

Court File No. CV-20-00651299-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

2615333 ONTARIO INC.

Applicant

and

CENTRAL PARK AJAX DEVELOPMENTS PHASE 1 INC., 9654488 CANADA INC.,
9654461 CANADA INC., 9654372 CANADA INC., 9617680 CANADA INC. AND 9654445
CANADA INC.

Respondents

**APPLICATION UNDER SUBSECTION 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**

**RESPONDING MOTION RECORD OF 2615333 ONTARIO INC.
(Motion returnable March 3, 2025)**

January 30, 2025

GARFINKLE BIDERMAN LLP

Barristers & Solicitors
1 Adelaide Street East, Suite 801
Toronto, Ontario
M5C 2V9

Wendy Greenspoon-Soer – LSO#: 34698L

Tel: 416-869-1234

Email: wgreenspoon@garfinkle.com

Lawyers for the Applicant,
2615333 Ontario Inc.

-2-

TO: **BLANEY MCMURTRY LLP**
Lawyers
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

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Lawyers for the Respondents

AND TO: **The Service List**

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B.	Exhibit “B” – Appraisal Report dated January 30, 2025	108-184

TAB 1

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AFFIDAVIT OF REX CHENG

I, Wenming Cheng, also known as Rex Cheng, of the Town of Oakville, at the Municipality of Halton, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Shareholder of the Applicant, 2615333 Ontario Inc. (“261”) and, as such, have knowledge of the matters to which I hereinafter depose, unless it appears that I rely upon information provided to me by others, all of which information I verily believe to be true.

2. I make this affidavit in opposition to the motion by TDB Restructuring Limited, (“TDB”), as Receiver, seeking an order for the approval of the Agreement of Purchase and Sale dated September 12th, 2024, (the “Backup Bid Agreement”) and the associated

-2-

transaction, (the “Backup Transaction”) between the Receiver and the Corporation of the Town of Ajax (the “Town”).

3. I have reviewed the background and description of facts as stipulated in the Fifth Report of the Receiver dated September 16th, 2024, and particularly paragraphs 6 through 50 contained therein. I accept the Receiver's narrative of facts leading up to the within motion as accurate.

4. In addition thereto, I can advise that 261 was unaware of the details of the communications between the Receiver and the Town following the result of the March 2024 motions.

5. 261 was aware of the reasons of Justice Cavanagh dated March 11th, 2024, wherein His Honour stated:

“In conclusion, I observe that the Applicant and the Town share an interest in having the Harwood Properties sold to a developer. The Town’s interest is that the Harwood Properties be sold by the Receiver for the construction of an appropriate building that corresponds with the Town’s “vision” for the proposed development. The Applicant’s interest is that the Harwood Properties be sold by the Receiver expeditiously under a process that will realize fair value that is not lessened by unreasonable restrictions that the market will not accept. Although there is some tension between these interests, it seems to me that with diligent effort by the parties, it is possible to achieve a sale of the Harwood Properties by the Receiver in compliance with the Appointment Order and that satisfies the interests of the Applicant and the Town.

6. It appears that the Town did not make any effort to address the unreasonable restrictions to assist with a sale of the Hardwood Properties by the Receiver, but rather, formulated its own plan to purchase the properties from the Receiver, for substantially less than fair market value.

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7. I verily believe that the Town is in a position of conflict of interest. The Town has consistently insisted upon restrictions associated with the sale of the property, which has driven the value and the marketability down. 261 has commissioned two comprehensive Appraisal Reports dated December 2nd, 2024, and January 30th, 2025, copies of which are appended hereto as **Exhibit “A”** and **Exhibit “B”** to this my Affidavit.

8. As an interested stakeholder, 261 has been made aware of confidential financial matters pertaining to the sales process and has signed a non-disclosure agreement with respect to such information. Based upon said information, however, I verily believe that the Town's insistence upon restrictive provisions in the Development Agreement has decreased the value of the property; has delayed the entire sales process; and has had a negative impact on the amount that any proposed purchaser would pay for the property.

9. Further, I verily believe that the Backup Bid is significantly less than the purchaser's bid previously approved by this court, despite the fact the Town's bid contains no such restrictions.

SWORN BEFORE ME by video conference
on this 30th day of January 2025.
The affiant was located at the Town of
Oakville, and I was located at the
City of Toronto in the Province of Ontario.
This affidavit was commissioned remotely
in accordance with O. Reg. 431/20,
Administering Oath or Declaration
Remotely.



Commissioner for Taking Affidavits



WINMENG CHENG a.k.a. REX CHENG

This is Exhibit "A" referred to in the Affidavit of Winneng Cheng a.k.a. Rex Cheng sworn by Winneng Cheng a.k.a. Rex Cheng located at the Town of Oakville before me at the City of Toronto, in the Province of Ontario, on January 30, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER



COMPREHENSIVE APPRAISAL REPORT

Central Park Phase 1

134, 148, 152, 184-188, 214, 224 & 226 Harwood Avenue
South, Ajax

Effective Date: October 28, 2024

Prepared for:

Rex Cheng

2615333 Ontario Inc

18 Crown Steel Drive, Unit 202

Markham, Ontario

L3R 9X8

Prepared by:

Cushman & Wakefield ULC

Valuation & Advisory

161 Bay Street, Suite 1500

P.O. Box 602

Toronto, ON M5J 2S1

C&W File ID: 24-445-901174



Comprehensive Appraisal Report

Property Name: Central Park Phase 1

**Address: 134, 148, 152, 184-188, 214, 224 & 226
Harwood Avenue South, Ajax**



Cushman & Wakefield ULC
 161 Bay Street, Suite 1500
 P.O. Box 602
 Toronto, ON M5J 2S1
 (416) 862 0611 Tel
 (416) 359 2613 Fax
www.cushmanwakefield.com

December 2, 2024

Rex Cheng
2615333 Ontario Inc
 18 Crown Steel Drive, Unit 202
 Markham, Ontario
 L3R 9X8

RE: Comprehensive Appraisal Report of Property(ies) Identified As:
134, 148, 152, 184-188, 214, 224 & 226 Harwood Avenue South, Ajax ("Subject Property")
 C&W File ID: 24-445-901174

Dear Mr. Cheng:

Cushman & Wakefield ULC is pleased to transmit this comprehensive appraisal report, estimating the current market value based on its Highest & Best Use of a real property located at 134, 148, 152, 184-188, 214, 224 & 226 Harwood Avenue South, Ajax (herein referred to as "subject property").

The subject property consists of 7 properties with a total site area of 3.018 acres located along Harwood Avenue South in the Town of Ajax. There are six (6) properties that are improved with six (6) street front retail buildings with a total gross floor area of 33,629 square feet. Each building ranges from 2,924 square feet to 8,793 square feet.

184 Harwood Ave S is currently vacant and unimproved. As at December 2015, a site plan application was approved for the development of a 10-storey mixed-use condominium with 390 residential units including 2 live/work units. The total gross floor area is 357,942 square feet, including 32,927 square feet of retail space and 25,144 square feet of office space. The development will have 586 parking stalls. Subsequent to the approvals, a site plan application was re-submitted for a higher density, however was not approved. This appraisal report and its value conclusion(s) pertain to the site plan approved proposed development consisting of 357,942 square feet of buildable gross floor area.

By agreement, this is an Appraisal Report, which contains all of the data, reasoning and analysis upon which our value conclusion is based. This document has been prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (The Standards) as adopted by the Appraisal Institute of Canada.

The purpose of this appraisal is to estimate the current market value "As-Is" of the subject property. The authorized use is to assist with the execution of a power of sale. The authorized user(s) is/are 2615333 Ontario Inc. This appraisal may not be distributed to or relied upon by any other person or entity without the written permission of the appraiser(s). It is not to be referred to or quoted in any prospectus for the sale or exchange of securities, and may not be reproduced, in whole or in part, without our prior written agreement. It is subject to the Assumptions and Limiting Conditions shown below, in addition to any in the report.

Current Market Value "As-Is"

The current market value "As-Is" of the Fee Simple Interest located at 134, 148, 152, 184-188, 214, 224 & 226 Harwood Avenue South, Ajax, subject to the assumptions, limiting conditions, certifications and definitions contained herein, at the effective date of October 28, 2024 is estimated to be:

FINAL VALUE CONCLUSION - "AS-IS"

TWENTY SIX MILLION SIX HUNDRED THOUSAND DOLLARS

\$26,600,000

In this appraisal, the estimated value is predicated on a reasonable exposure time of 3 to 9 months.

Extraordinary Assumption(s) and Hypothetical Condition(s)

This appraisal is based on the following Extraordinary Assumption(s) and Hypothetical Condition(s):

- The subject property is free and clear of any environmental contamination that would impede on the current and/or future use.

The appraiser(s) reserve(s) the right to amend the value conclusion(s) accordingly, should the above Extraordinary Assumption(s) and Hypothetical Condition(s) not be true.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and addenda.

Respectfully submitted,

CUSHMAN & WAKEFIELD ULC

Peter Chan, AACI, P.App.
Executive Vice President
Valuation & Advisory
Peter.Chan@ca.cushwake.com
Phone Office Direct 416.359.2432
Fax 416.359.2613
AIC Membership #:904057

EXECUTIVE SUMMARY

BASIC INFORMATION

Common Property Name:	Central Park Phase 1	Report Type:	Comprehensive Format
Property Address:	134, 148, 152, 184-188, 214, 224 & 226 Harwood Avenue South, Ajax	Effective Date:	October 28, 2024
CW File Reference:	24-445-901174	Date of Inspection:	October 28, 2024
Client:	2615333 Ontario Inc	Purpose:	Estimate the current market value "As-Is"
Authorized User(s):	2615333 Ontario Inc	Interest Appraised:	Fee Simple Interest
Authorized Use:	To assist with the execution of a power of sale		

SITE/BUILDING INFORMATION

Total Site Area (acres):	3.018	Property Type:	Residential Development Land
Frontage (feet):	606.69	Proposed Development GFA:	357.942 sf (based on previous approvals)

Improved Buildings – Total Unit(s) Six (6)

Improved Buildings – Gross Floor Area:

RETAIL GROSS FLOOR AREA	
Address	Building Size (feet)
134 Harwood Ave S, Ajax	4,696
148 Harwood Ave S, Ajax	2,924
152 Harwood Ave S, Ajax	8,793
214 Harwood Ave S, Ajax	6,085
224 Harwood Ave S, Ajax	4,216
226 Harwood Ave S, Ajax	6,915
Total	33,629

LAND USE PLANNING

Official Plan Designation:	Commercial Mixed-Use 1	Zoning By-Law Designation:	DCA/MU - Downtown Central Area – Residential Mixed Use
Town of Ajax Downtown Community Improvement Plan:	The subject property is designated as a “Priority Site” under the Town of Ajax Downtown Community Improvement Plan.		
Current Use Conformance:	The current use is considered legal and conforming use.		
Proposed Development:	184 Harwood Ave S is currently vacant and unimproved. As at December 2015, a site plan application was approved for the development of a 10-storey mixed-use condominium with 390 residential units including 2 live/work units. The total gross floor area is 357,942 square feet, including 32,927 square feet of retail space and 25,144 square feet of office space. The development will have 586 parking stalls. Subsequent to the approvals, a site plan application was re-submitted for a higher density, however was not approved. This appraisal report and its value conclusion(s) pertain to the site plan approved proposed development consisting of 357,942 square feet.		

HIGHEST & BEST USE CONCLUSION

“As-Vacant”:	Based on the four criteria, the Highest and Best Use "As-Vacant" of the subject property would be development to a mixed residential and commercial use that is within the permitted use of the Official Plan and the Zoning By-Law
“As Improved”:	The Highest and Best Use "As-Improved" of the subject property would be development to a mixed residential and commercial use that is within the permitted use of the Official Plan and the Zoning By-Law.

FINAL VALUE CONCLUSIONS

VALUATION INDICES	Market Value Conclusion - Retail Component
DIRECT COMPARISON APPROACH	134 Harwood Ave S, Ajax
Gross Floor Area:	4,696
Value Estimate:	\$2,100,000
Value Per Square Feet:	\$447
DIRECT COMPARISON APPROACH	148 Harwood Ave S, Ajax
Gross Floor Area:	2,924
Value Estimate:	\$1,600,000
Value Per Square Feet:	\$547
DIRECT COMPARISON APPROACH	152 Harwood Ave S, Ajax
Gross Floor Area:	8,793
Value Estimate:	\$3,100,000
Value Per Square Feet:	\$353
DIRECT COMPARISON APPROACH	214 Harwood Ave S, Ajax
Gross Floor Area:	6,085
Value Estimate:	\$2,400,000
Value Per Square Feet:	\$394
DIRECT COMPARISON APPROACH	224 Harwood Ave S, Ajax
Gross Floor Area:	4,216
Value Estimate:	\$1,900,000
Value Per Square Feet:	\$451
DIRECT COMPARISON APPROACH	226 Harwood Ave S, Ajax
Gross Floor Area:	6,915
Value Estimate:	\$2,800,000
Value Per Square Feet:	\$405
FINAL VALUE CONCLUSION	
Final Value Estimate:	\$13,900,000
Value Per Square Feet:	\$413
EXPOSURE TIME	
Exposure Time:	3 - 9 months

VALUATION INDICES	Market Value Conclusion - Land Component	Market Value Conclusion - Building Component
LAND RESIDUAL METHODOLOGY		
Market Value "As-If Complete"	\$288,556,841	Not Applicable
Total Project Expenses:	\$275,811,059	
Value Estimate:	\$12,700,000	
Value Per Acre:	\$5,338,377	
Value Per Buildable Square Feet:	\$35	
Value Per Unit:	\$32,564	
DIRECT COMPARISON APPROACH		
Proposed Buildable Square Feet:	357,942	-
Total Gross Floor Area:	-	4,696
Value Estimate:	\$12,500,000	\$13,900,000
Value Per Acre:	\$5,254,309	-
Value Per Buildable Square Feet:	\$35	\$450
Value Per Unit:	\$32,051	-
FINAL VALUE CONCLUSION	Land Component	Building Component
Final Value Estimate:	\$12,700,000	\$13,900,000
Value Per Acre:	\$5,338,377	-
Value Per Buildable Square Feet:	\$35	\$450
Value Per Unit:	\$32,564	-
FINAL VALUE CONCLUSION		
Land + Building Component		
Final Value Estimate: \$26,600,000		
EXPOSURE TIME		
Exposure Time:	3 - 9 months	3 - 9 months

The appraiser(s) is/are not qualified to appraise existing machines, chattels, equipment and similar items on the property. These items have been excluded from our valuation. The client should retain relevant experts in these fields if information is needed about these items.

Extraordinary Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions

Extraordinary Limiting Conditions

An extraordinary limiting condition is defined by The Standards as: "A necessary modification to, or exclusion, of a Standard Rule which may diminish the reliability of the report".

No Extraordinary Limited Conditions were invoked within the report.

Extraordinary Assumption

An extraordinary assumption is defined by The Standards as: "An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions." Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Hypothetical Condition

A Hypothetical Condition assumes conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Extraordinary Assumption(s) and Hypothetical Condition(s)

This appraisal is based on the following Extraordinary Assumption(s) and Hypothetical Condition(s):

- The subject property is free and clear of any environmental contamination that would impede on the current and/or future use.

The appraiser(s) reserves the right to amend the value conclusion(s) accordingly, should the above Extraordinary Assumption(s) and Hypothetical Condition(s) not be true.

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APPRAISAL INTRODUCTION

IDENTIFICATION OF SUBJECT PROPERTY

Municipal Address	Property Identification Number (PIN)	Legal Description
134 Harwood Ave S, Ajax	26459-0050	Pt Lt 3 PI 488 Ajax As In Co78427; Ajax
148 Harwood Ave S, Ajax	26459-0046	Lt 6 PI 488 Ajax; Ajax
152 Harwood Ave S, Ajax	26459-0045	Lt 7 PI 488 Ajax; Lt 8 PI 488 Ajax; Ajax
184 Harwood Avenue South, Ajax	26456-0108	Part Of Municipal Parking Area, Plan 488 Pickering, Part 1, Plan 40R28209 Subject To An Easement As In Dr1517437 Town Of Ajax
214 Harwood Ave S, Ajax	26459-0037	Lt 21 PI 488 Ajax; Pt Lt 20 PI 488 Ajax; Pt Lt 22 PI 488 Ajax As In Co52847; Ajax
224 Harwood Ave S, Ajax	26459-0036	Pt Lt 22 PI 488 Ajax; Pt Lt 23 PI 488 Ajax As In Co72557; Town Of Ajax
226 Harwood Ave S, Ajax	26459-0035	Pcl 23-1 Sec M27; Lt 23 PI M27 Except The Nly 2 Ft From Front To Rear As Shown On PI M27; S/T An Easement, If Any, For The Corporation Of The Town Of Ajax, For The Purpose Of Constructing, Repairing And Maintaining Watermains And Sewers In Or Under The Said Lands ; Ajax

PROPERTY OWNERSHIP & RECENT HISTORY

Current Ownership:	134 Harwood Ave S: 9617680 Canada Inc. 148 & 152 Harwood Ave S: 9654372 Canada Inc. 184 Harwood Avenue S: Central Park Ajax Developments Phase 1 Inc. 214 Harwood Ave S: 9654488 Canada Inc. 224 Harwood Ave S: 9654461 Canada Inc. 226 Harwood Ave S: 9654445 Canada Inc.
Current Disposition:	To our understanding, the subject property is not currently listed or marketed for sale.
Sale History:	We are unaware of any ownership transfers in the three years prior to the effective date of this appraisal report.

Authorized Use and Users of the Appraisal

Authorized Use:	To assist with the execution of a power of sale
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Authorized User: 2615333 Ontario Inc

Dates of Inspection and Valuation

Date of Inspection: October 28, 2024

Inspected By: Peter Chan, AACI, P.App.

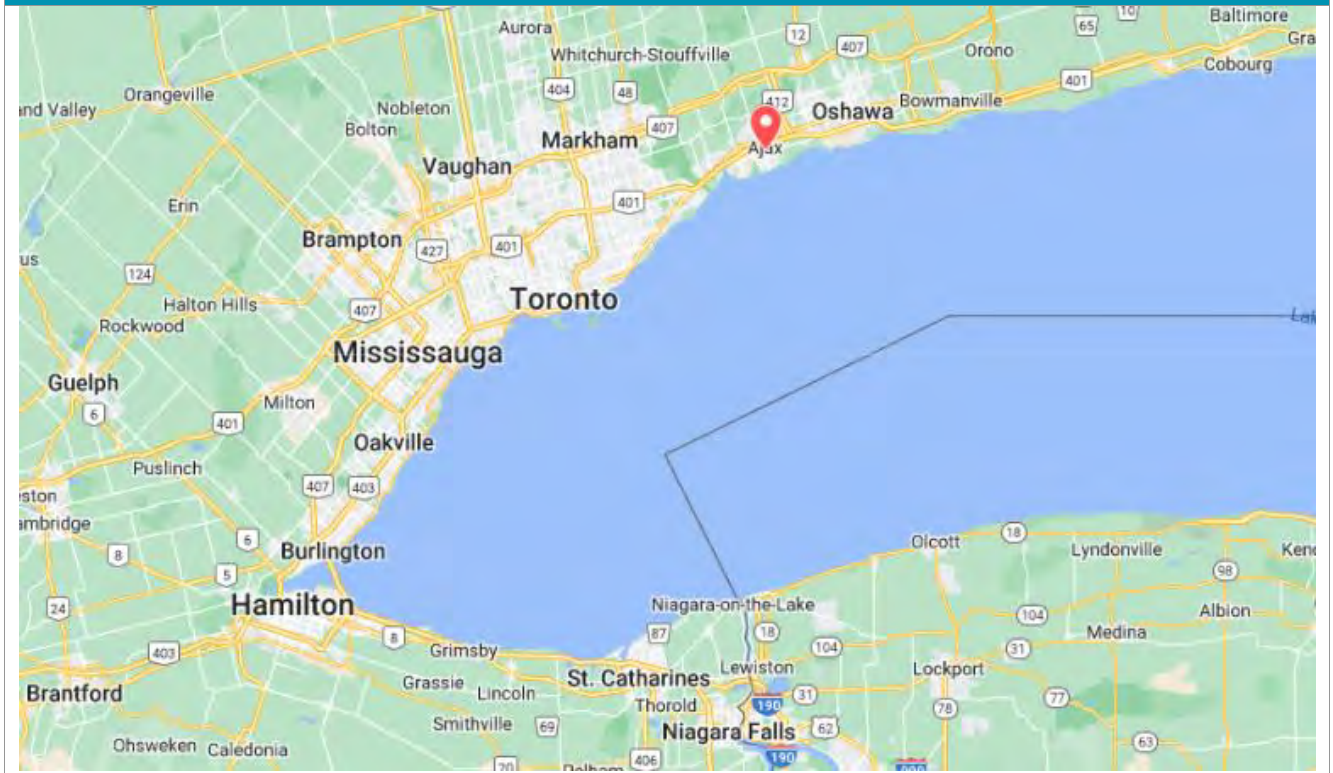
Effective Date: October 28, 2024

Scope of the Appraisal

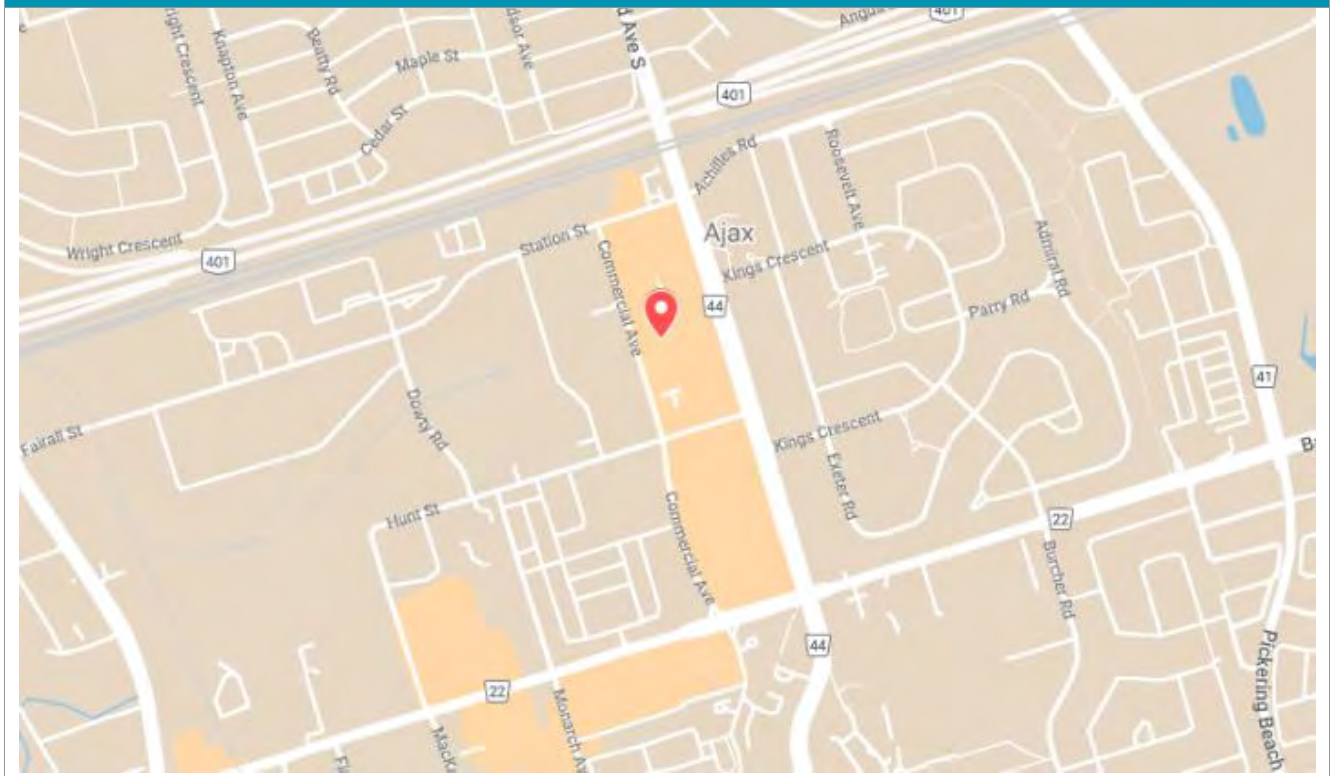
In forming our opinion as to the value of the subject as of the valuation date, we have relied on information which is detailed in this report, to the extent deemed appropriate, and carried out the following specific functions:

- Inspected the subject property;
- Examined market conditions and analyzed their potential effect on the subject property;
- Reviewed land use regulations, in particular the Official Plan, as amended, and the Zoning By-Law, as amended, applicable to the subject property;
- Ascertained the Highest and Best Use of the subject property;
- 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 that we have:
 - Uncovered and assessed real property transactions at or about the valuation date that might be said to bear on the determination of the current market value of the subject; and
 - 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.
- After analyzing the data, we have estimated the subject property's current market value using the appropriate approaches to value.

REGIONAL MAP



NEIGHBOURHOOD MAP



NEIGHBOURHOOD OVERVIEW

The subject property is located on the west side of Harwood Avenue South in the Town of Ajax. The area is characterized as a mix of commercial and residential uses. The area is generally bounded by Highway 401 (to the north), Bayly Street East (to the south), Westney Road South (to the west), and Harwood Avenue South (to the east).

TRANSPORTATION SYSTEMS

The area is generally serviced by Durham Region Transit. Bus service is available at the site. Highway 401 on/off ramps are located approximately 1 km to the northeast of the subject.

PLANNED CHANGES IN ROAD NETWORK

There are no planned changes to the road network as at the effective date that would negatively affect the subject property.

NEARBY AND ADJACENT USES

Adjacent to the subject property are the following uses:

North: Commercial

East: High density residential

South: Commercial

West: Commercial

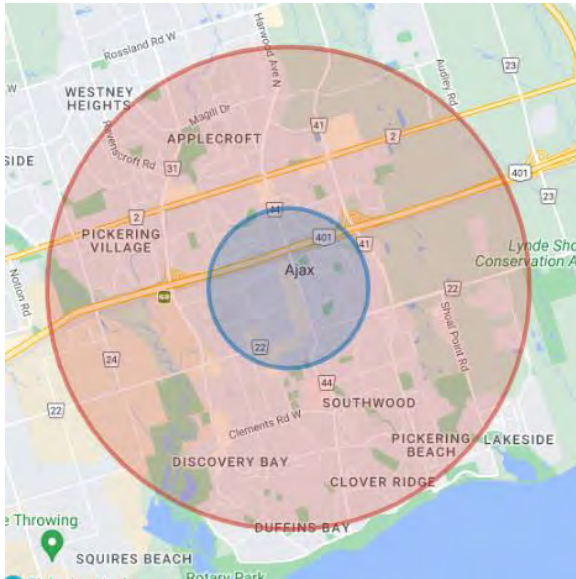
SPECIAL HAZARDS OR ADVERSE INFLUENCES

We are unaware of any special hazardous/adverse influences pertaining to the subject site and its surrounding uses.

LAND USE CHANGES

There were no known land use changes as at the effective date.

MARKET TRADE AREA



We have identified and detailed statistical data from the subject's Primary Trade Area (based on a 1 km radius) in addition to the Secondary Trade Area is (based on a 3 km radius). Data with these two radiuses from the subject area are summarized on the following page.

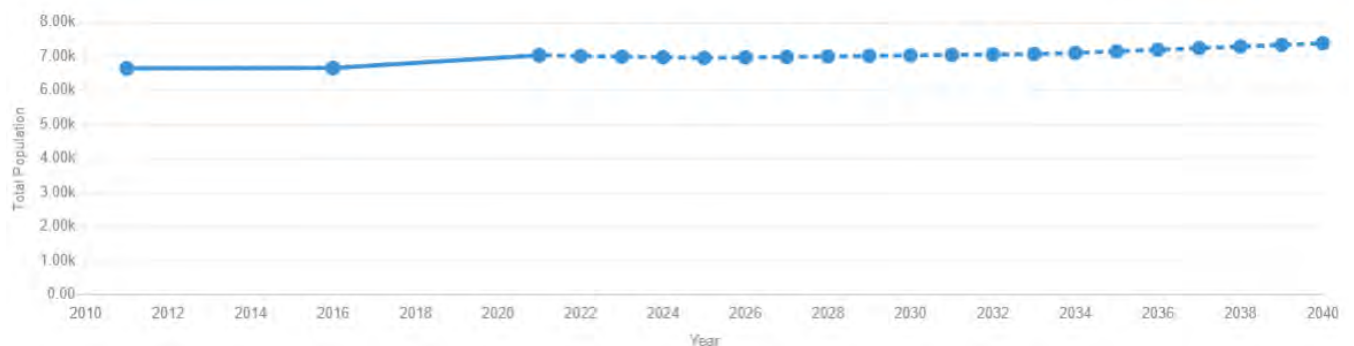
DEMOGRAPHICS OVERVIEW

Population		Daytime Population		Median Household Income		Median Age	
Primary Trade Area:	7,042	Primary Trade Area (Daytime):	7,884	Primary Trade Area:	\$81,970	Primary Trade Area:	44
Secondary Trade Area:	60,161	Secondary Trade Area (Daytime):	51,066	Secondary Trade Area:	\$105,040	Secondary Trade Area:	41
Ajax (Census Division):	126,666	Ajax (Census Division):	91,982	Ajax (Census Division):	\$111,489	Ajax (Census Division):	38
Ontario:	14.22M			Ontario:	\$91,000	Ontario:	42
Canada:	36.99M			Canada:	\$78,206	Canada:	42

* Indices shown are the percent average values of the given region relative to the average national value.

