characteristics, site size, site characteristics and use/zoning considerations.

Valuation

Review of Comparable Sales

A number of different factors are considered when searching for comparable properties. A summary of adjustments can be found below:

Time: Sales that have occurred more recently are more comparable to the subject lands due to the economic changes that occur. The rising interest rates have undoubtably had a negative effect on the overall market as the buyers purchasing power diminishes, and buyers remain cautious as to the uncertainty regarding future interest rate hikes. Most notably on January 25, 2023, the Bank of Canada increased the interest rate another 25 basis points to 4.50%. Overall, the market has witnessed stability in 2022 from its peak in early 2022. However, we believe the market is still in a better position than 2021.

Location: Sales located in close proximity to the subject are considered more comparable than ones further away. Furthermore, sales located closer to major transportation routes, favorable nodes, and/or urban areas would achieve a higher rate per acre than lands further away.

Net Site Size: Sales with larger net site areas are likely to achieve a lower rate per acre, while sales with smaller net site areas are likely to achieve a higher rate per acre. This is due to the economies of scale.

Site Character: Site Character refers to unique characteristics possessed by the subject site. This includes frontage, access, position etc. The subject site is inferior to the comparables in terms of site character as the lands designated "Greenway" bisect the property making the site noncontiguous. The Greenway land bisecting the site is intended to protect natural heritage and hydrologic features, including wildlife habitat, while supporting agricultural activities, passive recreation uses, and enhancement of natural heritage

Planning Status: Lands that are approved for development or further along in the development process typically trade at a higher rate per acre than lands that are earlier on in the process.

SUMMARY OF COMPARABLE LAND SALES										
No.	Address	Sale Date	Vendor / Purchaser	Sale Price	Gross Land Area (acres)	Net Land Area (acres)	Net Land Area (sq. ft.)	Official Plan / Zoning	Price per Acre	Price per sq. ft.
1	9233, 9236 McGillivray Road Vaughan	31-May-23	Private Investor to 9233 McGillivray Inc.	$31,000,000	43.03	21.50	936,540	Natural Area and General Employment / A and OS1	$1,441,860	$33
2	PIN 26569-0007, 26569-1820 5355 Ashburn Road, Whitby	24-Aug-22	NF Ashburn Brook Ltd. to 5455 Ashburn Road Holdings Inc.	$29,162,150	30.76	30.76	1,340,036	Future Urban Development Area / A	$947,962	$22
3	PIN 24930-0203, William Halton Parkway Oakville	14-Jan-22	Oakville Commerce Properties Inc. to Anatolia Investments Corp.	$51,600,000	55.11	55.11	2,400,722	Employment Area / ED	$936,258	$21
4	10223 Highway No. 50, Vaughan	12-Jan-22	Complexe Vaughan Inc./Vaughan Complex Inc. to CPSP Vaughan Nominee Inc.	$124,000,000	85.10	65.00	2,831,400	Natural Area / Prestige & General Employment / A	$1,907,692	$44
5	PIN 03318-0120, Rutherford Road, Vaughan	06-Jan-22	Di Poce Real Estate Holdings Limited to The Corporation of The City of Vaughan	$20,435,520	23.78	23.78	1,035,639	Prestige Employment / A	$859,538	$20
6	688 Southdown Road, Mississauga	15-Sep-21	7037619 Canada Inc. to 688 Southdown GP Inc.	$125,000,000	91.60	91.60	3,990,096	Business Employment and Industrial / E3-11 & E2-110	$1,364,629	$31
	3143 19th Avenue, Markham			$63,200,000	99.43	66.57	2,899,789	Greenway / Future Employment / Business Park	$950,000	$22


Subject Property
Comparable 1
Comparable 2
Comparable 3
Comparable 4
Comparable 5
Comparable 6
Richmond Hill
Vaughan
Markham
Toronto
Mississauga
Brampton
Oakville
Oshawa
Whitby
Ajax
Pickering
Green River
Whitchurch-Stouffville
Cherry
King City
Laskay
Nobleton
Bolton
Palgrave
Coleraine
Hornby
Whaley's Corners
Courtice
Hampton
Mitchell Corners
ELDER MILLS
ELDER STATION
Simmons St
Royalpark Way
McGillivray Rd

1332

Valuation

Comparable 1

9233, 9236 McGillivray Road, Vaughan

Address	11 Highway No. 50, Brampton
Sale Price	$31,000,000
Sale Date	May 31, 2023

Transaction Details	
Vendor	Private Investor
Purchaser	9233 McGillivray Inc.
Interest Transferred	100%
Price/acre	$1,441,860

Site Details	
Net Land Area in Acres	21.50
Official Plan	Natural Area and General Employment
Zoning	A and OS1
PIN	03320-0329, 03320-0328

Valuation

Comparable 2

5355 Ashburn Road, Whitby

Address	5355 Ashburn Road, Whitby
Sale Price	$29,162,150
Sale Date	August 24, 2022

Transaction Details	
Vendor	NF Ashburn Brook Ltd.
Purchaser	5455 Ashburn Road Holdings Inc.
Interest Transferred	100%
Price/acre	$947,962

Site Details	
Net Land Area in Acres	30.76
Official Plan	Future Urban Development Area
Zoning	A
PIN	26569-0007, 26569-1820

Valuation

Comparable 3

William Halton Parkway, Oakville

Address	William Halton Parkway, Oakville
Sale Price	$51,600,000
Sale Date	January 14, 2022

Transaction Details	
Vendor	Oakville Commerce Properties Inc.
Purchaser	Anatolia Investments Corp.
Interest Transferred	100%
Price/acre	$936,258

Site Details	
Net Land Area in Acres	55.11
Official Plan	Employment Area
Zoning	ED
PIN	24930-0203

Comparable 4

10223 Highway No. 50, Vaughan

Address	10223 Highway No. 50, Vaughan
Sale Price	$124,000,000
Sale Date	January 12, 2022

Transaction Details	
Vendor	Complexe Vaughan Inc./Vaughan Complex Inc.
Purchaser	CPSP Vaughan Nominee Inc.
Interest Transferred	100%
Price/acre	$1,907,692

Site Details	
Net Land Area in Acres	65.00
Official Plan	Natural Area, Prestige & General Employment
Zoning	A
PIN	03321-0049

Valuation

Comparable 5

Rutherford Road, Vaughan

Address	Rutherford Road, Vaughan
Sale Price	$20,435,520
Sale Date	January 6, 2022

Transaction Details	
Vendor	Di Poce Real Estate Holdings Limited
Purchaser	The Corporation of The City of Vaughan
Interest Transferred	100%
Price/acre	$859,538

Site Details	
Net Land Area in Acres	23.78
Official Plan	Prestige Employment
Zoning	A
PIN	03318-0120

Comparable 6

688 Southdown, Mississauga

Address	688 Southdown Road, Mississauga
Sale Price	$125,000,000
Sale Date	September 15, 2021

Transaction Details	
Vendor	7037619 Canada Inc.
Purchaser	688 Southdown GP Inc.
Interest Transferred	100%
Price/acre	$1,364,629

Site Details	
Land Area in Acres	91.60
Official Plan	Business Employment & Industrial
Zoning	E3-11 & E2-110
PIN	13493-0044

Direct Comparison Approach – Analysis of the Land Sales Data

We have identified six market transactions where the acquisition is for future commercial/industrial use. The sales compiled are located within immediate areas or comparable markets of the Greater Toronto Area, including Vaughan, Markham, Whitby, Oakville, and Mississauga. The transactions are analyzed on a net price per acre basis. The sales occurred between September 2021 and May 2023, ranging in size from 21.50 net acres to 91.60 net acres and in price from **$859,538 to $1,441,860 per acre.** Due to the impact of economies of scale, larger parcels of land typically trade for a lower price per acre. Variations in prices are attributed to location, site configuration, land use planning, and timing to development.

Comparative Rating									
				Major Comparative Variables Impacting Value					
Sale No.	Comparable	Net Land Area (acres)	Price Per Acre	Time of Sale	Location	Land Area	Site Character	Planning Status	Overall Comparison Rating with Subject
1	9233, 9236 McGillivray Road Vaughan	21.50	$1,441,860	⇔	⇩	⇩	⇩	⇧	⇩
2	PIN 26569-0007, 26569-1820 5355 Ashburn Road, Whitby	30.76	$947,962	⇔	⇧	⇩	⇩	⇧	⇧
3	PIN 24930-0203, William Halton Parkway Oakville	55.11	$936,258	⇧	⇔	⇩	⇩	⇧	⇧
4	10223 Highway No. 50, Vaughan	65.00	$1,907,692	⇧	⇩	⇔	⇩	⇧	⇩
5	PIN 03318-0120, Rutherford Road, Vaughan	23.78	$859,538	⇧	⇔	⇩	⇩	⇧	⇧
6	688 Southdown Road, Mississauga	91.60	$1,364,629	⇧	⇩	⇧	⇩	⇧	⇩
Subject Property - Current market Value "As Is"		*66.57*							

Sale No. 1, 9233 & 9236 McGillivray Road, is the most recent comparable sale, a 43.03-acre site, with a net developable area of 21.50 acres located north of Rutherford Road, east of Highway No. 427 in Vaughan. The City of Vaughan Official Plan designates the property a Natural Area and General Employment within the West Vaughan Employment Area Secondary Plan. The Zoning By-law classifies the property A and OS1, an Agricultural Zone and an Open Space Zone classification. At the time of the sale, the property was vacant and unimproved. The site was transacted on **May 31, 2023,** for a total consideration of **$31,000,000 or $1,441,860 per net acre or $33.00 per sq. ft. of net land area**. Downward adjustments are warranted to the comparable in terms of location, site size and site character. However, an upward adjustment is required in terms of planning status. Overall downward adjustment is required to the comparable.

Sale No. 2, 5355 Ashburn Road is a 30.76-acre site, located north of Spencers Road, east of Ashburn Road in Whitby. The Town of Whitby Official Plan designates the property Future Urban Development Area. The Zoning By-law classifies property A, an agricultural zone classification. At the time of the sale, the property was improved with a single family detached residential dwelling. The site was transacted on **August 24, 2022**, for a total consideration of **$29,162,150 or $947,962 per net acre or $22.00 per sq. ft. of net land area.** Downward adjustment is warranted to the comparable in terms of site size and site character. However, an upward adjustment is required in terms of location and planning status. Overall, an upward adjustment is required to the comparable.

Valuation

Sale No. 3, William Halton Parkway is a 55.11-acre site, located north of Burnhamthorpe Road East, east of Trafalgar Road in Oakville. The Town of Oakville Official Plan designates the property Employment Area within the North Oakville East Secondary Plan. The Zoning By-law classifies the property ED, an Existing Development classification. At the time of the sale, the property was vacant and unimproved. The site was transacted on **January 14, 2022**, for a total consideration of **$51,600,000 or $936,258 per net acre or $21.00 per sq. ft. of net land area.** Downward adjustment is warranted to the comparable in terms of site size and site character. However, an upward adjustment is required in terms of market condition (time of sale) and planning status. Overall, an upward adjustment is required to the comparable.

Sale No. 4, 10223 Highway No. 50, is an 85.10-acre site, with a net developable area of 65.00 acres located on the east side of Highway No. 50, north of Rutherford Road in Vaughan. The City of Vaughan Official Plan designates the property Natural Areas, with sections of the land subject to secondary plans (West Vaughan Employment Area Section 11.9 Volume 2) noting the lands as Prestige Employment and General Employment. The Zoning By-law classifies property A, an agricultural classification. At the time of the sale, the property was improved with a single family detached residential dwelling. The site was transacted on **January 12, 2022**, for a total consideration of **$124,000,000 or $1,907,692 per net acre or $44.00 per sq. ft. of net land area.** Downward adjustments are warranted to the comparable in terms of location and site character. However, an upward adjustment is required in terms of market condition (time of sale) and planning status. Overall downward adjustment is required to the comparable.

Sale No. 5, Rutherford Road is a 23.78-acre site, located on the south side of Rutherford Road, west of Highway No. 2 in Vaughan. The City of Vaughan Official Plan designates the property Prestige Employment within the West Vaughan Employment Area Secondary Plan. The Zoning By-law classifies property A, an agricultural zone classification. At the time of the sale, the property was vacant and unimproved. The site was transacted on **January 6, 2022**, for a total consideration of **$20,435,520 or $859,538 per net acre or $20.00 per sq. ft. of net land area.** Downward adjustment is warranted to the comparable in terms of site size and site character. However, upward adjustment is required in terms of market condition (time of sale) and planning status. Overall, an upward adjustment is required to the comparable.

Sale No. 6, 688 Southdown Road is a 91.60-acre site, located north of Lakeshore Road West, on the west side of Southdown Road in Mississauga. The City of Mississauga Official Plan designates the property Business Employment and Industrial. The Zoning By-law classifies the property E3-11 & E2-110, an Business Employment and Industrial classification. At the time of the sale, the property was vacant and unimproved. The site was transacted on **September 15, 2021**, for a total consideration of **$125,000,000 or $1,364,629 per net acre or $31.00 per sq. ft. of net land area.** Downward adjustment is warranted to the comparable in terms of location and site character. However, upward adjustment is required in terms of market condition (time of sale), site size and planning status. Overall, downward adjustment is required to the comparable.

Direct Comparison Approach - Conclusion

With consideration of the subject's location, site size, configuration with natural features bisecting the site, zoning, the market value for the subject site is likely to be within the range of $900,000 to $1,000,000 per acre. We have concluded towards the mid-point of the range or a final market value equal to **$950,000 per acre**, resulting in an estimated current market land value of **$63,200,000 (rounded).**

Valuation

Reconciliation and Final Estimate of Value

The following estimated current market value was concluded:

Direct Comparison Approach	**$63,200,000**
Income Approach (Direct Capitalization)	**Not Developed**
Cost Approach	**Not Developed**

The Direct Comparison Approach examined six recent sales of land parcels located in within immediate/comparable markets of the Greater Toronto Area, including Vaughan, Markham, Whitby, Oakville, and Mississauga that are considered the most comparable and represent the most recent activity. All the sales were found to provide sufficient evidence as to the value expressed on the basis of price per net acre. Therefore, a final current market value estimate of **$950,000 per net acre** or **$63,200,000 (Rounded)** is concluded for the subject property.

Appraisal Requirements

Property Rights Appraised	**Fee Simple -** The property rights being appraised are those of "Fee Simple Interest". Fee Simple interest is an ownership interest unencumbered by any other user.
Purpose	Estimate the current market value of the subject property
Intended Use	Internal valuation purposes to assist in the potential sale of the site under court ordered procedures only
Intended User	**SOW Capital Ontario Inc.**
Date of Inspection	July 17, 2023
Effective Date of Valuation	July 17, 2023
Definition of Market Value	"Market Value" is defined as the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all condition's requisite to a fair sale, with the buyer and the seller each acting prudently, knowledgeably, and for self-interest, assuming that neither is under duress.
Exposure Time	Exposure time is the estimated length of time the property interest being appraised would have been offered in the market prior to the hypothetical sale at the estimated market value on the effective date of the appraisal. Reasonable exposure encompasses not only adequate, sufficient, and reasonable "time" but also adequate, sufficient and reasonable effort. Based on our statistical data regarding days on market, discussions with brokers and information derived through analysis of comparable data, it is our opinion a reasonable exposure time for the subject is approximately six to twelve months.