DEMOGRAPHICS POPULATION ANALYSIS

Population	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Household	6,983	6,963	6,979	6,993	7,007	7,024	7,038	7,053	7,065	7,079	7,110



PROPERTY DESCRIPTION

Description of Site

Details pertaining to the subject site are based on third party information which includes MPAC, GeoWarehouse and documents provided by the Client of this appraisal report.

GENERAL DESCRIPTION

Site Area:

SIZE OF SUBJECT PROPERTY

Address, PIN, Size

Address	PIN	Size (acres)	Size (sft)
134 Harwood Ave S, Ajax	26459-0050	0.074	3,218.410
148 Harwood Ave S, Ajax	26459-0046	0.086	3,745.840
152 Harwood Ave S, Ajax	26459-0045	0.173	7,534.730
184 Harwood Avenue South, Ajax	26456-0108	2.379	103,634.830
214 Harwood Ave S, Ajax	26459-0037	0.172	7,502.440
224 Harwood Ave S, Ajax	26459-0036	0.055	2,400.350
226 Harwood Ave S, Ajax	26459-0035	0.079	3,444.450
Total		3.018	131,481

Excess/Surplus Lands:

The appraiser(s) has/have not included any excess/surplus land into the analysis

Site Configuration:

Rectangular

Topography:

Generally level and at grade with adjacent properties

Frontage & Dept:

Address, PIN, Size

Address	PIN	Frontage (feet)	Depth (feet)
134 Harwood Ave S, Ajax	26459-0050	30.75	-
148 Harwood Ave S, Ajax	26459-0046	25.00	150.00
152 Harwood Ave S, Ajax	26459-0045	50.00	150.00
184 Harwood Avenue South, Ajax	26456-0108	411.94	-
214 Harwood Ave S, Ajax	26459-0037	50.00	150.00
224 Harwood Ave S, Ajax	26459-0036	16.00	150.00
226 Harwood Ave S, Ajax	26459-0035	23.00	-
Total		606.69	-

Site Access:

Vehicular and pedestrian access is available along west side of Harwood Avenue South.

Floodplain:

The subject site is not in a floodplain area as per the Town of Ajax

Landscaping:

General landscaping along the perimeter of the site

SITE SERVICES

Street Surface:	Paved	Street Width:	4-Lane
Sidewalks:	yes	Curbs/Gutters:	Yes
Street Lights:	yes	Hydro:	Yes
Municipal Water:	yes	Well:	No
Sanitary Sewage:	Yes	Septic:	No

ENVIRONMENTAL MATTERS

The appraiser(s) is/are not qualified to ascertain the existence of toxic wastes, contaminated materials, soil / sub-soil conditions, or any environmental issues. Determination of such information was not part of the mandate and no funds were provided for such undertaking. No responsibility is assumed for the existence of any such substances or any costs associated with their removal, correction, or treatment in the event they are found to exist on the subject property, on adjacent lands, or in close proximity to the subject property to materially affect value. The appraisal is based on the assumed that the subject site is free and clear of any contaminations. Should that not be true, the appraiser(s) reserve(s) the right to amend the value conclusion(s) accordingly.

EASEMENTS/RIGHT-OF-WAYS

The subject property may be constrained by easements and rights-of-way relating to the usual provision of servicing by public utilities and / or access for persons and vehicles. The appraiser(s) is/are not aware of any easements or rights-of-way that would have an adverse impact on the subject property.

AERIAL MAP

Description of Improvements

The following description of improvements is based upon our physical inspection of the improvements and information provided by the client / owner. Verbal consent was obtained on site for taking photographs of the interior of the premises. The roof was not inspected and was based on discussions with representatives of the owner(s).

GENERAL DESCRIPTION

Property Type: Street front retail buildings

Year Built: 1954-1961

Number of Building(s): Six (6)

Net Rentable Area:

NET RENTABLE AREA BREAKDOWN

Address	Building Size (feet)
134 Harwood Ave S, Ajax	4,696
148 Harwood Ave S, Ajax	2,924
152 Harwood Ave S, Ajax	8,793
214 Harwood Ave S, Ajax	6,085
224 Harwood Ave S, Ajax	4,216
226 Harwood Ave S, Ajax	6,915
Total	33,629

CONSTRUCTION DETAILS

Exterior Walls: Brick / Concrete block

Roof Type: The roof is assumed to be adequate for the existing use and in compliance with local law and building codes.

Windows: Double pane windows

MECHANICAL DETAILS

Heat Source: The heating system is assumed to be adequate for the existing use and in compliance with local law and building codes.

Cooling: The cooling system is assumed to be adequate for the existing use and in compliance with local law and building codes.

Plumbing: The plumbing system is assumed to be adequate for the existing use and in compliance with local law and building codes.

Electrical Service: The electrical system is assumed to be adequate for the existing use and in compliance with local law and building codes.

Electrical Metering: Each unit is separately metered

Emergency Power: None

INTERIOR DETAILS

General Description:	The six (6) retail buildings are finished in accordance with tenant demands.
Restrooms:	The property features adequate restrooms for men and women.
Personal Property:	When relevant to the assignment, CUSPAP requires personal property must be considered and analyzed as to the effect on value. For the purposes of this assignment, personal property was excluded from our valuation as this was not considered to be a relevant factor.

CONDITION OF BUILDING

Roof & Mechanical Inspections:	We did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
Functional Obsolescence:	There is no apparent functional obsolescence present at the subject property.
Capital Expenditures:	We have not been provided with a capital expenditure plan or an engineering report that would identify specific costs required to repair deficiencies at the subject property. During our inspection, we did not notice any deferred maintenance that would require immediate repair.

SUMMARY

Summary:	After considering all of the physical characteristics of the subject, we have concluded that the subject property has an overall rating that is "good" due to its interior finishes when measured against other similar properties in the vicinity.
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PROPERTY PHOTOGRAPHS

184 HARWOOD AVE S



184 HARWOOD AVE S



SITE ENTRANCE



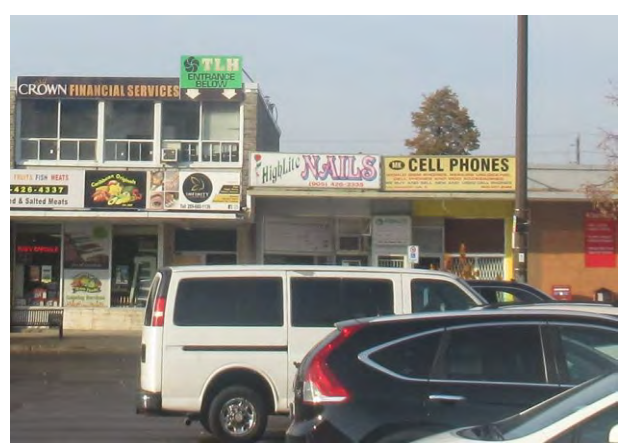
184 HARWOOD AVE S



134 HARWOOD AVE S



148 HARWOOD AVE S



152 HARWOOD AVE S



214 & 224 HARWOOD AVE S



226 HARWOOD AVE S



SUBJECT PROPERTY – PARKING LOT



MUNICIPAL INFORMATION

According to the Municipal Property Assessment Corporation (MPAC), the subject property has the following assessment information:

MUNICIPAL PROPERTY ASSESSMENT DATA				
Municipal Address	Assessment Roll Number	Property Description	Current Value Assessment:	Property Tax:
134 Harwood Ave S, Ajax	18-05-030-007-03600	410 - Retail - one storey, generally under 10,000 s.f.	\$506,000	N/A
148 Harwood Ave S, Ajax	18-05-030-007-03900-3900	410 - Retail - one storey, generally under 10,000 s.f.	\$479,000	N/A
152 Harwood Ave S, Ajax	18-05-030-007-04000-4000	477 - Retail with office(s) - less than 10,000 s.f., GBA with offices above	\$804,000	N/A
184 Harwood Avenue South, Ajax	18-05-030-007-03402-3402	112 - Multi-residential vacant lot	\$3,555,000	N/A
214 Harwood Ave S, Ajax	18-05-030-007-04800-4800	410 - Retail - one storey, generally under 10,000 s.f.	\$642,000	N/A
224 Harwood Ave S, Ajax	18-05-030-007-04900-4900	410 - Retail - one storey, generally under 10,000 s.f.	\$448,000	N/A
226 Harwood Ave S, Ajax	18-05-030-007-05000-5000	400 - Small office building (generally single tenant or owner occupied under 7,500 s.f.)	\$504,000	N/A
			Total:	\$6,938,000
			Summary:	The subject's property tax is considered to be reasonable and similar to competing buildings.

LAND USE PLANNING

OFFICIAL PLAN

The Official Plan is a policy document that provides direction for planning activities. It is intended to co-ordinate the effects of change and future development in the best long-term interest of the municipality. It provides a framework for zoning and other local regulations. Below is a summary of the Official Plan designation:

Governing Authority: Town of Ajax

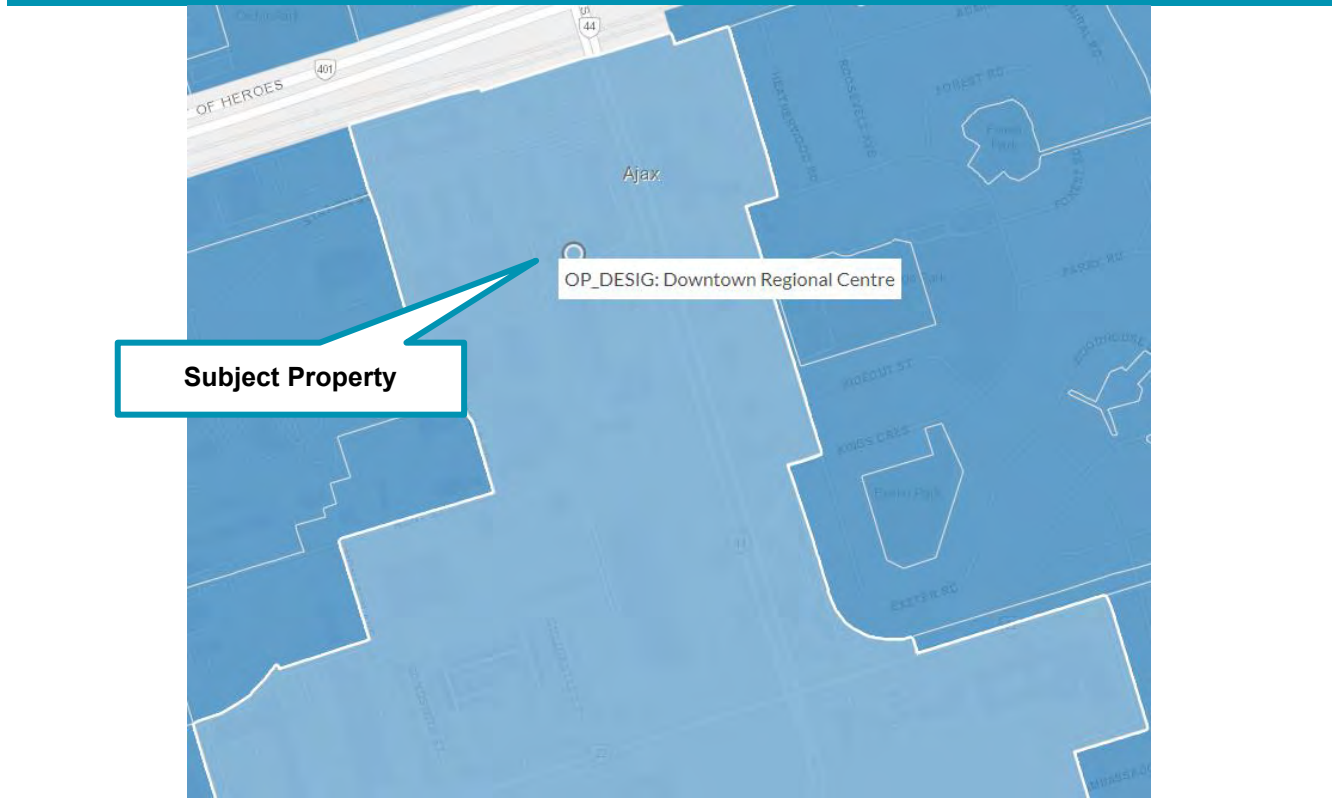
Official Plan Designation: Downtown Regional Centre

The Downtown is intended to evolve as the central focus for commercial, community, administrative, cultural and residential activities. It is envisioned to become a highly desirable, urban, intensive, pedestrian-oriented and transit-supportive mixed-use area – in other words, a distinct urban centre, a true Downtown – where people live, work, shop and play. The creation of an interconnected network of sidewalks and urban squares is encouraged throughout the Downtown to create active and vibrant gathering places. It is anticipated that the Downtown's role as a major transit hub will be enhanced over time. The amount and type of development anticipated in the Downtown provides the opportunity to achieve a substantive Downtown Core and synergies among the various uses. The density and form of development is expected to create an identity that will set it apart from other areas in Ajax. Harwood Avenue is a unique and beautifully landscaped avenue which is intended to evolve as an urban commercial main street and the heart of the Downtown. A new north-south street, west of Harwood, is envisioned as a more intimate commercial street which will complement the grand ceremonial character of Harwood Avenue.

The Downtown Regional Centre permits a broad range of office, retail, commercial, industrial, cultural, entertainment, community facilities and medium and high density residential uses. However, land uses which, by function, cater to automobiles rather than pedestrians shall be prohibited. These uses include, but are not necessarily limited to, motor vehicle service centres, motor vehicle gas bars, motor vehicle washing establishments (manual and automatic), drive-through facilities including drive through restaurants, motor vehicle rental establishments, and taxi depots. Parking lots as principal uses and new motor vehicle sales establishments, excluding accessory service/repair facilities and the outdoor storage or display of vehicles, shall be permitted in commercial and employment mixed use areas.

The Town shall encourage a mix of uses within various designations applying throughout the Downtown Regional Centre. Generally, the term 'mixed use' can refer either to mixed use developments (e.g., buildings that include commercial/retail uses at grade, with residential and/or office uses above, or developments consisting of a mix of uses in different buildings on the same property), or to broader areas (e.g., zones or designations) containing a mix of uses. 'Single Use' development refers to buildings that contain only residential, commercial, institutional or employment uses, excluding accessory uses.

OFFICIAL PLAN MAP



ZONING BY-LAW

The Zoning By-Law implements the Official Plan. It is a site-specific document that governs and controls the type and density of development on any given site.

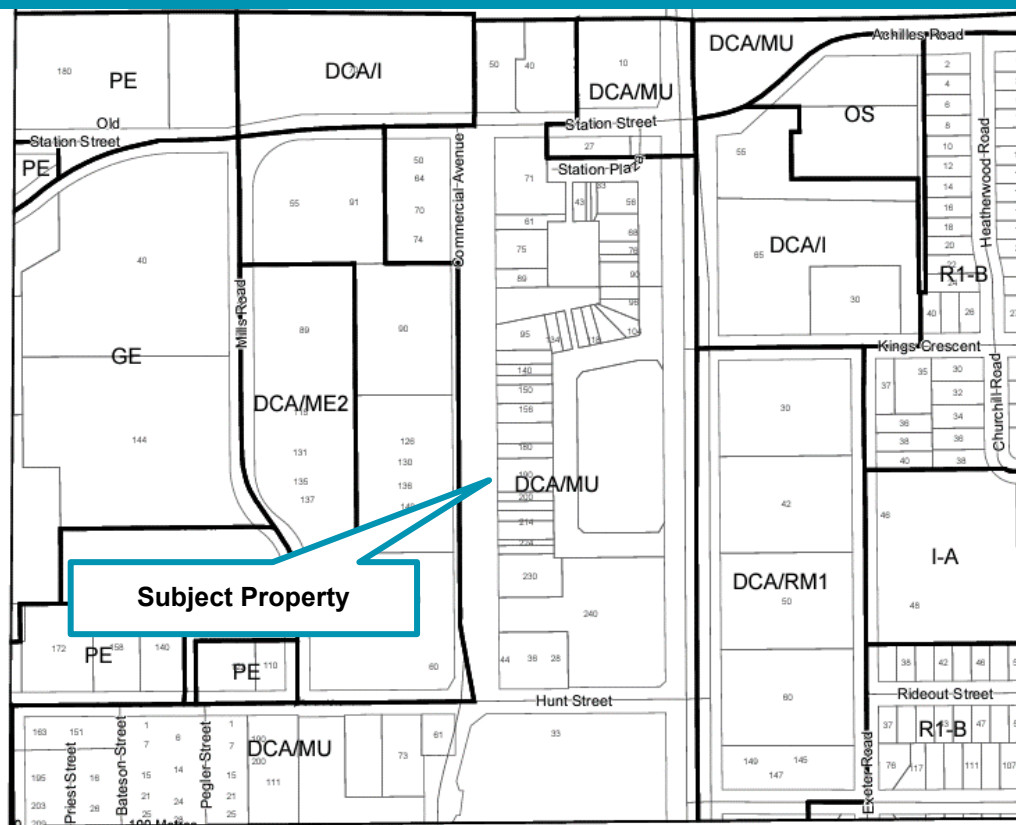
The subject property is designated as “DCA/MU – Downtown Central Area – Mixed Use”

Permitted uses within this designation include:

ZONING BY-LAW PERMITTED USES

Retail Store	Dwelling, Back-to-Back	Dwelling, Apartment
Dwelling, Live-work units	Townhouse	Senior Citizens
Dwelling, Maisonette	Dwelling, Stacked	Apartment
Dwelling, Multiple Attached	Townhouse	Home Based Business
	Dwelling, Back-to-Back	
	Stacked Townhouse	

ZONING BY-LAW MAP



Without being an expert in the interpretation of zoning regulations, the appraiser(s) believe(s) that the existing use of the subject property is a legally conforming use under the current Zoning By-law. Confirmation from the municipal zoning office will be required for such compliance and specific details.

PROPOSED DEVELOPMENT**Synopsis:**

The proposed development consists of a 10-storey mixed-use condominium with 390 residential units including 2 live/work units. The total gross floor area is 357,942 square feet, including 32,927 square feet of retail space and 25,144 square feet of office space. The development will have 586 parking stalls.

Proposed Development Statistics

Residential Gross Floor Area:	299,871
Retail Gross Floor Area:	32,927
Office Gross Floor Area:	25,144
Total Gross Floor Area:	357,942

Notes:

The live/work units with a total gross floor area of 19,267 square feet has been included into the residential gross floor area.

1-Bedroom Units:	262
2-Bedroom Units:	100
3-Bedroom Units:	10
Loft Units	18
Total Residential Units:	390

Type of Parking:	Surface and 2 Levels of Underground Parking
Surface Parking Stalls:	37
Underground Parking Stalls:	549
Total Parking Stalls:	586

Total Underground Gross Construction Area (Estimated):	71,588
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Proposed Development Summary / Status:

The proposed development has received site plan approval for a total gross floor area of 357,941 square feet in December 2015 and subsequently re-applied for higher density. At the effective date of this appraisal, the site plan application for a higher density is not approved. This appraisal report and its value conclusion(s) pertain to the site plan approved proposed development.

RESTRICTIVE COVENANTS

Restrictive covenants are clauses that prevent, prohibit, restrict, or limit the actions of a potential purchaser. In the subject's scenario, it is our understanding that a purchaser of the subject development will be required to enter a Development Agreement with the Town of Ajax. The terms of the Development Agreement are onerous for a potential purchaser and would have a material impact development's feasibility. The Development Agreement is summarized below:

- The Developer shall apply for a permit to allow construction to commence within 60 days after the date on which the Developer's purchase. The Developer shall commence construction of the mixed-use development within the greater of 150 days after such permit has been obtained, or such other period mutually agreed to by the Developer, the Receiver and Ajax (the "Construction Commencement Date").
- The Developer shall complete construction of the mixed-use development within 30 months from the date on which the Developer commences construction.
- If the above timelines are not met, the development lands may be conveyed to the Town.
- Should the Developer refuse or fail to complete the construction of the mixed-use development, the Town may claim damages of \$1,000 per day.

In the event that a Conveyance Event arises, the Town shall have the right to require that the Developer convey title to all, but not less than all of the Lands, to the Receiver, free and clear of all encumbrances in accordance with the terms of this Agreement (a "Conveyance"). The attempted assignment of this Agreement without the prior written consent of the Town of Ajax and the Receiver,

The Developer filing an appeal to the Ontario Land Tribunal in furtherance of seeking approval for an Official Plan Amendment, a Zoning By-law Amendment or a Site Plan Amendment in relation to any of the Development Lands;

The Developer refusing or neglecting to withdraw its application for a minor variance or minor variances that are not required pursuant to any Permitted Site Plan Amendment ;

The Developer failing, for any reason, to commence construction of the mixed-use development, in accordance with the Development Plans, as may be amended pursuant to the terms of this Agreement and/or the Site Plan Agreement, upon the Development Lands by the date set out in;

The Developer attempting to sell or selling, without the prior written consent of the Town of Ajax and the Receiver, any or all of the Lands, provided always that the foregoing restriction on the sale of any or all of the Lands shall not apply to sales of units in the mixed-use development to purchasers in fulfillment of the Pre-Sales Condition.

PROPOSED DEVELOPMENT RENDERING



HIGHEST AND BEST USE

Definition of Highest and Best Use

Fundamental to the concept of value is the principle of highest and best use, which is defined by Appraisal Institute of Canada as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.”

Highest and Best Use Criteria

We have evaluated the site's highest and best use both as currently improved and as if vacant. In both cases, the property's highest and best use must meet four criteria. That use must be (1) legally permissible, (2) physically possible, (3) financially feasible, and (4) maximally productive.

Legally Permissible

In determining the Highest and Best Use of a property, it is important for the appraiser(s) to ascertain the range of uses that are legally permissible. In cases where modifications to the Official Plan or Zoning By-Law designations are likely, these uses must also be considered. Consideration should also be given to public planning initiatives and economic and political conditions that affect planning decisions. These considerations will assist the appraiser(s) in determining whether amendments to the Official Plan and / or Zoning By-Law is likely.

184 Harwood Ave S is currently vacant and unimproved. As at December 2015, a site plan application was approved for the development of a 10-storey mixed-use condominium with 390 residential units including 2 live/work units. The total gross floor area is 357,942 square feet, including 32,927 square feet of retail space and 25,144 square feet of office space. The development will have 586 parking stalls. Subsequent to the approvals, a site plan application was re-submitted for a higher density, however was not approved. This appraisal report and its value conclusion(s) pertain to the site plan approved proposed development consisting of 357,942 square feet of buildable gross floor area.

he subject's current use is considered legally permissible.

Physically Possible

Any development for a site cannot be considered the Highest and Best Use unless that use is physically and functionally possible and adaptable to the characteristics of the site. The size, shape, area, topography and soil conditions may affect the potential uses that can be developed. The physical possibility of development for the subject property also reasonably expects that development can occur without additional costs above those of a typical vacant site. In cases where there are unusual costs associated with a development (i.e. soil clean, demolition, external costs, etc.) these costs should be deducted from the market value estimate.

Based on the subject property's physical characteristics, the appraiser(s) conclude(s) that a mixed commercial residential use that is similar as proposed is physically possible.

Financially Feasible

The estimate of Highest and Best Use is based on the market demand for the Authorized use, reasonably expecting that purchasers have rationalized a positive financial benefit. Further, in order to be financially feasible, there must be demand or a market for the Authorized use.

Our review of the market indicates that the mixed commercial and residential market is stable. Therefore, development to this use is considered financially feasible.

Maximally Productive

A use cannot be considered a site's Highest and Best Use unless its anticipated earnings ability is sufficient to generate a reasonable return on costs of acquisition and development. This aspect of Highest and Best Use inherently involves a cost benefit analysis whereby the use that generates the highest profit or greatest return logically represents the Highest and Best Use.

We concluded that development to mixed commercial and residential use is maximally productive.

Highest and Best Use "As-Vacant"

Based on the four criteria, the Highest and Best Use "As-Vacant" of the subject property would be development to a mixed commercial and residential use that is within the permitted use of the Official Plan and the Zoning ByLaw.

Highest and Best Use of Property "As-Improved"

According to the Dictionary of Real Estate Appraisal, highest and best use of the property as improved is defined as:

"The use that should be made of a property as it exists. An existing improvement should be renovated or retained "as is" so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one."

The Highest and Best Use "As-Improved" of the subject property would be for development to a mixed commercial and residential use that is within the permitted use of the Official Plan and the Zoning ByLaw.

VALUATION METHODOLOGY

Methodology

There are three generally accepted approaches available in developing an opinion of value: Direct Comparison, Income and Cost Approaches. We have considered each in this appraisal to develop an opinion of the current market value of the subject property. In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued, the quality of information available, as well as the motivation and thinking of purchasers in the market for the subject property. Each approach and its applicability to the subject property are discussed below.

Direct Comparison Approach

The Direct Comparison Approach considers the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the subject property on the basis of time and such features as location, configuration, planning and size. Adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive a value for the subject property.

Income Approach

This approach first determines the income-producing capacity of a property by utilizing contract rents on leases in place and by estimating market rent from rental activity at competing properties for the vacant space. Deductions then are made for vacancy and collection loss and operating expenses.

In the Overall Capitalization Method or Income Capitalization Method, the resulting net operating income is divided by a capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value.

Another income method is the Discounted Cash Flow Method. In this method, periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

Cost Approach

The Cost Approach is based upon the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use of the land; or when relatively unique or specialized improvements are located on the site, for which there exist few improved sales or leases of comparable properties.

In the Cost Approach, the appraiser(s) form(s) an opinion of the cost of all improvements, depreciating them to reflect any value loss from physical, functional and external causes. Land value, entrepreneurial profit and depreciated improvement costs are then added resulting in a value estimate for the subject property.

Subdivision Development / Land Residual Method (Land Value)

The Subdivision Development / Land Residual Method (also referred to as the Cost of Development Approach or Land Development approach) is based on a proposed development of the land, where the costs (hard & soft) of construction and development profit are deducted from the expected market value or revenue of the completed

project (i.e. serviced, ready to develop building lots). The residual value is that price which the developer would pay for the “raw” land. Typically, the approach will involve estimating the gross revenue for the planned residential lots (as if serviced and ready to build) and deducting the relevant hard and soft costs that a developer would typically incur to construct the roads, services, etc., including a developer profit. Further, development charges and a cash-in-lieu payment must be deducted since these are additional costs required to be paid by the land owner prior to sale. The motivation is comprised of achieving a development profit for undertaking the risk of planning and servicing together with the profit to be realized from the sale of the serviced lots to home builders.

Summary

In this appraisal, we have used the Direct Comparison Approach and the Land Residual Method (Land Value) to estimate the current market value of the subject property. The Cost Approach was not completed, as this approach is rarely, if ever, used by prudent purchasers in the market. It is not generally considered to be a relevant test of market value and has not been completed. The valuation process is concluded by judging each valuation approach used in this appraisal, based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the valuation approaches, or is a correlation of all the approaches used.

LAND RESIDUAL METHODOLOGY

Introduction

For the Land Residual methodology, we analyzed the potential revenue generated from the development project. Once we have estimated the total revenue generated, we are able to deduct the estimated cost to construct the improvements - including, but not limited to, hard and soft construction costs, site servicing costs, development charge payments, consulting and planning fees, sales & marketing, development profit, contingency, etc. The remaining value, if necessary, is adjusted for a development timeline in order to determine the market value of the underlying lands.

We have developed a Land Residual methodology within the report based on the following development statistics:

LAND RESIDUAL METHODOLOGY

Proposed Development

Development Type: Mixed-Use Condominium

Site Area:

Acres 2.38
Square feet 103,635

Residential Units:

1-Bed 262
2-Bed 100
3-Bed 10
Loft Units 18
Total 390

Total GFA	sf	Efficiency Ratio	%	Net Sellable GFA	sf
Residential	299,871	Residential	85%	Residential	254,890
Retail	32,927	Retail	100%	Retail	32,927
Office	25,144	Office	100%	Office	25,144
Total	357,942			Total	312,961


Parking units / sf
Sellable Parking 390
Total 390
Total Construction Area: 71,588



Revenue Analysis

Pre-Construction Comparables – Primary Residential Units

Based on the proposed development as indicated above, we have conducted a survey to ascertain the fair market value of the property based on its “As-If Complete” basis which assumes that all construction has been fully completed and has received full occupancy status. To estimate an appropriate achievable “As-If Complete” value for the units, we have searched pre-construction sales and/or existing sales of similar type developments. Below is a summary of the survey.

CURRENT COMPARABLE SALES/LISTINGS										
Index No	Project	Photo	Unit Breakdown				Sale/Listing Price (\$/sq.ft)			General Description
			Type	Minimum	Maximum	Average	Minimum	Maximum	Average	
1	Lake Pointe at Discovery Bay 253 Lake Driveway West, Ajax		1-bdrm	480	676	578	\$1,139	\$1,259	\$1,199	Lake Pointe at Discovery Bay is a new condo and townhouse community by Your Home Developments currently in preconstruction at 253 Lake Driveway West, Ajax. The community is scheduled for completion in Sept 2027. Available units range in price from \$598,900 to \$1,179,900. Lake Pointe at Discovery Bay has a total of 180 units. Sizes range from 480 to 1,179 square feet. Parking cost: \$50,000 / Storage cost: \$7,500
			2-bdrm	643	950	797	\$1,062	\$1,150	\$1,106	
			3-bdrm	1,179	1,179	1,179	\$1,001	\$1,001	\$1,001	
2	The Highmark 1640 Kingston Road, Pickering		Studio	386	386	386	\$1,308	\$1,308	\$1,308	The Highmark is a new condo community by Highmark Homes currently in preconstruction at 1640 Kingston Road, Pickering. The community is scheduled for completion in Dec 2026. Available units range in price from \$504,990 to \$771,990. The Highmark has a total of 346 units. Sizes range from 386 to 972 square feet. Parking cost: \$55,000 / Storage cost included in the purchase price (Oversized Lockers available for sale*)
			1-bdrm	464	597	531	\$1,107	\$1,239	\$1,173	
			2-bdrm	660	710	685	\$1,087	\$1,111	\$1,099	
3	VuPoint 2 1776 Liverpool Road, Pickering		1-bdrm	453	613	533	\$1,145	\$1,236	\$1,190	VuPoint 2 is a new condo community by Tribute Communities and Secure Capital currently under construction at 1776 Liverpool Road, Pickering. The community is scheduled for completion in May 2028. Available units range in price from \$589,000 to \$967,000. VuPoint 2 has a total of 612 units. Sizes range from 453 to 862 square feet. Parking cost: \$55,000
			2-bdrm	692	862	777	\$1,073	\$1,138	\$1,106	
4	Pickering City Centre 1355 Kingston Road, Pickering		1-bdrm	446	614	530	\$1,026	\$1,211	\$1,119	Pickering City Centre is a new condo community by CentreCourt currently in preconstruction at 1355 Kingston Road, Pickering. Available units range in price from \$481,000 to \$723,000. Pickering City Centre has a total of 2,100 units. Sizes range from 446 to 689 square feet.
			2-bdrm	610	689	650	\$990	\$1,097	\$1,043	

We have analyzed a total of 4 development projects as indicated above. The most comparable project is Lake Pointe at Discovery Bay. At the effective date of this appraisal, we estimate the projected revenue from selling the available units to be in the lower end of the range – concluded at \$975 psf.

Comparables – Retail and Office Component

COMPARABLE SALE TRANSACTIONS - RETAIL						
Index No	Property Address	Sale Date	Sale Price	Gross Floor Area (sq.ft)	\$/SF	Current Use / Description
1	601 Kingston Road West, Ajax	Jun. 19, 2024	\$1,400,000	2,501	\$560	Single storey, multi-tenant retail building
2	1211 Kingston Road, Pickering	Jul. 28, 2023	\$12,900,000	39,646	\$325	Three, one storey, multi tenant retail buildings.
3	550 Finch Avenue, Pickering	Aug. 3, 2023	\$3,600,000	10,993	\$327	Two, one storey, multi tenant retail building
4	1411 King Street East, Clarington	Feb. 28, 2023	\$2,675,000	8,780	\$305	Single storey, multi tenant retail building
5	257, 285, 305 & 319 Kingston Road East, Ajax	May. 16, 2024	\$25,580,000	70,980	\$360	Retail shopping centre
6	1100 Kingston Road, Scarborough	Jun. 19, 2024	\$7,100,000	17,838	\$398	Retail component of a residential condominium
Minimum:		Feb. 28, 2023	\$1,400,000	2,501	\$305	
Maximum:		Jun. 19, 2024	\$25,580,000	70,980	\$560	
Average:		Dec. 8, 2023	\$8,875,833	25,123	\$379	

The table above indicates sales for retail in Durham region and Scarborough. A search in the market for similar type properties indicated 6 comparable transactions sold between February 28, 2023 and June 19, 2024. The sale prices ranged from \$1,400,000 to \$25,580,000 - an average of \$8,875,833. In terms of building size, the sale comparables ranged from 2,501 square feet to 70,980 square feet. When converted into a unit rate, the sales range from \$305 per square feet to \$560 per square feet - an average of \$379 per square feet.

COMPARABLE SALE TRANSACTIONS - OFFICE						
Index No	Property Address	Sale Date	Sale Price	Gross Floor Area (sq.ft)	\$/SF	Current Use / Description
1	65 Sunray Street, Whitby	Sep. 3, 2024	\$7,300,000	25,613	\$285	2-storey office building with a single tenant
2	40 King Street West, Durham	Aug. 13, 2024	\$14,000,000	94,568	\$148	8-storey office building with multi-tenants
3	601 Westney Road South, Ajax	May. 31, 2023	\$6,950,000	42,438	\$164	Two storey office building
4	400 Dundas Street East, Whitby	Jun. 16, 2023	\$3,400,000	12,500	\$272	Two storey, multi tenant office building
5	106 Stevenson Road South, Oshawa	May. 31, 2024	\$1,700,000	5,207	\$326	Single storey office building with a multi-tenant
Minimum:		May. 31, 2023	\$1,700,000	5,207	\$148	
Maximum:		Sep. 3, 2024	\$14,000,000	94,568	\$326	
Average:		Feb. 11, 2024	\$6,670,000	36,065	\$239	

The table above indicates sales for office in the Durham region. A search in the market for similar type properties indicated 5 comparable transactions sold between May 31, 2023 and September 3, 2024. The sale prices ranged from \$1,700,000 to \$14,000,000 - an average of \$6,670,000. In terms of building size, the sale comparables ranged from 5,207 square feet to 94,568 square feet. When converted into a unit rate, the sales range from \$148 per square feet to \$326 per square feet - an average of \$239 per square feet.

Based on the above survey(s), we conclude a fair market value "As-If Complete" to be the following:

Projected Revenue / Sell-Out Value “As-if Complete”

Projected Revenue / Sell-Out Value				
Residential Units	Units	PSF / Per Unit	Avg SF	Revenue
Market Units - Unsold	390	\$975	654	\$248,518,091
Commercial Space				
Retail		\$450	32,927	\$14,817,150
Office		\$150	25,144	\$3,771,600
Additional Revenue Sources				
Parking - Sellable	390	\$55,000		\$21,450,000
Current Market Value "As-If Complete"				\$288,556,841

Revenue Notes

We have assumed the following:

- 1) Residential efficiency ratio of 85%
- 2) Parking revenue only applies to residential parking stalls

Expense Analysis

From the above revenue/market values “As-If Complete”, we have deducted the estimated cost to construct the improvements - including, but not limited to, hard and soft construction costs, site servicing costs, development charge payments, consulting and planning fees, sales & marketing, development profit, contingency, etc. Below is a summary of the estimated costs to construct the proposed development.

Hard Construction Costs

For the purpose of this analysis, we have considered the client construction budget and the current Altus Canadian Cost Guide as shown below.

CONSTRUCTION COSTING GUIDES

Source	Type	P.S.F	Comments
Altus Canadian Cost Guide 2024	Condominiums/Apartments - Up to 12 Storeys	\$285 psf - \$390 psf	The unit rates are an average range for that particular type of building only and cover construction costs only. Soft Cost and Parking are excluded from the estimate. Premium Factor: up to \$245 psf if above average
Altus Canadian Cost Guide 2024	Parking - Underground Parking Garages	\$175 psf - \$300 psf	The unit rates are an average range for that particular type of garage only and cover construction costs only. Soft Cost are excluded from the estimate. Premium Factor: up to \$220 psf if above average

Based on our review of the provided documents and the above costing guide, we have concluded the following hard construction costs which includes contingency costs.

Construction Expense

Hard Costs	Rate (\$ / %)	SF	Costs
Above Grade			
Residential + Commercial	\$300	357,942	\$107,382,600
Below Grade			
Parking	\$225	71,588	\$16,107,300
Contingency	7.50%	230	\$9,261,743
Total Hard Costs			\$132,751,643
		<i>\$/sft</i>	<i>\$371</i>

Soft Construction Costs

Soft costs include Municipal Development Charges, Sales Commissions, Financing Charges, Legal & Consulting Charges, Marketing & Advertising expenses and various other expenses to bring the lands to a ready to build state as well as the land's proportionate share of pre- and post-construction costs.

SOFT CONSTRUCTION COSTS

Residential Development Charges & Municipal Costs	<ul style="list-style-type: none"> Residential development charges are imposed on land development and redevelopment projects to help pay for the capital costs of infrastructure that is needed to service new development.
Commercial Development Charges & Municipal Costs	<ul style="list-style-type: none"> Commercial development charges to cover a variety of General Services (incl. Housing, Emergency Services, Education, Transit,) and Engineered Services (incl. Roads, Water, Sewer, Storm Water Management).
Sales Commissions	<ul style="list-style-type: none"> Sales commissions for internal and external sales representatives' range between 2.50% and 5.00%.
Financing	<ul style="list-style-type: none"> We have applied financing charges range between 7.0% and 12.0% of total revenues.
Marketing & Advertising	<ul style="list-style-type: none"> Market & Advertising is typically budgeted between 0.250% to 1.00% of total revenues.
Legal/Planning/Consulting/Other	<ul style="list-style-type: none"> Outside consultants are typically required as part of the planning process. These include legal, architects, planning consultants, environmental site assessments, etc. The costs typically range between 5% to 15% of total revenues. Additional charges associated with the development of the subject property will likely be incurred and include such items as realty taxes, building permits, underground building permits, inspections, zoning costs, non-residential charges, meter costs, etc.
Contingency (Soft Costs)	<ul style="list-style-type: none"> Contingency costs range between 5.00% and 10.00% of the total Soft Costs.
Developer's Profit	<ul style="list-style-type: none"> Development land transactions take into account profits developers will realize throughout the development process. The percentage selected is dependent on a number of factors such revenue, expenses, economic risk and development timeline risk. Developments that have limited risk in "shovel" ready sites/projects would typically have a lower Developer's Profit in the range of 10% to 15% of total expenses. Consequently, development projects which are not fully approved, and/or do not have full entitlements would result in a higher Developer's Profit in the range of 15% to 20% to offset the degree of risk.

	<ul style="list-style-type: none">• The subject property and its proposed development has received full approvals with the exception of a new Site Plan submission. Therefore we have concluded a Developer's Profit of 12.50%.
HST Charge	<ul style="list-style-type: none">• Developers are required to pay a proportion of the total HST on all residential unit sales.
Recoveries	<ul style="list-style-type: none">• It is common for developers to recover costs associated with interim occupancy, interest earned on deposits, and the Tarion Enrollment Fee.

Land Residual Summary

Below is a summary outlining the residual model for the subject property.

LAND RESIDUAL METHODOLOGY

Proposed Development

Development Type: Mixed-Use Condominium

Site Area:

Acres 2.38
Square feet 103,635

Residential Units:

1-Bed 262
2-Bed 100
3-Bed 10
Loft Units 18
Total 390

Total GFA	sf	Efficiency Ratio	%	Net Sellable GFA	sf
Residential	299,871	Residential	85%	Residential	254,890
Retail	32,927	Retail	100%	Retail	32,927
Office	25,144	Office	100%	Office	25,144
Total	357,942			Total	312,961

Parking units / sf
Sellable Parking 390
Total 390
Total Construction Area: 71,588



Projected Revenue / Sell-Out Value

Residential Units	Units	PSF / Per Unit	Avg SF	Revenue
Market Units - Unsold	390	\$975	654	\$248,518,091
Commercial Space				
Retail		\$450	32,927	\$14,817,150
Office		\$150	25,144	\$3,771,600
Additional Revenue Sources				
Parking - Sellable	390	\$55,000		\$21,450,000

Current Market Value "As-If Complete"

\$288,556,841

Revenue Notes

We have assumed the following:

- 1) Residential efficiency ratio of 85%
- 2) Parking revenue only applies to residential parking stalls

Construction Expense			
Hard Costs	Rate (\$ / %)	SF	Costs
Above Grade			
Residential + Commercial	\$300	357,942	\$107,382,600
Below Grade			
Parking	\$225	71,588	\$16,107,300
Contingency	7.50%	230	\$9,261,743
Total Hard Costs			\$132,751,643
		\$/sf	\$371
Soft Costs (% of Revenue)			
Residential Municipal Development Charges			\$34,186,060
Commercial Municipal Development Charges			\$3,174,742
Sales Commissions	5.00%		\$14,427,842
Financing	11.00%		\$31,741,253
Marketing & Advertising	0.50%		\$1,442,784
Legal/Planning/Consulting/Other	3.00%		\$8,656,705
Contingency (excl. Municipal Charges)	3.00%		\$1,688,058
Total Soft Costs			\$95,317,443
		\$/sf	\$266
Remaining Costs			
Developers' Profit (% of Total Expense)	12.50%		\$28,508,636
HST on Residential Unit Sales	7.12%		\$19,233,338
Total Soft Costs			\$47,741,974
		\$/sf	\$133
Total Construction Expense			\$275,811,059
		\$/sf	\$771

Total Project Costs incl. Profit and Recoveries	\$275,811,059
--	----------------------

Current Market Value "As-Is" (rounded)	\$12,700,000
Per Acre:	\$5,338,377
Per Buildable Unit :	\$32,564
Per Square Foot Buildable:	\$35

Current Market Value "As-Is"

Based on the above analysis, it is our opinion that the current market value "As-Is" derived by the Land Residual methodology at the effective date of this appraisal is estimated to be:

LAND RESIDUAL VALUE CONCLUSION ("AS-IS")

TWELVE MILLION SEVEN HUNDRED THOUSAND DOLLARS

\$12,700,000

Exposure Time: 3 to 9 months

Extraordinary Assumption and Hypothetical Condition Conclusion

This appraisal report is based on the following Extraordinary Assumptions and Hypothetical Conditions:

- The subject property is free and clear of any environmental contamination that would impede on the current and/or future use.

Should the above Extraordinary Assumption(s) and Hypothetical Condition(s) not be true, C&W reserves the right to amend the value conclusion(s) accordingly.

DIRECT COMPARISON APPROACH – LAND COMPONENT

Introduction

The Direct Comparison Approach considers the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the subject property on the basis of time and such features as location, configuration, planning and size. Adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive a value for the subject property.

The subject property consists of 7 properties with a total site area of 3.018 acres located along Harwood Avenue South in the Town of Ajax. 184 Harwood Ave South is currently vacant and unimproved. As at December 2015, a site plan application was approved for the development of a 10-storey mixed-use condominium with 390 residential units including 2 live/work units. The total gross floor area is 357,942 square feet, including 32,927 square feet of retail space and 25,144 square feet of office space. The development will have 586 parking stalls. Subsequent to the approvals, a site plan application was re-submitted for a higher density, however was not approved. This appraisal report and its value conclusion(s) pertain to the site plan approved proposed development consisting of 357,942 square feet of buildable gross floor area.

For this approach, we have analyzed the sale transactions using the price psf buildable gross floor area as the unit of comparison.

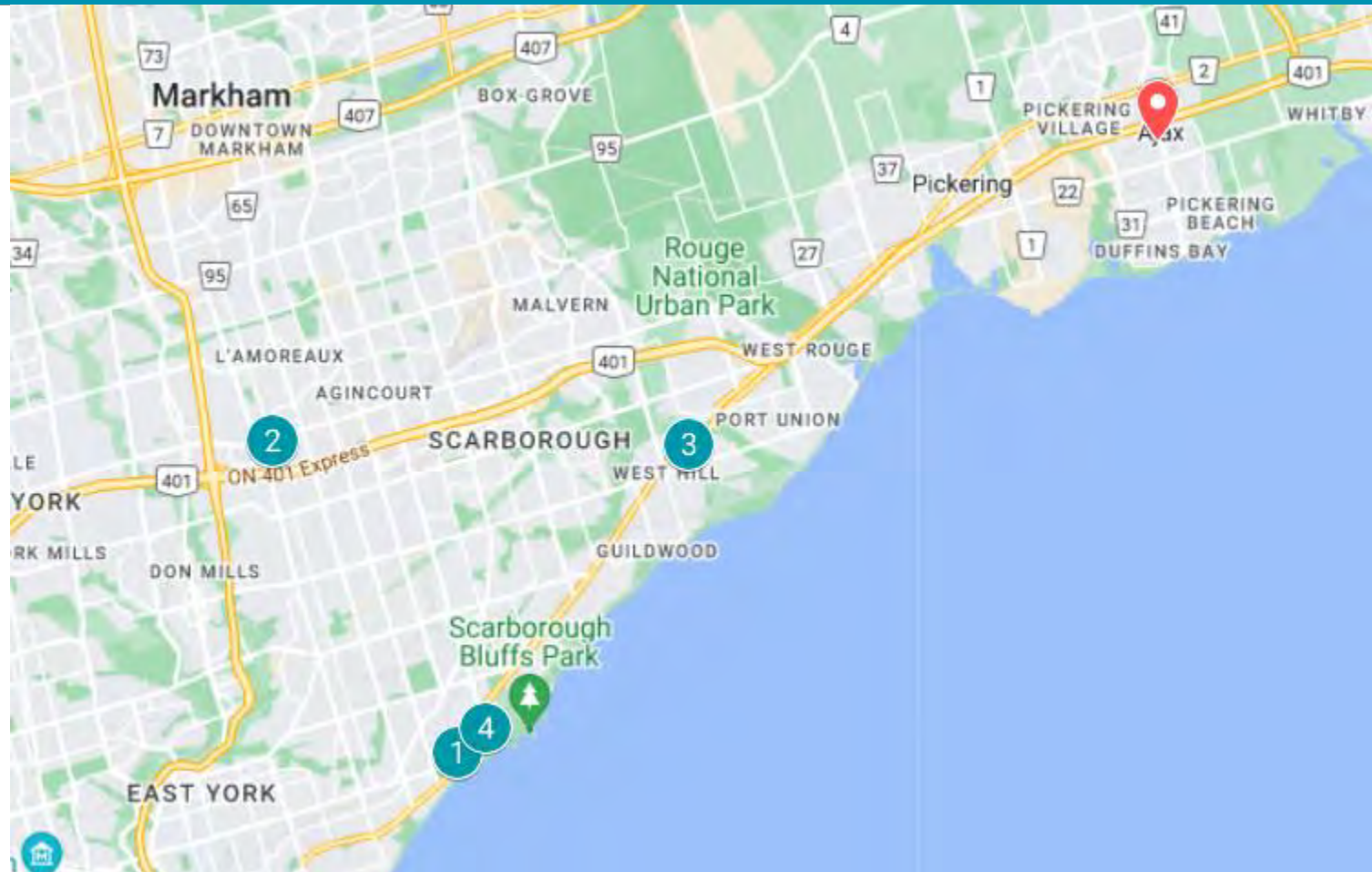
Selection of Comparable Transactions

A search in the market for similar type properties indicated 4 comparable transactions sold between September 8, 2022 and July 4, 2023. The sale prices ranged from \$10,000,000 to \$19,000,000 - an average of \$15,220,578. In terms of site area, the sale comparables ranged from 0.440 acres to 1.870 acres - an average of 1.025 acres. When converted into a unit rate, the sales range from \$7,370,220 per acre to \$23,205,128 per acre - an average of \$18,028,626 per acre. The sale comparables ranged from 114,937 square feet buildable gross floor area to 354,143 square feet buildable gross floor area - an average of 259,357 square feet buildable gross floor area. When converted into a unit rate, the sales range from \$45 per square foot buildable gross floor area to \$87 per square foot buildable gross floor area - an average of \$64 per square foot buildable gross floor area.

The following is a summary of the comparable transactions.

COMPARABLE SALE TRANSACTIONS									
Index	Property Address	Sale Date	Sale Price	Site Area (ac)	\$/Acre	Floor Space Index	Buildable Gross Floor Area (SF)	\$/Buildable Gross Floor Area (SF)	Comments
S	184 Harwood Avenue South, Ajax	-	-	2.379	-	3.45	357,942	-	The subject property consists of 7 properties with a total site area of 3.018 acres located along Harwood Avenue South in the Town of Ajax. 184 Harwood Ave South is currently vacant and unimproved. A site plan application is approved for the development of a 10-storey mixed-use condominium with 390 residential units including 2 live/work units. The total gross floor area is 357,942 square feet, including 32,927 square feet of retail space and 25,144 square feet of office space. The development will have 586 parking stalls. At the effective date of this appraisal, a site plan application was submitted to apply for higher density. However, no approvals have been granted. This appraisal report and its value conclusion(s) pertain to the site plan approved proposed development.
1	62 Glen Everest Road, Scarborough	Jul 4, 2023	\$18,100,000	0.780	\$23,205,128	10.42	354,143	\$51	At the time of sale, the property was improved with a three storey apartment building. A Rezoning Application (No. 21 134156 ESC 20 OZ) was originally submitted on March, 2021 and resubmitted on June 28, 2022 pertaining to the land in this transaction and adjacent parcels. The Application proposed the development of a 12 storey, 414 unit residential condominium development, which includes 68 rental units. The development would have a total gross floor area of approximately 354,143 square feet, and would have 292 parking spaces. As of August, 2023, the Application was still in circulation.
2	2992 Sheppard Avenue East, Scarborough	May 18, 2023	\$10,000,000	0.440	\$22,727,273	6.00	114,937	\$87	At the time of sale, the property was vacant and unimproved. A Site Plan Application (No. 23 183133 ESC 22 SA) was submitted on August 1, 2023 pertaining to the land in this transaction. The Application proposed the development of a 15-storey apartment condominium building containing 158 dwelling units, retail uses at-grade, two levels of underground parking containing 72 parking spaces and 6 surface parking spaces. The development would have a total gross floor area of approximately 114,937 square feet, including approximately 1,615 square feet of retail space. As of November 2023, the Site Plan Application was under review.
3	4630 Kingston Road, Scarborough	Jan 23, 2023	\$13,782,312	1.870	\$7,370,220	3.79	308,494	\$45	At the time of sale, the property was improved with a retail plaza. A Rezoning Application (No. 21 250500 ESC 25 OZ) and Site Plan Application (No. 21 250499 ESC 25 SA) were submitted on December 21, 2021 pertaining to the land in this transaction. The Applications proposed the development of a 13-storey, 417 unit residential condominium development with retail at grade. The development would have a total gross floor area of approximately 308,494 square feet, including approximately 2,939 square feet of retail space and would have 304 parking spaces. As of January, 2023, the Applications were still in circulation.
4	2257 Kingston Road, Scarborough	Sep 8, 2022	\$19,000,000	1.010	\$18,811,881	5.91	259,852	\$73	At the time of sale, the property was improved with a retail plaza. A Rezoning Application (No. 22 236511 ESC 20 OZ) was submitted on December 6, 2022 pertaining to the land in this transaction. The Application proposed the development of a 13-storey apartment condominium building containing 318 dwelling units, retail uses at-grade and two levels of underground parking containing 221 parking spaces. The development would have a total gross floor area of approximately 259,852 square feet, including approximately 8,665 square feet of retail space. As of October 2023, the Rezoning Application was under review.
Low:		Sep 8, 2022	\$10,000,000	0.440	\$7,370,220	6.00	114,937	\$45	
High:		Jul 4, 2023	\$19,000,000	1.870	\$23,205,128	4.35	354,143	\$87	
Average:			\$15,220,578	1.025	\$18,028,626	5.81	259,357	\$64	

COMPARABLE SALES MAP



COMPARABLE TRANSACTION

INDEX 1



SALES DATE

Sale Status:	Final
Address:	62 Glen Everest Road, Scarborough
Sale Date:	July 4, 2023
Sale Price:	\$18,100,000
% Transferred:	100%
Sale Type:	Market
Vendor(s):	Glen Everest Apts. Inc.
Purchaser(s):	Glen Everest Developments Inc.

PRICE STRUCTURE

Cash Down:	\$18,100,000	100.0%
VTB/Assumed:	\$0	0.0%
Total Price:	\$18,100,000	100.0%
Price Notes:	Cash	

PROPERTY CHARACTERISTICS

Site Area (ac):	0.780
\$/Acre:	\$23,205,128
Buildable Gross Floor Area (SF):	354,143
\$/Buildable Gross Floor Area (SF):	\$51

Transaction Comments:

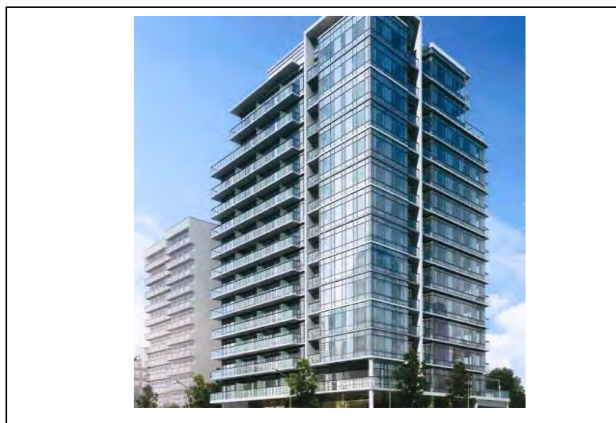
At the time of sale, the property was improved with a three storey apartment building. A Rezoning Application (No. 21 134156 ESC 20 OZ) was originally submitted on March, 2021 and resubmitted on June 28, 2022 pertaining to the land in this transaction and adjacent parcels. The Application proposed the development of a 12 storey, 414 unit residential condominium development, which includes 68 rental units. The development would have a total gross floor area of approximately 354,143 square feet, and would have 292 parking spaces. As of August, 2023, the Application was still in circulation. The property is located on the south side of Kingston Road, east of Birchmount Road in Scarborough.

Map of Property:



COMPARABLE TRANSACTION

INDEX 2



SALES DATE

Sale Status:	Final
Address:	2992 Sheppard Avenue East, Scarborough
Sale Date:	May 18, 2023
Sale Price:	\$10,000,000
% Transferred:	100%
Sale Type:	Market
Vendor(s):	Maestro Developments Inc.
Purchaser(s):	1000476732 Ontario Inc.

PRICE STRUCTURE

Cash Down:	\$10,000,000	100.0%
VTB/Assumed:	\$0	0.0%
Total Price:	\$10,000,000	100.0%
Price Notes:	Cash	

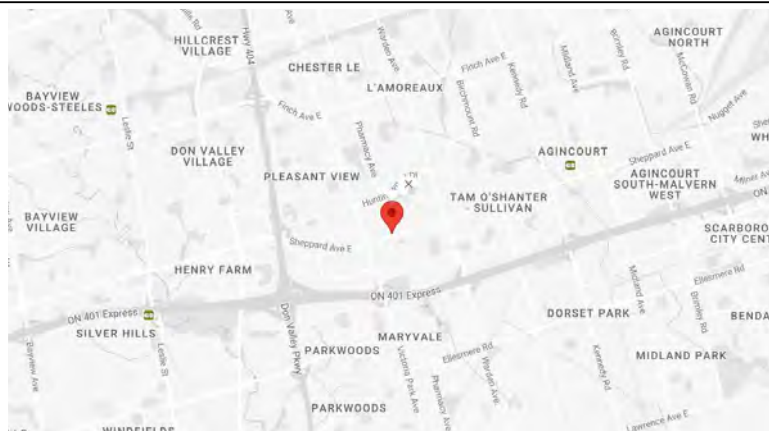
PROPERTY CHARACTERISTICS

Site Area (ac):	0.440
\$/Acre:	\$22,727,273
Buildable Gross Floor Area (SF):	114,937
\$/Buildable Gross Floor Area (SF):	\$87

Transaction Comments:

At the time of sale, the property was vacant and unimproved. A Site Plan Application (No. 23 183133 ESC 22 SA) was submitted on August 1, 2023 pertaining to the land in this transaction. The Application proposed the development of a 15-storey apartment condominium building containing 158 dwelling units, retail uses at-grade, two levels of underground parking containing 72 parking spaces and 6 surface parking spaces. The development would have a total gross floor area of approximately 114,937 square feet, including approximately 1,615 square feet of retail space. As of November 2023, the Site Plan Application was under review. The property is located on the northwest corner of Sheppard Avenue East and Pharmacy Avenue in Scarborough.

Map of Property:



COMPARABLE TRANSACTION

INDEX 3



SALES DATE

Sale Status:	Final
Address:	4630 Kingston Road, Scarborough
Sale Date:	January 23, 2023
Sale Price:	\$13,782,312
% Transferred:	100%
Sale Type:	Market
Vendor(s):	May Stone Investments Inc.
Purchaser(s):	Park Central Gp Inc.