Appraisal Requirements

Scope of Valuation and Reporting Process	During the course of preparing this valuation, the appraiser: – Made an inspection of the property and surrounding area. – Reviewed available data regarding the local employment land market. – Verified current land use and zoning regulations. – Reviewed data on comparable sale transactions for vacant land parcels. – Interviewed market participants. – Confirmed all data relied upon in the valuation process. – Prepared a full valuation report in accordance with the Canadian Uniform Standards of Professional Appraisal Practice ("Standards").
Property Identification Number	03055-0377
History of the Subject Property	The subject property has not transacted in the last three years. However, the property was listed on MLS (#N6007225) on April 4, 2023, for $69,500,000 and has been in the market for 108 days. As of the effective date of this appraisal, the subject property is listed on MLS for an asking price of $64,500,000.
Soil Conditions	We have not undertaken a detailed soil analysis, and as we are not qualified to comment on soil conditions, we have assumed that there are no contaminants affecting the site. However, a full environmental audit is required for certainty and any cost to remedy the site should be deducted from the value estimate reported herein. The sub-soil is assumed to be similar to other lands in the area and suitable in drainage qualities and load bearing capacity to support the existing or additional development.

Contingent and Limiting Conditions

Assumptions, Limiting Conditions, Disclaimers and Limitations of Liability

The certification that appears in this report is subject to compliance with the Personal Information Protection and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP") and the following conditions:

1. This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
6. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to adequate time to review the report and related data, and the provision of appropriate compensation.

Contingent and Limiting Conditions

7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical legal and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
10. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials.

    It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.

Contingent and Limiting Conditions

12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.
13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
14. This report, its content and all attachments/addendums and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
16. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.
17. 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.

Contingent and Limiting Conditions

18. In the event that a party entitled to do so, makes a claim against Avison Young Valuation & Advisory Services, LP or any of its affiliates or any of their respective officers or employees in connection with or in any way relating to this engagement of the Appraisal, the maximum damages recoverable from Avison Young Valuation & Advisory Services, LP or any of its parent companies or their respective officers or employees shall be the amount of the monies actually collected by us for this assignment and under no circumstances shall any claim for consequential damages be made. In the event that our invoice remains unpaid and we must enlist the assistance of a collection agency, you agree to pay the fees for collection in addition to attorney's fees.

Certification

Certification

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

1. The statements of fact contained in this report are true and correct;
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my impartial and unbiased professional analyses, opinions and conclusions;
3. I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict with respect to the parties involved with this assignment.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. My engagement in and compensation is not contingent upon developing or reporting predetermined results, the amount of value estimate, a conclusion favouring the client, or the occurrence of a subsequent event.
6. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the CUSPAP.
7. I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP;
8. Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report;
9. As of the date of this report the undersigned has fulfilled the requirements of the AIC's Continuing Professional Development Program;
10. The undersigned is (are all) members in good standing of the Appraisal Institute of Canada.

PROPERTY IDENTIFICATION		
Address: 3143 19th Avenue		
City: Markham	**Province:** Ontario	**Postal Code:** L6C 1L8

Certification

By reason of my investigation and by virtue of my experience, I have been able to form and have formed the opinion that as of July 17, 2023, the subject property has a current market value of:

SIXTY-THREE MILLION TWO HUNDRED THOUSAND DOLLARS
($63,200,000)

Extraordinary Assumption:

- *It is assumed, for the purposes of this report, that the Subject Property is not subject to any encumbrances or rights of way that would materially affect the impact of the market value of the Subject Property.*
- *As per the MZO approval dated August 27, 2021, the Net Developable Acreage of the Subject Property is 66.57 Acres. Any alteration to this assumption may have an impact on the final estimate of value contained herein and the appraiser reserves the right to make changes to the analysis in case any new or contradictory information is made available.*

AS SET OUT ELSEWHERE IN THIS REPORT, THIS REPORT IS SUBJECT TO CERTAIN ASSUMPTIONS AND LIMITING CONDITIONS, THE VERIFICATION OF WHICH IS OUTSIDE THE SCOPE OF THIS REPORT.

Appraiser signature:

Name: Siddharth Durani
AIC designation/status: AACI, P. App
Membership #: 916493
Date of report/date signed: August 25, 2023
Personally inspected the subject property: Yes
Date of inspection: July 17, 2023
License info: Not Applicable
Source of digital signature security:
Encrypted PDF File

Co-signing AIC appraiser signature:

Name: Graham Morrison
AIC designation/status: AACI, P.App
Membership #: 907648
Date of report/date signed: August 25, 2023
Personally inspected the subject property: No
Date of inspection: N/A
License info: Not Applicable
Source of digital signature security:
Encrypted PDF File

NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.

Appendix

Appendix

SIDDHARTH
DURANI
MBA, MRICS, AACI,
P. APP.

EDUCATION/QUALIFICATIONS

Alliance Business School, Bangalore, India 2012 - 2013
MBA Finance
European Business School, Oestrich Winkel, Germany 2013 - 2014
MBA Banking & Finance (Exchange)

Uttarakhand Technical University
Bachelor's in Technology, Electronics & Communication

PROFESSIONAL AFFILIATIONS

Appraisal Institute of Canada, (AACI) 2022 (Member No. 916493)
Member Royal Institute of Charted Surveyors (MRICS) 2021

PROFESSIONAL CAREER

Avison Young Valuation & Advisory Services
Vice President
June 2021 to Present

Deloitte Real Estate Advisory
Lead Advisor
April 2017 – June 2021

CBRE
Senior Associate
June 2016 – March 2017

Colliers International
Assistant Manager, Associate
November 2014 – May 2016

EXPERIENCE

Siddharth has experience in the valuation of a wide range of property types including office, retail, industrial, multi-residential properties, and land. He comes with a wide band of experience and exposure of working in A-PAC, United States (across the country) and Canadian markets with a large number of corporates, banks, PE funds, REIT's and developers. Siddharth is a member of RICS and received his AACI designation in 2022.

GRAHAM
MORRISON
HBA, AACI, P. APP.

EDUCATION/QUALIFICATIONS

University of British Columbia, British Columbia, 2014
Post Graduate Certificate in Valuation Degree (PGCV)

University of Western Ontario, 2012
Ivey School of Business; Honours Business Administration

PROFESSIONAL AFFILIATIONS

Appraisal Institute of Canada, (AACI) 2020
(Member No. 907648)

PROFESSIONAL CAREER

Avison Young Valuation & Advisory Services
Principla, Senior Vice President
May 2021 to Present

Avison Young Valuation & Advisory Services
Senior Valuation Consultant
January 2016 to April 2021

Metrix Realty Group
Valuation Consultant
September 2013 – December 2015

EXPERIENCE

Graham joined Metrix Realty Group as a Valuation Consultant in 2013 and transitioned over to Avison Young in January 2016.

He has experience in the valuation of a wide range of property types including office, retail, industrial, multi-residential properties and special use facilities. Graham has worked on valuations across Canada with a focus on office, industrial and retail valuations.

Graham went to the University of Western receiving an Honours Business Administration Specialization in 2012 at the Ivey School of Business. Graham has been a Candidate Member of the Appraisal Institute of Canada since 2013 and received his AACI designation in 2020.

AVISON YOUNG

Avison Young Valuation & Advisory Services, LP
55 Commerce Valley Drive West, Suite 501, Mailbox #7
Markham, ON L3T 7V9
Office 905 474 1155   **Fax** 905 886 5744

avisonyoung.com

This is Exhibit "L" 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

3143 19TH AVENUE
MARKHAM, ONTARIO

NARRATIVE APPRAISAL
AS OF JULY 17, 2023

wagner andrews & kovacs
real estate valuation

wagner
andrews &
kovacs
real estate valuation

Brian J. Wagner, AACI
Christopher Adams, AACI
Alex M. Fraser, AACI
Dylan A. Osborne, AACI
Bruce C. Andrews, AACI, Retired
Karl Kovacs, AACI, Retired
Eric P. Mares, AACI, Retired

July 17, 2023
File No. 23-377

SOW CAPITAL ONTARIO INC.
602 Unicorn Trade Centre
127-131 Des Voeux Road Central
Hong Kong

ATTENTION: PHILIP WONG

RE: VALUATION OF 3143 19TH AVENUE, MARKHAM, ONTARIO

As requested, we have carried out a valuation analysis with regard to the property at 3143 19th Avenue in the City of Markham. The results of our analysis are presented in the attached Narrative Appraisal report.

The purpose of the appraisal is to estimate the current fair market value of the subject property. It is our understanding that the intended use of the appraisal is to establish a market value for Power of Sale purposes by the mortgagee, SOW Capital Ontario Inc. (the Client). The report is intended for the exclusive use by SOW Capital Ontario Inc. and may not be distributed to or relied upon by other persons or entities not associated with this mandate. The appraiser is not liable for any unauthorized use of this report, and it is not to be reproduced, in whole or in part, without our prior written agreement.

After careful consideration of all the available information, it is our opinion that the market value of the fee simple interest in the subject property, 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.

The enclosed appraisal report has been prepared in accordance with The Canadian Uniform Standards of Professional Appraisal Practice. The valuation is subject to the Terms of Reference and the Assumptions and Limiting Conditions as outlined within. If you require any further information on this matter, please do not hesitate to contact the undersigned.

Yours truly,
WAGNER, ANDREWS & KOVACS LTD.

Dylan Osborne, BA, AACI, P.App

Bishara Gafour, BA, AIC Candidate Member


19th Avenue


19th Avenue
NOW OPEN!

SUBJECT PHOTOGRAPHS – 3143 19TH AVENUE, MARKHAM

PROPERTY IDENTIFICATION

Owner	:	Tung Kee Investment Canada Ltd.
Address	:	3143 19th Avenue Markham, Ontario
Legal Description	:	Part of Lot 30 Concession 4 Designated as Parts 1, 2, 4, 5, 6, 7, 8 and 9 on Plan 65R-39839 City of Markham Region of York PINs: 03055-0377, 03055-0379, 03055-0380

PROPERTY DESCRIPTION

Gross Site Area	:	80.02 acres (323,816.02 square metres)
Developable Area	:	65.63 acres (approx. 265,596.2 square metres)
MPAC Assessment	:	$1,472,000 (based on 2016 valuation date)
Official Plan	:	"Future Employment Area" and "Greenway" land use designations; Designated as "Future Urban Area"
Zoning	:	"BP" (Business Park Zone) "O1" (Open Space One Zone) "A1" (Agriculture One Zone)
Site Description	:	The subject comprises two non-contiguous sections of vacant, unimproved land, separated by an environmentally protected area and portions of Berczy Creek.
Highest & Best Use	:	Future industrial/commercial development of the developable portion of the site (in accordance with the recent MZO for the property which allows for Business Park uses).

VALUATION

Valuation Date	:	July 17, 2023
Rights Appraised	:	Fee simple
Final Estimate of Value	:	$62,350,000
Value per Acre	:	$950,023 – based on developable area $779,180 – based on gross acreage

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.

TABLE OF CONTENTS

TERMS OF REFERENCE

PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose of the appraisal is to estimate the current fair market value of the subject property. It is our understanding that the intended use of the appraisal is to establish a market value for Power of Sale purposes by the mortgagee, SOW Capital Ontario Inc. (the Client). The report is intended for the exclusive use by SOW Capital Ontario Inc. and may not be distributed to or relied upon by other persons or entities not associated with this mandate. The appraiser is not liable for any unauthorized use of this report, and it is not to be reproduced, in whole or in part, without our prior written agreement.

ASSUMPTIONS AND LIMITING CONDITIONS

This valuation is subject to the following Assumptions and Limiting Conditions:

- *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.*
- This appraisal assumes that the property is free and clear of any environmental contamination, toxic materials and/or waste products and is suitable for development. It is assumed that the soil characteristics are typical of the area and adequate with regard to any future development. Should any new information arise pertaining to the development potential of the subject site, this valuation will require review.
- 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.

The report is also subject to the Assumptions and Limiting Conditions contained in the Addenda, in addition to specific assumptions which may be stated in the body of the report.

DEFINITION OF MARKET VALUE (CUSPAP 2022)

Market value may be defined *the most probable price, as of a specified date, in cash, or terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all condition's requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress*. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure on the open market;
- Payment is made in terms of cash in Canadian Dollars or in terms of financial arrangements comparable thereto, and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

EFFECTIVE APPRAISAL DATE

The Effective Date of this appraisal is July 17, 2023.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the fee simple interest in the real estate comprising the property, subject to the leasehold interest of any existing tenancies. Fee simple is defined as a fee without limitation to any particular class of heirs or restrictions, but subject to the limitations of government regulations.

EXPOSURE TIME

Exposure time may be defined as: the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the Effective Date of the appraisal. It is a retrospective estimate based upon an analysis of past events assuming a competitive and open market. In the case of the subject property, we estimate a time period of between 3 to 12 months would have been appropriate in order to achieve market value.

HISTORY

Tung Kee Investment Canada Ltd. is the longstanding owner of the subject property. The current owner acquired the subject property on March 3, 1993 for a consideration of $1,611,800. It is our understanding that the property is currently under mortgage default, and the Client (as the fifth mortgagee) will be exercising their right to sell the property under Power of Sale.

The property is currently listed under Power of Sale by Laura Cormaggi and Frank Cormaggi of Royal LePage (MLS listing #N6007225) on behalf of Romspen Investment Corporation (the first mortgagee) for an asking price of $64,500,000. The property was originally listed on April 4, 2023 for an asking price of $69,500,000; the asking price was reduced on July 12, 2023. We have reached out the listing agent to inquire about the level of interest in the property, and any potential offers; the agent was not able to provide us with any information due to reported confidentiality requirements.

SCOPE OF THE INVESTIGATION

In forming our opinion as to the market value of the subject, as of the stated valuation date, we have relied upon information which is detailed in this report, and carried out the following specific functions:

Inspection:

- An exterior inspection of the subject property was completed on July 17, 2023.
- Our identification of the property also involved a review of mapping prepared by the local municipality.
- The subject photographs included in this report were taken on July 17, 2023.

Type of Analysis:

- The approaches to value were investigated as to their relevance to this assignment, including a review of market data necessary to properly apply these approaches. In this regard the Income Approach (Direct Capitalization and Discounted Cash Flow) and the Direct Comparison Approach have been applied and later reconciled into a final estimate of value. The Cost Approach has not been utilized in this valuation. Replacement cost is not a criteria in the acquisition of this type of investment property.