PRICE STRUCTURE

Cash Down:	\$12,282,312	89.1%
VTB/Assumed:	\$1,500,000	10.9%
Total Price:	\$13,782,312	100.0%
Price Notes:	Cash+VTB	

PROPERTY CHARACTERISTICS

Site Area (ac):	1.870
\$/Acre:	\$7,370,220
Buildable Gross Floor Area (SF):	308,494
\$/Buildable Gross Floor Area (SF):	\$45

Transaction Comments:

At the time of sale, the property was improved with a retail plaza. A Rezoning Application (No. 21 250500 ESC 25 OZ) and Site Plan Application (No.21 250499 ESC 25 SA) were submitted on December 21, 2021 pertaining to the land in this transaction. The Applications proposed the development of a 13-storey, 417 unit residential condominium development with retail at grade. The development would have a total gross floor area of approximately 308,494 square feet, including approximately 2,939 square feet of retail space and would have 304 parking spaces. As of January, 2023, the Applications were still in circulation. The property is located on the north side of Kingston Road, east of Morningside Avenue in Scarborough.

Map of Property:



COMPARABLE TRANSACTION

INDEX 4



SALES DATE

Sale Status:	Final
Address:	2257 Kingston Road, Scarborough
Sale Date:	September 8, 2022
Sale Price:	\$19,000,000
% Transferred:	100%
Sale Type:	Market
Vendor(s):	1606555 Ontario Inc.
Purchaser(s):	2257 Kingston Rd. Ltd.

PRICE STRUCTURE

Cash Down:	\$19,000,000	100.0%
VTB/Assumed:	\$0	0.0%
Total Price:	\$19,000,000	100.0%
Price Notes:	Cash	

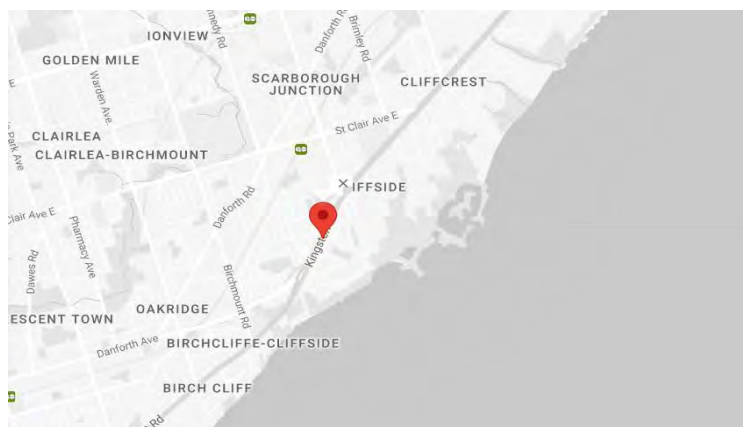
PROPERTY CHARACTERISTICS

Site Area (ac):	1.010
\$/Acre:	\$18,811,881
Buildable Gross Floor Area (SF):	259,852
\$/Buildable Gross Floor Area (SF):	\$73

Transaction Comments:

At the time of sale, the property was improved with a retail plaza. A Rezoning Application (No. 22 236511 ESC 20 OZ) was submitted on December 6, 2022 pertaining to the land in this transaction. The Application proposed the development of a 13-storey apartment condominium building containing 318 dwelling units, retail uses at-grade and two levels of underground parking containing 221 parking spaces. The development would have a total gross floor area of approximately 259,852 square feet, including approximately 8,665 square feet of retail space. As of October 2023, the Rezoning Application was under review. The property is located on the south side of Kingston Road, west of Midland Avenue in Scarborough.

Map of Property:



Analysis of Comparable Sales

Since no two properties are completely alike, adjustments must be made to compensate for differences between the comparable sales and the subject property. The major elements of comparison for an analysis of the Subject type of property include:

ADJUSTMENT FACTORS

Sales Date	Where the market is changing, it may be necessary to adjust prices to reflect the time difference between the date of sale of a comparable property and the date of valuation. When the Bank of Canada raised its benchmark interest rate from a historic low in March 2022, it produced a chilling effect on overall demand. Despite rate cuts commencing in June 2024 and continuing throughout the year, demand has not yet rebounded, and prices are still below their pandemic highs. As such, we have chosen a negative growth rate between -5.00% to -15.00% to per annum as our time adjustment for the comparable properties for the purpose of this analysis.
Property Rights Conveyed	When real property rights are sold, they may be the sole subject of the contract or the contract may include other rights. In the sales comparison analysis, it is pertinent that the property rights of the comparable sale be similar to the property rights of the Subject property. All the sales considered were fee simple transfers, therefore no adjustments were deemed necessary.
Financing Terms	The transaction price of one property may differ from that of a similar property due to different financing arrangements. For example, more favourable financing might include a VTB (Vendor Take Back) mortgage at a lower than market interest rate, which tends to have a positive influence on the price.
Conditions of Sale	Adjustments for conditions of sale usually reflect the motivations of the purchaser and vendor. In some cases the conditions of sale significantly affect transaction prices. Sales that reflect unusual situations require an appropriate adjustment for motivation or sale condition. For example, power-of-sale conditions involve a certain degree of urgency on part of the lender - leading to a somewhat lower sale price than what would otherwise be expected. On the other hand, transactions to create a land assembly may result in higher motivation by the buyer which often leads to a higher sale price than would be expected.
Location	An adjustment for location within a market area may be required when the locational characteristics of a comparable property are different from those of the Subject property. Excessive locational differences may disqualify a property from use as a comparable. Although no location is inherently desirable or undesirable, the market recognizes that one location is better than, similar to, or worse than another. Locational adjustments were based on both geographic and neighbourhood location.
Land Use Planning	Adjustments were required for the differences in the Land Use Planning. Factors such as the Official Plan designation, Secondary Plan designation, and Zoning By-Law were considered. Additionally, properties which have been approved for re-development and/or near the approval stage would typically be transacted at a premium rate compared to sites with limited to no planning for re-development. An adjustment for the anticipated time to development may be required when the site requires demolition, rezoning, and site plan approval. The time required to prepare the site for development will affect the sale price.
Proposed Development / Site Utility	A site's utility / proposed development floor space index is determined by the size, shape and accessibility. Larger and rectangular sites have higher site utility than smaller irregular sites; therefore adjustments must be made to account for the differences in the site utility.
Restricted Covenants:	Restrictive covenants are clauses that prevent, prohibit, restrict, or limit the actions of a potential purchaser. In the subject's scenario, it is our understanding that a purchaser of the subject development will be required to enter a Development Agreement with the Town of Ajax. In the opinion of the Appraiser, the terms of the

Development Agreement are onerous for the purchaser and would have a material impact development's feasibility. The Development Agreement is summarized below:

- The Developer shall apply for a permit to allow construction to commence within 60 days after **the date on which the Developer's purchase. The Developer shall commence construction of the** mixed-use development within the greater of 150 days after such permit has been obtained, or **such other period mutually agreed to by the Developer, the Receiver and Ajax (the "Construction Commencement Date")**.
- The Developer shall complete construction of the mixed-use development within 30 months from the date on which the Developer commences construction.
- If the above timelines are not met, the development lands may be conveyed to the Town.
- Should the Developer refuse or fail to complete the construction of the mixed-use development, the Town may claim damages of \$1,000 per day.
- In the event that a Conveyance Event arises, the Town shall have the right to require that the Developer convey title to all, but not less than all of the Lands, to the Receiver, free and clear of **all encumbrances in accordance with the terms of this Agreement (a "Conveyance")**. The attempted assignment of this Agreement without the prior written consent of the Town of Ajax and the Receiver,
- The Developer filing an appeal to the Ontario Land Tribunal in furtherance of seeking approval for an Official Plan Amendment, a Zoning By-law Amendment or a Site Plan Amendment in relation to any of the Development Lands;
- The Developer refusing or neglecting to withdraw its application for a minor variance or minor variances that are not required pursuant to any Permitted Site Plan Amendment ;
- The Developer failing, for any reason, to commence construction of the mixed-use development, in accordance with the Development Plans, as may be amended pursuant to the terms of this Agreement and/or the Site Plan Agreement, upon the Development Lands by the date set out in;
- The Developer attempting to sell or selling, without the prior written consent of the Town of Ajax and the Receiver, any or all of the Lands, provided always that the foregoing restriction on the sale of any or all of the Lands shall not apply to sales of units in the mixed-use development to purchasers in fulfillment of the Pre-Sales Condition.

Adjustment Summary Table

Downward adjustments will be made to those comparables considered superior to the Subject. Conversely, upward adjustment will be made to those comparables considered to be inferior. Based on the previously discussed factors, we have summarized each of the comparable transaction and compared them to the subject property.

ADJUSTMENT SUMMARY TABLE												
ECONOMIC ADJUSTMENTS (CUMULATIVE)							PROPERTY CHARACTERISTICS ADJUSTMENTS					
№	Price psf Buildable Gross Floor Area & Sale Date	Property Rights Conveyed	Financing Terms	Conditions of Sale	Market Condition (Time) ⁽¹⁾	Subtotal	Location	Land Use Planning	Proposed Development / Site Utility	Restricted Covenants	Adjusted Price Rate	Overall Comparability
1	\$51 4-Jul-23	Fee Simple 0.00%	Cash 0.00%	Normal/Arm's Length 0.00%	Superior -19.30%	\$41	Superior -2.50%	Inferior 20.00%	Superior -7.50%	Superior -15.00%	\$38 -25.76%	Superior
2	\$87 18-May-23	Fee Simple 0.00%	Cash 0.00%	Normal/Arm's Length 0.00%	Superior -21.00%	\$69	Superior -15.00%	Inferior 5.00%	Superior -5.00%	Superior -15.00%	\$50 -43.07%	Superior
3	\$45 23-Jan-23	Fee Simple 0.00%	Cash+VTB -2.50%	Normal/Arm's Length 0.00%	Superior -24.90%	\$33	Superior -5.00%	Inferior 20.00%	Similar 0.00%	Superior -15.00%	\$32 -29.05%	Superior
4	\$73 8-Sep-22	Fee Simple 0.00%	Cash 0.00%	Normal/Arm's Length 0.00%	Superior -29.40%	\$52	Superior -5.00%	Inferior 20.00%	Superior -5.00%	Superior -15.00%	\$48 -35.01%	Superior
TRANSACTION STATISTICS												
	\$45	- Lowest Transacted Rate							Lowest Adjusted Rate -		\$32	
	\$87	- Highest Transacted Rate							Highest Adjusted Rate -		\$50	
	\$64	- Average Transacted Rate							Average Adjusted Rate -		\$42	
<u>(1) Market Conditions Adjustment</u>												
			Compound Annual Growth Rate: -15.00%									
			Effective Date: October 28, 2024									

Direct Comparison Approach Conclusion

We have uncovered and analyzed a number of comparable transactions which were considered to be similar based on a combination of location, site area, building size, and the overall characteristics of the improvement(s). These sales were measured against the subject property and its characteristics.

Index 1 is located at 62 Glen Everest Road, Scarborough and was sold on July 4, 2023 for a sales price of \$18,100,000. Property rights conveyed were Fee Simple. No financing was provided by the vendor. The sale is considered to be normal/arm's length. This comparable is located on the south side of Kingston Road, east of Birchmount Road in Scarborough. At the time of sale, the property was improved with a three storey apartment building. A Rezoning Application (No. 21 134156 ESC 20 OZ) was originally submitted on March, 2021 and resubmitted on June 28, 2022 pertaining to the land in this transaction and adjacent parcels. The Application proposed the development of a 12 storey, 414 unit residential condominium development, which includes 68 rental units. The development would have a total gross floor area of approximately 354,143 square feet, and would have 292 parking spaces. As of August, 2023, the Application was still in circulation. Index 1 sold for a unit rate of \$51 per square foot buildable gross floor area. As part of the adjustment process, an upward adjustment was made for: Land Use Planning. A downward adjustment was made for: Market Condition (Time) & Location & Proposed Development / Site Utility and Restrictive Covenants. Based on the adjustment process, we consider this property to be superior to the subject property.

Index 2 is located at 2992 Sheppard Avenue East, Scarborough and was sold on May 18, 2023 for a sales price of \$10,000,000. Property rights conveyed were Fee Simple. No financing was provided by the vendor. The sale is considered to be normal/arm's length. This comparable is located on the northwest corner of Sheppard Avenue East and Pharmacy Avenue in Scarborough. At the time of sale, the property was vacant and unimproved. A Site Plan Application (No. 23 183133 ESC 22 SA) was submitted on August 1, 2023 pertaining to the land in this transaction. The Application proposed the development of a 15-storey apartment condominium building containing 158 dwelling units, retail uses at-grade, two levels of underground parking containing 72 parking spaces and 6 surface parking spaces. The development would have a total gross floor area of approximately 114,937 square feet, including approximately 1,615 square feet of retail space. As of November 2023, the Site Plan Application was under review. Index 2 sold for a unit rate of \$87 per square foot buildable gross floor area. As part of the adjustment process, an upward adjustment was made for: Land Use Planning. A downward adjustment was made for: Market Condition (Time) & Location & Proposed Development / Site Utility Restrictive Covenants. Based on the adjustment process, we consider this property to be superior to the subject property.

Index 3 is located at 4630 Kingston Road, Scarborough and was sold on January 23, 2023 for a sales price of \$13,782,312. Property rights conveyed were Fee Simple. Financing was provided by the vendor. The sale is considered to be normal/arm's length. This comparable is located on the north side of Kingston Road, east of Morningside Avenue in Scarborough. At the time of sale, the property was improved with a retail plaza. A Rezoning Application (No. 21 250500 ESC 25 OZ) and Site Plan Application (No. 21 250499 ESC 25 SA) were submitted on December 21, 2021 pertaining to the land in this transaction. The Applications proposed the development of a 13-storey, 417 unit residential condominium development with retail at grade. The development would have a total gross floor area of approximately 308,494 square feet, including approximately 2,939 square feet of retail space and would have 304 parking spaces. As of January, 2023, the Applications were still in circulation. Index 3 sold for a unit rate of \$45 per square foot buildable gross floor area. As part of the adjustment process, an upward adjustment was made for: Land Use Planning. A downward adjustment was made for: Financing Terms & Market

Condition (Time) & Location and Restrictive Covenants. Based on the adjustment process, we consider this property to be superior to the subject property.

Index 4 is located at 2257 Kingston Road, Scarborough and was sold on September 8, 2022 for a sales price of \$19,000,000. Property rights conveyed were Fee Simple. No financing was provided by the vendor. The sale is considered to be normal/arm's length. This comparable is located on the south side of Kingston Road, west of Midland Avenue in Scarborough. At the time of sale, the property was improved with a retail plaza. A Rezoning Application (No. 22 236511 ESC 20 OZ) was submitted on December 6, 2022 pertaining to the land in this transaction. The Application proposed the development of a 13-storey apartment condominium building containing 318 dwelling units, retail uses at-grade and two levels of underground parking containing 221 parking spaces. The development would have a total gross floor area of approximately 259,852 square feet, including approximately 8,665 square feet of retail space. As of October 2023, the Rezoning Application was under review. Index 4 sold for a unit rate of \$73 per square foot buildable gross floor area. As part of the adjustment process, an upward adjustment was made for: Land Use Planning. A downward adjustment was made for: Market Condition (Time) & Location & Proposed Development / Site Utility and Restrictive Covenants. Based on the adjustment process, we consider this property to be superior to the subject property.

The subject property consists of 2.379 acres along Harwood Avenue South. As at December 2015, a site plan application was approved for the development of a 10-storey mixed-use condominium with 390 residential units including 2 live/work units. The total gross floor area is 357,942 square feet, including 32,927 square feet of retail space and 25,144 square feet of office space. The development will have 586 parking stalls. Subsequent to the approvals, a site plan application was re-submitted for a higher density, however was not approved. This appraisal report and its value conclusion(s) pertain to the site plan approved proposed development consisting of 357,942 square feet of buildable gross floor area. It is located at 184 Harwood Avenue South in Ajax. Based on the subject's characteristics, location and the analysis of the comparable transactions, it is our opinion that the current market value derived by the Direct Comparison Approach at the effective date of this appraisal is:

DIRECT COMPARISON APPROACH

Current Market Value "As-Is"

Buildable Gross Floor Area (SF)	357,942
Indicated Value Rate:	\$35
Indicated Value:	\$12,527,970
Final Value Estimate (rounded):	\$12,500,000

TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS

\$12,500,000

Exposure Time: 3 to 9 Months

Extraordinary Assumption(s) and Hypothetical Condition(s)

This appraisal is based on the following Extraordinary Assumption(s) and Hypothetical Condition(s):

- The subject property is free and clear of any environmental contamination that would impede on the current and/or future use.

The appraiser(s) reserve(s) the right to amend the value conclusion(s) accordingly, should the above Extraordinary Assumption(s) and Hypothetical Condition(s) not be true.

DIRECT COMPARISON APPROACH – BUILDING COMPONENT

Introduction

The Direct Comparison Approach considers the cost of acquiring equally desirable and valuable substitute properties, indicated by transactions of comparable properties, within the market area. The characteristics of the sale properties are compared to the subject property on the basis of time and such features as location, configuration, planning and size. Adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive a value for the subject property.

The subject property has a total of 6 improved street front retail properties with a total gross floor area of 33,629 square feet. The building sizes range from 2,924 to 8,793 square feet. The buildings were constructed between 1954-1961.

For this approach, we have analyzed the sale transactions using the price per square foot as the unit of comparison.

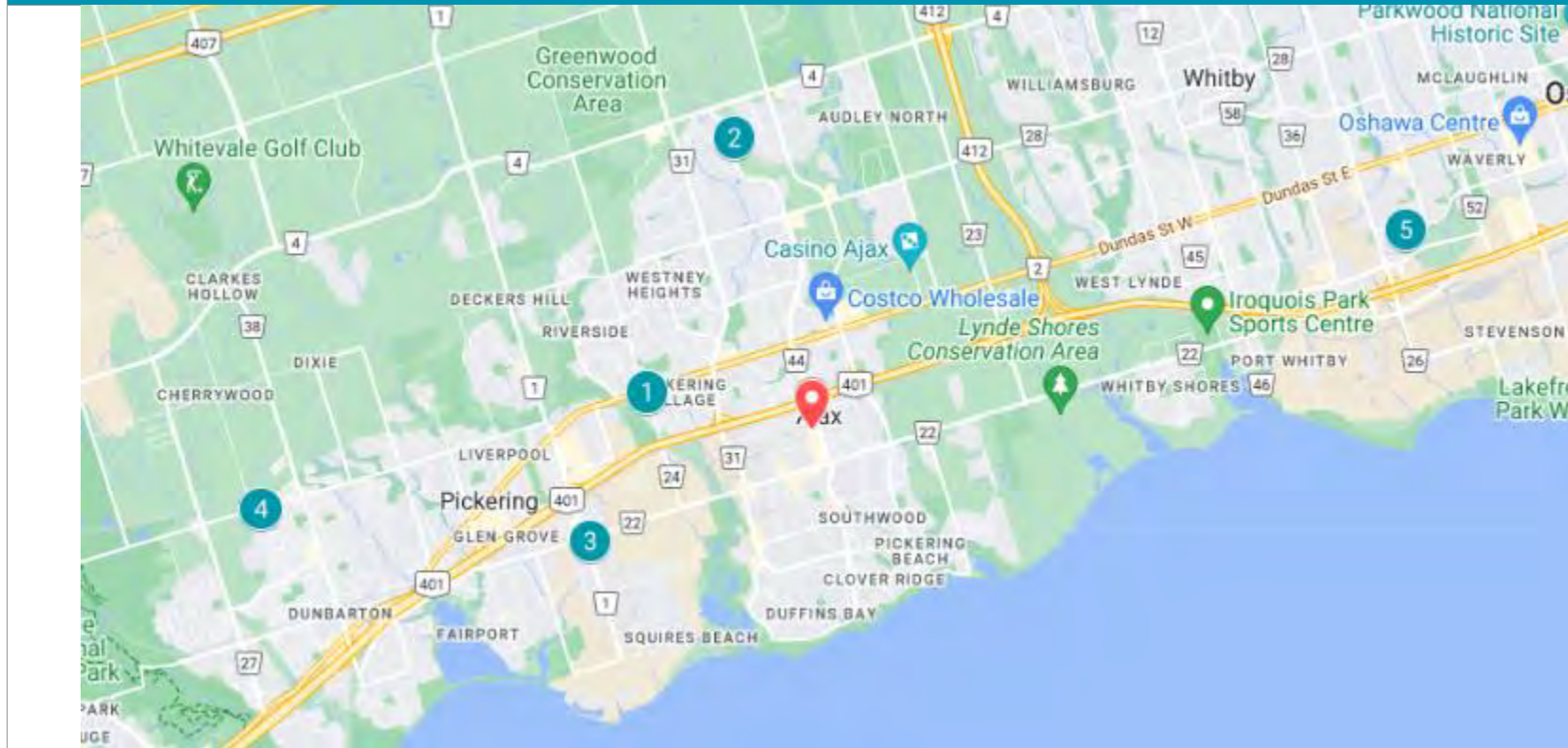
Selection of Comparable Transactions

A search in the market for similar type properties indicated 5 comparable transactions sold between August 3, 2023 and June 20, 2024. The sale prices ranged from \$1,200,000 to \$3,600,000 - an average of \$2,276,000. The sale comparables ranged from 1,594 square feet to 10,993 square feet - an average of 6,062 square feet. When converted into a unit rate, the sales range from \$277 per square foot to \$753 per square foot - an average of \$471 per square foot.

The following is a summary of the comparable transactions.

COMPARABLE SALE TRANSACTIONS						
Index	Property Address	Sale Date	Sale Price	Building Size (SF)	\$/Square Foot	Comments
S	134, 148, 152, 184-188, 214, 224 & 226 Harwood Avenue South, Ajax	-	-	33,629	-	The subject property has a total of 6 improved streetfront retail properties with a total gross floor area of 33,629 square feet. The building sizes range from 2,924 to 8,793 square feet. The buildings were constructed between 1954-1961.
1	601 Kingston Road West, Ajax	Jun 19, 2024	\$1,400,000	2,501	\$560	The property is improved with a single storey retail building with multi-tenants. The building has a total gross floor area of 2,336 square feet. The property is equipped with surface parking.
2	1801 Harwood Avenue North, Unit 5, Ajax	Aug 21, 2023	\$1,200,000	1,594	\$753	The property is improved with a one storey, multi tenant retail plaza. This sale pertains to one unit in this transaction. The unit contains a total gross floor area of 1,594 square feet.
3	985 Brock Road, Pickering	Jun 7, 2024	\$2,550,000	9,208	\$277	The property is improved with a single storey retail building with multi-tenants. The building has a total gross floor area of 9,208 square feet. The property is equipped with surface parking.
4	550 Finch Avenue, Pickering	Aug 3, 2023	\$3,600,000	10,993	\$327	The property is improved with two, one storey, multi tenant retail building. The building contain a total gross floor area of 10,993 square feet.
5	19 Sawdon Drive, Whitby	Jun 20, 2024	\$2,630,000	6,012	\$437	The property is improved with a single storey retail building with multi-tenants. The building has a total gross floor area of 6,012 square feet. The property is equipped with surface parking.
Low:		Aug 3, 2023	\$1,200,000	1,594	\$277	
High:		Jun 20, 2024	\$3,600,000	10,993	\$753	
Average:			\$2,276,000	6,062	\$471	

COMPARABLE SALES MAP



COMPARABLE TRANSACTION

INDEX 1



SALES DATE

Sale Status:	Final
Address:	601 Kingston Road West, Ajax
Sale Date:	June 19, 2024
Sale Price:	\$1,400,000
% Transferred:	100%
Sale Type:	Market
Vendor(s):	1097416 Ontario Inc.
Purchaser(s):	1000559191 Ontario Limited

PRICE STRUCTURE

Cash Down:	\$1,400,000	100.0%
VTB/Assumed:	\$0	0.0%
Total Price:	\$1,400,000	100.0%
Price Notes:	Cash	

PROPERTY CHARACTERISTICS

Site Area (ac):	0.090
\$/Acre:	\$15,555,556
Building Size (SF) :	2,501
\$/Square Foot:	\$560

Transaction Comments:

The property is improved with a single storey retail building with multi-tenants. The building has a total gross floor area of 2,336 square feet. The property is equipped with surface parking. The property is located on south west corner of Kingston Road West and Church Street South in Ajax.

Map of Property:



COMPARABLE TRANSACTION

INDEX 2



SALES DATE	
Sale Status:	Final
Address:	1801 Harwood Avenue North, Unit 5, Ajax
Sale Date:	August 21, 2023
Sale Price:	\$1,200,000
% Transferred:	100%
Sale Type:	Market
Vendor(s):	Royal Property Holdings Inc.
Purchaser(s):	Realtron East Holdings Inc.

PRICE STRUCTURE		
Cash Down:	\$1,200,000	100.0%
VTB/Assumed:	\$0	0.0%
Total Price:	\$1,200,000	100.0%
Price Notes:	Cash	

PROPERTY CHARACTERISTICS	
Site Area (ac):	-
\$/Acre:	-
Building Size (SF) :	1,594
\$/Square Foot:	\$753

Transaction Comments:

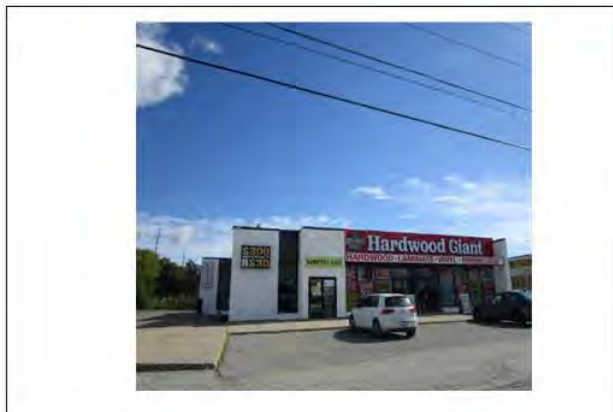
The property is improved with a one storey, multi tenant retail plaza. This sale pertains to one unit in this transaction. The unit contains a total gross floor area of 1,594 square feet. The property is located east of Harwood Avenue North, south of Taunton Road East in Ajax.

Map of Property:



COMPARABLE TRANSACTION

INDEX 3



SALES DATE

Sale Status:	Final
Address:	985 Brock Road, Pickering
Sale Date:	June 7, 2024
Sale Price:	\$2,550,000
% Transferred:	100%
Sale Type:	Market
Vendor(s):	King Mushroom Investments Inc.
Purchaser(s):	2706858 Ontario Inc.

PRICE STRUCTURE

Cash Down:	\$2,550,000	100.0%
VTB/Assumed:	\$0	0.0%
Total Price:	\$2,550,000	100.0%
Price Notes:	Cash	

PROPERTY CHARACTERISTICS

Site Area (ac):	0.930
\$/Acre:	\$2,741,935
Building Size (SF) :	9,208
\$/Square Foot:	\$277

Transaction Comments:

The property is improved with a single storey retail building with multi-tenants. The building has a total gross floor area of 9,208 square feet. The property is equipped with surface parking. The property is located southeast corner of Bayly Street and Brock Road in Pickering.

Map of Property:



COMPARABLE TRANSACTION

INDEX 4



SALES DATE

Sale Status:	Final
Address:	550 Finch Avenue, Pickering
Sale Date:	August 3, 2023
Sale Price:	\$3,600,000
% Transferred:	100%
Sale Type:	Market
Vendor(s):	1618964 Ontario Inc.
Purchaser(s):	Finch/Pickering Holdings Inc.

PRICE STRUCTURE

Cash Down:	\$3,600,000	100.0%
VTB/Assumed:	\$0	0.0%
Total Price:	\$3,600,000	100.0%
Price Notes:	Cash	

PROPERTY CHARACTERISTICS

Site Area (ac):	0.910
\$/Acre:	\$3,956,044
Building Size (SF) :	10,993
\$/Square Foot:	\$327

Transaction Comments:

The property is improved with two, one storey, multi tenant retail building. The building contain a total gross floor area of 10,993 square feet. The property is located north of Finch Avenue, west of Whites Road North in Pickering.

Map of Property:



COMPARABLE TRANSACTION

INDEX 5



SALES DATE

Sale Status:	Final
Address:	19 Sawdon Drive, Whitby
Sale Date:	June 20, 2024
Sale Price:	\$2,630,000
% Transferred:	100%
Sale Type:	Market
Vendor(s):	2501207 Ontario Inc.
Purchaser(s):	1000479239 Ontario Inc.