Data Research:

- We have considered information with respect to sales, listings and leases, at or about the valuation date, of properties considered similar to the subject, where we have significant knowledge of such sales, listings and leases to assess them as being relevant to our opinion, as set out herein. While we believe our review to be reasonably complete, we cannot warrant we have:

    a) uncovered and assessed every real property transaction at or about the valuation date that might be said to bear on the determination of the market value of the subject, or

    b) fully discerned the motives behind the sales, listings and lease information considered in our analysis, such that our weighting of said information is without subjectivity.

- We have reviewed land use regulations applicable to the subject property; including the City of Markham Zoning By-Law.
- Sources of market evidence included, as appropriate, the local real estate board, Land Title Office transactions, including those reported by Data Systems and local assessors, and real estate agents, vendors and purchasers active in the market.
- We have examined the possibility of making any significant changes to the subject in terms of existing uses, land severance and/or additional development of the site.
- We have ascertained the highest and best use of the property.
- We have examined market conditions, and analyzed their potential effect on the property.
- We have reviewed the following documents pertaining to the subject property:
    - Various planning documents relating to the property
    - Site survey
    - Phase I Environmental Site Assessment prepared by EXP Services Inc. (dated September 24, 2021)
    - Site statistics and an architectural master plan for a proposed development (by CXT Architects Inc.)

Audits and Technical Investigations:

- We have not completed technical investigations such as:
    - Detailed inspections or engineering review of the structure, roof or mechanical systems;
    - An environmental review of the property;
    - A site or building survey;
    - Investigations into the bearing qualities of the soils;
    - Audits of financial and legal arrangements.

Verification of Third-Party Information:

- The analysis set out in this report relied on written and/or verbal information obtained from a variety of sources we considered to be reliable, including the Client. Unless otherwise stated herein, we did not verify Client-supplied information, which we believed to be correct.

MARKET OVERVIEW

INTRODUCTION

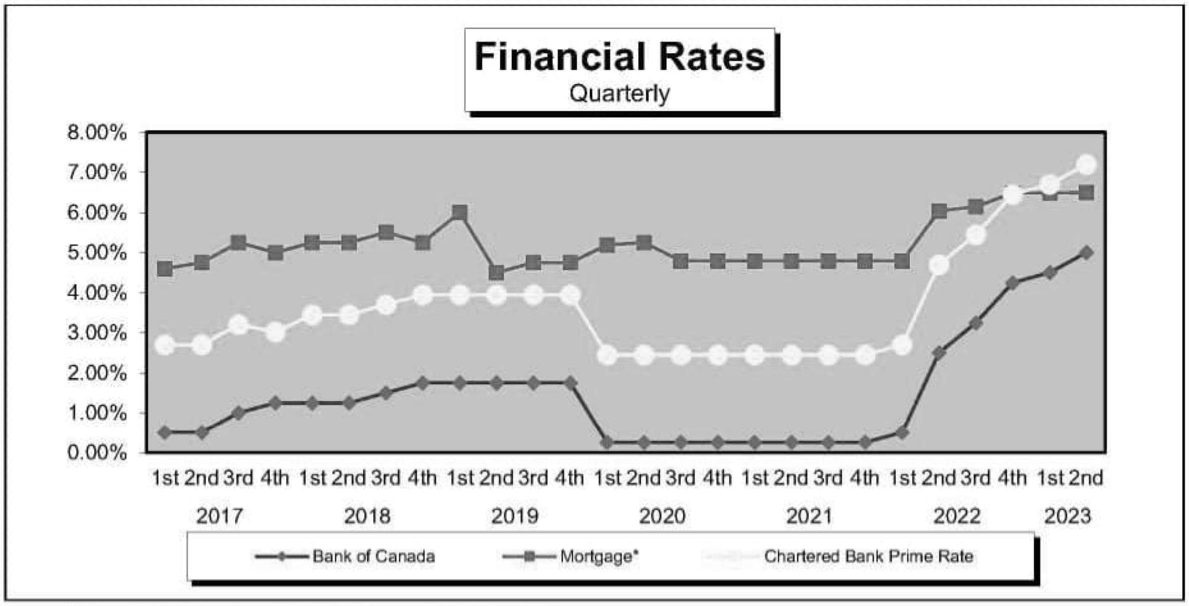
According to RBC Economics – Provincial Outlook, the economy has proven to be more resilient than expected in 2023. The national GDP continued to grow in the first quarter of 2023 as consumer spending continued despite higher interest rates and inflated prices. Unemployment remained low; however, inflation is still running above the central bank's target rate, and the surge in interest rates over the last year continues to take toll. The overheating labour market conditions and a large supply of household pandemic savings might delay the full impart of tighter monetary policy. RBC reports that the most likely "base case" outlook includes at least a mild recession in Canada and the United States in the second half of 2023. With respect to Ontario, RBC notes that the economy continued to grow in the early months of 2023 although higher interest rates did cool the housing market substantially and diminish consumer spending. RBC expects stiffer debt service costs to limit demand for Ontario goods and services both at home and abroad over the remainder of 2023. Overall, RBC expects growth to moderate considerably to 1.1% in 2023 from 3.6% in 2022.

ECONOMIC INDICATORS - ONTARIO

	2015	2016	2017	2018	2019	2020	2021	2022	2023F	2024F
Real GDP	2.9	2.6	2.8	3.4	2.1	-4.7	5.2	3.6	1.1	0.4
Nominal GDP	5.0	4.3	4.3	4.3	3.9	-2.9	10.3	9.8	3.0	2.6
Employment	0.7	1.1	2.3	1.8	2.5	-5.4	5.2	4.6	1.9	0.3
Unemployment Rate (%)	6.8	6.5	6.1	5.6	5.6	9.8	8.1	5.6	5.5	6.9
Retail Sales	5.5	7.1	7.7	4.6	2.5	-3.5	9.3	10.8	1.4	1.8
Housing Starts (thousands of units)	70.2	75.0	79.1	78.7	69.0	81.3	99.6	96.1	91.4	100.0
Consumer Price Index	1.2	1.8	1.7	2.4	1.9	0.6	3.5	6.8	3.5	1.8

Percentage Change, unless otherwise indicated *Source: RBC Economics Research – June 2023*

Since the onset of 2022, the Bank of Canada benchmark interest rate has been trending upward, with ten rate hikes, the rate currently sits at 5.0%. The Canadian dollar has recently been fluctuating within a range from $0.72 US to just over $0.75 US.



* Bank of Canada Conventional Mortgage 5-year Closed

INTEREST RATES	:	Chartered Bank Prime Rate	July 2023	7.20%
	:	Canada 10 Year Term Bonds	July 2023	3.50%±

INFLATION : National inflation was 2.8% on a year-over-year basis in June 2023. Inflation has mostly declined month over month since June of 2022 when it peaked at 8.1%.

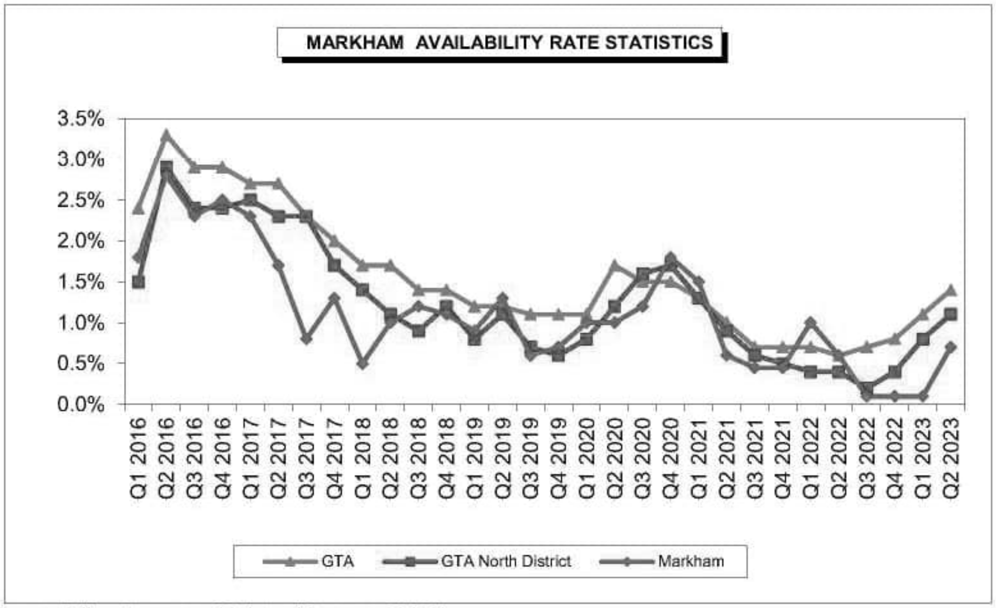
CANADIAN DOLLAR : Presently around $0.75 US.

STOCK MARKET : The S&P/TSX Composite Index has experienced some volatility over the past 12 months. Trading at approximately 22,000 in April of 2022, mild volatility has been experienced since the interest rate hikes were announced by the Bank of Canada. The index has since declined slightly and is currently trading at approximately 20,000.

MARKHAM INDUSTRIAL MARKET

For the purpose of this appraisal, relevant comments with regard to the industrial market in the City of Markham are as follows:

- The City of Markham contains approximately 36.82 million square feet of industrial space according to a recent survey by Colliers International (Q2 2023). Industrial space in the City of Markham represents approximately 23% of the total industrial inventory in the "GTA North" district; which includes the nearby municipalities of Aurora, Richmond Hill, Newmarket, Whitchurch-Stouffville and Vaughan.
- A substantial amount of new industrial development has come on-stream in the GTA North district over the past five years, including buildings completed on a design-build and speculative basis. Markham has 261,805 square feet of availability this quarter and has 310,457 square feet of industrial space under construction. The GTA North has 2,404,666 square feet of industrial space under construction, which accounts for approximately 16% of construction activity in the GTA.



Source: Colliers International Industrial Statistics, Q2 2023

- According to the Colliers International survey, industrial availability rate in Markham is at 0.7% as of Q2 2023, which has increased from the previous quarter (0.1%). The noted availability rate is below the average for the GTA North district (1.2%), and the overall average for the GTA (1.4%). As seen in the availability rate chart above, availability rates in Markham have fluctuated.

- The average sale price for industrial buildings in Markham was $309.58 per square foot this quarter. This is lower than the GTA North at $336.93 per square foot in Q2 2023. Rates at the upper end of the range are normally associated with small single-user buildings of less than 25,000 square feet, or newly built precast facilities with high clear ceiling heights. Average prices in the overall GTA are $310.04 per square foot for Q2 2023.
- The average asking rent for industrial space available for lease in Markham is $18.16 per square foot (net). This rate is above the average rent quoted for the GTA North district ($17.54 per sq. ft); and similar to the overall rate for the GTA ($18.14 per sq. ft). Lease rates have remained relatively stable in the City of Markham.

CAPITALIZATION RATES

According to the Q2 2023 Altus Insite Survey, industrial capitalization rates have continued to increase. These increases are a result of the interest rate hikes implemented by the Bank of Canada starting in 2022, and through 2023. Initial or going-in yields for their benchmark single-tenant industrial building average 4.9%, which has increased by 0.4% from the prior quarter. Initial or going-in yields for multi-tenant buildings average 5.1%, increasing by 0.5% from the last quarter.

	Overall Cap. Rate				Internal Rate of Return				Terminal Cap. Rate				Price PSF	
	Max	Min	Avg.	Change	Max	Min	Avg.	Change	Max	Min	Avg.	Change	$	Change
Single Tenant	5.5	4.0	4.9	UP	7.1	5.3	6.2	UP	5.8	4.5	5.3	UP	338.26	DOWN
Multi-Tenant	6.0	4.3	5.1	UP	7.4	5.5	6.4	UP	6.3	4.5	5.5	UP	338.00	UP

Source: Altus Insite Survey Q2 2023

- Avison Young reports the following average capitalization rates for industrial properties in the GTA Investment Market:

AREA DESCRIPTION

The subject property is located in the north-western portion of the City of Markham. Markham is situated in the central portion of the Toronto CMA, and is bounded by the Town of Whitchurch-Stouffville to the north, the City of Pickering to the east, the City of Toronto to the south, and the Cities of Vaughan and Richmond Hill to the west. Relevant details with respect to the subject's location are as follows:

LOCATION OVERVIEW

- Specifically, the subject property is located on the southeast corner of 19th Avenue and Woodbine Avenue. The location is just east of Highway 404.
- 19th Avenue is an arterial (two-way/four-lane) roadway which runs in an east-west direction. It commences at Yonge Street to the west and terminates at the York Durham Line.
- Woodbine Avenue is a major (six-lane/two-way) arterial road running in a north-south direction through the westerly portion of the City of Markham, parallel to Highway 404, which extends from the City of Toronto to the south, to Woodbine Avenue in the Town of East Gwillimbury to the north.
- Public transportation is available in the form of bus service along Woodbine Avenue.

NEIGHBOURHOOD ANALYSIS

- The subject neighbourhood is considered to be that area of commercial and recreational development focused around the Leslie Street and Elgin Mills Road intersection.
- The subject property is generally located near the northern extent of Markham's municipal boundary, surrounded by agricultural and open space uses. There are limited community services and facilities within a 2,000-metre buffer of the subject property, with some institutional uses such as schools, a community centre, and place of worship, located along Victoria Square Boulevard in the Cathedraltown neighbourhood. The closest grocery and food establishments are located beyond Highway 404 to the west.
- The subject property is located within a close driving distance to a number of parks, open space and outdoor recreational opportunities, including Richmond Green Sports Centre and Park; Angus Glen Golf Club; Bruce's Mill Conservation Park; and Meadowbrook Golf Club.
- The subject property is proposed to have access to Downtown Markham, Richmond Hill and Vaughan via connections to the Highway 7 East bus rapid transit ("BRT") network and the newly completed Yonge Street / Richmond Hill BRT route. These transit connections will be further enhanced through the Region's emerging transportation infrastructure including the proposed Yonge Street subway extension and the forthcoming Cornell bus terminal located at Highway 7 and Ninth Line in Markham. Further connection to Toronto and Stouffville will be provided by GO Train services accessed from the Gormley and Mount Joy GO Stations, of which access to the latter will be improved by the future extension of the Donald Cousens Parkway, a designated regional transit priority route. Future transit infrastructure is also planned for Woodbine and Warden Avenue, as these roads are also designated regional transit priority routes, which will provide enhanced access to Downtown Markham and the rapid transit lines along Highway 7 and Major Mackenzie Drive. Furthermore, a 20-minute GO service that connects workers to downtown has been contemplated for lands within the Markham MIX boundary, which would improve regional access to the subject property.

- The following are the subject property immediate surrounding land uses:
  - **North:** Located immediately north are agricultural lands including City owned lands as part of the Markham MIX, also designated 'Future Urban Area" in the Markham OP, located northeast of the subject property. Further north is Markham's municipal boundary limit, which meets the green edge of the protected Oak Ridges Moraine.
  - **East:** An existing hedgerow that separates the subject property from the additional agricultural lands located to the east; part of which includes a continuation of the Berczy Creek valley corridor.
  - **South:** Immediately south of the subject property is an easement for the Trans-Canada gas pipeline, which is separated from the subject property through an existing hedgerow. Beyond this are agricultural lands that are also located within Markham's "Future Urban Area", slated for residential, and employment uses. Angus Glen Golf Club is located beyond Elgin Mills Road to the southeast.
  - **West:** West of the subject property are additional agricultural lands, including the 19th Avenue farmer's market. To the southwest are provincially significant employment lands along the Highway 404 corridor, which include Honda Canada's, Hyundai MOBIS's and Enbridge Gas' corporate offices.

SUMMARY

In summary, the subject property is located in a primarily rural area that will benefit from many existing and emerging regional transportation connections. Furthermore, the subject also benefit from their close proximity to Highways 404 and 407 which provide convenient access to the remainder of the Greater Toronto Area.

LOCATION MAPS

SITE DESCRIPTION

LOCATION

The subject property is located in the northwest portion of the City of Markham. Specifically, the subject property is located on the southeast corner of 19th Avenue and Woodbine Avenue. The location is just east of Highway 404.

ADDRESS AND LEGAL DESCRIPTION

The subject property is municipally addressed as:

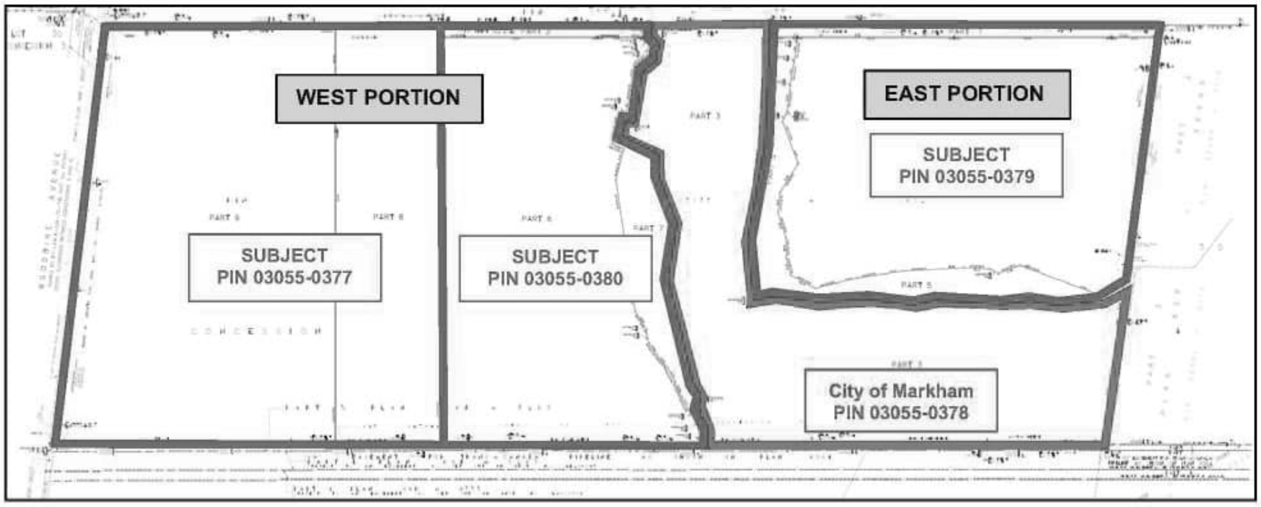
3143 19th Avenue
Markham, Ontario

It is legally described as:

Part of Lot 30 Concession 4
Designated as Parts 1, 2, 4, 5, 6, 7, 8 and 9 on Plan 65R-39839;
City of Markham
Region of York
PINs: 03055-0377, 03055-0379, 03055-0380

SITE DIMENSIONS AND SHAPE

The subject property comprises three irregularly shaped parcels, with a combined total site area of 80.02 acres (323,816.02 square metres) as per the survey plan. The lands are separated into an *East Portion* (Parts 1, 4 & 5 on 65R-39839) and *West Portion* (Parts 2, 6, 7, 8 & 9 on 65R-39839). The East Portion has a site area of approximately 24.10 acres (97,542.9 square metres) with a frontage of 374.26 metres along the south side of 19th Avenue. The *West Portion* has a site area of approximately 55.91 acres (226,273.12 square metres) with a frontage of 524.64 metres along the south side of 19th Avenue and a return frontage of approximately 402.72 metres along the east side of Woodbine Avenue.

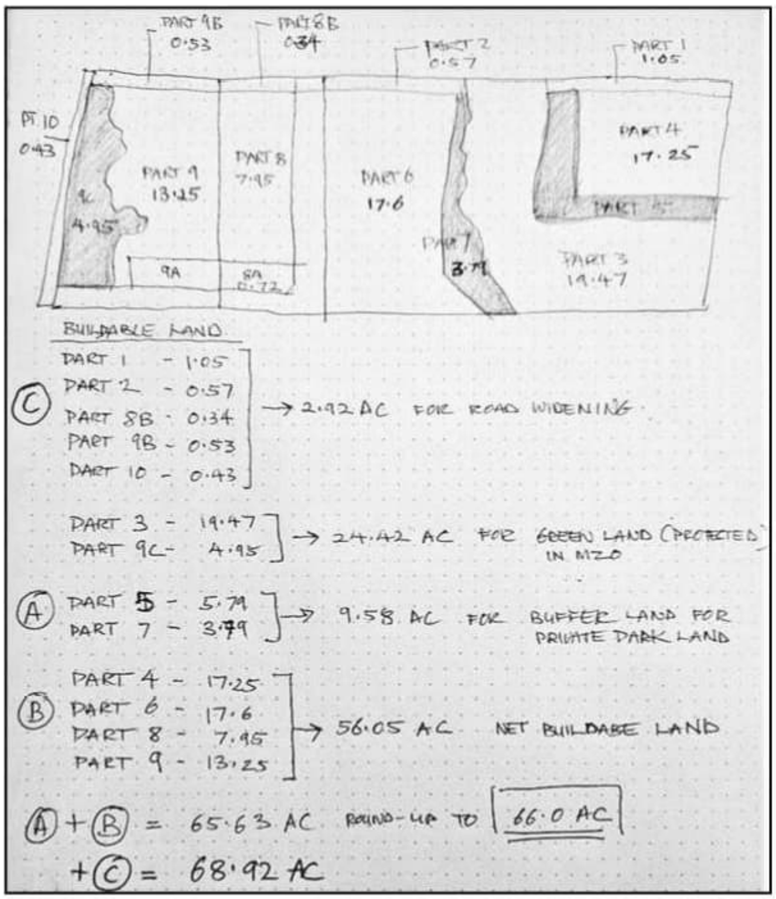


**Blue Areas comprise subject parcels; Red Area (Part 3) conveyed to the City of Markham in 2022*

DEVELOPABLE SITE AREA ESTIMATE

The property includes a portion of environmentally protected lands that are designated "Greenway" under the Official Plan, and would not be developable. Furthermore, road widening buffers are reportedly required along 19th Avenue and Woodbine Avenue.

We have been provided with a sketch outlining a calculation of the developable areas of the site, which was provided by Dan Teh of CXT Architects Inc. (being responsible for preparation of the owner's development plan). These calculations are shown below, and conclude a **total developable area of 65.63 acres**. We have incorporated this figure in our analysis as the developable area of the subject property.



It should be noted that there are two buffer areas (identified as Part 5 and Part 7) that abut the borders of Greenway lands owned by the City of Markham (identified as Part 3). It is our understanding (based on discussions with CXT Architects Inc.) that these parts would typically be taken by the TRCA or City of Markham; however in this case the owner obtained permission for these lands to be retained in private ownership as a private park for studio exclusive use, and Part 7 may be used for future park land dedication. Parts 5 and 7 have therefore been included in the overall developable area.

It is an extraordinary assumption of this report that the noted developable area is accurate and reliable. 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.

DEVELOPMENT AGREEMENT WITH CITY OF MARKHAM

The subject property previously comprised a larger, mostly rectangular-shaped parcel with a gross site area of 99.49 acres (402,630.28 square metres) according to measurements on Plan 65R-39839. The site had frontage along 19th Avenue of 1,008.6 metres (3,309 feet) and a return frontage along Woodbine Avenue of 407.72 metres (1,338 feet).

However, as part of the proposed development, a Committee of Adjustment Application No. B/025/21 was submitted by the owner for severance of the subject property. The purpose of the proposed severance was to create a separate parcel of land to be developed as a Film Studio in accordance with the MZO applying to the lands. A Development Agreement with the City of Markham was signed, dated January 19, 2022 (retained in our files). The main provisions of this agreement are included as *Addendum A* to this report.

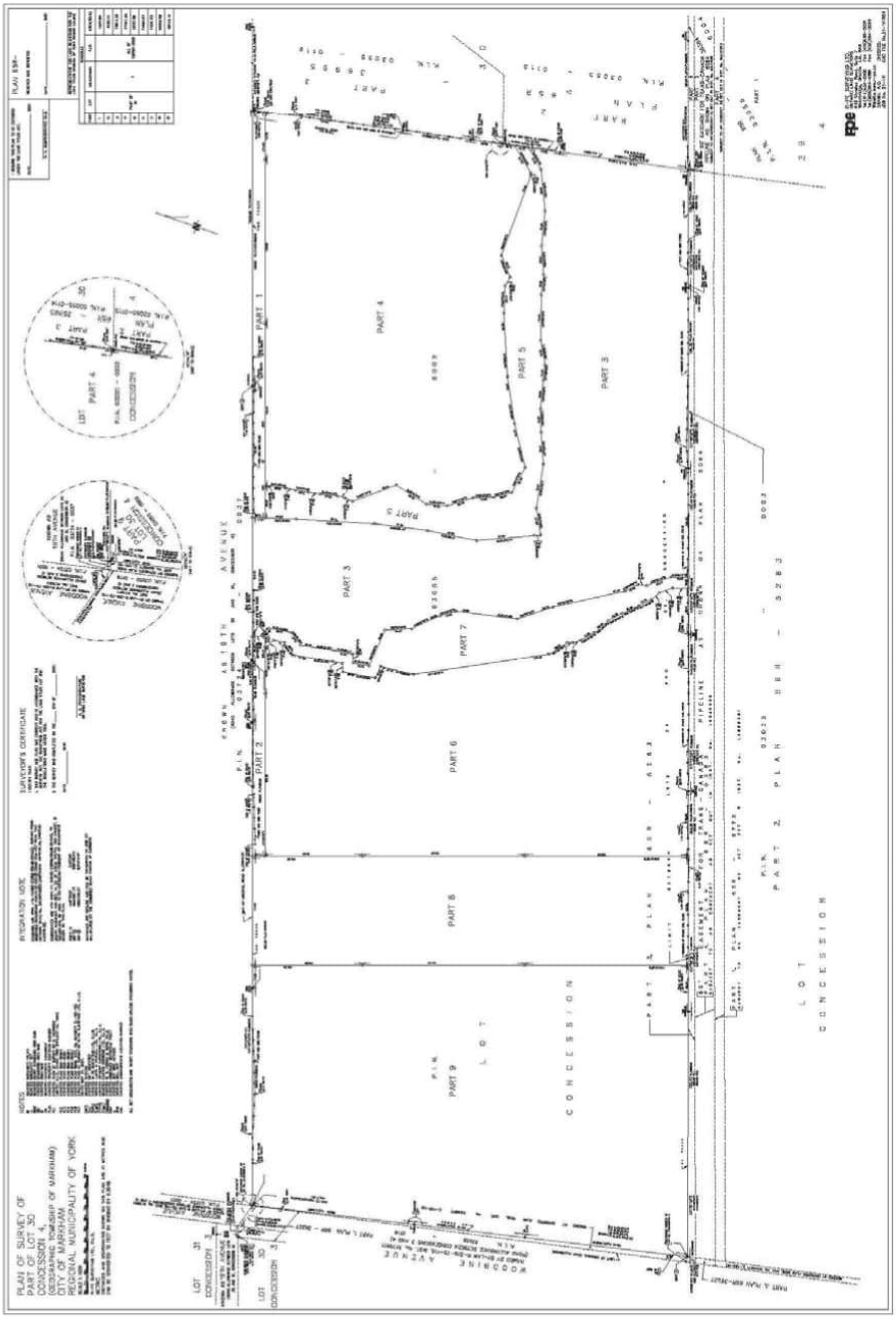
As part of the Development Agreement, the owner conveyed Part 3 (Plan 65R-39839) to the City of Markham, since it comprises natural heritage and hydrologic features, and hazardous lands. This parcel (PIN 03055-0378) was transferred to the City of Markham on August 9, 2022.

The Development Agreement also outlines certain lands for future road widenings along 19th Avenue and Woodbine Road shall be conveyed to the Region of York.

The resulting changes to the subject site can be summarized below:

Original Site Area		99.49 ac	402,630.28 m²
Less: Lands Conveyed to City of Markham	-	19.48 ac	78,814.26 m²
Resulting Site Area	**=**	**80.02 ac**	**323,816.02 m²**
Comprising:			
East Parcel		24.10 ac	97,542.9 m²
West Parcel		55.91 ac	226,273.12 m²

SITE SURVEY



EASEMENT

There are no easements and/or rights-of-way that we are aware of that negatively influence the subject property.

It should be noted that as part of the MZO application, the owner had proposed to create easements for access and servicing in favour of Parts 6 and 7 over Part 8. Part 8 was conceptually shown as the approximate location of a future north/south internal road.

SITE TOPOGRAPHY

The topography of the site is slightly undulating with an overall gradual downward slope from north to south and from east to west. The site also generally slopes down towards Berczy Creek, which meanders across the east and southeast portions of the site. A forested area is located around the vicinity of the Berczy Creek on site. The subject property would require grading prior to development.

SERVICES

The subject property is currently unserviced by municipal water, sanitary sewer and storm water infrastructure. The proposed development by the owner required expedited municipal servicing and, or an interim/continuous private servicing plan; however this development has presumably been abandoned since the owner is in default. It should be noted that along Woodbine Avenue there are hydro lines, as well as an above-ground natural gas pipeline.

We spoke with the City of Markham's West District, Development Manager regarding the timeline of municipal services being brought to the subject property. They were unable to provide a specific timeline for municipal services, as it would be arranged in conjunction with the future development of the site, and would therefore be contingent the submission of a development proposal.

IMPROVEMENTS

The subject property comprises vacant, undeveloped land. It is our understanding that in the past the site has accommodated a residential dwelling and farming-related structures, but these were demolished long ago. There are some portions of light wire fencing along sections of the road frontage.