PRICE STRUCTURE

Cash Down:	\$2,630,000	100.0%
VTB/Assumed:	\$0	0.0%
Total Price:	\$2,630,000	100.0%
Price Notes:	Cash	

PROPERTY CHARACTERISTICS

Site Area (ac):	0.610
\$/Acre:	\$4,311,475
Building Size (SF) :	6,012
\$/Square Foot:	\$437

Transaction Comments:

The property is improved with a single storey retail building with multi-tenants. The building has a total gross floor area of 6,012 square feet. The property is equipped with surface parking. The property is located north of Highway 401, east of Thickson Road in Whitby.

Map of Property:



Analysis of Comparable Sales

Since no two properties are completely alike, adjustments must be made to compensate for differences between the comparable sales and the subject property. The major elements of comparison for an analysis of the Subject type of property include:

ADJUSTMENT FACTORS

Sales Date	Where the market is changing, it may be necessary to adjust prices to reflect the time difference between the date of sale of a comparable property and the date of valuation. When the Bank of Canada raised its benchmark interest rate from a historic low in March 2022, it produced a chilling effect on overall demand. Despite rate cuts commencing in June 2024 and continuing throughout the year, demand has not yet rebounded, and prices are still below their pandemic highs. As such, we have chosen a no / a negative / a growth rate between -5.00% to -15.00% to per annum as our time adjustment for the comparable properties for the purpose of this analysis.
Property Rights Conveyed	When real property rights are sold, they may be the sole subject of the contract or the contract may include other rights. In the sales comparison analysis, it is pertinent that the property rights of the comparable sale be similar to the property rights of the Subject property. All the sales considered were fee simple transfers, therefore no adjustments were deemed necessary.
Financing Terms	The transaction price of one property may differ from that of a similar property due to different financing arrangements. For example, more favourable financing might include a VTB (Vendor Take Back) mortgage at a lower than market interest rate, which tends to have a positive influence on the price.
Conditions of Sale	Adjustments for conditions of sale usually reflect the motivations of the purchaser and vendor. In some cases the conditions of sale significantly affect transaction prices. Sales that reflect unusual situations require an appropriate adjustment for motivation or sale condition. For example, power-of-sale conditions involve a certain degree of urgency on part of the lender - leading to a somewhat lower sale price than what would otherwise be expected. On the other hand, transactions to create a land assembly may result in higher motivation by the buyer which often leads to a higher sale price than would be expected.
Location	An adjustment for location within a market area may be required when the locational characteristics of a comparable property are different from those of the Subject property. Excessive locational differences may disqualify a property from use as a comparable. Although no location is inherently desirable or undesirable, the market recognizes that one location is better than, similar to, or worse than another. Locational adjustments were based on both geographic and neighbourhood location.
Building Size	The price per square foot of building area is expected to vary with the size of the building. Generally the price per square foot decreases as size increases where all other features are similar. This is typically referred to as diminishing marginal utility.
Age, Quality, Condition	A building that was more recently constructed or that has higher quality interior finishes would be likely to command a higher rate. In addition, properties with superior attributes would also contribute a premium rate. Attributes such as number of shipping/receiving doors, clear height, multi-tenant/single-tenant, quality of tenant(s), vacant / % of occupancy, and number of parking spaces were considered in the adjustment process.

Adjustment Summary Table

Downward adjustments will be made to those comparables considered superior to the Subject. Conversely, upward adjustment will be made to those comparables considered to be inferior. Based on the previously discussed factors, we have summarized each of the comparable transaction and compared them to the subject property.

ADJUSTMENT SUMMARY TABLE											
ECONOMIC ADJUSTMENTS (CUMULATIVE)						PROPERTY CHARACTERISTICS ADJUSTMENTS					
Index	Price per Square Foot & Sale Date	Property Rights Conveyed	Financing Terms	Conditions of Sale	Market Condition (Time) ⁽¹⁾	Subtotal	Location	Building Size	Age, Quality, Condition	Adjusted Price Rate	Overall Comparability
1	\$560	Fee Simple	Cash	Normal/Arm's Length	Superior	\$550	Similar	Smaller	Similar	\$522	Superior
	19-Jun-24	0.00%	0.00%	0.00%	-1.80%		0.00%	-5.00%	0.00%	-6.71%	
2	\$753	Fee Simple	Cash	Normal/Arm's Length	Superior	\$708	Inferior	Smaller	Similar	\$669	Superior
	21-Aug-23	0.00%	0.00%	0.00%	-5.90%		5.00%	-10.00%	0.00%	-11.08%	
3	\$277	Fee Simple	Cash	Normal/Arm's Length	Superior	\$271	Inferior	Larger	Similar	\$299	Inferior
	7-Jun-24	0.00%	0.00%	0.00%	-2.00%		5.00%	5.00%	0.00%	8.05%	
4	\$327	Fee Simple	Cash	Normal/Arm's Length	Superior	\$307	Inferior	Larger	Similar	\$355	Inferior
	3-Aug-23	0.00%	0.00%	0.00%	-6.20%		10.00%	5.00%	0.00%	8.34%	
5	\$437	Fee Simple	Cash	Normal/Arm's Length	Superior	\$430	Inferior	Similar	Similar	\$473	Inferior
	20-Jun-24	0.00%	0.00%	0.00%	-1.80%		10.00%	0.00%	0.00%	8.02%	
TRANSACTION STATISTICS											
\$277		- Lowest Transacted Rate						Lowest Adjusted Rate -		\$299	
\$753		- Highest Transacted Rate						Highest Adjusted Rate -		\$669	
\$471		- Average Transacted Rate						Average Adjusted Rate -		\$464	
<u>(1) Market Conditions Adjustment</u>											
Compound Annual Growth Rate:				-5.00%							
Effective Date:				October 28, 2024							

Direct Comparison Approach Conclusion

We have uncovered and analyzed a number of comparable transactions which were considered to be similar based on a combination of location, site area, building size, and the overall characteristics of the improvement(s). These sales were measured against the subject property and its characteristics.

Index 1 is located at 601 Kingston Road West, Ajax and was sold on June 19, 2024 for a sales price of \$1,400,000. Property rights conveyed were Fee Simple. No financing was provided by the vendor. The sale is considered to be normal/arm's length. This comparable is located on south west corner of Kingston Road West and Church Street South in Ajax. The property is improved with a single storey retail building with multi-tenants. The building has a total gross floor area of 2,336 square feet. The property is equipped with surface parking. Index 1 sold for a unit rate of \$560 per square foot. As part of the adjustment process, no upward adjustments were made. A downward adjustment was made for: Market Condition (Time) & Building Size. Based on the adjustment process, we consider this property to be superior to the subject property.

Index 2 is located at 1801 Harwood Avenue North, Unit 5, Ajax and was sold on August 21, 2023 for a sales price of \$1,200,000. Property rights conveyed were Fee Simple. No financing was provided by the vendor. The sale is considered to be normal/arm's length. This comparable is located east of Harwood Avenue North, south of Taunton Road East in Ajax. The property is improved with a one storey, multi tenant retail plaza. This sale pertains to one unit in this transaction. The unit contains a total gross floor area of 1,594 square feet. Index 2 sold for a unit rate of \$753 per square foot. As part of the adjustment process, an upward adjustment was made for: Location. A downward adjustment was made for: Market Condition (Time) & Building Size. Based on the adjustment process, we consider this property to be superior to the subject property.

Index 3 is located at 985 Brock Road, Pickering and was sold on June 7, 2024 for a sales price of \$2,550,000. Property rights conveyed were Fee Simple. No financing was provided by the vendor. The sale is considered to be normal/arm's length. This comparable is located southeast corner of Bayly Street and Brock Road in Pickering. The property is improved with a single storey retail building with multi-tenants. The building has a total gross floor area of 9,208 square feet. The property is equipped with surface parking. Index 3 sold for a unit rate of \$277 per square foot. As part of the adjustment process, an upward adjustment was made for: Location & Building Size. A downward adjustment was made for: Market Condition (Time). Based on the adjustment process, we consider this property to be inferior to the subject property.

Index 4 is located at 550 Finch Avenue, Pickering and was sold on August 3, 2023 for a sales price of \$3,600,000. Property rights conveyed were Fee Simple. No financing was provided by the vendor. The sale is considered to be normal/arm's length. This comparable is located north of Finch Avenue, west of Whites Road North in Pickering. The property is improved with two, one storey, multi tenant retail building. The building contain a total gross floor area of 10,993 square feet. Index 4 sold for a unit rate of \$327 per square foot. As part of the adjustment process, an upward adjustment was made for: Location & Building Size. A downward adjustment was made for: Market Condition (Time). Based on the adjustment process, we consider this property to be inferior to the subject property.

Index 5 is located at 19 Sawdon Drive, Whitby and was sold on June 20, 2024 for a sales price of \$2,630,000. Property rights conveyed were Fee Simple. No financing was provided by the vendor. The sale is considered to be normal/arm's length. This comparable is located north of Highway 401, east of Thickson Road in Whitby. The property is improved with a single storey retail building with multi-tenants. The building has a total gross floor area of 6,012 square feet. The property is equipped with surface parking. Index 5 sold for a unit rate of \$437 per square foot. As part of the adjustment process, an upward adjustment was made for: Location. A downward adjustment

was made for: Market Condition (Time). Based on the adjustment process, we consider this property to be inferior to the subject property.

The subject property has a total of 6 improved street front retail properties with a total gross floor area of 33,629 square feet. The building sizes range from 2,924 to 8,793 square feet. The buildings were constructed between 1954-1961. It is located at 134, 148, 152, 184-188, 214, 224 & 226 Harwood Avenue South in Ajax. Based on the subject's characteristics, location and the analysis of the comparable transactions, it is our opinion that the current market value derived by the Direct Comparison Approach at the effective date of this appraisal is:

DIRECT COMPARISON APPROACH	
Current Market Value "As-Is"	134 Harwood Ave S, Ajax
Building Size (SF):	4,696
Indicated Value Rate:	\$450
Indicated Value:	\$2,100,000
Current Market Value "As-Is"	148 Harwood Ave S, Ajax
Building Size (SF):	2,924
Indicated Value Rate:	\$550
Indicated Value:	\$1,600,000
Current Market Value "As-Is"	152 Harwood Ave S, Ajax
Building Size (SF):	8,793
Indicated Value Rate:	\$350
Indicated Value:	\$3,100,000
Current Market Value "As-Is"	214 Harwood Ave S, Ajax
Building Size (SF):	6,085
Indicated Value Rate:	\$400
Indicated Value:	\$2,400,000
Current Market Value "As-Is"	224 Harwood Ave S, Ajax
Building Size (SF):	4,216
Indicated Value Rate:	\$450
Indicated Value:	\$1,900,000
Current Market Value "As-Is"	226 Harwood Ave S, Ajax
Building Size (SF):	6,915
Indicated Value Rate:	\$400
Indicated Value:	\$2,800,000
Final Value Estimate (rounded):	\$13,900,000

THIRTEEN MILLION NINE HUNDRED THOUSAND DOLLARS

\$13,900,000

Exposure Time: 3 to 9 Months

Extraordinary Assumption(s) and Hypothetical Condition(s)

This appraisal is based on the following Extraordinary Assumption(s) and Hypothetical Condition(s):

- The subject property is free and clear of any environmental contamination that would impede on the current and/or future use.

The appraiser(s) reserve(s) the right to amend the value conclusion(s) accordingly, should the above Extraordinary Assumption(s) and Hypothetical Condition(s) not be true.

RECONCILIATION AND FINAL VALUE ESTIMATE

Valuation Reconciliation

Using the selected approaches to value, the conclusions are summarized below:

VALUATION INDICES		Market Value Conclusion - Retail Component
DIRECT COMPARISON APPROACH		134 Harwood Ave S, Ajax
Gross Floor Area:		4,696
Value Estimate:		\$2,100,000
Value Per Square Feet:		\$447
DIRECT COMPARISON APPROACH		148 Harwood Ave S, Ajax
Gross Floor Area:		2,924
Value Estimate:		\$1,600,000
Value Per Square Feet:		\$547
DIRECT COMPARISON APPROACH		152 Harwood Ave S, Ajax
Gross Floor Area:		8,793
Value Estimate:		\$3,100,000
Value Per Square Feet:		\$353
DIRECT COMPARISON APPROACH		214 Harwood Ave S, Ajax
Gross Floor Area:		6,085
Value Estimate:		\$2,400,000
Value Per Square Feet:		\$394
DIRECT COMPARISON APPROACH		224 Harwood Ave S, Ajax
Gross Floor Area:		4,216
Value Estimate:		\$1,900,000
Value Per Square Feet:		\$451
DIRECT COMPARISON APPROACH		226 Harwood Ave S, Ajax
Gross Floor Area:		6,915
Value Estimate:		\$2,800,000
Value Per Square Feet:		\$405
FINAL VALUE CONCLUSION		
Final Value Estimate:		\$13,900,000
Value Per Square Feet:		\$413
EXPOSURE TIME		
Exposure Time:		3 - 9 months

VALUATION INDICES	Market Value Conclusion - Land Component	Market Value Conclusion - Building Component
LAND RESIDUAL METHODOLOGY		
Market Value "As-If Complete"	\$288,556,841	Not Applicable
Total Project Expenses:	\$275,811,059	
Value Estimate:	\$12,700,000	
Value Per Acre:	\$5,338,377	
Value Per Buildable Square Feet:	\$35	
Value Per Unit:	\$32,564	
DIRECT COMPARISON APPROACH		
Proposed Buildable Square Feet:	357,942	-
Total Gross Floor Area:	-	4,696
Value Estimate:	\$12,500,000	\$13,900,000
Value Per Acre:	\$5,254,309	-
Value Per Buildable Square Feet:	\$35	\$450
Value Per Unit:	\$32,051	-
FINAL VALUE CONCLUSION	Land Component	Building Component
Final Value Estimate:	\$12,700,000	\$13,900,000
Value Per Acre:	\$5,338,377	-
Value Per Buildable Square Feet:	\$35	\$450
Value Per Unit:	\$32,564	-
FINAL VALUE CONCLUSION		
Land + Building Component		
Final Value Estimate:	\$26,600,000	
EXPOSURE TIME		
Exposure Time:	3 - 9 months	3 - 9 months

Based on the subject's current land use planning, we conclude the Land Residual Method has the most merit and have concluded based on this approach.

Final Estimate of Value “As-Is”

Having regard to all of the information contained in this report, it is our professional opinion that the current market value “As-Is” of the subject property located at 184 Harwood Avenue South, Ajax, at the effective date of October 28, 2024, is estimated to be:

FINAL VALUE CONCLUSION - "AS-IS"

TWENTY SIX MILLION SIX HUNDRED THOUSAND DOLLARS

\$26,600,000

In this appraisal, the estimated value is predicated on a reasonable exposure time of 3 to 9 months.

Extraordinary Assumption and Hypothetical Condition Conclusion

This appraisal report is based on the following Extraordinary Assumptions and Hypothetical Conditions:

- The subject property is free and clear of any environmental contamination that would impede on the current and/or future use.

Should the above Extraordinary Assumption(s) and Hypothetical Condition(s) not be true, C&W reserves the right to amend the value conclusion(s) accordingly.

ADDENDA CONTENTS

- Addendum A: Assumptions and Limiting Conditions
- Addendum B: Definitions & Terms of Reference
- Addendum C: Market Overviews
- Addendum D: Certification

ASSUMPTIONS AND LIMITING CONDITIONS

"Report" means the appraisal report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield ULC or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following ordinary/general assumptions and limiting conditions:

- This report has been prepared at the request of 2615333 Ontario Inc for the purpose of providing an estimate of the current market value "As-Is" located at 134, 148, 152, 184-188, 214, 224 & 226 Harwood Avenue South, Ajax. The authorized use is to assist with the execution of a power of sale and the authorized user is 2615333 Ontario Inc. The Client and any authorized users identified herein should consider the appraisal as only one factor together with its independent investment considerations and underwriting criteria in its overall investment decision. It is not reasonable for any person other than the person or those to whom this report is addressed, to rely upon this appraisal without first obtaining written authorization from the client and the author of this report. This report has been prepared on the assumption that no other person will rely on it for any other purpose and all liability to all such persons is denied.
- This report has been prepared at the request of 2615333 Ontario Inc and for the exclusive (and confidential) use of the recipient as named herein and for the specific purpose and function as stated herein. All copyright is reserved to the author and this report is considered confidential by the author and the client. Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part, nor may it be disclosed, quoted from or referred to in any manner, in whole or in part, without the prior written consent and approval of the author as to the purpose, form and content of any such disclosure, quotation or reference. More specifically, 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 for any other use.
- It is acknowledged that any opinions and conclusions expressed by the professionals of C&W or its affiliates during this assignment are representations made as employees and not as individuals. C&W's or its affiliate's responsibility is limited to the Client, and use of our product by third parties shall be solely at the risk of the Client and/or third parties.
- Without limiting the generality of the foregoing, neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public in any manner whatsoever or through any media whatsoever or disclosed, quoted from or referred to in any report, financial statement, prospectus, or offering memorandum of the client, or in any documents filed with any governmental agency without the prior written consent and approval of the author as to the purpose, form and content of such dissemination, disclosure, quotation or reference.
- The estimated market value of the real property which is appraised in this report pertains to the value of the Fee Simple Interest. The property rights appraised herein exclude mineral rights, if any.
- The estimate of market value contained in this report is founded upon a thorough and diligent examination and analysis of information gathered and obtained from numerous sources. Certain information has been accepted

at face value; especially if there was no reason to doubt its accuracy. Other empirical data required interpretative analysis pursuant to the objective of this appraisal. Certain inquiries were outside the scope of this mandate. For these reasons, the analyses, opinions and conclusions contained in this report are subject to all of the assumptions and limiting conditions.

- The property has been valued on the basis that title to the real property herein appraised is good and marketable.
- The author of this report cannot accept responsibility for legal matters, questions of survey, opinions of title, hidden or unapparent conditions of the property, toxic wastes or contaminated materials, soil or sub-soil conditions, environmental, engineering or other technical matters, which might render this property more or less valuable than as stated herein. If it came to our attention as the result of our investigation and analysis that certain problems may exist, a cautionary note has been entered in the body of the report.
- The author of this report is not qualified to comment on environmental issues 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. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues, then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.
- The legal description and site area of the property were obtained from MPAC and GeoWarehouse. Further, the plans and sketches contained in this report are included solely to aid the recipient in visualizing the location of the property, the configuration and boundaries of the site and the relative position of the improvements on the said lands.
- The property has been valued on the basis that the real property is free and clear of all value influencing encumbrances, encroachments, restrictions or covenants except as may be noted in this report and that there are no pledges, charges, lien or social assessments outstanding against the property other than as stated and described herein.
- The property has been valued on the basis that there are no outstanding liabilities except as expressly noted herein, pursuant to any agreement with a municipal or other government authority, pursuant to any contract or agreement pertaining to the ownership and operation of the real estate or pursuant to any lease or agreement to lease, which may affect the stated value or salability of the subject property or any portion thereof.
- The property has been valued on the basis that all rents referred to in this report are being paid in full and when due and payable under the terms and conditions of the existing leases, agreements to lease or other contractual agreements. Further, it is assumed that all rents referred to in this report represent the rental arrangements stipulated in the leases, agreements to lease or other contractual agreements pertaining to the tenants' occupancy, to the extent that such rents have not been prepaid, abated or inflated to reflect extraordinary circumstances, and are fully enforceable notwithstanding that such documentation may not be fully executed by the parties thereto as at the effective date of valuation, unless such conditions have been identified and noted in this report.
- The property has been valued on the basis that the real estate complies in all material respects with any restrictive covenants affecting the site and has been built and is occupied and being operated, in all material respects, in full compliance with all requirements of law, including all zoning, land use classification, building, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto. (It is recognized there may be work orders or other notices of violation of law outstanding with respect to the real estate and that there may be

certain requirements of law preventing occupancy of the real estate as described in this report. However, such possible circumstances have not been accounted for in the appraisal process.).

- Investigations have been undertaken in respect of matters, which regulate the use of land. However, no inquiries have been placed with the fire department, the building inspector, the health department or any other government regulatory agency, unless such investigations are expressly represented to have been made in this report. The subject property must comply with such regulations and, if it does not comply, its non-compliance may affect the market value of this property. To be certain of such compliance, further investigations may be necessary.
- The data and statistical information contained herein were gathered from reliable sources and are believed to be correct. However, these data are not guaranteed for accuracy, even though every attempt has been made to verify the authenticity of this information as much as possible.
- 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.
- The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishes 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.
- 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.
- The estimated market value of the property does not necessarily represent the value of the underlying shares, if the asset is so held, as the value of the shares could be affected by other considerations. Further, the estimated market value does not include consideration of any extraordinary market value of the property, unless the effects of such special conditions, and the extent of any special value that may arise therefrom, have been described and measured in this report.
- Should title to the real property presently be held (or changed to a holding) by a partnership, in a joint venture, through a co-tenancy arrangement or by any other form of divisional ownership, the value of any fractional interest associated therewith may be more or less than the percentage of ownership appearing in the contractual agreement pertaining to the structure of such divisional ownership.
- In the event of syndication, the aggregate value of the limited partnership interests may be greater than the value of the condominium interest in the real estate, by reason of the possible contributory value of non-realty interests or benefits such as provision for tax shelter, potential for capital appreciation, special investment privileges, particular occupancy and income guarantees, special financing or extraordinary agreements for management services.
- 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.

- Should the author of this report be required to give testimony or appear in court or at any administrative proceeding relating to this appraisal, prior arrangements shall be made, including provisions for additional compensation to permit adequate time for preparation and for any appearances, which may be required. However, neither this nor any other of these assumptions and limiting conditions is an attempt to limit the use that might be made of this report should it properly become evidence in a judicial proceeding. In such a case, it is acknowledged that it is the judicial body that will decide the use of this report, which best serves, the administration of justice.
- Because market conditions, including economic, social and political factors, change rapidly and, on occasion, without notice or warning, the estimate of market value expressed herein, as of the effective date of this appraisal, cannot necessarily be relied upon as any other date without subsequent advice of the author of this report.
- The value(s) expressed herein is in Canadian dollars.
- Where the authorized 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.
- This 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.

DEFINITIONS AND TERMS OF REFERENCE

Market Value

The Canadian Uniform Standards of Professional Appraisal Practice (The Standards or CUSPAP) adopted by the Appraisal Institute of Canada define Market Value as:

“The most probable price, as of a specified date, in cash, or in 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 conditions 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.”¹

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:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in their own best interests;
3. A reasonable time is allowed for exposure in the market;
4. Payment is made in cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
5. 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.

Fee Simple Interest

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.²

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to the contract rent specified in the lease plus the reversionary right when the lease expires.³

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.⁴

Value As-Is

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.

¹ The Appraisal of Real Estate, Third Canadian Edition, pg. 2.8

² The Appraisal of Real Estate, Third Canadian Edition, pg. 6.4

³ The Appraisal of Real Estate, Third Canadian Edition, pg. 6.4

⁴ The Appraisal of Real Estate, Third Canadian Edition, pg. 6.4

Cash Equivalence

A price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts. Calculating the cash-equivalent price requires the appraiser(s) to compare transactions involving atypical financing to transactions involving comparable properties financed at typical market terms.

Net Operating Income

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted.⁵

Internal Rate of Return

The annualized yield rate or rate of return on capital that is generated or capable of being generated within an investment or portfolio over a period of ownership.⁶

Assemblage

The combining of two or more parcels, usually but not necessarily contiguous, into one ownership or use; the process that creates plottage value.⁷

Plottage

The increment of value created when two or more sites are combined to produce greater utility.⁸

Use Value

The value a specific property has for a specific use. In estimating use value, the appraiser(s) focus(es) on the value the real estate contributes to the enterprise of which it is a part, without regard to the highest and best use of the property or the monetary amount that might be realized from its sale. Real property has both a use value and a market value, which may be the same or different depending on the property and the market.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

1. Lessee and lessor are typically motivated.
2. Both parties are well informed or well advised, and acting in what they consider their best interests.
3. A reasonable time is allowed for exposure in the open market.

⁵ The Appraisal of Real Estate, Third Canadian Edition, pg. 20.13

⁶ The Appraisal of Real Estate, Third Canadian Edition, pg. 24.7

⁷ The Appraisal of Real Estate, Third Canadian Edition, pg. 10.10

⁸ The Appraisal of Real Estate, Third Canadian Edition, pg. 10.10

4. The rent payment is made in terms of cash in Canadian dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
5. The rental amount represents the normal consideration for the property lease unaffected by special fees or concessions granted by anyone associated with the transaction.

Disposition Value (Liquidation Value)

The Dictionary of Real Estate Appraisal, Fourth Edition (2002) published by the Appraisal Institute define Disposition Value as:

“The most probable price that a specified interest in real property is likely to bring under all the following conditions:

1. *Consummation of a sale will occur within a severely limited future marketing period specified by the client.*
2. *The actual market conditions currently prevailing are those to which the appraised property interest is subject.*
3. *The buyer and seller is each acting prudently and knowledgeably.*
4. *The seller is under compulsion sell.*
5. *The buyer is typically motivated.*
6. *Both parties are acting in what they consider their best interests.*
7. *An adequate marketing effort will be made in the limited time allowed for the completion of a sale.*
8. *Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.*
9. *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.”*

Exposure Time and Marketing Time

Exposure Time

Under Paragraph 3 of the Definition of Market Value, the value opinion presumes that a reasonable time is allowed for exposure in the open market. Exposure time is defined as: *“The length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at the market value on the effective date of the appraisal.”* Exposure time is presumed to precede the effective date of the appraisal.

The reasonable exposure period is a function of price, time and use. It is not an isolated opinion of time alone. Exposure time is different for various types of property and under various market conditions. It is a retrospective opinion based on an analysis of past events, assuming a competitive and open market. It assumes not only adequate, sufficient and reasonable time but adequate, sufficient and a reasonable marketing effort. Exposure time and conclusion of value are therefore interrelated.

Based on our review of investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been 3 to 9 months This assumes the current owner would have employed an active and professional marketing plan.

Terms of Reference

Limitation of Liability

The Client shall indemnify, defend and hold Cushman & Wakefield fully harmless from and against any and all claims, liabilities, damages, costs and expenses (including court costs and reasonable legal fees) resulting from or arising out of the Client's breach of the professional service agreement relating to the Appraisal Report, wrongful acts or omissions (including any failure to perform any duty imposed by law), misrepresentation, distortion or failure to provide complete and accurate information, or any unauthorized use or reliance by unauthorized third parties on the appraisal report or any materials prepared by Cushman & Wakefield. Save and Except for any indemnification obligations as stated by the Client, neither party shall be liable to the other party for any special, consequential, punitive or incidental damages of any kind whatsoever. Moreover, to the maximum extent permitted by law, Cushman and Wakefield's total liability for any losses, claims or damages arising out of or connecting or relating to this agreement (under any applicable theory of law) shall be limited in the aggregate to the total sum of fees and costs received by Cushman & Wakefield from the Client for the applicable subject report(s).

MARKET OVERVIEWS

Canada Economic Overview

Labour Market and Key Industries

- Hiring will pick up as GDP growth gains speed late in the year and early 2025, but it will likely prove only strong enough to halt the rising unemployment rate, not bring it back down. Joblessness is climbing as an influx of new immigrants swells the labour force, but cautious firms remain in a hiring freeze. Given the skewed source of rising unemployment, the labour market slack is having a limited impact on wage growth, which remains elevated and is likely to cool slowly.
- The labour market has hit a rough patch this summer with total employment growth coming to a standstill. The latest poor performance comes on the heels of a weak streak for job growth. In turn, the unemployment rate has risen 1 percentage point over the past year. A surge in joblessness among recent immigrants accounts for much of the increase but not all. Manufacturing, wholesale trade, and retail trade payrolls have contracted over the past year as consumer goods spending dries up.
- Strong hiring in healthcare, professional services, public administration, and logistics is maintaining total employment growth thus far in 2024, and these industries should continue to outperform. Public-sector hiring typically strengthens later in the business cycle, and these industries are relatively insulated from the economy's short-term inflation and interest-rate risks.
- Industries hit hard by the rise in interest rates – namely finance, real estate, and construction – should be among the first to kick-start hiring as borrowing costs fall. The federal government's ambitious housing plan should also help spur hiring in construction.
- Wage growth will cool over the coming quarters, reflecting the combination of growing labour force slack and weak productivity growth. The gap between productivity growth and wages risks generating inflationary pressures.
- Goods-producing industries face many threats in the year ahead. Manufacturing sales are slipping, and inventories are elevated. Consumer goods demand is softening. Global oil demand is wavering as China's economy falters and green-technology investments accelerate.

Real Estate

- With housing affordability in its worst state in decades, the potential for significant further house price appreciation is minimal. Prices are likely to remain flat to slightly down as supply and demand mostly remain in balance. Canada's strong demographics put a floor under home values, but the burst of immigration appears to be bolstering the rental market more than owner-occupied properties. Consequently, the booming high-end condo market faces threats due to a mismatch between demand and supply.
- House prices are expected to inch lower through 2024 as still-elevated interest rates keep demand in check. While high borrowing costs are depressing sales, a spike in joblessness would be necessary to spark a significant price correction, and that is unlikely to materialize.
- Home values are not expected to retrace their mid-2022 peak until 2028. Prices should start to gain speed in 2026 as mortgage rates normalize. Despite the initial rate cuts, mortgage rates will decline more slowly and less dramatically as continued quantitative tightening causes the rate spread to widen.
- Borrowers have adjusted to the increase in their debt-service burdens better than expected. While the average monthly mortgage payment has increased about 30% since the start of 2022, the volume of

distressed sales appears limited. Despite the strain from increased monthly payments, income gains should prove strong enough to avoid a painful deleveraging.