ENVIRONMENTAL CONSIDERATION

We have reviewed a Phase I Environmental Site Assessment prepared by EXP Services Inc. (dated September 21, 2021) pertaining to the subject. The Phase I ESA identified the following comments regarding the subject property:

Issues of Potential Environmental Concern	Media and Potential Contaminants of Concern	Comments
Site		
Potential fill material in area of former residential and farming structures on Site	**Soil** Metals and inorganic compounds	Fill material may have been used for backfilling purposes in the area of the former structures on the north side of the Site. There is no evidence to suggest that suspect materials were used as backfill and the extent of the backfilled is limited to the footprints of the former structures. From a due diligence standpoint, it is our opinion that the potential environmental risk associated with the fill material is low. If the filing of an RSC is required in the future, soil investigation of the fill material will be required for RSC filing purposes.
Surrounding Properties		
No potential environmental concerns identified		

Based on the ESA, there are some concerns regarding potential fill material in the area of the former structures (which may require further investigation); but no established environmental issues. The ESA concludes that *no further soil and groundwater investigations, such as Phase II ESAs, are recommended.* For valuation purposes, this appraisal assumes that the property is free and clear of any environmental contamination, toxic materials and/or waste products and is suitable for development. It is assumed that the soil characteristics are typical of the area and adequate with regard to any future development. Should any new information arise pertaining to the environmental status, or the development potential of the subject site, this valuation will require review.

MPAC ASSESSMENT

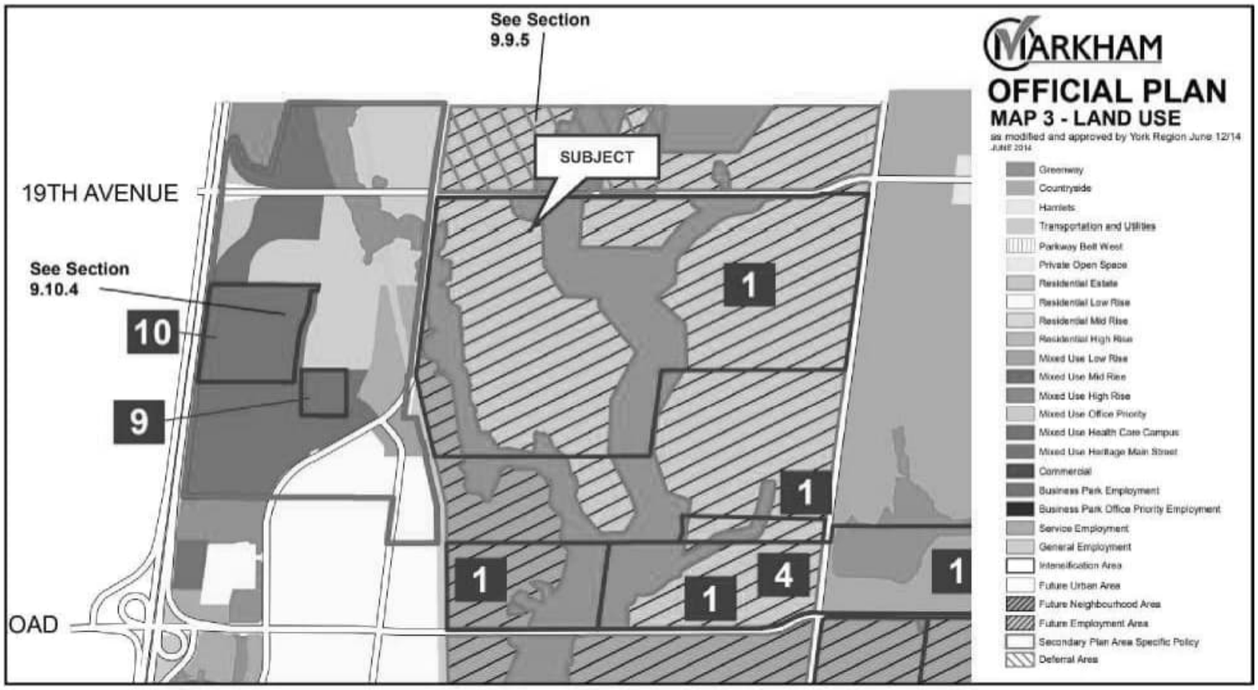
Roll #	Assessment
193602016083506	$459,000
193602016083550	$1,013,000
Total:	**$1,472,000**

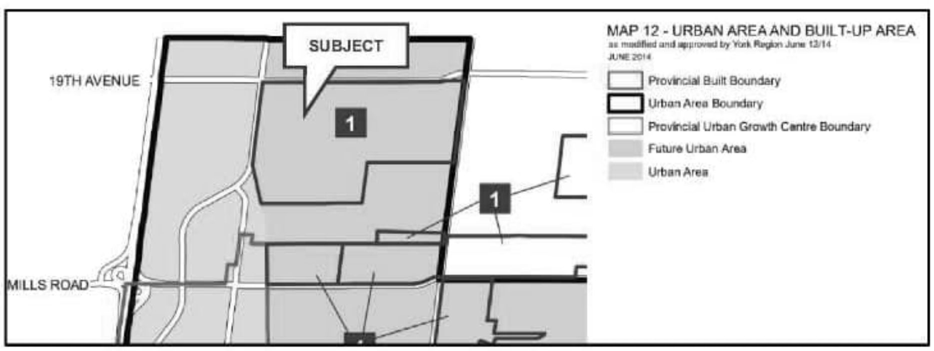
Based on a January 1, 2016 valuation date. A new assessment was expected to occur in 2020, but was postponed due to the COVID-19 pandemic. Assessments for 2023 are still based on the 2016 valuation.

LAND USE CONTROLS

OFFICIAL PLAN

The subject property is located within the City of Markham's "Future Urban Area", and portions of the property are designated "Future Employment Area", and "Greenway" under the Official Plan.



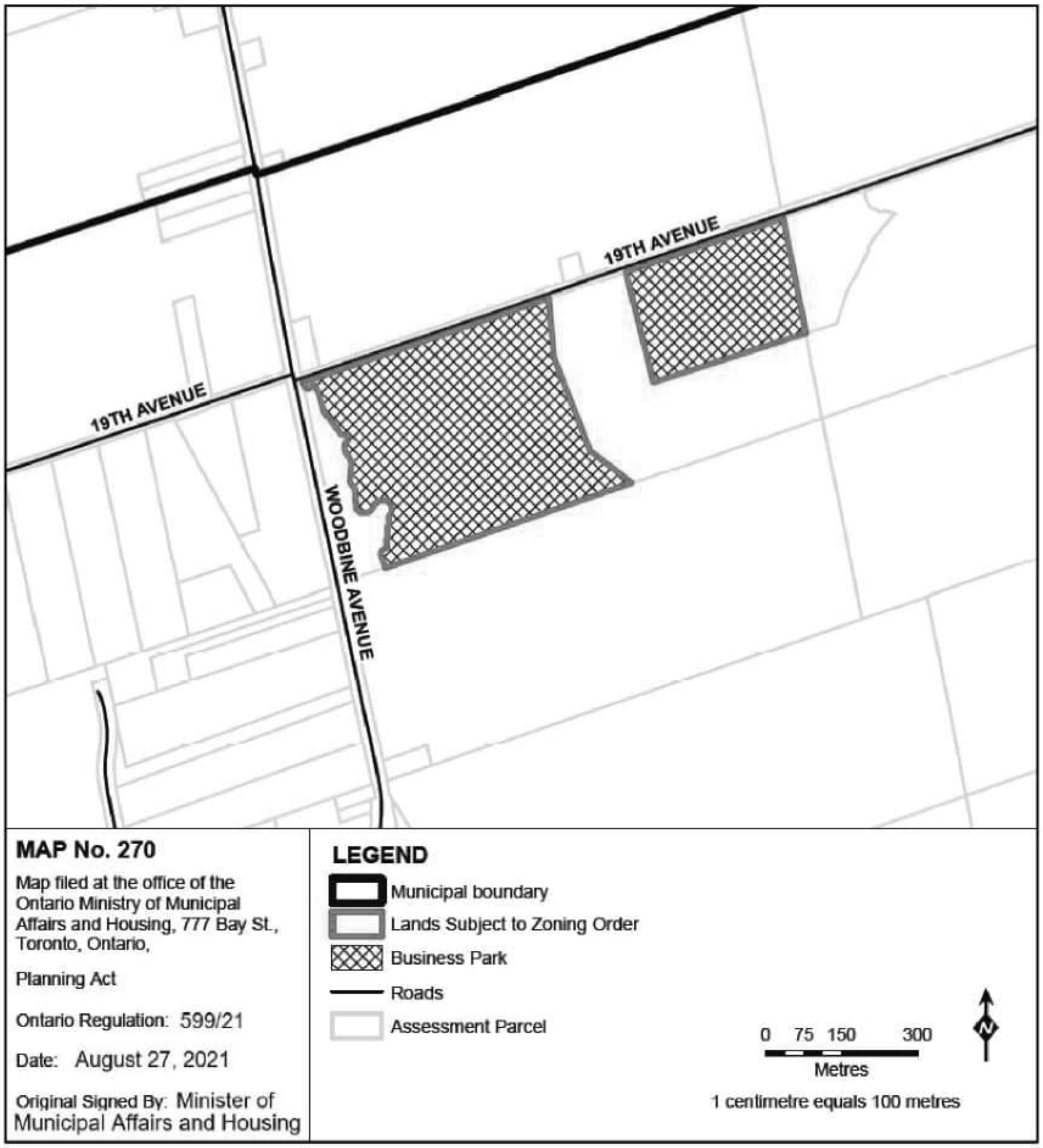


Lands designated "Future Employment Area" will be re-designated to one of the other "Employment Lands" through the approval of secondary plans for the "Future Urban Area". Lands designated "Greenway" bisect the property, and are located along Woodbine Avenue; these lands are intended to protect natural heritage and hydrologic features, including wildlife habitat, while supporting agricultural activities, passive recreation uses, and enhancement of natural heritage.

Note: Subject property and surrounding lands are subject to appeals to the Local Planning Appeal Tribunal (Case No. PL 140743), identified as Appeal #1 (Issue 36, 224) on the above maps. The appeals propose modifications to the 2014 Official Plan.

ZONING

The majority of the property is zoned "Business Park" in accordance with a MZO (Minister's Zoning Order) issued by the Ministry of Municipal Affairs and Housing (MMAH) through Ontario Regulation 599/21. The parts of the lands zoned "Business Park" as shown in the figure below, will allow for a wide range of employment uses within these areas, and their future development would require review and approval of future Draft Plan of Subdivision and Site Plan applications. Remaining portions of the property that are located outside of the MZO are subject to By-law 304-87, as amended, and are zoned "Open Space One Zone – (O1)" and "Agriculture One Zone – (A1)", which limits permitted uses within these areas.



Minister's Zoning Order (MZO) issued by the Ministry of Municipal Affairs and Housing (MMAH) through Ontario Regulation 599/21:

Filed with the Registrar of Regulations
Déposé auprès du registrateur des règlements

AUG 27 2021

Number (O. Reg.)
Numéro (Régl. de l'Ont.) 599/21

ONTARIO REGULATION

made under the

PLANNING ACT

ZONING ORDER - CITY OF MARKHAM, REGIONAL MUNICIPALITY OF YORK

Definitions

1. In this Order,

"commercial use" means a use, building or structure that primarily serves the employment use and production studio, including,

(a) an art gallery,

(b) a child care centre,

(c) a commercial fitness centre,

(d) a nightclub,

(e) a personal service shop,

(f) a place of amusement,

(g) a place of entertainment,

(h) a recreation establishment,

(i) a retail store,

(j) a restaurant,

(k) a take-out restaurant, and

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(l) a theatre;

"employment use" means an industrial use, a business office, a medical office, a trade and convention centre or a production studio;

"hotel" means a non-residential establishment for temporary overnight accommodation not exceeding 180 consecutive days that is open to the public, which may include individual hotel rooms that include cooking facilities and which may include accessory meeting facilities, recreation facilities, restaurants, a banquet hall and retail stores, all of which are located on the same lot;

"production studio" means the use of land, buildings or structures where live broadcasts, motion pictures or audio or video recordings or transmissions are filmed, produced or edited and includes other accessory uses;

"Zoning By-law" means Zoning By-law 177-96 of the City of Markham.

Application

2. This Order applies to lands in the City of Markham in the Regional Municipality of York, in the Province of Ontario, being the lands outlined in red on the map numbered 270 and filed at the Toronto office of the Ministry of Municipal Affairs and Housing located at 777 Bay Street.

Permitted uses — Business Park Zone

3. Every use of land and every erection, location or use of any building or structure is prohibited on the lands located in the area shown as the Business Park Zone on the map referred to in section 2, except for,

(a) all uses permitted in the Business Park Zone under the Zoning By-law;

(b) all uses permitted in the Greenway Zone under the Zoning By-law;

(c) commercial uses;

(d) a hotel;

(e) a private park; and

(f) a production studio.

Zoning requirements — Business Park Zone

4. Despite the zoning requirements set out in the Zoning By-law, the zoning requirements for the lands described in section 3 are as follows:

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1. The minimum required yard setback to a street is three metres.
2. There is no maximum depth of parking area in front yard.
3. There is no minimum depth of parking area in exterior side yard.
4. There is no minimum required yard setback to any other lot line.
5. The minimum required width of landscaping adjacent to the front lot line is 1.5 metres.
6. Underground parking garages must be located a minimum of 0.6 metres from any lot line.
7. Despite anything else in this section, a minimum seven-metre setback is required for all principal buildings or structures, roads, driveways, parking spaces and parking areas from the edge of the TransCanada PipeLines Limited right of way.
8. All commercial use buildings or structures must be located a minimum of three metres from the edge of the TransCanada PipeLines Limited right of way.
9. The maximum floor space index is 1.5 measured over the entirety of the area shown as Business Park Zone on the map referred to in section 2.
10. Commercial uses shall not exceed 15 per cent of the gross floor area of all employment and hotel uses.
11. 90 per cent of the combined floor area of all commercial uses shall be located within multi-storey buildings.
12. All hotel and commercial uses must be located within 400 metres of Woodbine Avenue.
13. The minimum required step back for accessory parking garages integrated within a building to any other portion of a building is three metres.
14. The maximum height of buildings located 400 or fewer metres from the centre line of Woodbine Avenue is 20 storeys.
15. The maximum height of buildings located farther than 400 metres from the centre line of Woodbine Avenue is six storeys.
16. The maximum height for a podium is six storeys.

4

17. The minimum step back of a point tower from a podium is 1.8 metres.
18. A minimum parking rate of 1.5 parking spaces for each 100 square metres of gross floor area applies to production studios.
19. 10 percent of the required parking spaces must be electric vehicle charging station parking spaces.
20. For all uses permitted under section 3, the minimum number of bicycle parking spaces required shall be one space per 670 square metres of gross floor area.
21. Despite paragraph 20, hotel uses are not required to provide bicycle parking.
22. Warehouse uses are not permitted unless they are accessory to a permitted employment use.
23. Warehouse uses are limited to 50 per cent of the gross floor area of all permitted employment uses in the Business Park Zone.
24. Any individual industrial uses shall have a minimum gross floor area of 450 square metres.
25. Outdoor storage is not permitted.

Terms of use

5. (1) Every use of land and every erection, location and use of buildings or structures shall be in accordance with this Order.

(2) Nothing in this Order prevents the use of any land, building or structure for any use prohibited by this Order if the land, building or structure is lawfully so used on the day this Order comes into force.