- Canada is building homes at a record pace, but even that is not sufficient. More than 350,000 housing units were under construction in early 2024 – an all-time record. New housing starts should continue well above their pre-pandemic rate over the coming years with the help of government subsidies and strong demand.
- The significant equity cushions built up during the pandemic price boom will keep the rate of delinquencies low as borrowers have leeway to sell or refinance.

Demographics

- Strong population growth powers Canada's long-run expansion. However, public support for Canada's liberal immigration policies has partially eroded as the swelling population has exacerbated housing affordability. The federal government recently announced that the number of new permanent residents will be reduced by 21% next year to 395,000, followed by 380,000 in 2026 and 365,000 in 2027. Still, Canada's population growth is projected to far exceed peer nations over the coming years. Canada recorded population growth in excess of 3% in 2023 and has accelerated to 3.5% as of mid-2024.
- Canada's centre of gravity has been shifting from east to west. Alberta's affordability provides a major draw, helping to grow the population nearly 5% in 2023. High birthrates also bolster population growth in the Prairie Provinces. British Columbia boasts the highest share of interprovincial migrants. The province's natural beauty and strong labour market has made it the favored destination for retirees. Toronto has powered Ontario's population boom and mitigated the east-to-west shift. Canada's largest metro area grew approximately 4% in 2023.
- Canadians are city-dwellers. Nearly half the country lives in its six largest metro areas. Its three largest metro areas – Toronto, Montreal, and Vancouver – account for about 36% of the population.
- Canada is the most educated country in the world, ranking highest among OECD countries for post-high school education. Among prime-age workers, 12% of Canadians hold a graduate degree, 21% have a bachelor's degree, and 34% have a college/trade degree; only 10% did not finish high school.

Outlook

- With inflation cooling nearly in line with the Bank of Canada's (BoC) target, interest rates will likely continue to fall and help growth reaccelerate. The Bank of Canada has lowered its target interest rate four times thus far in 2024, including a 50 basis point adjustment on October 23rd. The next interest rate announcement is December 11th.
- The economy is increasingly in need of stimulus as GDP growth has flirted with negative territory in recent quarters despite rapid population growth. However, with interest rates still elevated, growth is likely to top out in early 2025 at a relatively low rate compared with the nation's strong demographics.
- The rejuvenation of GDP growth is crucial to kick-start hiring. The unemployment rate of new immigrants is surging, suggesting labour demand is too weak to absorb the new labour force entrants. Problematically, this dynamic is depressing income growth and causing loan delinquencies to rise. Stabilizing the labour market is key to stabilizing credit performance.
- On an encouraging note for workers, the spike in business bankruptcies that began in late 2023 and continued into early 2024 has started to subside. This positive development diminishes a key threat to the health of the labour market.
- The pain of elevated debt service burdens is causing consumer spending to weaken, leading the Bank of Canada to accelerate the timing of its rate cuts. The Bank of Canada is likely to keep slashing rates before reaching a neutral rate of 2.5% in early 2026.
- With high interest rates restraining demand, the economy has clearly moved into a state of excess supply, which will keep pulling inflation lower. Recent inflation reports continue to indicate broad-based disinflation. Even the spike in rents is beginning to moderate.
- House prices in most metro areas will likely stay flat or fall slightly over the remainder of 2024 as poor affordability depresses sales. Appreciation in the ensuing years remains historically weak under the strain of high borrowing costs. The national median price does not recover its 2022 high until 2028.
- The Canadian dollar should slowly reverse course and appreciate against the U.S. dollar. The Bank of Canada's early moves ahead of the U.S. Fed put some downward pressure on the Canadian dollar. However, the U.S.'s high budget deficits and relatively stronger inflation should undercut the U.S. dollar's value over time.
- Given the economy's lackluster performance, the Trudeau administration appears likely to grow the deficit to finance its ambitious housing and social assistance programs.

Near-Term Outlook - Annual

	2020	2021	2022	2023	2024	2025	2026	2027	2028
Real GDP, chained bil, SAAR	2,128.4	2,240.9	2,326.5	2,355.6	2,377.0	2,425.6	2,471.7	2,521.4	2,571.8
% chg	-5.0	5.3	3.8	1.2	0.9	2.0	1.9	2.0	2.0
Components, % chg									
Private consumption	-6.3	5.1	5.1	1.7	2.3	2.4	2.1	2.0	2.1
Government consumption	1.3	5.4	3.2	1.6	1.0	1.0	1.2	1.4	1.7
Gross capital formation	-9.0	12.6	7.2	-5.8	-2.9	2.4	2.9	1.5	1.4
Gross fixed capital formation	-3.8	9.3	-2.4	-3.2	0.2	3.7	3.1	1.6	1.5
Changes in inventories, bil	-10.2	4.4	55.3	38.9	22.1	16.2	15.8	15.4	15.0
Net exports of goods and services, bil	-25.2	-62.4	-96.8	-66.3	-65.3	-67.7	-74.1	-69.8	-66.9
Labor market									
Total employment, mil	18.0	19.0	19.7	20.2	20.6	20.9	21.2	21.5	21.8
% chg	-5.6	5.0	4.0	2.4	1.9	1.8	1.5	1.4	1.3
Unemployment rate, %	9.7	7.5	5.3	5.4	6.2	6.5	6.4	6.2	6.0
Nominal wages and salaries, % chg	-1.2	9.3	9.2	6.6	4.9	4.0	3.8	3.9	3.9
Prices									
Consumer price index, % chg	0.7	3.4	6.8	3.9	2.5	2.2	2.0	2.1	2.2
Producer price index, % chg	-0.4	13.9	12.8	-1.8	1.5	2.0	1.5	1.5	1.6
West Texas Intermediate, \$ per bbl	39.3	68.0	95.0	77.6	79.8	76.1	72.3	71.3	71.3
Brent crude oil prices, \$ per bbl	43.2	70.8	99.1	82.2	83.7	79.9	75.6	74.5	74.3
House price index	243.8	283.6	317.7	309.4	311.2	313.0	318.1	322.8	330.3
% chg	9.1	16.4	12.0	-2.6	0.6	0.6	1.6	1.5	2.3
Industry									
Industrial production, % chg	-7.5	5.0	3.9	-0.7	-0.3	1.2	1.0	1.5	1.3
Fiscal									
Government budget, % of GDP	-10.8	-2.9	0.6	-0.0	-1.4	-1.8	-1.9	-1.8	-1.8
International									
Current account balance, bil	-44.8	0.4	-10.3	-21.0	-30.3	-52.6	-64.9	-61.5	-57.6
Exports of goods and services, bil	654.5	785.8	952.2	965.1	963.7	953.8	961.4	980.2	1,003.2
Imports of goods and services, bil	703.5	785.5	948.5	978.2	997.4	1,012.1	1,032.9	1,049.4	1,069.3
Financial									
Policy rate, %	0.6	0.3	1.9	4.7	4.7	3.6	2.6	2.5	2.5
10-yr bond rate, %	0.8	1.4	2.8	3.4	3.5	3.7	3.7	3.9	3.9
Exchange rate, US\$	1.3	1.3	1.3	1.3	1.4	1.3	1.3	1.3	1.3
Stock price index	16,016.6	19,819.0	20,184.3	20,102.8	22,078.3	22,245.8	22,679.3	23,693.1	24,762.5
% chg	-1.8	23.7	1.8	-0.4	9.8	0.8	1.9	4.5	4.5

Last updated on: 08/05/2024

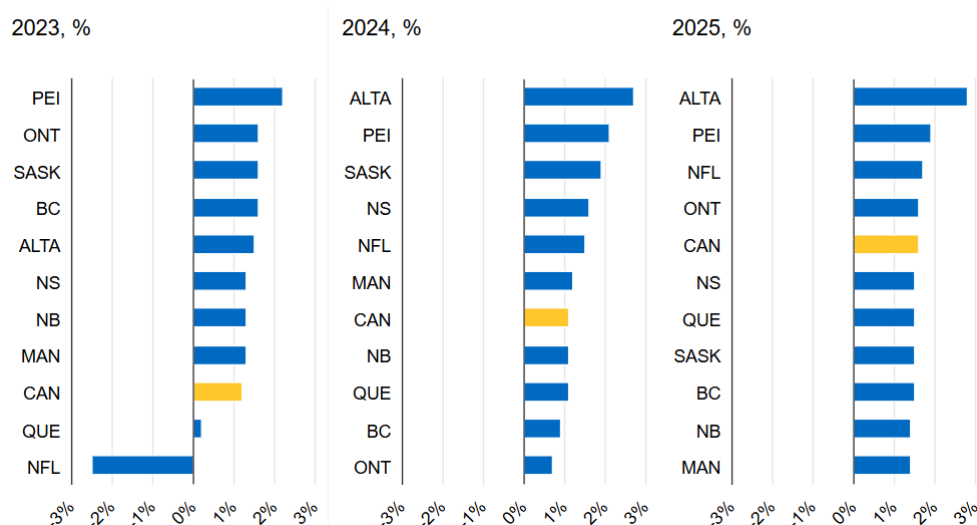
Source: Moody's Analytics

Provincial Economic Overviews

Provincial Outlook

RBC Economics is keeping Ontario (0.7% GDP growth) and B.C. (0.9% growth) at the lower end of its 2024 provincial growth rankings – though it has revised both slightly upwards on stronger-than-expected activity in the early part of this year. Quebec's economy (1.1% growth) is showing signs of a turnaround after a particularly weak year in 2023, pulling real GDP growth just ahead of the national average this year. Out east, strong household spending and construction activity continue to bolster economic growth across most Atlantic provinces – including Newfoundland and Labrador (up 1.5%) which is gearing up for more activity in the oil sector with all four offshore vessels returning to production later this year. An uptick in commodity markets is boding well for Alberta (2.7% growth) and Saskatchewan (1.9% growth). Additional pipeline capacity from the Trans Mountain Pipeline Expansion project has boosted the outlook for Alberta's oil and gas industry, while increased demand for potash has kept the mining industry busy and capital expenditures flowing in Saskatchewan.

Real GDP Growth



British Columbia

RBC Economics maintains the view that B.C. will struggle more than most other provinces in 2024 given household's strong sensitivity to high interest rates and a wind down of major capital projects in the province. Despite softer spending and weakening construction activity, employment has held up well through spring – limiting the rise in the unemployment rate. This ran against its earlier expectations of a more rapid deterioration in the labour market and prompted RBC Economics to nudge its growth forecast up from 0.7% to 0.9% in 2024.

Household consumption has been weak this year in B.C. Retail sales continue to slide from their year-ago levels in nominal per capita terms. Prospects for further rate cuts, however, point to a likely (albeit modest) turnaround later this year. Investment has – and continues to be – the other main stressor for provincial growth. Capital investment continues to wind down in B.C. following the completion of major projects like TMX and Kitimat LNG terminal. In fact, in the last quarter of 2023 there was less than 50 cents of new construction starting for every investment dollar that ended. And though Q1 of this year didn't report the same drop in project completions, new construction projects continued to wane.

The development pipeline appears to be relatively empty too, as the soft housing market keeps developers hesitant. Businesses also seem to be waiting for deeper rate cuts or other incentives before making investment decisions.

Alberta

Severe wildfires ripped through parts of the province this spring and summer, displacing residents and interrupting activity across a range of economic sectors. While devastating for local communities affected, these disruptions are unlikely to overshadow the strength in other core industries.

The province's prominent oil and gas industry is sustaining its recovery amid a global rebound in demand. Alongside robust construction activity, it should help drive up real GDP growth to 2.7% this year – placing Alberta at the top of RBC Economics' provincial growth rankings. This represents a substantial upward revision from the 1.7% rate projected back in June.

Alberta's wildfire season got off to a nasty start this year. The number of wildfires surpassed 1,000 in the first eight months of 2024, tracking slightly higher than the total at this time last year. The area burned, however, has been smaller – indicating a more active, but less destructive season.

What the province suffered by way of extreme weather has been more than offset by strength in other areas of the economy. Local housing markets – particularly in Calgary and Edmonton – are among the busiest in the country. In fact, year-to-date resales (+14%) are up more than any other province, growing nearly four times faster than the Canadian average.

Alberta's oil industry is taking advantage of the Trans Mountain Pipeline capacity enhancement – already using up 50% of the nearly tripled capacity. With more Canadian oil reaching tidewater at an accelerated pace, we've seen the spread between Western Canadian Select (WCS) and Western Texas Intermediate (WTI) narrow, allowing Alberta producers to fetch higher prices for their oil and more revenues to flow into the provincial economy.

Better growing conditions are also setting the province's agricultural industry up for a rebound, adding more strength to this provincial economy in 2024.

Saskatchewan

RBC Economics remains bullish on Saskatchewan's growth prospects this year. Global fertilizer markets have continued to rebound in 2024, as expected. That's fueling activity in the province's mining industry and keeping capital expenditures flowing in as large mining enterprises continue on with expansion projects.

Solid commodity markets and stronger employment growth have helped reinvigorate consumer spending too (and by a larger margin than had been anticipated). In fact, greater strength on the household side has prompted a slight upward adjustment to RBC Economics' 2024 growth forecast, from 1.7% to 1.9%.

Potash production has already made quite the comeback, increasing 15% on a year-to-date basis. Prices have slowly picked up since January – a trend RBC Economics expects will persist over the remainder of the year as demand continues to recover.

The optimistic outlook for the province's mining sector has had a healthy impact on its labour market too. Notwithstanding the dip in August, employment (+2.7% YTD) has been on the rise since March, with notable gains recorded from month-to-month.

Businesses plan to boost capital expenditures 14% this year – much higher than the 4.5% increase anticipated at the national level. The majority of the increase comes from the mining and oil and gas sector, as construction for the Jansen potash mine barrels through peak construction in 2024.

RBC Economics believes that the Bank of Canada's pivot to lower interest rates will stimulate household spending and investment. Alongside neighbouring Alberta, housing markets in Saskatchewan have been among the hottest in the country. The MLS composite benchmark price index is up 6% since August 2023 – a large divergence from the 4.2% drop recorded at the national level over the same period.

Manitoba

RBC Economics expects economic growth this year in Manitoba to be largely on par with 2023 at 1.2%. Weakness in the utilities and agricultural industries are shaping up to be pain points, but these will be more than offset by a boost to capital expenditures and greater exploration in the mining sector.

Few surprises have unfolded in the Manitoba economy so far this year. Manufacturing activity has softened with sales growing slowing by half as both domestic and export markets dither.

Conditions in the utilities industry have also been challenging. Water levels in Lake Winnipeg and critical flows from the Saskatchewan River were much below normal over the first half of the year, straining reservoir levels, which has taken a toll on hydraulic turbine power generation. Indeed, the province's utilities industry is off to an incredibly slow start electric power generation for the period from January through May at its lowest level in over a decade.

Though these areas will likely be a drag on overall growth for the province, RBC Economics thinks that strength in other sectors of Manitoba's well-diversified economy will be enough to keep this provincial economy growing slightly ahead of the national average this year.

Capital investments have been a notable bright spot in 2023 and over the first half of 2024, supported by another \$3.1 billion from the province for upgrades and capacity enhancements for Manitoba Hydro, healthcare, and road infrastructure.

Mineral prices have also seen a modest lift – including gold and lithium (which took a nosedive at the end of last year). That's attracting more exploration activity for the industry, including two near Tanco mine.

RBC Economics expects mineral prices to continue ticking higher as the market surplus continues to narrow and domestic EV battery production ramps up, offering plenty of upside growth later this year and into 2025. Renewed shipments corridors through Port of Churchill should also help as global demand continues to recover.

Ontario

Economic growth in Ontario is likely to slow more than any other province this year alongside slower growth in the U.S. and weak domestic consumption and investment. RBC Economics expects GDP to expand by just 0.7% this year – slightly stronger than its June forecast of 0.5% growth. Nevertheless, its 2024 growth forecast for Ontario is less than half the rate of growth recorded in 2023 (1.6%, according to Statistics Canada's preliminary estimate).

A strong end to the year for the U.S. in 2023 insulated the Ontario economy against slower domestic demand. But RBC Economics doesn't see the province getting that same lift in 2024. Manufacturing sales have continued to dwindle, contracting for a third consecutive quarter (q/q, seasonally adjusted) as softness in U.S. demand and other Canadian jurisdictions sets in, hampering the outlook for Ontario-made goods.

Domestic household spending hasn't made much progress either. High interest rates continue to deter businesses and consumers from making large purchases or investment, which is having a negative impact on the province's labour market. Indeed, year-to-date layoffs have jumped significantly more in Ontario (+24%) than any other province. Year-to-date employment growth has also nearly halved compared to the same period in 2023, amid a wind-down in economic activity. And with new international study permit caps and temporary foreign worker targets coming into play later this year, the province won't be able to rely on the same demand boost from newcomers in the year ahead.

The weakness hitting later in 2024 has prompted RBC Economics to tamp down its 2025 forecast from 1.9% to 1.6% too. Nevertheless, RBC Economics still sees the outlook improving beyond this year. Ontario's automotive sector has attracted significant investment to develop EV battery manufacturing facilities, amid the ongoing transition to net zero. Alongside lower interest rates, RBC Economics expects these developments to support a solid rebound in 2025.

Quebec

Renewed vigour coming from external and domestic sources is setting Quebec's economy on a mildly stronger path after it fell into a rut last year.

Export-oriented industries like aerospace, metals, and transportation equipment are recording higher sales abroad this year. Construction activity – especially on the residential side – is picking up. RBC Economics believes these factors, along with interest rate cuts and record planned capital investment, will prop up growth to 1.1% in 2024 from a meagre 0.2% in 2023.

Last year's decline in the economy, in part, resulted from one-off adverse events. Historic wildfires significantly disrupted production in the resource sector in the spring. Hot and dry weather conditions also lowered water reservoir levels, causing a sharp drop in hydroelectric production. In addition, a major public school teachers' strike dampened activity in the closing months of the year. Most of these events have run their course.

Homebuilding – which plunged to an eight-year low in 2023 – is rebounding. Housing starts have jumped 35% in the first half of the year, and lumber production is up 14%.

External demand for major Quebec-made products is growing despite a wobbly global economy. Rising exports of aircraft and parts (up 12% on a price-adjusted basis), trucks (49%), and aluminum (1%) have sustained solid activity in several manufacturing industries.

Quebec consumers are flocking back to car dealerships in growing numbers while still very budget-conscious. New vehicle sales increased 15% from last year in the first half. RBC Economics expects that further interest rate cuts will bolster consumer confidence and stimulate spending on a broader array of items; it will also support the gradual pick-up in the housing market that started last year.

RBC Economics believes that record capital spending intentions this year – up a solid 8.8% from 2023 – have more to contribute through the remainder of this year. The ramping up of major capital investment projects (including in the electric vehicle battery industry and green energy sector) will help the economy stay on its stronger path.

New Brunswick

Slowing external demand for provincially manufactured products is expected to be a drag on growth this year in New Brunswick. A vibrant household sector, on the other hand, should keep the pace on par with the national average at 1.1% GDP growth.

The province's manufacturing sector has been a pain point for a few quarters now. The year-over-year change in manufacturing sales has been on a downtrend for six consecutive quarters, and with more weakness setting in in Ontario and the U.S., RBC Economics doesn't see a robust recovery taking shape over the back half of this year.

The province's fishing industry is also facing headwinds. Prices for prepared and packaged seafood products have come down, weighing on industry revenues. What's more, the Department of Fisheries and Oceans has also lowered fishing quotas in the Bay of Fundy this season, dropping the allowable catch for herring by more than 30% to 16,000 tonnes; herring was a top seafood export for the province – behind lobster, crab, and on par with salmon in 2022.

The household sector remains one of New Brunswick's strongest pillars, bolstered by low debt levels and a growing headcount. But this, too, is unlikely to yield the same tailwinds as observed in recent years.

Population growth likely hit an apex last year. It's since plateaued as new international student and temporary foreign worker targets take effect – and as dust from the post-pandemic migration shakeup settles.

Nova Scotia

Nova Scotia's economy is recovering faster than most. Though the population boom is moderating, the pace at which it's increasing is still historically strong, attracting new development projects and investment dollars into the province. RBC Economics expects growth in Nova Scotia to remain ahead of the national average, with the economy expanding by 1.6% this year.

With Halifax ascending in the municipal growth ranks (population wise) and expectations for further interest rate cuts in the coming months, Nova Scotia has become a magnet for development. Signs of recovery in local housing markets has pushed more development projects past the starting line this year. Growth in residential construction is set to more than offset the decline recorded in 2023, outpacing the national average fourfold so far in 2024 as housing starts rebound.

Investment dollars have also been flowing in on the non-residential side. Provincial regulators recently gave Nova Scotia Power the green light to construct a \$354 million battery project, with the aim of bringing stability to the province's energy grid amid the ongoing transition to net zero. This, alongside another \$1.6 billion in capital funding from the province, should help bolster Nova Scotia's industry after last year's slowdown.

But things aren't rosy everywhere. The province's fishing industry is facing some turbulence, with the price of prepared and packaged seafood products coming down, and tighter restrictions on fishing quotas. Strength in other segments of the economy, however, are poised to offset the weaker season for Nova Scotia fisheries.

Prince Edward Island

P.E.I. has been the only Canadian provincial economy to grow by more than 2% each year since 2021. RBC Economics expects this to continue in 2024 – with a rate of 2.1% – despite population growth moderating from exceptionally strong levels.

P.E.I. continues to benefit from strong demographics, boosting the availability of workers as well as demand for goods and services. Year-over-year employment growth has now outpaced all other provinces for a fifth consecutive quarter and is on track to lead the country's employment growth again this year. And though population growth has moderated in recent quarters, the headcount is still increasing at a historically rapid clip, keeping aggregate spending on the rise.

On the business side, construction investment is expected to be sustained at relatively high levels this year, bolstered by development of residential units. Year-to-date residential construction investment has nearly doubled from last year as the province scrambles to expand the housing stock to accommodate the island's growing population.

A slight increase in seeded area for potatoes and more favourable growing conditions is also setting the province up for a rebound in agricultural production.

Newfoundland & Labrador

Newfoundland and Labrador's economy is on track to rebound this year following two consecutive years of contraction. The jobs market ramped up earlier this year, keeping the unemployment rate around a historical low, and consumer spending has made a comeback.

Despite these strides, however, RBC Economics made a downward adjustment to its 2024 growth forecast in light of lower-than-anticipated levels of oil production and weak mineral exports. RBC Economics now projects real GDP to expand by 1.5%, down 0.5 percentage points from its June forecast.

The stage was set last year for oil production in the province to slowly rebound over the course of 2024. The expected return of the SeaRose floating vessel (operating in the White Rose offshore oil and gas field) in Q3 would

bring all four offshore oil vessels back into production for the first time since 2019 – aside from a short two-month stint at the end of last year.

Despite these developments, however, oil production in the province is still sitting at historically low levels. In fact, production is down 5% compared to the first six months of 2023. The return of the SeaRose into operation could bring production levels closer to the 2023 mark but is unlikely to bring real GDP growth up to the 2% that was previously forecast.

Things are looking up in other segments of the economy though, keeping the prospect of an economic recovery this year well within reach. With interest rates coming down and a brighter commodities outlook on the horizon, employment prospects have picked up, reaching their highest level on record in Q1 of this year. Employment has remained at historically high levels in the months following, keeping downward pressure on the unemployment rate. This too is sitting at historically best levels, hovering around 10%.

Tighter labour markets have meant faster growing wages and a rebound in spending among Newfoundland and Labrador households. Retail sales growth in the province is on track to outpace the national average this year, growing 4.4% on a year-to-date basis. If spending continues at this speed (as RBC Economics expects), 2024 would mark the first year since at least 2020 that Newfoundland and Labrador recorded faster retail sales growth than the Canadian average.

Summary Exhibit

Forecast details

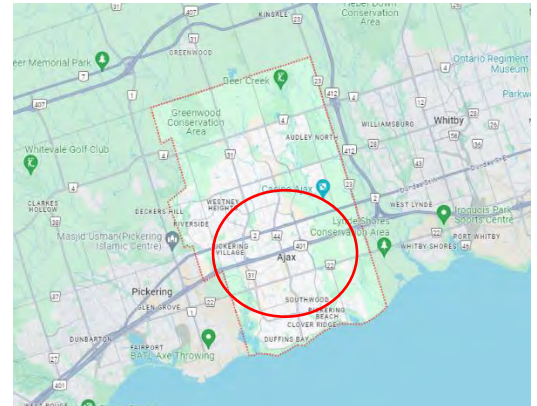
% change unless otherwise indicated

	Real GDP				Nominal GDP				Employment				Unemployment rate, %				Housing starts, (000s)				Retail sales				CPI			
	22	23F	24F	25F	22	23F	24F	25F	22	23	24F	25F	22	23	24F	25F	22	23	24F	25F	22	23	24F	25F	22	23	24F	25F
N.&L.	-1.7	-2.5	1.5	1.7	6.8	-4.4	5.0	3.6	4.4	1.8	3.0	0.8	11.3	10.0	10.6	11.0	1.4	1.0	1.4	0.8	7.7	1.9	4.9	2.5	6.4	3.3	2.3	2.0
P.E.I.	2.9	2.2	2.1	1.9	9.3	4.9	4.7	4.0	5.4	5.7	3.8	2.4	7.6	7.3	8.3	8.3	1.3	1.1	1.4	1.3	8.3	4.1	1.7	2.2	8.9	2.9	2.3	2.1
N.S.	2.9	1.3	1.6	1.5	7.1	3.3	4.1	4.0	3.6	2.6	3.3	1.8	6.5	6.3	7.5	7.4	5.7	7.2	8.9	7.0	7.0	3.2	1.0	2.6	7.5	4.0	2.6	2.0
N.B.	1.1	1.3	1.1	1.4	7.4	3.8	3.7	3.6	2.8	3.5	3.1	2.1	7.2	6.6	7.6	7.6	4.7	4.5	5.2	5.0	7.8	4.8	4.1	4.0	7.3	3.5	2.6	2.1
QUE.	2.5	0.2	1.1	1.5	8.4	3.7	3.8	3.6	3.0	2.3	0.4	1.5	4.3	4.5	6.2	6.1	57.1	38.9	49.0	48.8	8.5	3.7	1.0	2.2	6.7	4.5	2.5	1.9
ONT.	3.9	1.6	0.7	1.6	9.2	4.3	3.3	3.7	4.6	2.4	1.4	2.0	5.6	5.7	7.0	6.2	96.1	89.3	83.2	77.5	10.9	0.7	0.2	3.5	6.8	3.8	2.5	1.9
MAN.	3.3	1.3	1.2	1.4	8.6	3.2	3.7	2.8	3.2	2.5	2.2	1.7	4.6	4.8	6.1	5.7	8.1	7.1	7.2	8.3	8.6	1.6	0.4	2.7	7.9	3.6	1.2	2.0
SASK.	6.0	1.6	1.9	1.5	29.2	-0.4	4.7	2.8	3.5	1.8	2.2	1.6	4.7	4.8	5.7	5.4	4.2	4.6	4.1	4.7	7.6	0.3	2.0	4.9	6.6	3.9	1.6	2.3
ALTA.	5.0	1.5	2.7	2.8	22.0	-1.4	5.3	3.5	5.2	3.6	2.9	2.4	5.8	5.9	7.1	5.7	36.5	36.0	45.4	49.5	6.9	4.3	-0.3	3.7	6.5	3.3	2.8	1.7
B.C.	3.8	1.6	0.9	1.5	11.0	3.4	3.9	3.2	3.2	1.6	2.0	0.7	4.6	5.2	6.0	5.6	46.7	50.5	46.0	52.0	3.1	-0.1	-0.6	1.8	6.9	4.0	2.5	1.7
CANADA	3.8	1.2	1.1	1.6	11.8	2.8	4.1	3.5	4.0	2.4	1.7	1.6	5.3	5.4	6.4	6.7	262	240	252	255	8.3	1.9	0.4	3.0	6.8	3.9	2.5	1.9

Town of Ajax - Market Overview

Location

The Town of Ajax is a waterfront town in Durham Region in Southern Ontario, located along the eastern part of the Greater Toronto Area. The town is named for HMS Ajax, a Royal Navy cruiser that served in the Second World War. It is approximately 11 kilometres (7 mi) east of Toronto on the shores of Lake Ontario and is bordered by the City of Pickering to the west and north, and the Town of Whitby to the east.