(3) Nothing in this Order prevents the reconstruction of any building or structure that is damaged or destroyed by causes beyond the control of the owner if the dimensions of the original building or structure are not increased and its original use is not altered.

(4) Nothing in this Order prevents the strengthening or restoration to a safe condition of any building or structure.

Deemed by-law

6. This Order is deemed for all purposes, except the purposes of section 24 of the Act, to be and to always have been a by-law passed by the council of the City of Markham.

As previously mentioned, the remaining portions of the subject property outside of the aforementioned MZO are zoned A1 and O1 (Agriculture One Zone & Open Space One Zone) under the City of Markham By-law 304-87, as amended.

The A1 - Agriculture Zone permits all agricultural uses except mushroom farming. Accessory uses are permitted for the accommodation of persons or processes necessary for the operation of agricultural uses undertaken on the farm, which includes home occupation and private daycare uses as well as one single family detached dwelling. The maximum height of a building or structure in this zone is 10.7 metres.

The O1 - Open Space One Zone has four permitted uses, which include:

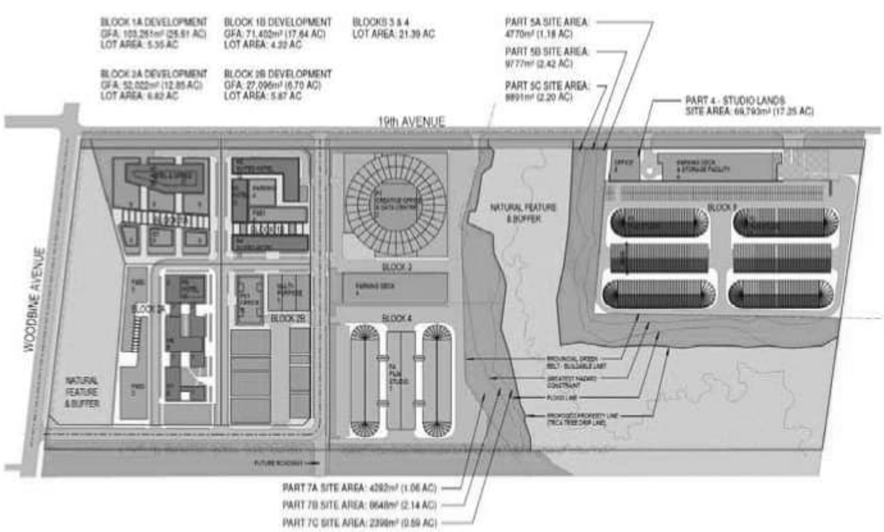
1) golf course;
2) public or private park;
3) athletic field; and
4) public conservation project.

No buildings or structures are permitted in the O1 Zone, except for buildings and structures constructed by the Conservation Authority by Ministry of Natural Resources for the purposes of resource management.

PROPOSED DEVELOPMENT

A Minister's Zoning Order Application was previously submitted by the owner to permit the development of a mixed-use employment campus, which includes a total GFA of 381,374.86 square metres, consisting of the following:

- 90,210.0 square metres of office;
- 39,887.3 square metres of food and beverage and retail;
- 52,751.3 square metres of hotel (741 hotel suites);
- 59,079.0 square metres of creative employment/film;
- 72,487.4 square metres of residential (673 residential units);
- 48,825.0 square metres of life lease and retirement housing (497 senior living units);
- 18,144.0 square metres of long-term care (256 long-term care beds);
- 8,843 parking spaces.



The current owner has defaulted on the mortgage and the property is being sold via Power of Sale. Therefore, the noted development has presumably been abandoned, and a future owner would likely create a new development plan for the site.

TORONTO AND REGION CONSERVATION AUTHORITY (TRCA)

The subject property is located within the 2020 TRCA regulated area, as illustrated above. This regulated area includes portions of the Bruce and Berczy Creek Provincially Significant Wetlands, located east of Woodbine Avenue, along the subject land's west boundary as well as portions of the Berczy Creek Valley Corridor, which traverses the subject property in the northwest to southeast direction. Development on the subject property will require environmental evaluation, and development permits issued by TRCA.

ONTARIO GREENBELT PLAN

Lands designated within the Provincial Greenbelt Outer Boundary bisect the property as shown above. They pertain specifically to Part 3 on the Site Survey, which was conveyed to the City of Markham.

DEVELOPMENT CHARGES

Regional and Municipal Development Charges are payable at the time a site plan is registered and/or building permits applied for. Effective July 1, 2023, Markham Development Charges are as follows:

Rates as of July 1, 2023

Unit Based Rates ($/unit)

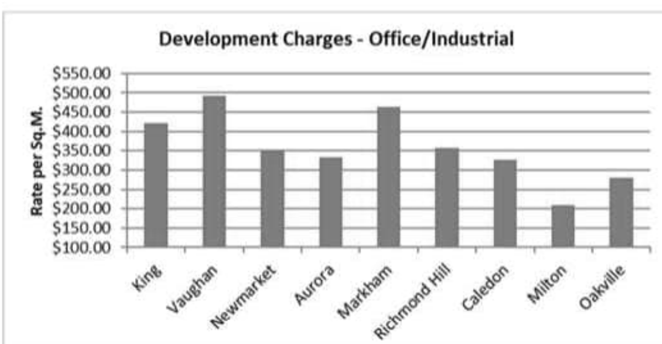
Residential	Single/Semi	Multiple Dwelling Unit	Large Apt. (≥700 sq.ft.)	Small Apt. (<700 sq.ft.)
City Wide Hard	32,073	24,863	19,568	13,747
City Wide Soft	27,654	21,438	16,872	11,854
York Region Hard	53,258	44,312	34,388	22,366
York Region General	19,434	16,168	12,547	8,162
Go Transit	408	320	236	149
Public School	6,964	6,964	6,964	6,964
Separate School	1,463	1,463	1,463	1,463
Total Unit Costs	141,254	115,528	92,038	64,705

GFA Based ($/m2) Rates

Non-Residential	Industrial Office Institutional (IOI)	Retail	Hotel	Mixed Use Retail	Mixed Use IOI
City Wide Hard	178.15	222.04	222.04	108.18	108.18
City Wide Soft	19.20	23.96	23.96	11.50	11.50
York Region	251.13	622.92	112.06	622.92	251.13
Public School	12.38	12.38	12.38	12.38	12.38
Separate School	2.37	2.37	2.37	2.37	2.37
Total GFA Based Rate	463.23	883.67	372.81	757.35	385.56

Included below are the comparable development charges in terms of price per square metre for industrial/office development in Markham, as compared to the nearby municipalities.

Township of King (Rural)	$154.81	City of Vaughan	$227.00	Town of Caledon	$90.19
York Region	$251.13	York Region	$251.13	Peel Region	$227.53
Education	$14.75	Education	$14.75	Education	$9.69
King Total	**$420.69**	**Vaughan Total**	**$492.88**	**Caledon Total**	**$327.41**
Town of Newmarket	$84.33	City of Markham	$197.35	Town of Milton	$61.65
York Region	$251.13	York Region	$251.13	Halton Region	$120.98
Education	$14.75	Education	$14.75	Education	$27.44
Newmarket Total	**$350.21**	**Markham Total**	**$463.23**	**Milton Total**	**$210.07**
Town of Aurora	$68.01	City of Richmond Hill	$92.11	Town of Oakville	$130.85
York Region	$251.13	York Region	$251.13	Halton Region	$120.98
Education	$14.75	Education	$14.75	Education	$27.44
Aurora Total	**$333.89**	**Richmond Hill Total**	**$357.99**	**Oakville Total**	**$279.27**



Development charges for industrial development in Markham are lower than Vaughan, but higher than most other municipalities. York Region has higher development charges than Peel Region and Halton Region.

HIGHEST AND BEST USE

INTRODUCTION

Fundamental to the concept of value is the principle of highest and best use which may be defined as that use of land which is most likely to produce the greatest net return to land over a given period of time. Interpretation of the foregoing includes the realization that, in addition to the property being physically adaptable for a specific use, there must be a demand and such use must be legally permissible through government land use regulations.

LEGALLY PERMISSIBLE

- According to the City of Markham Official Plan, the subject is located within the City of Markham's "Future Urban Area", and portions of the property are designated "Future Employment Area", and "Greenway" under the Official Plan. Lands designated "Future Employment Area" will be re-designated to one of the other "Employment Lands" through the approval of secondary plans for the "Future Urban Area". Lands designated "Greenway" bisect the property, and are also located along Woodbine Avenue.
- The majority of the property is zoned "Business Park" in accordance with a MZO recently issued by the Ministry of Municipal Affairs and Housing (MMAH) through Ontario Regulation 599/21. Parts of the lands zoned "Business Park" will allow for a wide range of employment uses within these areas, and their future development would require review and approval of future Draft Plan of Subdivision and Site Plan applications. Remaining portions of the property that are located outside of the MZO are subject to By-law 304-87, as amended, and are zoned "Open Space One Zone – (O1)" and "Agriculture One Zone – (A1)", which limits permitted uses within these areas.
- No significant ownership encumbrances. The site is not negatively impacted by any easements and/or rights-of-way that we are aware of.

PHYSICALLY POSSIBLE

- According to the Site Survey, the subject site is 80.02 acres (323,816.02 square metres), comprising three legal parcels, in two non-contiguous sections that are bisected by an environmentally protected area and portions of Berczy Creek. The developable area of the subject property is reported to be 65.63 acres, which is based on calculations provided by CXT Architects Inc. We assume the developable area is accurate.
- The subject site comprises vacant, unimproved land that appears to have been farmed in previous years, but is currently unutilized.
- Based on the Phase 1 ESA by EXP Services Inc. (September 21, 2021), it is noted that there may be potential fill materials present at the footprints of the former structures. The ESA concluded that the potential environmental risk is low. No other environmental issues were identified, and a Phase 2 ESA was not recommended. For valuation purposes, this appraisal assumes that the property is free and clear of any environmental contamination, toxic materials and/or waste products and is suitable for development. It is assumed that the soil characteristics are typical of the area and adequate with regard to any future development.
- The subject property is currently not serviced by municipal water, sanitary sewer and storm water infrastructure. There are hydro lines along the Woodbine Avenue frontage. Any future development of the site would require municipal services to be brought to the area. It is intended for future servicing to be brought to the site, however, it would be contingent on the submission of a development plan therefore the timeline is not known.

FINANCIALLY FEASIBLE

- The subject property is located in an area that will benefit from many existing and emerging regional transportation connections. Furthermore, the subject property is located in proximity to Highway 404 and Highway 407 which provide ease of access to the Greater Toronto Area and Toronto's Pearson International Airport.
- The subject is within close proximity to Highway 404, with interchanges located equidistantly northwest and southwest of the subject, both of which are approximately 2.2km away.
- The owner had previously intended on redeveloping the site with a mixed-use employment campus focused around entertainment/production studio development, which was to include a total GFA of 381,374.86 square metres, and consist of the following uses:
    - 90,210.0 square metres of office;
    - 39,887.3 square metres of food and beverage and retail;
    - 52,751.3 square metres of hotel (741 hotel suites);
    - 59,079.0 square metres of creative employment/film;
    - 72,487.4 square metres of residential (673 residential units);
    - 48,825.0 square metres of life lease and retirement housing (497 senior living units);
    - 18,144.0 square metres of long-term care (256 long-term care beds);
    - 8,843 parking spaces.
- *The property is now under default, and is being market for sale under Power of Sale. Therefore, the noted development has presumably been abandoned, and a future owner would likely create a new development plan for the site, though similar uses may be accommodated under land use regulations.*

MAXIMALLY PROFITABLE

- Commercial investment activity remained strong across the GTA over the past few years, despite uncertainty surrounding the COVID-19 pandemic, the lateness of the investment cycle, and the scarcity of good product available for sale. Through 2022 and 2023, multiple interest rate increases have tempered demand, as rapidly increasing mortgage rates have impacted affordability.
- The supply of available future Employment lands in the Greater Toronto Area is becoming increasingly limited due to provincial land use policies implemented such as The Greenbelt Plan of Ontario.
- The industrial investment class remains strong, with rising rental rates, and negligible vacancy. The pandemic, with the increase of e-commerce, has helped fuel demand, specifically for 'last-mile logistics' users. Industrial rental rates in the GTA have been increasing as a result of an extended period of low vacancy and tightening supply. Land values have been tempered by increasing development charges, and increasing costs of construction and financing.
- Based on the investigations carried out, the subject property would be attractive to large-scale industrial/commercial developers.

SUMMARY

Based upon the preceding discussion and analysis, it appears that the highest and best use of the subject land is for future employment/industrial development, in accordance with prevailing land use regulations.

APPROACH TO VALUE

The market value of the subject property is contingent upon a number of factors such as location, replacement cost, physical condition and utility of the improvements, the market climate and general economic conditions. In the valuation process, these factors are incorporated into three approaches to value.

(1) The **Income Approach** is one in which the value is estimated by capitalizing the net rental which the property can reasonably be expected to produce over the remaining economic life of the improvements.

(2) In the **Cost Approach**, the land is valued as if vacant, and to this amount is added the estimated cost of reproduction of the improvements, less wear and tear, deterioration, functional and economic obsolescence.

(3) The **Direct Comparison Approach** requires an estimate based on a comparison of sales of similar properties.

The subject property comprises a parcel of land totaling 80.02 acres (323,816.02 square metres). Approximately 65.63 acres of the site is reported to be developable, with the remainder comprising environmentally protected lands and road widening buffers. In this regard, it is noted that there are different methods of valuation of similar vacant development sites that essentially represent variations of the above approaches to value. These methods are briefly outlined as follows:

(a) The **Comparative Sales Method** in which the site being appraised is compared with similar sites that have recently been sold or offered for sale.

(b) The **Abstraction Method** in which a value is allocated to the improvements in a recent sale and, after subtracting this value from the overall sale price, the remainder is attributable to the land.

(c) The **Development Method** in which the gross revenue from the sale of a lot, or lots, is established. A deduction is then made for all development costs and the residual figure is an indication of the value of the vacant site.

(d) The **Land Residual Method** in which the property is assumed to have been developed to its highest and best use. The net return is subsequently capitalized to provide a value estimate, and the cost of completing the proposed development is then subtracted from the capitalized value in order to provide a residual value to the land.

For the purpose of this appraisal, we have relied upon the Direct Comparison Approach. It is the most easily understood and widely recognized approach to value, particularly where there is ample evidence of recent sales activity.

DIRECT COMPARISON APPROACH

The Direct Comparison Approach is a valuation method whereby the property being appraised is compared with similar properties that have recently been sold or offered for sale. The assumption is that if the subject property had been exposed to the market, it would have been in competition with the comparable property dealing with the same type of purchaser under similar market conditions. Since no two properties are completely alike, adjustments must be made to compensate for differences between the comparable sales and the subject property. In arriving at a value conclusion by this method, the greatest weight is given to actual sales of truly comparable properties made at or nearest the Effective Date of appraisal in order to reflect comparable economic conditions.