Top Employers

1. Amazon Fulfillment Centre
2. Casino Ajax
3. Elexicon Energy
4. Gordon Food Service
5. H&M
6. Intact Insurance
7. Lakeridge Health Ajax Pickering Hospital

Source: Statistics Canada

Key Statistics

Key Statistics	Ajax, Town (T) [Census subdivision], Ontario			Ontario		
	Census 2016	Census 2021	% Change	Census 2016	Census 2021	% Change
Population						
Total Population	119,677	126,666	5.8%	13,448,494	14,223,942	5.8%
Median Age	47.8	38.4	-19.7%	41.3	41.6	0.7%
Ages 0-14	14.9%	18.8%	26.1%	16.4%	15.8%	-3.8%
Ages 15-64	62.1%	68.1%	9.6%	66.8%	65.6%	-1.9%
Ages 65+	23.0%	13.1%	-43.1%	16.7%	18.5%	10.5%
Income						
Median after tax household income	\$51,278	\$103,000	100.9%	\$65,285	\$79,500	21.8%
Local vs provincial average	78.5%	129.6%				
Highest Level of Education (population aged 25-64)						
No high school diploma	13.0%	7.3%	-43.7%	10.4%	8.8%	-15.5%
High School	36.0%	24.4%	-32.3%	24.5%	23.3%	-4.8%
Secondary certificate / diploma (non-university)	37.4%	32.2%	-14.0%	33.2%	31.1%	-6.3%
University Degree	13.7%	36.1%	163.6%	31.9%	36.8%	15.3%
Dwellings						
Total private dwellings	6,541	40,275	515.7%	5,598,391	5,929,250	5.9%
Detached	75.7%	64.7%	-14.5%	54.3%	53.6%	-1.3%
Semi-detached	1.8%	5.7%	217.6%	5.6%	5.5%	-2.0%
Row house	1.8%	15.2%	747.1%	8.9%	9.2%	3.3%
Duplex	6.0%	3.5%	-42.0%	3.4%	3.3%	-3.1%
Apartment in building with <5 storeys	9.2%	4.1%	-55.5%	10.1%	10.0%	-1.1%
Apartment in building with 5+ storeys	5.1%	6.7%	32.5%	17.2%	17.9%	4.4%
Owner	71.6%	83.5%	16.6%	69.7%	68.4%	-1.8%
Rented	28.4%	16.5%	-41.8%	30.2%	31.4%	4.1%

Source: Statistics Canada

The town of Ajax experienced a small increase in the overall population between 2016 and 2021 while the proportion of the population over the age of 65 lowered significantly. Income grew by 100.9% in comparison to 2016. The town has a very high proportion of people living in single family detached dwellings. A higher proportion of residents own their respective homes versus renting.

Upcoming Investments

- 1) H&M – State-of-the-art 715,000 sq. foot warehouse facility in GTA East Industrial Park
- 2) Lakeridge Logistics Centre – 1.2 million sq. foot zero carbon warehouse / distribution centre on a 70-acres site close to Highway 401
- 3) Lakeridge Logistics Centre – 1.2 million sq. foot zero carbon warehouse / distribution centre on a 70-acres site close to Highway 401
- 4) Lakeridge Logistics Centre – 1.2 million sq. foot zero carbon warehouse / distribution centre on a 70-acres site close to Highway 401

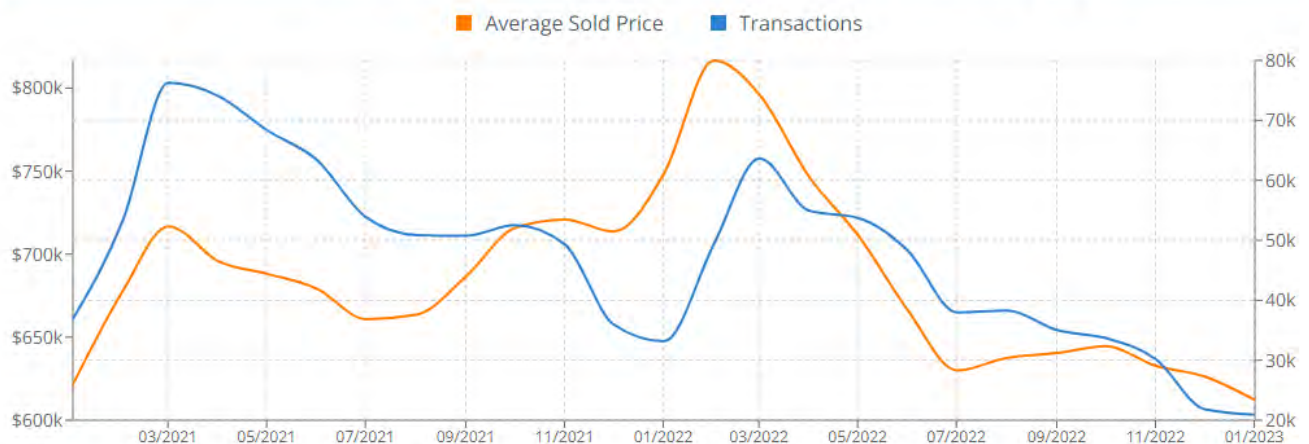
Residential Land Overview

Real Estate Prices Continue to Drop and Residential Projects Delayed amid Higher Borrowing and Construction Costs

Across the country, and especially in Ontario, there has been a recalibration in prices of real estate, as the Bank of Canada increased interest rates in March of 2022, in order to control inflation. National average home prices were at a 2-year low and sales at a 14-year low. For January 2023, Canada's average home price was \$612,204, an 18% decrease year-over-year and the lowest that it's been since November 2020. It's also a slight decrease of 2% from last month and shows that Canadian home prices are continuing to feel the impacts of higher interest rates and reduced demand.

The lower housing prices are particularly felt in British Columbia and Ontario. January activity was the weakest in 14 years in both provinces. Demand-supply conditions have been soft since summer, leading to material price declines. The MLS HPI is down 12% since the cyclical peak in BC and 18% in Ontario—both exceeding the 15% drop nationally. Prices in some local markets have slumped even more, including London (-26%), Cambridge (-25%), Kitchener-Waterloo (-25%), Brantford (-24%), Hamilton (-23%), the Niagara region (-20%) and Barrie (-20%). The slide continued largely unabated in January for the most part.

Canada Real Estate Market Trends for All Property Types



Source: WOWA.ca.

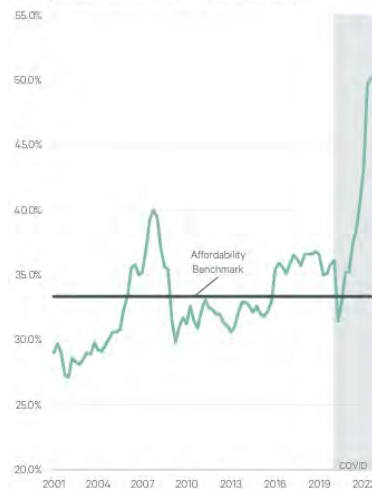
Higher borrowing costs imposed by increased interests and reduced demand have caused developers to take pause in their acquisition of residential development land and launch of their residential projects. This is further exacerbated as municipalities across Ontario consider adopting inclusionary zoning requirements, which will impose mandatory minimum requirements on the number of affordability units for new proposed developments. Data from Urbanation, a real estate research company that tracks condominium, rental and land development markets, which found that of 30,000 condo units slated for construction in 2022 in the Greater Toronto Area, 10,000 were reportedly cancelled or suspended.

Sharp Erosion in Homeownership Affordability Brings Strong Demand for Multi-Family Developments

Home ownership has steadily declined over the years and as an unprecedented demand for housing brought on by the Global-19 pandemic, homeownership eroded drastically and became vastly out reach for many Canadians and is at its worst level in over 30 years. Despite an ongoing housing market correction, housing costs have actually increased overall. The eight consecutive interest rate hikes enacted by the Bank of Canada led to a surge in mortgage costs and the current high inflation environment has also raised the operational costs of housing such as utilities and maintenance. Household incomes have not kept up with surging homeownership costs over the last decade and this disparity remains going into 2023. The annual salaries required for the various types of housing to be considered affordable in major markets are currently far above what the median household earns. Renting, while still not necessarily affordable, remains the best housing option for many Canadians in these markets. The housing affordability issue is also unlikely to be resolved quickly given the level of undersupply in the Canadian housing stock. The CMHC estimates that in order to meet expected levels of demand by 2030, Canada would need to build an extra 3.5 million homes above what is currently expected to deliver over this period.

FIGURE 23: Canada housing affordability index

Housing-related costs as a % of average household income



Source: CBRE Research, Bank of Canada, 2022.

FIGURE 24-a: GTA Housing Cost Overview

Annual Salary Requirements by Type of Housing



FIGURE 24-b: GVA Housing Cost Overview

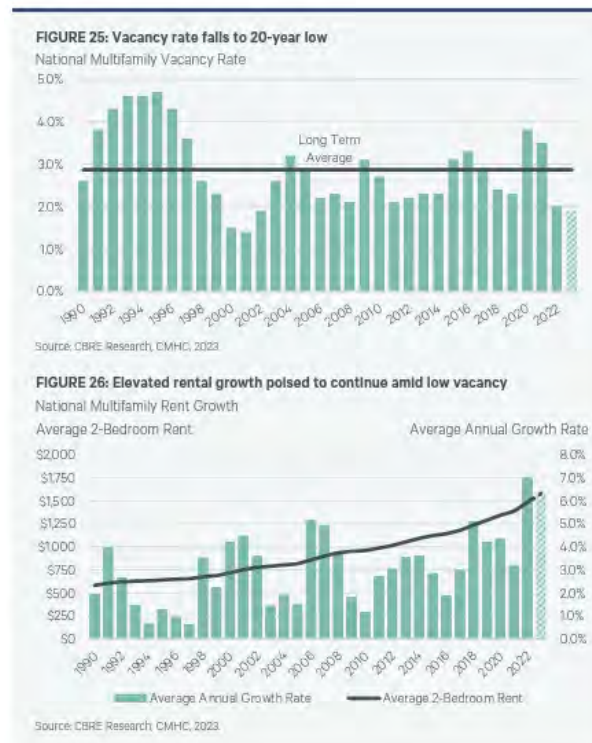
Annual Salary Requirements by Type of Housing



Source: CBRE Research, February 2022.

Source: CBRE

Growing demand for multifamily rental has compressed the overall vacancy rate in Canada from its pandemic highs down to a 20-year low of 2.0% in 2022. Elevated demand levels will continue to persist and drive vacancy down further in 2023, led by higher immigration targets.



Source: CBRE

Projected Immigration and the Build Homes Faster Act Fueling Pressure on the Demand Residential Development Land as Developers Delay or Suspend Projects

While developers in Ontario and across other provinces pause or delay the launch of their residential projects, the Federal Government is setting up an objective to dramatically increase immigration in its latest immigration plan. In 2023, it is projected the Country will welcome 465,000 new immigrants, and by 2025, this will surge to 500,000 new immigrants. In 3 years, the total number of new immigrants is envisioned to be 1.2 million people.

2023-2025 Immigration Levels Plan

Immigrant Category	2023			2024 ¹⁰			2025 ¹⁰		
	Target	Low Range	High Range	Target	Low Range	High Range	Target	Low Range	High Range
		¹¹	¹¹		¹¹	¹¹		¹¹	¹¹
Overall Planned Permanent Resident Admissions	465,000	410,000	505,000	485,000	430,000	542,500	500,000	442,500	550,000

Source: Government of Canada

The high number of immigrants being attracted by Canada is due to the Country's low birth rate and the retirement of the baby boomer generation. By 2030, it is estimated 9 million people will reach the age of retirement at 65 years old. The COVID-19 pandemic has further worsened the Country's birth rate, at its lowest level of 1.47 children per woman in 2019.

At the same time, in an effort to tackle and address the issue of housing affordability, the Ontario government passed the More Homes Built Faster Act on October 25, 2022, which is envisioned to spur the construction of 1.5

million homes over the next 10 years. Three of the most significant amendments brought from the Act, were (1) significant reduction of Development Charges, (2) simplifying the land use approval process, and (3) the mandatory inclusionary zoning requirements for residential developments, especially for residential development lands near subway stations or as known as protected major transit station areas.

This issues with the 3 major significant amendments has caused controversy as reduced development charges will render municipalities in the Ontario Province not having the necessary funds to provide and maintain infrastructure and sewage capacity needs to new residential developments, while inclusionary zoning requirements further disincentivize developers to construct new residential developments, as a mandatory percentage of the development is used for affordable housing, which drastically reduces their overall revenue.

It remains to be seen the effects of the passing of the More Homes Built Faster Act, however developers seem to be adopting a wait-and see approach, especially with the higher borrowing costs in the current climate, and yet, there is little doubt as to the demand for housing, and in essence, real estate development land, will be acute as overall number of new immigrants that are projected to arrive in Canada in the coming years.

Inflationary Pressures Increasing Chances of Bank of Canada to Continue Further Hiking Interest Rates

To fight inflation and cool the red hot demand in housing caused by the global COVID-19 Pandemic and the geopolitical conflict in Ukraine, the Bank of Canada started to increase interest rates in March of 2022, and continued until finally signaling a pause at 4.5 percent on March 8, 2023. The pause on the interest hikes have been attributed from the growing evidence that the Bank of Canada is seeing that points to inflation starting to ease.

While the bank has announced its decision to remain the interest rates steady, it has also argued it will continue increasing interest rates if inflation does not further ease. The chances of the bank increasing its interest rate has been steadily tested as inflation remains high at 5.9%, and a still-strong jobs market where wages are outpacing productivity. The Bank has envisioned the impact of the hike in the interest rates would decrease inflation to three percent in 2023 and to two per cent by 2024.

Whether the bank continues to increase interest rates will also hinge on the United States own battle on inflation. Currently, the U.S. central bank rate is slightly higher than Canada's, at 4.75 per cent. But while the messaging out of Canada has been hinting that rates will hold steady for a while, the tone out of the U.S. has been that more hikes are coming.

Investors are expecting as many as two more rate hikes by June, moves that would bring the U.S. rate to 5.5 per cent — a full percentage point higher than Canada's. If a gap that wide comes to pass, it would strongly push down the value of Canada's dollar, which would make the Bank of Canada's inflation fight much harder.

Conclusion

The past year has seen real estate prices drop and supply of new housing dropping as both home purchasers and developers are being hampered by increased interest rates. As chances of higher interest rates steadily increase with strong job growth, rising food prices, and interest rate hikes from the US, while Canada is projecting to attract 1.2 million immigrants by 2025, the outcome seems to indicate a housing shortage with developers scaling or holding back new residential developments, while demand for multi-family remains strong, and translating to residential development remaining very strong as an asset type.

CERTIFICATION OF APPRAISAL

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
- The appraiser(s) has/have no present or prospective interest in the property that is the subject of this report, and has/have no personal interest or bias with respect to the parties involved.
- The appraisers'('s) compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- The analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice 2024 and with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute of Canada.
- The use of this report is subject to the requirements of the Appraisal Institute of Canada relating to review by its duly authorized representatives.
- The Appraisal Institute of Canada reserves the right to review this report.
- Peter Chan, AACI, P.App. conducted an inspection of the property that is the subject of this report on October 28, 2024.
- The effective date of this appraisal report is October 28, 2024.
- No one provided significant assistance to the production of this appraisal report.
- The Appraisal Institute of Canada has a mandatory Continuing Professional Development program for designated members. As of the date of this report, Peter Chan, AACI, P.App., has fulfilled the requirements of the program and remained as a member in good standing.

Final Estimate of Value "As-Is"

Having regard to all of the information contained in this report, it is our professional opinion that the current market value "As-Is" of the subject property located at 134, 148, 152, 184-188, 214, 224 & 226 Harwood Avenue South, Ajax, at the effective date of October 28, 2024, is estimated to be:

FINAL VALUE CONCLUSION - "AS-IS"

TWENTY SIX MILLION SIX HUNDRED THOUSAND DOLLARS

\$26,600,000

In this appraisal, the estimated value is predicated on a reasonable exposure time of 3 to 9 months

Extraordinary Assumption and Hypothetical Condition Conclusion

This appraisal is based on the following Extraordinary Assumptions and Hypothetical Conditions:

- The subject property is free and clear of any environmental contamination that would impede on the current and/or future use.

The appraiser(s) reserve(s) the right to amend the value conclusion(s) accordingly, should the above Extraordinary Assumption(s) and Hypothetical Condition(s) not be true.

Peter Chan, AACI, P.App.
Executive Vice President
Valuation & Advisory
Peter.Chan@ca.cushwake.com
Phone Office Direct 416.359.2432
Fax 416.359.2613
AIC Membership #:904057

This is Exhibit “B” referred to in the Affidavit of Winneng Cheng a.k.a. Rex Cheng sworn by Winneng Cheng a.k.a. Rex Cheng located at the Town of Oakville before me at the City of Toronto, in the Province of Ontario, on January 30, 2025, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER



Narrative Appraisal of
Development Land and Retail Properties at:
**132-134, 144-148, 150-152, 184-188, 214-222, 244, 266 Harwood Avenue South
Ajax, Ontario**



As of January 24th, 2025

Prepared for:

2615333 ONTARIO INC.

DESIGNATED MEMBER



Appraisal Institute of Canada
Institut canadien des évaluateurs



1526 Danforth Avenue, Toronto, ON, M4J 1N4

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www.janterra.com

January 30th, 2025

2615333 Ontario Inc.
18 Crown Steel Drive, Unit 202
Markham, ON L3R 9X8

Attn: Rex Cheng

Re:	132-134, 144-148, 150-152, 184, 214-222, 224, 226 Harwood Ave. S.
	Ajax, Ontario

We have completed our investigation and analysis of the properties addressed above (hereinafter referred to as the subject properties or the "Subject"), and submit this report of our findings, opinions and conclusions. The Appraiser visited the site on January 24th, 2025, which will serve as the effective date of this report.

The authorized use of this appraisal is to provide an estimate of the c Forced Sale Value of the subject properties, for Power of Sale purposes. The authorized user of this report is 2615333 Ontario Inc.

The subject property consists of seven individual properties, including one parcel of development land (No. 184-188) and six storefront retail properties. The retail properties are freehold properties within a multi-building retail plaza located on the west side of Harwood Avenue South, between Station Street and Hunt Street, in the Town of Ajax. The development land is currently used as the plaza parking lot.

We have been requested to provide a value estimate for the development land, based on the approved site plan application for a 10-storey building with 357,942 square feet of total Gross Floor Area. The building will include 390 condo apartment units, 32,927 square feet of retail space and 25,144 square feet of office space.

Please note that the following estimate of value may not be relied upon unless it is accompanied by the signed, original appraisal report. The value estimates are contingent upon the Subject (site) being free of environmental contaminants and/or other latent site conditions that may impact on value. Furthermore, the section entitled Assumptions and Limiting Conditions is an integral part of the report and must be read.

This report has been produced in conformance with the Canadian Uniform Standards of Professional Appraisal Practice. All comments, opinions and conclusions are discussed and elaborated upon within the body of this report to the extent felt necessary to support the estimate of value.

Based on the information and analysis as set out in the report; in our opinion that the forced sale value of the subject properties, as of January 24th, 2025, is as follows:

Combined Value of the Six Retail Properties:

Eleven Million Dollars*
\$11,000,000* (CDN)

Land Value of 184-188 Harwood Avenue South, based on the approved development:

Eleven Million Eight Hundred and Fifty Thousand Dollars*
\$11,850,000* (CDN)

Combined Value of the Development Land and Retail Properties:

Twenty Two Million Eight Hundred and Fifty Thousand Dollars *
\$22,850,000* (CDN)

**This estimate of market value is subject to the Assumptions and Limiting Conditions listed at the end of this report as well as the Extraordinary Assumptions and Limiting Conditions as listed on page 8.*

Respectfully Submitted,

JANTERRA REAL ESTATE ADVISORS



Jon Bannister, BBE, DULE, AACI, P.App

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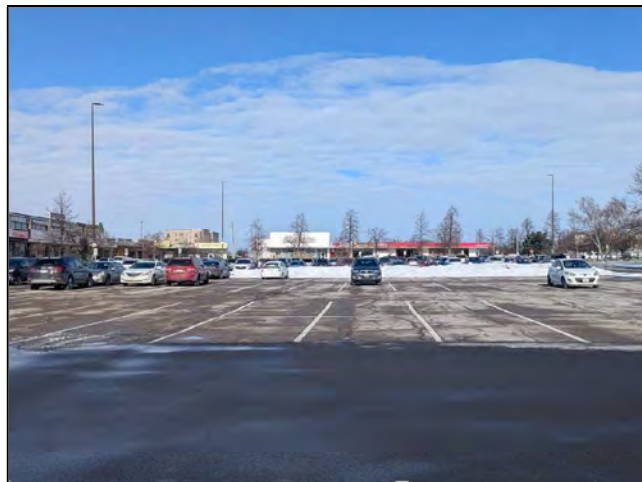
Letter of Transmittal

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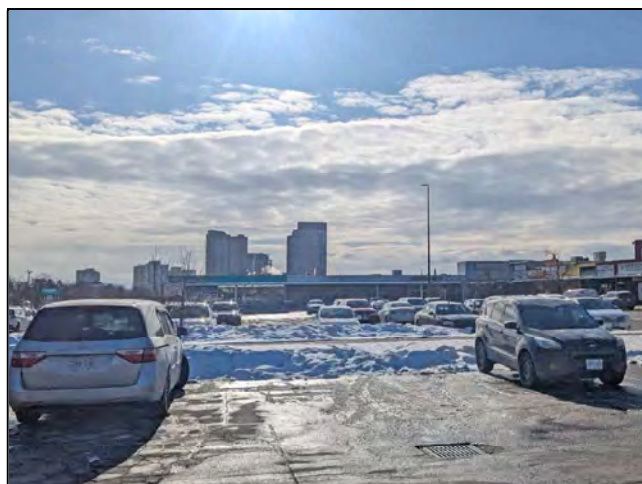
PHOTOGRAPHS OF THE SUBJECT PROPERTY



Looking north across 184 Harwood Ave. S.



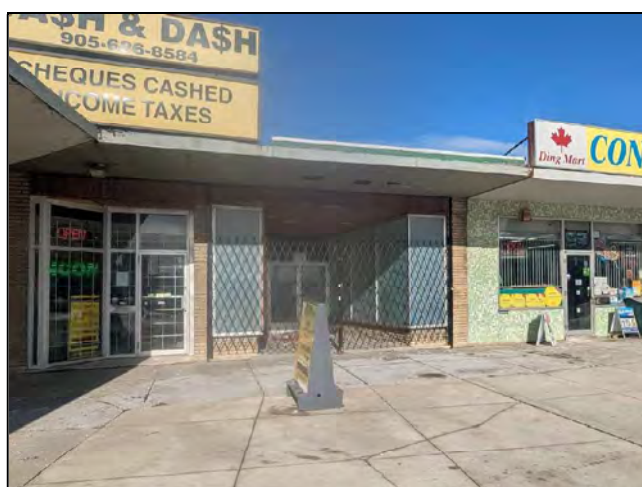
Looking east across 184 Harwood Ave. S.



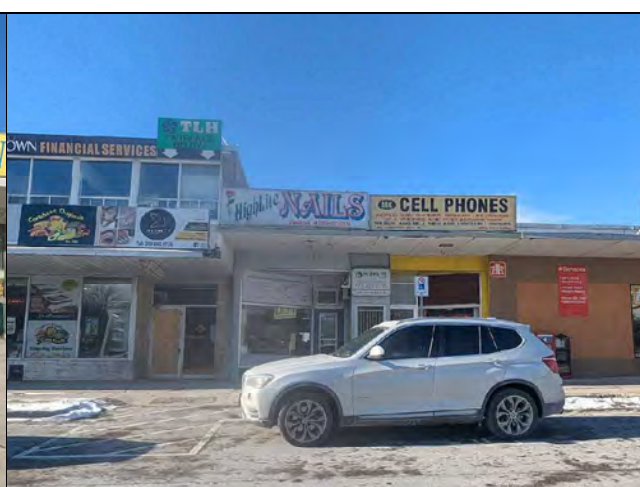
Looking south across 184 Harwood Ave. S.



Looking NW across the subject property



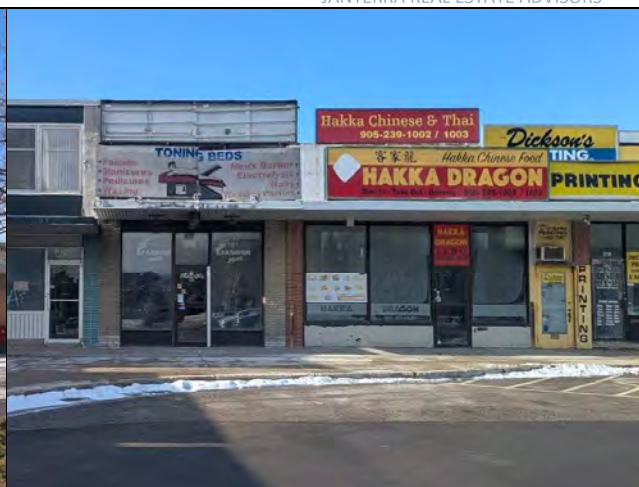
134 Harwood Avenue South



148 Harwood Avenue South



150-152 Harwood Avenue South



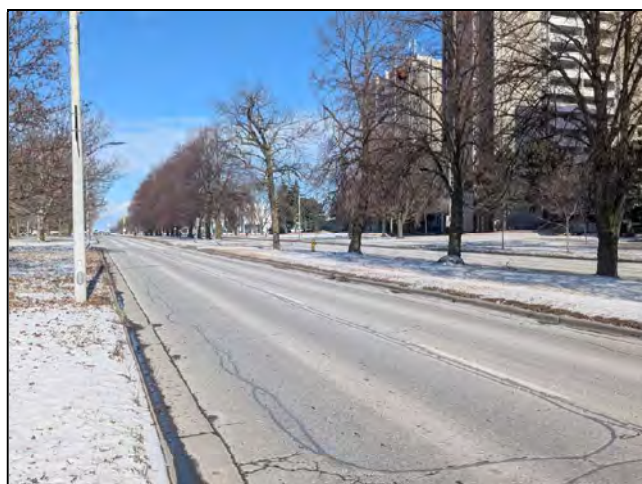
214-224 Harwood Avenue South



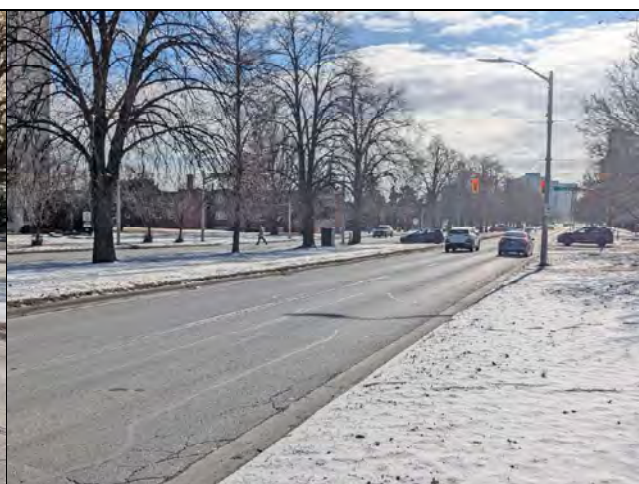
226 Harwood Avenue South



Rear service lane behind the plaza



Looking north along Harwood Ave. S.



Looking south along Harwood Ave. S.