The Direct Comparison Approach is based on the "Principle of Substitution" which implies that a prudent purchaser will not pay more to buy or rent a property than it will cost them to buy or rent a comparable substitute property. This approach to value recognizes that the typical buyer will compare properties which constitute the market for a given type and class. In estimating the market value of the subject property by the Direct Comparison Approach, we have investigated, and analyzed, recent sales of similar size parcels of large-scale rural-employment lands located throughout the GTA. Pertinent details of those sales considered relevant to the valuation are presented in the chart below.

INDEX (DATE)	ADDRESS/LOCATION	CONSIDERATION	SITE AREA ACRES	SALE PRICE PER ACRE	REMARKS
1 (04/23)	15374 Woodbine Avenue Whitchurch-Stouffville	$13,000,000	41.90 ±36.8 (net dev.)	$310,270 ±$353,645 (developable)	- OP: Potential Employment Area with portions designated Significant Environmental Area & ORM Countryside Area (within Vandorf-Preston Lake Secondary Plan) - Zoning: D – Development Reserve, FH – Flood Hazard, ORM-C - Oak Ridges Moraine Countryside - Site includes a portion of environmental lands; we have calculated a developable area estimate of ±36.8 acres - *Property is located within Greenbelt* - No services currently available
2 (03/23)	575, 625, 685 Highway 7 Pickering	$60,982,248	151.10	$403,589	- OP: Prestige Employment - Zoning: *Undesignated.* Located in the Pickering Innovation Corridor on Map 21 – By-Law 7364/14. - Purchased for development of a phased food manufacturing campus. Land is bisected into two usable sections by a road allowance. - *Sold by City of Pickering; includes conditions that if property is sold within the first 10 years the City is entitled to any profit over the purchase price; and City can repurchase at original price if property is sold to 3rd party and construction is not completed (these conditions are to prevent speculation).* - No services available; purchaser assumes all responsibility for servicing costs under cost sharing agreement.

INDEX (DATE)	ADDRESS/LOCATION	CONSIDERATION	SITE AREA ACRES	SALE PRICE PER ACRE	REMARKS
3 (02/23)	13682 Kennedy Road Caledon	$70,000,000 (assembly)	97.96 ±86.16 (net dev.)	$714,570 ±$812,442 (developable)	- OP: Agricultural and Environmental Policy - Zoning: A1 – Agricultural, EPA2 – Environmental Policy Area - Designated as "Future Strategic Employment Reserve" under Caledon's Growth Concept Map (part of OP Review). - Land assembly of two adjoining parcels - Site includes a portion of environmental lands; we have calculated a developable area estimate of ±86.16 acres - No services currently available
4 (12/22)	13640-13648 Hurontario Street Caledon	$135,000,000	101.71 (gross) ±89.21 (net dev.)	$1,327,329 $1,513,283 (developable)	- OP: Prime Agricultural - Zoning: A1 – Agricultural, EPA2 - Designated as "Employment" under Caledon's Growth Concept Map (part of OP Review). - Located just north of proposed Highway 413. - Site is 101.71 acres, but includes a portion of EP land. Developable area estimate calculated at approx. ±89.21 acres. - No services available
5 (12/22)	13541-13571 Airport Road & 13649 Airport Road Caledon	$89,800,000 (assembly)	103.18	$870,323	- OP: Prime Agricultural, Environmental Policy Area - Zoning: A1 – Agricultural - Designated as "Future Strategic Employment Reserve" under Caledon's Growth Concept Map (part of OP Review). - Located just north of proposed Highway 413 - No services currently available
6 (06/22)	W/S Airport Road Caledon	$62,000,000	60.27 (gross) ±30.3 (net dev.)	$1,028,738 ±$2,046,205 (developable)	- OP: Prime Agricultural - Zoning: A1 – Agricultural, EPA2 – Environmental Policy Area - Designated as "Employment" under Caledon's Growth Concept Map (part of OP Review). - Located just south of proposed Highway 413 - The site is 60.27 acres, but includes a large portion of land zoned EPA. We have calculated a developable area estimate of ±30.3 acres. - No services currently available
7 (04/22)	Torbram Road Caledon	$100,000,000	97.31	$1,027,686	- OP: Prime Agricultural Area - Zoning: A1 – Agricultural - Designated as "Employment" under Caledon's Growth Concept Map (part of OP Review). - Located just south of proposed Highway 413. - OPA & ZBA, and draft plan of subdivision were submitted in 2021 for the adjacent lands immediately south of this property, to facilitate future industrial & commercial development.
8 (01/22)	10223 Highway 50 Vaughan	$124,000,000	85.10 (gross) ±65.2 (net dev.)	$1,457,041 ±$1,901,840 (developable)	- OP: Agricultural - Zoning: "M1" – Industrial, and OS1 - The site is 85.1 acres, but includes a portion of open space land. We have calculated a developable area estimate of ±65 acres. - Municipal services: some local municipal services are available to the site along Highway 50. External works are required to connect them to the property.

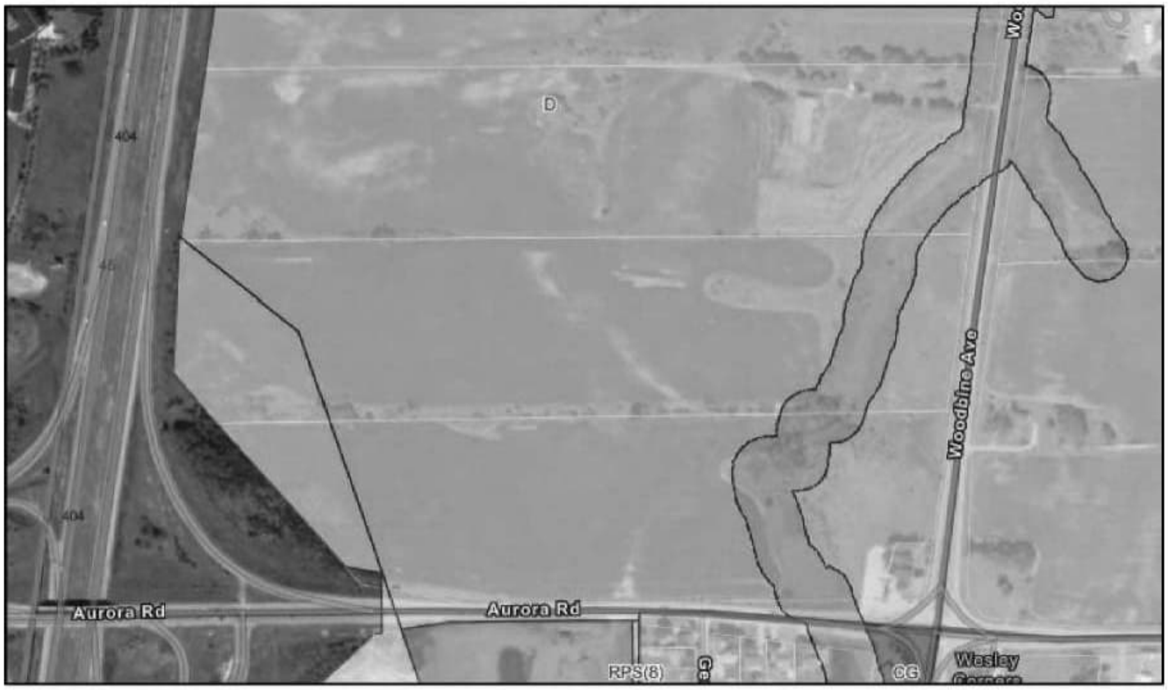
MAP OF COMPARABLE SALES

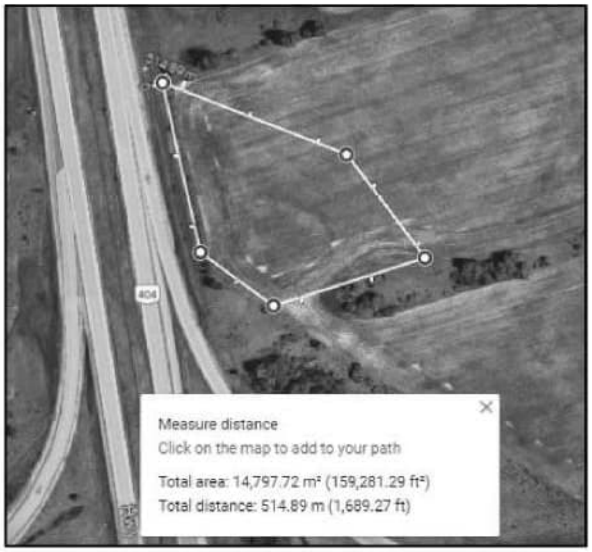
INDEX 1 15374 WOODBINE AVENUE, WHITCHURCH-STOUFFVILLE

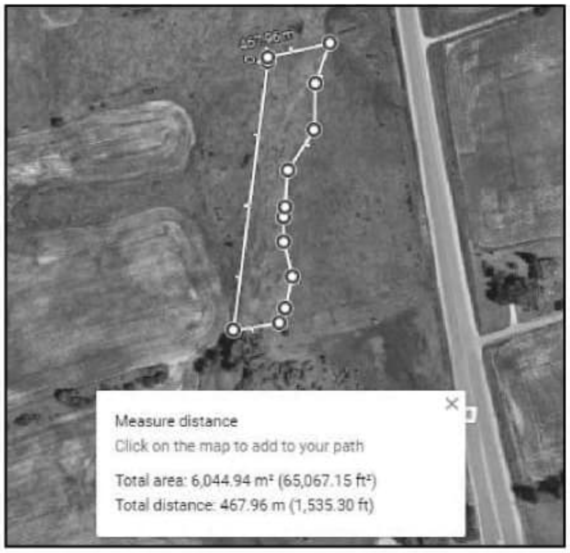
Sale Date	:	April 28, 2023
Location	:	Located north of Aurora Road, on the west side of Woodbine Avenue.
Vendor	:	876166 Ontario Inc.
Purchaser	:	Legion Heights Woodbine Inc. (TriLend Inc)
Legal Description	:	**03681-0011**
		PT LT 21 CON 3 WHITCHURCH PT 1 65R14082; WHITCHURCH-STOUFFVILLE
Land Use	:	The Town of Whitchurch-Stouffville Official Plan designates the property a Potential Employment Area within the Vandorf-Preston Lake Secondary Plan. The Zoning By-law classifies the property D, ORM-C and FH, a Development Reserve Zone, Oak Ridges Moraine Zone and a Flood Hazard Zone classification.
Area	:	41.90 acres (ORM-C / Flood Hazard: ±5.14 acres)
Developable	:	±36.76 acres
Sale Price	:	$13,000,000 (100% Cash)
Price Per Acre	:	$310,270 – *based on gross acreage*
	:	$353,645 – *based on developable portion (estimated)*
Remarks	:	At the time of sale, the property was vacant and unimproved.
	:	The property is located within the Greenbelt, which is considered a major restriction to future development of the site.
	:	Municipal services – No services are available.
	:	The property benefits from its rear frontage along the east side of Highway 404, but is situated further north of the subject property. This is a mostly rectangular-shaped parcel, though the site has some environmental lands that may interfere with potential development. Given the Greenbelt status, and the location, a large upward adjustment is required for this sale.

: The property includes non-developable environmental lands in the western and eastern portions of the site. We have calculated the approximate developable area using online mapping. This calculation is shown below. On this basis, the developable area is estimated to total approximately 36.76 acres.

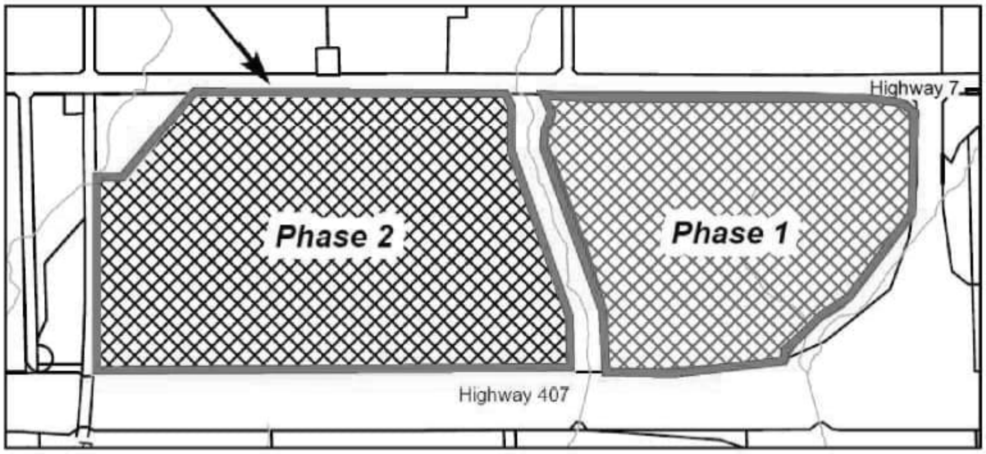
INDEX 1 – APPROXIMATE CALCULATION OF EP LANDS







INDEX 2 575, 625, 685 HIGHWAY 7, PICKERING



Sale Date	:	March 21, 2023
Location	:	Located south of Highway 7, west of Whites Road.
Vendor	:	The Corporation of the City of Pickering
Purchaser	:	Caplink Limited
Legal Description	:	**26386-0187** PART OF LOTS 29 AND 30, CONCESSION 5 PICKERING, DESIGNATED AS PART 1 ON PLAN 40R-32080, SAVE AND EXCEPT PART OF LOT 30, CONCESSION 5 PICKERING, DESIGNATED AS PART 10 ON PLAN 40R-29466, CITY OF PICKERING, REGIONAL MUNICIPALITY OF DURHAM. **26386-0169** PART OF THE ROAD ALLOWANCE BETWEEN LOTS 28 AND 29, CONCESSION 5 PICKERING, CLOSED BY BYLAW 7547/17, DESIGNATED AS PART 2 ON PLAN 40R-32080, CITY OF PICKERING, REGIONAL MUNICIPALITY OF DURHAM. **26386-0192** PART OF LOT 28, CONCESSION 5 PICKERING, DESIGNATED AS PART 3 ON PLAN 40R-32080, CITY OF PICKERING, REGIONAL MUNICIPALITY OF DURHAM. **26386-0217** PART LOTS 27 & 28 CONCESSION 5 PICKERING DESIGNATED PARTS 5 AND 7, PLAN 40R32080 CITY OF PICKERING
PIN(s)	:	26386-0187, 26386-0169, 26386-0192, 26386-0217
Land Use	:	The City of Pickering Official Plan designates the property Prestige Employment. The comparable is undesignated in the City of Pickering zoning By-Law 7364/14. It is located in the Pickering Innovation Corridor on Map 21 in the by-law. The Seaton employment lands (Pickering's Innovation Corridor) are designated for prestige employment, and consist of approximately 323 hectares (800 acres) owned by the Province. The City's Official Plan designates this land as being suitable for light manufacturing, assembly and processing of goods, research and development facilities, business services, graphics and design, data and communications, offices and ancillary retail uses.
Area	:	151.10 acres
Sale Price	:	$60,982,248
Price Per Acre	:	$403,589
Remarks	:	At the time of sale, the property was vacant and unimproved.
	:	The site was purchased for development of a phased food manufacturing campus. The land is bisected into two usable sections by a road allowance; the two sections are referred to as Phase 1 and Phase 2.
	:	No services available; purchaser assumes all responsibility for servicing costs under cost sharing agreement.

: Subsequent to the sale, Caplink submitted Applications (City File Numbers SP-2023-03 and A 11/23) for approval of a Draft Plan of Subdivision and Zoning By-law Amendment, to facilitate an extension of an approved food manufacturing facility located on Phase 1 lands to the east. The Phase 2 manufacturing facility consists of 6 buildings, including four manufacturing plants, freezer storage, distribution centre and logistics. The proposed Draft Plan of Subdivision contains six blocks for employment uses, one block for a stormwater management facility, one block for a future road widening and public roads. The Zoning By-law Amendment proposes to rezone the lands to an appropriate zone category to permit the proposed uses and establish appropriate development standards.

: The purchase involved an initial transfer of the lands from the provincial government (Ontario Infrastructure and Land Corporation) to the City of Pickering, with a subsequent sale to the developer, Caplink. The original purchase agreement outlined a slightly lower purchase price of $60,436,123.50 on approx. 149.9 acres of land. The purchase was registered at a slightly higher price of $60,982,248, which was presumably adjusted to reflect a slightly larger site area of approx. 151.1 acres.

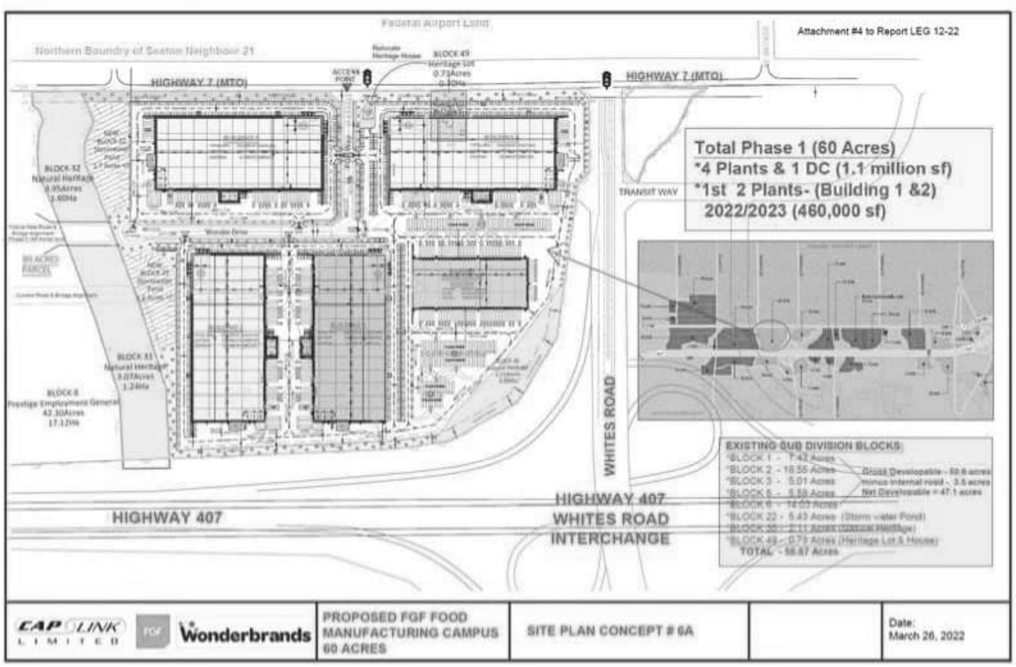
: Purchase agreement includes the following Participation Covenant, which prevents the property from being sold at a profit within the first 10 years:

Participation Covenant:	Repurchase - If, within ten years of closing, the Property is sold to a third party for a price in excess of the purchase price in the Purchase Agreement, the Province is entitled to take the difference. This is intended to prevent speculation. Right of First Offer - If a building permit and all required approvals have not been obtained within five years of closing to allow construction of a building of not less than 200,000 square feet, and if such construction has not commenced, the Province is entitled to repurchase the Property for the original purchase price plus servicing costs incurred to the date of repurchase. This is intended to encourage construction and occupancy, and to deter land banking.

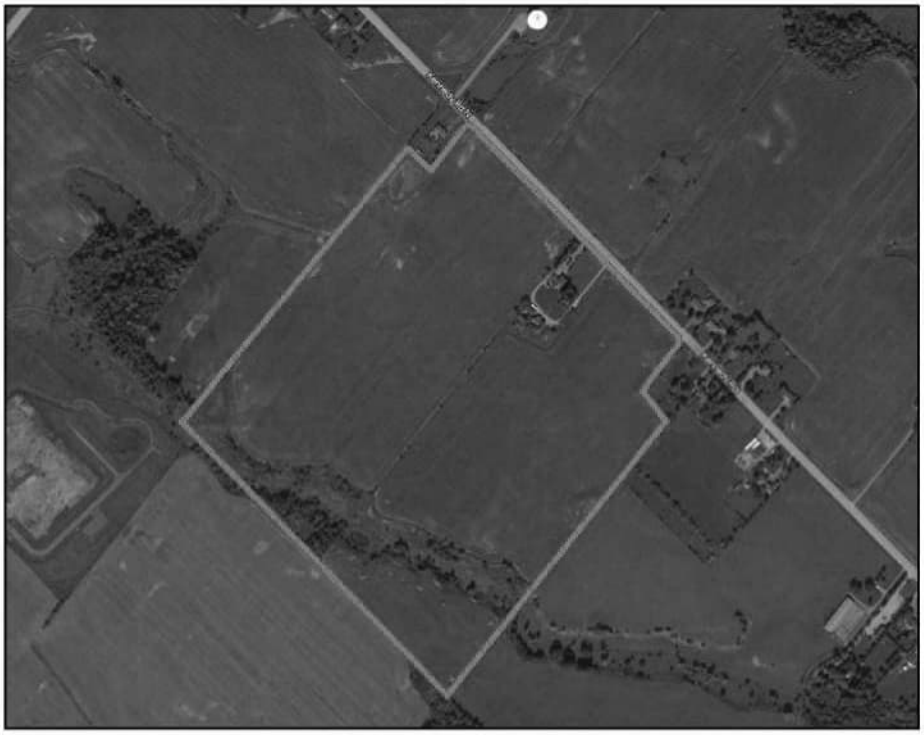
: Purchase agreement also includes a ROFO and Repurchase clause:

ROFO and Repurchase:	Repurchase - If, within five years of closing, the Property is sold to a third party and building construction is not substantially completed, the City can repurchase the Property for the original purchase price (plus eligible expenses if construction has commended). This is intended to prevent speculation. Right of First Offer - If a building permit and all required approvals have not been obtained within five years of closing to allow construction of a building of not less than 200,000 square feet, and if such construction has not commenced, the City is entitled to repurchase the Property for the original purchase price plus servicing costs incurred to the date of repurchase. This is intended to encourage construction and occupancy, and to deter land banking.

: Caplink Site Concept Plan – Phase 1:



INDEX 3 13682 KENNEDY ROAD, CALEDON



Sale Date	:	February 3, 2023
Location	:	Located south of King Street, on the west side of Kennedy Road.
Vendor	:	An individual(s) acting in his/her own capacity.
Purchaser	:	Heartland (Two) Limited (Orlando Corporation)
Legal Description	:	**14297-0061** PT LT 26 CON 1 EHS CHINGUACOUSY; DESIGNATED AS PARTS 1 AND 2, PLAN 43R40677; CALEDON; SUBJECT TO AN EASEMENT IN GROSS OVER PART 1, PLAN 43R39283 AS IN PR3637900 **14297-0063** PT LT 26 CON 1 EHS CHINGUACOUSY PT 1 RP 43R7703; TOWN OF CALEDON
PIN(s)	:	14297-0061; 14297-0063
Land Use	:	The Town of Caledon Official Plan designates the property Agricultural and Environmental Policy Area. The Zoning By-law classifies the property as A1 and EPA2, an Agricultural and Environmental Policy Area zone classifications. Designated as "Future Strategic Employment Reserve" under Caledon's Growth Concept Map (part of OP Review).
Area	:	97.96 acres (EP Lands: ±11.8 acres)
Developable	:	±86.16 acres
Sale Price	:	$70,000,000 (100% Cash)
Price Per Acre	:	$714,570 – *based on gross acreage*
	:	$760,043 – *based on developable portion (estimated)*

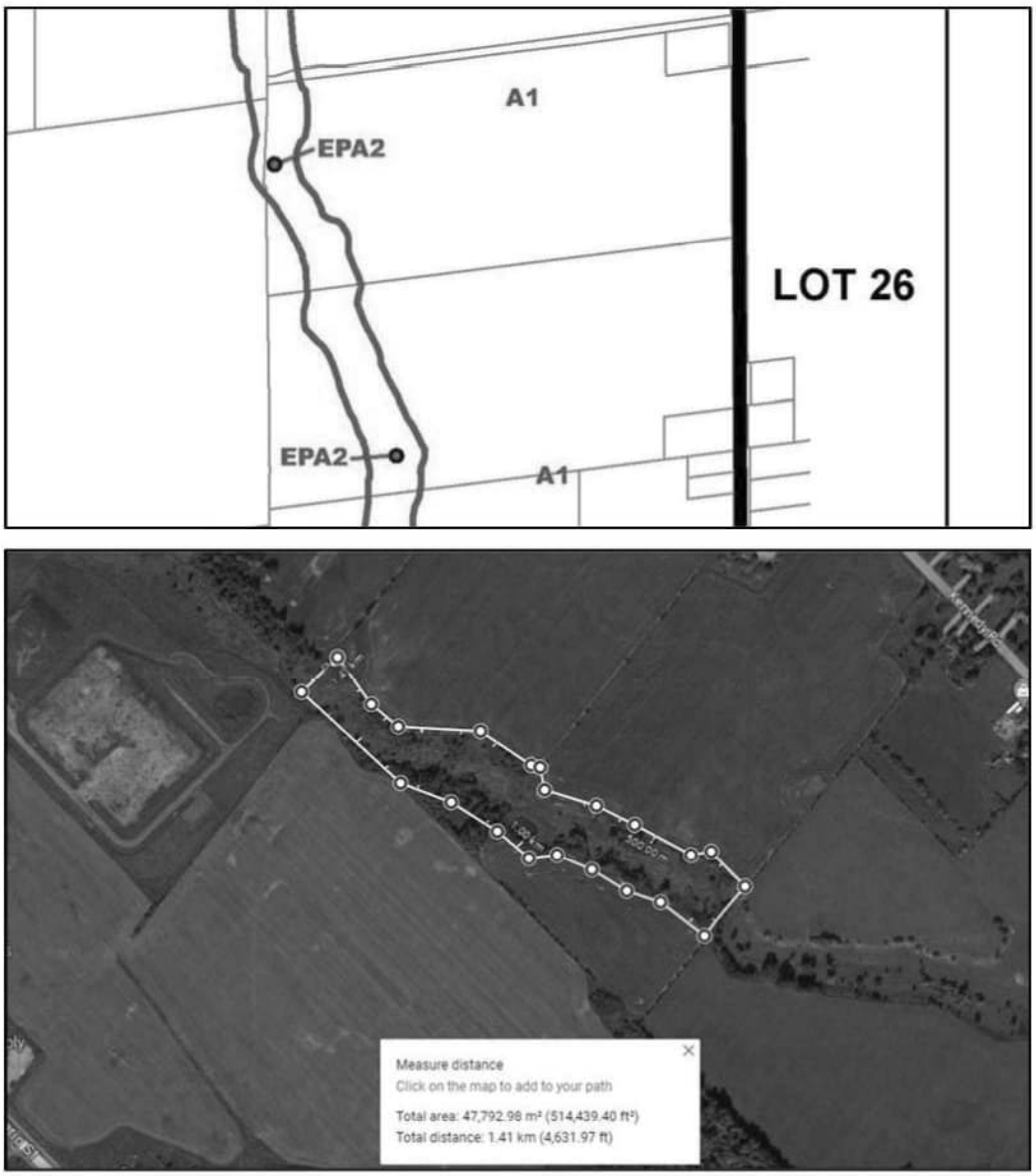
Remarks : At the time of sale, one of parcels in the assembly, 13682 Kennedy Road, was improved with a single-family detached residential dwelling. The other northern parcel was vacant and unimproved at the time of sale. The overall site is mostly rectangular-shaped.

: This is a land assembly of two adjoining parcels which were purchased for a total consideration of $70,000,000, resulting in an adjusted price per acre of $714,570.

: Municipal services – No services are available.

: 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 below. On this basis, the developable area is estimated to total approximately 86.16 acres.

INDEX 3 – APPROXIMATE CALCULATION OF EP LANDS



INDEX 4 13640-13648 HURONTARIO STREET, CALEDON

Sale Date	:	December 13, 2022
Location	:	Located north of Old School Road, on the west side of Hurontario Street.
Vendor	:	Ten Venture Inc.
Purchaser	:	Quarre (Two) Inc. (Orlando Corporation)
Legal Description	:	**14257-0059** PT LT 26 CON 1 WHS CHINGUACOUSY AS IN RO681178; S/T VS69831; TOWN OF CALEDON **14257-0060** PT LT 26 CON 1 WHS CHINGUACOUSY AS IN RO681689; T/W VS236905; CALEDON
Land Use	:	The Town of Caledon Official Plan designates the property Prime Agricultural Area. The Zoning By-law classifies the property A1 and EPA2, an Agricultural Zone and Environmental Policy Area classification. Designated as "Employment" under Caledon's Growth Concept Map (part of OP Review).
Area	:	101.71 acres (EPA2 Lands: approx. ±12.5 acres)
Developable	:	±89.21 acres (estimated)
Sale Price	:	$135,000,000 (100% Cash)
Price Per Acre	:	$1,327,329 – *based on gross acreage*
	:	$1,513,283 – *based on developable portion (estimated)*
Remarks	:	At the time of sale, the property was improved with a single-family detached residence and accessory farming structures.

- According to Region of Peel records, there is currently no water, sanitary or storm infrastructure within or fronting the comparable. The closest water main to the subject property is on Hurontario Street at Wiggins Road or fronting PIN: 14257-0308.
- This property is an almost square shaped parcel. The property backs onto the Brampton Caledon Airport. The location is also just north of the proposed Highway 413 route. The property suffers from having a strip of EPA land run north-south across the western portion of the property, which might make the rear portion of the site difficult to use.
- The property includes non-developable environmental lands in the western portion of the site. We have calculated the approximate developable area using online mapping. This calculation is shown below. On this basis, the developable area is estimated to total approximately 89.21 acres.

INDEX 4 – APPROXIMATE CALCULATION OF EP LANDS