Summary of Salient Facts and Conclusions

Municipal Address	:	Harwood Avenue South, Ajax ON
Location	:	West side of Harwood Avenue South, south of Highway 401
Property Type	:	Mixed-Use Development Land & Retail Properties
Registered Owner	:	

Address	Registered Owner
132 Harwood Ave. S.	9617680 CANADA INC
144-148 Harwood Ave. S.	9654372 CANADA INC
150-152 Harwood Ave. S.	9654372 CANADA INC
184 Harwood Ave. S.	CENTRAL PARK AJAX DEVELOPMENTS PHASE 1
214 Harwood Ave. S.	9654488 CANADA INC
224 Harwood Ave. S.	9654461 CANADA INC
226 Harwood Ave. S.	9654445 CANADA INC

Interest Appraised	:	Fee Simple
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Legal Description	:	
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Address	PIN	Legal Description
132-134 Harwood Ave. S.	26459-0050	PT LT 3 PL 488 AJAX AS IN CO78427; AJAX
144-148 Harwood Ave. S.	26459-0046	LT 6 PL 488 AJAX; AJAX
150-152 Harwood Ave. S.	26459-0045	LT 7 PL 488 AJAX; LT 8 PL 488 AJAX; AJAX
184 Harwood Ave. S.	26456-0108	PART OF MUNICIPAL PARKING AREA, PLAN 488 PICKERING, PART 1, PLAN 40R28209 SUBJECT TO AN EASEMENT AS IN DR1517437 TOWN OF AJAX
214-222 Harwood Ave. S.	26459-0037	LT 21 PL 488 AJAX; PT LT 20 PL 488 AJAX; PT LT 22 PL 488 AJAX AS IN CO52847; AJAX
224 Harwood Ave. S.	26459-0036	PT LT 22 PL 488 AJAX; PT LT 23 PL 488 AJAX AS IN CO72557; TOWN OF AJAX
226 Harwood Ave. S.	26459-0035	PCL 23-1 SEC M27; LT 23 PL M27 EXCEPT THE NLY 2 FT FROM FRONT TO REAR AS SHOWN ON PL M27; S/T AN EASEMENT, IF ANY, FOR THE CORPORATION OF THE TOWN OF AJAX, FOR THE PURPOSE OF CONSTRUCTING, REPAIRING AND MAINTAINING WATERMAINS AND SEWERS IN OR UNDER THE SAID LANDS ; AJAX

Site Area	:	
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Address	Site Area SF
132 Harwood Ave. S.	3,218.4
144-148 Harwood Ave. S.	3,745.8
150-152 Harwood Ave. S.	7,534.7
184 Harwood Ave. S.	103,634.8
214 Harwood Ave. S.	7,502.4
224 Harwood Ave. S.	2,400.4
226 Harwood Ave. S.	3,444.5
Total	131,481

Durham Official Plan	:	Regional Centre
Ajax Official Plan	:	Downtown Central Area
Zoning	:	DCA/MU (Downtown Central Area – Residential Mixed Use Zone)
Municipal Services	:	Full services available
Existing Improvements	:	Retail Buildings

Address	NRA SF
132-134 Harwood Ave. S.	4,696
144-148 Harwood Ave. S.	2,924
150-152 Harwood Ave. S.	8,793
214-222 Harwood Ave. S.	6,085
224 Harwood Ave. S.	4,216
226 Harwood Ave. S.	6,915
Total	33,629

Current Value Assessment :

Address	2016 CVA
132 Harwood Ave. S.	\$506,000
144-148 Harwood Ave. S.	\$479,000
150-152 Harwood Ave. S.	\$804,000
184 Harwood Ave. S.	N/A
214 Harwood Ave. S.	\$642,000
224 Harwood Ave. S.	\$448,000
226 Harwood Ave. S.	\$504,000

Highest and Best Use	:	Proposed mixed-use development
Proposed Development	:	<p>No. 184 is planned to be Phase 1 of Ajax Central Park. The site was approved for development with a 10-storey, 390-unit building with 357,942 ft² of total GFA. The building would also include 32,927 ft² of retail space and 25,144 ft² of office space.</p> <p>The six retail buildings will be part of Phase 2 of the Ajax Central Park Development.</p>

Effective Date of Valuation : January 24th, 2025

Date of Inspection : January 24th, 2025

Estimates of Value

Retail Properties :

Address	NRA SF	Rounded Value
132-134 Harwood Ave. S.	4,696	\$1,530,000
144-148 Harwood Ave. S.	2,924	\$1,020,000
150-152 Harwood Ave. S.	8,793	\$2,860,000
214-222 Harwood Ave. S.	6,085	\$1,980,000
224 Harwood Ave. S.	4,216	\$1,370,000
226 Harwood Ave. S.	6,915	\$2,250,000
Total	33,629	\$11,000,000

Development Land : **\$11,850,000**

**Combined Value of the Development Land
and Retail Buildings** : **\$22,850,000**

**This estimate of market value is subject to the Assumptions and Limiting Conditions listed at the end of this report as well as the Extraordinary Assumptions and Limiting Conditions as listed on page 8.*

Premise of the Appraisal

Subject of the Appraisal

The subject of this appraisal is a mixed-use development site at 184-188 Harwood Avenue South, and six (6) retail buildings at 134, 148, 152, 214, 224, 226 Harwood Avenue South, Ajax, Ontario.

Authorized Use

The authorized use of this appraisal is to provide an estimate of the Forced Sale Value of the fee simple estate of the subject properties, for Power of Sale purposes, as of January 24th, 2025.

Authorized User

This appraisal report has been prepared for the sole intended use of 2615333 Ontario Inc.

Definition of Market Value

"Market Value" is defined under CUSPAP 2024 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 conditions 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."¹

Definition of Forced Sale Value

"Forced Sale Value" is defined under CUSPAP 2024 as:

- The seller is under compulsion to sell (and may be an unwilling setter);
- Consummation of the sale is within a short period of time; and
- Normal Market Time is not possible to a brief Exposure Time.

A forced sale is a description of the situation under which a sale takes place, resulting in a value that does not fully meet the definition of Market Value.

May also be referred to as: "liquidation value", distress sale" or 'power of sale".

¹ The Appraisal of Real Estate, Third Canadian Edition, ed. Dybvig, (University of British Columbia, Real Estate Division, 2010), p. 2.8

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 analysis of recent trades, marketing and bidding periods related thereto; it appears as though the current market conditions remain reasonable in Ontario, albeit softer as the effect of higher interest rates takes hold. While the impact of increased interest rates has narrowed the pool of active prospective purchasers, the market, it would appear, has maintained a reasonable depth in this regard. Current trends however would suggest that slightly longer exposure periods may be expected as the market is in an adjustment period post the interest rate changes. With all factors considered, including consideration of the relative depth of the subject's particular market and property profile an exposure period of 6 to 9 months, if marketed effectively, is estimated to be a reasonable assumption.

For Power of Sale purposes, a shorten exposure time of 3 to 6 months has been estimated.

Property Rights Appraised

The Property Rights Appraised herein are those of the Fee Simple Estate.

Fee Simple Estate is the fullest type of ownership possible and has all the property rights unencumbered by any other interest or estate.

Report Format

The Canadian Uniform Standard of Professional Appraisal Practice (CUSPAP) requires that an appraisal report be identified as one of the following types of reports: *Current, Retrospective, Prospective, and Up-Date*.

Current - Refers to an effective date contemporaneous with the date of the report, at the time of inspection or at some other date within a reasonably short period from the date of inspection when market conditions have not, or are not expected to, have changed.

This report is a current appraisal report.

Effective Date: January 24th, 2025

Inspection Date: January 24th, 2025

Extraordinary Assumptions & Hypothetical Conditions

- The value estimate of the six retail properties assumes their continued use as retail properties. The value estimate therefore requires an Extraordinary Assumption and Hypothetical Condition to ignore that the buildings will eventually be demolished and the land will become part of Phase 2 of the Ajax Central Park redevelopment plan.
- We have been requested by the client to provide an estimate of the combined value of the development land and six retail buildings, as the properties are being sold as a comprehensive package under Power of Sale. The combined value also assumes continued use of the retail properties and relies on the same Extraordinary Assumption and Hypothetical Condition as stated above.
- The land value estimate is based on a proposed development having a total of 357,939 square feet of GFA, 390 dwelling units, and 58,071 square feet of commercial space, as described herein. Any alteration to the development details could have an impact on the land value estimate contained herein.
- The value estimate is based upon the assumption that the property (site and improvements) is free of environmental contaminants, and/or other latent conditions, which might have an impact on value. The appraiser has not been made aware of any such conditions on the site. The presence of on-site contamination may affect the value estimate reported herein.
- Any mortgages or other encumbrances unless stated otherwise have been disregarded and the property has been appraised as though free and clear.

This appraisal is subject to the following Extraordinary Limited Conditions²

- We did not obtain an opinion on the state of title or any of the encumbrances, and are not qualified in these legal matters and have not read the title searched documents registered against title.

² Extraordinary Limited Conditions are a necessary modification or exclusion of a Standard Rule which may diminish the reliability of the report.

Scope of the Appraisal

The preparation of this appraisal encompassed the necessary research and analysis to prepare an appraisal in accordance with the Code of Professional Ethics and the Canadian Standards of Professional Appraisal Practice of the Appraisal Institute of Canada. This involved the following steps:

- The Appraiser visited the site on January 24th, 2025. The photographs included in this report were taken on this date. Details were based upon this inspection together with other information provided by the Town of Ajax and Region of Durham.
- Site boundaries, dimensions and areas were obtained from Geowarehouse.
- Various departments in the Town of Ajax were referenced including the Zoning and Planning Departments (pertaining to the subject site and the immediate surrounding area), in order to verify the land use designation affecting the subject property.
- Market analysis of relevant macro and micro economic conditions was completed.
- Data collection involved research through the Toronto Real Estate Board's (TREB) Multiple Listing Service, Altus Data Studio, Urbanation, Real Track, in house files, along with the Land Registry Office.
- The market research consisted of locating and analyzing appropriate comparable land sales located in the immediate and surrounding areas.

Ownership and Sales History

Address	PIN	Registered Owner	Previous Sale Date	Previous Sale Amount
132-134 Harwood Ave. S.	26459-0050	9617680 CANADA INC	1-Mar-16	\$450,000
144-148 Harwood Ave. S.	26459-0046	9654372 CANADA INC	16-Jun-16	\$1,400,000
150-152 Harwood Ave. S.	26459-0045	9654372 CANADA INC		
184-188 Harwood Ave. S.	26456-0108	CENTRAL PARK AJAX DEVELOPMENTS PHASE 1 INC.	16-Sep-16	\$2,844,000
214-222 Harwood Ave. S.	26459-0037	9654488 CANADA INC	16-Jun-16	\$600,000
224 Harwood Ave. S.	26459-0036	9654461 CANADA INC	1-Apr-16	\$520,000
226 Harwood Ave. S.	26459-0035	9654445 CANADA INC	5-Oct-16	\$700,000
Total				\$6,514,000

Assessment and Taxes

Address	Roll No.	2016 CVA	2024 Phased-in CVA
132-134 Harwood Ave. S.	180503000703600	\$506,000	\$506,000
144-148 Harwood Ave. S.	180503000703900	\$479,000	\$479,000
150-152 Harwood Ave. S.	180503000704000	\$804,000	\$804,000
184-188 Harwood Ave. S.	180503000704000	N/A	N/A
214-222 Harwood Ave. S.	180503000704800	\$642,000	\$642,000
224 Harwood Ave. S.	180503000704900	\$448,000	\$448,000
226 Harwood Ave. S.	180503000705000	\$504,000	\$504,000
Total		\$3,383,000	\$3,383,000

Due to the COVID-19 pandemic, the Ontario government postponed the 2020 Assessment Update. On August 16, 2023, the Ontario government filed a regulation to amend the Assessment Act, extending the postponement of a province-wide reassessment through the end of the 2021-2024 assessment cycle. Property assessments for the 2023 and 2024 property tax years will continue to be based on fully phased-in January 1, 2016 current values.

We were not provided with a copy of the current tax bill for the Subject. Upon redevelopment, the property would be reassessed and taxed accordingly.

Location Analysis



The Subject is located within the Town of Ajax, which is located at the east end of the Greater Toronto Area (GTA), east of Ajax and west of Oshawa, in the Regional Municipality of Durham. Ajax is in the southwest section of Durham Region and enjoys easy access to three 400-series highways (Highways 401, 407 and 412), full GO Train service into Toronto and major markets, and is 45-minutes away from Pearson International Airport.

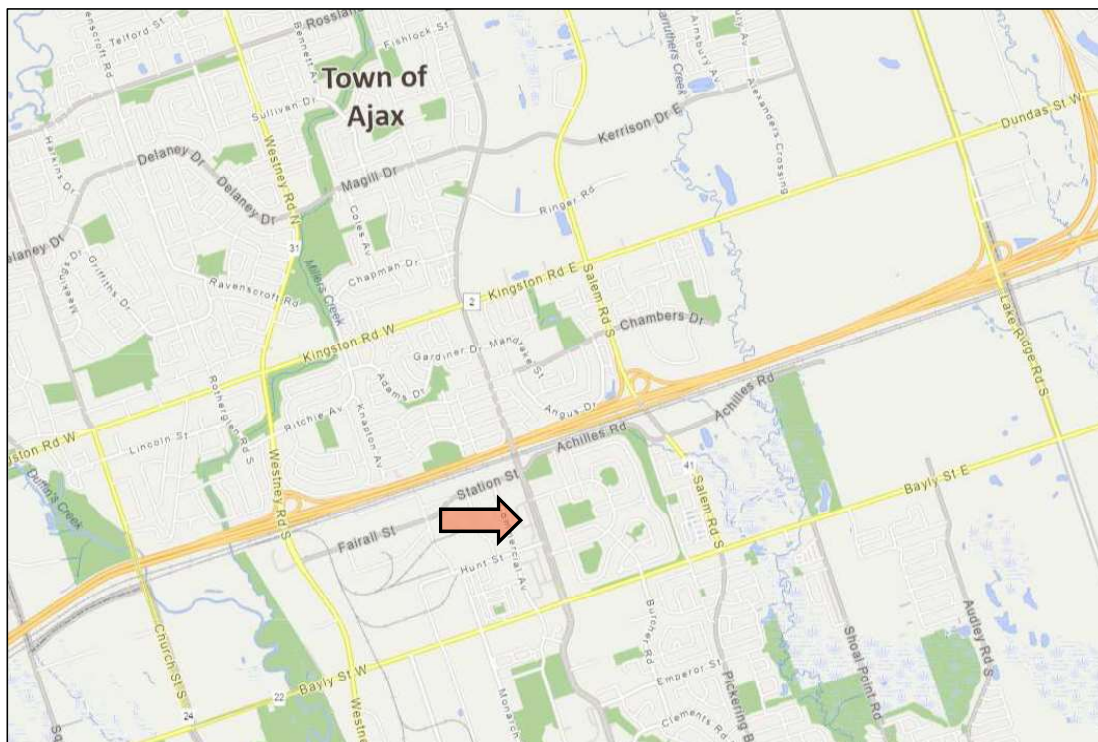
The population of Ajax, as of 2021 was 126,666. Durham Region's overall population is expected to increase from 650,000 to nearly one million by 2031.

Generally, Ajax is considered a commuter suburb with the southern portion of the town being predominantly urban and the economic hub, while the northern part is more rural with a number of smaller communities.

The Town of Ajax is currently well serviced with the infrastructure and amenities essential to a thriving community. The southern end of the town is characterized by more industrial type uses, while the north end of the town has experienced more residential subdivision development in recent time.

Ajax is a growing municipality within the Greater Toronto Area. The Town has seen a rise in development accompanied by urbanization.

Neighbourhood Description



The subject properties are located on the west side of Harwood Avenue South, between Station Street and Hunt Street, in the Town of Ajax. The site is across Harwood Avenue South from the Ajax Town Hall, and is approximately 300 metres south of Highway 401.

The subject properties are situated in an area that is currently in transition from commercial and industrial to higher density mixed uses. The general vicinity is a mix of older and newer retail developments, older industrial uses, and older apartment blocks. Vacant land in the vicinity is planned for a variety of uses including employment and medium to high-density residential.

Surrounding Uses

- North: Retail uses along Harwood Avenue South, south of Highway 401.
- South: Retail uses along Harwood Avenue South, south to Bayly Street.
- East: Apartment buildings up to 16 storeys along Harwood Avenue South. Neighbourhood of detached homes further east.
- West: Industrial uses past Westney Road South.

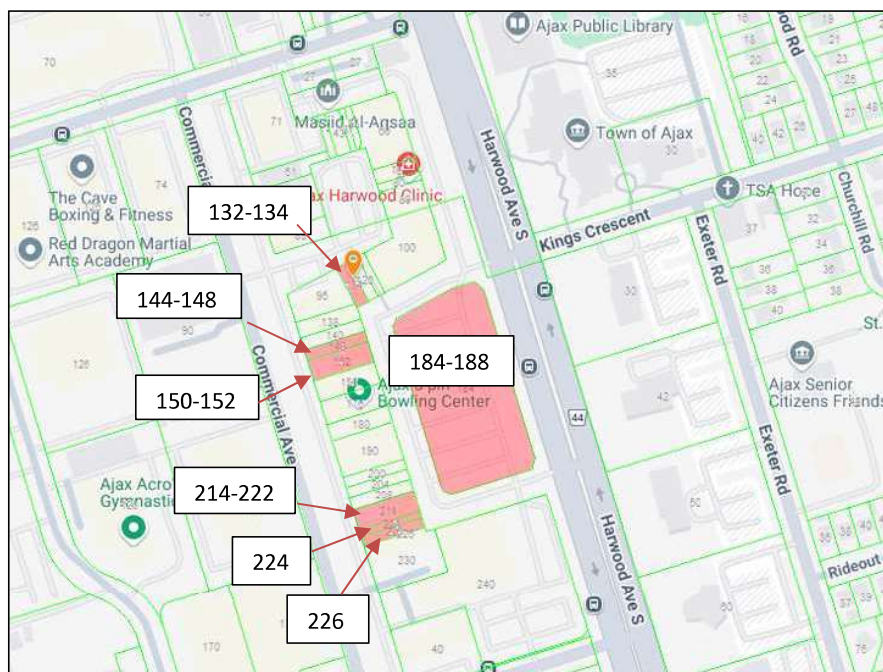


Transportation

Harwood Avenue South is an arterial road that connects to Bayly Street West to the south. Harwood Avenue extends north-south starting at Taunton Road south to the lakefront. Bayly Street extends east-west and travels through Pickering, Ajax and Whitby. Highway No. 401, which is a direct linkage to all municipalities in southern Ontario, can be accessed to the northwest via Westney Road South. The Ajax GO Station, at Westney Road and Highway 401, is located about 2 kilometres west of the Subject and has daily train routes to downtown Toronto (Union Station).

Overall, the subject properties are located within a well-connected and established mixed-use neighbourhood, with good access to transportation and commercial uses.

Site Description



- Shape : Each of the subject properties are rectangular, or nearly rectangular in shape.
- Site Area : 131,481 sq.ft. total. (No. 184-188 is 103,635 sq.ft.)
- Topography : The sites are generally level and at street grade.
- Access : From Harwood Avenue South, and from the adjacent retail developments.
- Servicing : Municipal servicing is available to the sites.

Easements / Restrictions

There are easements noted on title to the properties at 184-188 Harwood Avenue South and 226 Harwood Avenue South, which states "For the purpose of constructing, repairing and maintaining watermains and sewers in or under the said lands".

Environmental / Hazardous Materials

We are not aware of any hazardous substances contained on or near the premises, which would impair the value of the property or result in an environmental liability. The value estimate is based upon the assumption that the property (site and improvements) is free of environmental contaminants, and/or other latent conditions, which might have an impact on

value. The appraiser has not been made aware of any such conditions on the site. The presence of on-site contamination may affect the value estimate reported herein.

Identification & Legal Description

The subject properties are municipally identified as: 132-134, 144-148, 150-152, 184, 214-222, 224, 226 Harwood Avenue South, Ajax, Ontario.

The subject properties are legally identified as:

Address	PIN	Legal Description
132-134 Harwood Ave. S.	26459-0050	PT LT 3 PL 488 AJAX AS IN CO78427; AJAX
144-148 Harwood Ave. S.	26459-0046	LT 6 PL 488 AJAX; AJAX
150-152 Harwood Ave. S.	26459-0045	LT 7 PL 488 AJAX; LT 8 PL 488 AJAX; AJAX
184-188 Harwood Ave. S.	26456-0108	PART OF MUNICIPAL PARKING AREA, PLAN 488 PICKERING, PART 1, PLAN 40R28209 SUBJECT TO AN EASEMENT AS IN DR1517437 TOWN OF AJAX
214-222 Harwood Ave. S.	26459-0037	LT 21 PL 488 AJAX; PT LT 20 PL 488 AJAX; PT LT 22 PL 488 AJAX AS IN CO52847; AJAX
224 Harwood Ave. S.	26459-0036	PT LT 22 PL 488 AJAX; PT LT 23 PL 488 AJAX AS IN CO72557; TOWN OF AJAX
226 Harwood Ave. S.	26459-0035	PCL 23-1 SEC M27; LT 23 PL M27 EXCEPT THE NLY 2 FT FROM FRONT TO REAR AS SHOWN ON PL M27; S/T AN EASEMENT, IF ANY, FOR THE CORPORATION OF THE TOWN OF AJAX, FOR THE PURPOSE OF CONSTRUCTING, REPAIRING AND MAINTAINING WATERMAINS AND SEWERS IN OR UNDER THE SAID LANDS ; AJAX

We did not obtain an opinion on the state of title or any of the encumbrances, and are not qualified in these legal matters and have not read all documents registered against title. We have assumed no (negative) value influencing easements are on title.



Building Description

General Comments

The improved subject properties consists of six commercial buildings, which form part of a larger plaza of approximately 30 buildings. The units within the plaza are under separate freehold ownership. The plaza was constructed between the mid 1950's and early 1960's.

Floor area and site area details for each of the subject properties are described in the following table:

Address	Site Area SF	NRA SF
132-134 Harwood Ave. S.	3,218	4,696
144-148 Harwood Ave. S.	3,746	2,924
150-152 Harwood Ave. S.	7,535	8,793
214-222 Harwood Ave. S.	7,502	6,085
224 Harwood Ave. S.	2,400	4,216
226 Harwood Ave. S.	3,444	6,915
Total	27,846	33,629

Two of the six properties were occupied (No. 144-148, and No. 150-152). The properties are leased on one-year terms expiring in October 2025. The rent for No. 144-148 is \$25.00 psf Net + \$5.35 in additional rent. No. 150-152 is leased at \$20.00 psf Net + \$5.35. The other four properties were either vacant or undergoing interior renovations. Our observations are based on a cursory inspection performed on the effective date.

Currently, there is adequate onsite parking for customers and tenants located at the front of the building. Development of the Phase 1 site at No. 184-188 would greatly reduce the available parking to the retail units.

Foundation & Floor Decks

Poured concrete slab foundation (no basement).



Exterior & Interior Walls	Exterior walls are brick, concrete block and painted concrete. Interior demising walls are a mixture of concrete block, and painted drywall.
Windows and Doors	Windows are typical double glazed units set in aluminum frames. Entrance doors for each unit are comprised of a single glass door in a aluminum frame.
Roof	The roof was not accessible on the day of inspection but is assumed to be comprised of a flat torched down membrane. Based on the information provided by the owner, the roof was reported to be in good condition. We do not warranty the roof.
HVAC	Each individual unit is equipped with a separate gas-fired HVAC unit. The HVAC equipment is assumed to be functional and sufficient for the needs of the tenants.
Electrical	Each unit is separately metered and has its own breaker panel. Electrical service is assumed to be adequate for the needs of the tenants.
General Comments	In general, the subject buildings appeared to be in average condition for their age of approximately 70 years. With continued maintenance, the properties are expected to remain operational until the site is redeveloped.

Land Use Controls

Region of Durham Official Plan



The Regional Official Plan provides a broad policy framework for managing the future growth and development of the region. Under this plan, the Subject is designated as “Regional Centre”.

Sub-Section 8A of the Official Plan describes the general policies of Regional Centres as:

- shall be planned and developed in accordance with Policy 8A.1.2 as the main concentrations of urban activities, but generally at a smaller scale than Urban Growth Centres, providing a fully integrated array of institutional, commercial, major retail, residential, recreational, cultural, entertainment and major office uses. Generally, Regional Centres shall function as places of symbolic and physical interest for the residents, and shall provide identity to the area municipalities within which they are located;
- shall support an overall, long-term density target of at least 75 residential units per gross hectare and a floor space index of 2.5, within the Lake Ontario Shoreline Urban Areas. The built form should be an appropriate mix of high-rise and mid-rise development, as determined by area municipalities; and
- shall support an overall, long-term density target of at least 15 residential units per gross hectare in Beaverton, Cannington, Sunderland, Uxbridge and Port Perry.

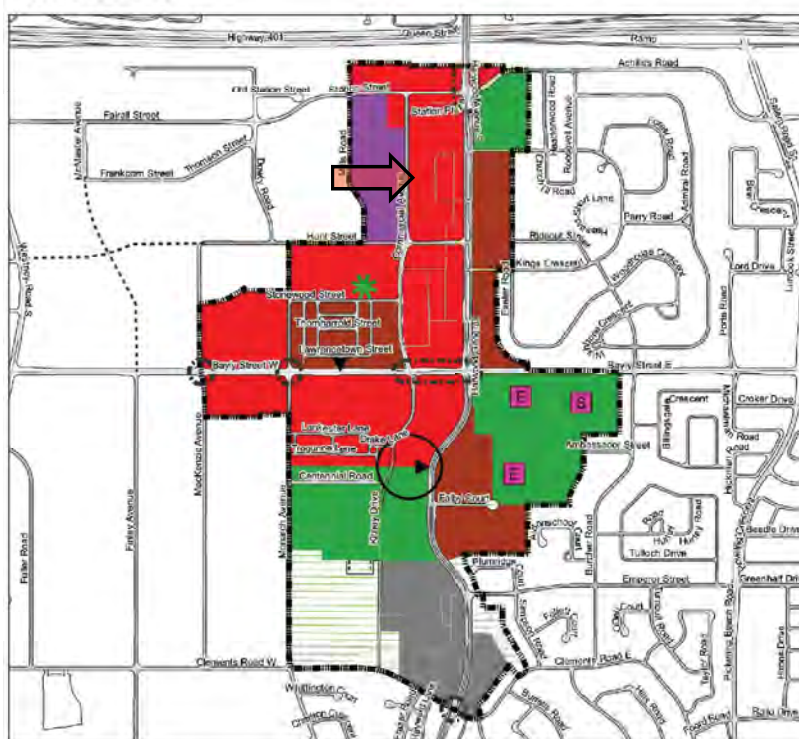
8A.2.16

In the preparation of area municipal zoning by-laws, Councils of the area municipalities shall develop permissive zoning within Urban Growth Centres, Regional Centres and along Regional Corridors as an incentive to implement higher density, mixed-use development in these areas consistent with the intent of this Plan.

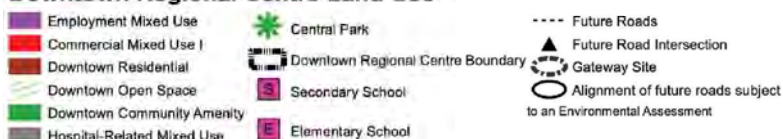
Town of Ajax Official Plan

The Official Plan establishes principals, goals and policies governing long-term growth in the Town. The Official Plan is the local municipal document that establishes the context of future urban structure of the Town and, as such will serve as the basis for managing change. The subject properties are designated as Commercial Mixed Use I.

TOWN OF AJAX Official Plan



SCHEDULE 'E' Downtown Regional Centre Land Use



Sources: Region of Durham, 2022; Town of Ajax, 2022.

150 75 0 150 Metres

Date of Consolidation: October 14, 2022



3.2.3.1 Commercial Mixed Use I

Lands designated as Commercial Mixed Use I are intended to redevelop as a major activity centre in the Town and support a broad range of uses including retail, commercial, office, cultural, entertainment, community facilities, and high density residential uses. Permitted uses within this designation shall serve both the daily needs of local residents and employees as well as a broader, regional market.

New development is expected to be designed to support a lively and active street life, characterized by high quality design standards. Development in these areas includes single use and mixed use developments that are visually attractive and reflect the importance of these areas as hubs of activity and transit priority. Development related to and scaled to, the pedestrian shall be required on all lands within this designation.

The amount and type of development permitted within this designation provides the opportunity to achieve market synergies among the various uses and create a mixture of mid-rise and taller buildings.

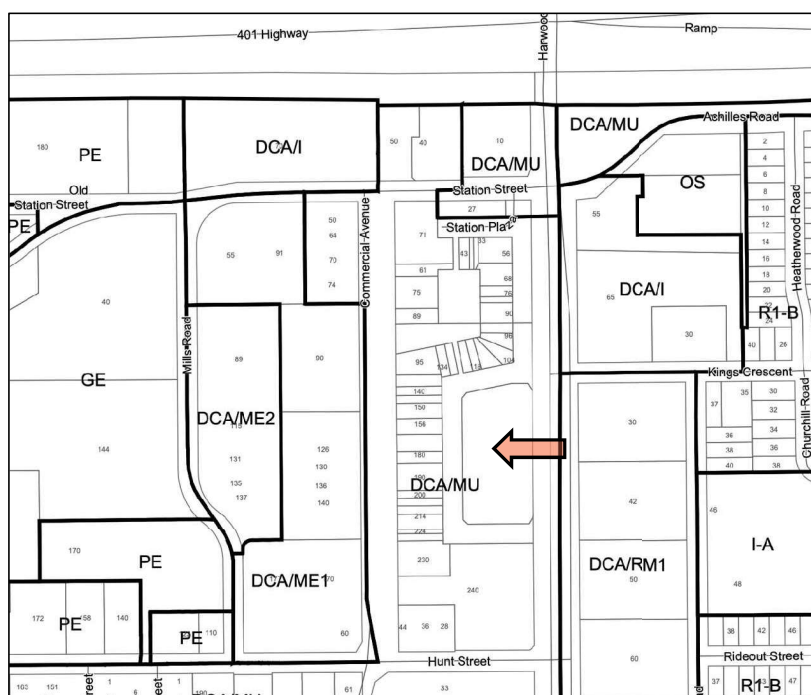
a) Permit the following uses in mixed use or stand-alone buildings on lands designated Commercial Mixed Use I on Schedule E Downtown Regional Centre Land Use:

- i) commercial uses such as retail stores, office uses, personal service shops, live work units, studios, financial establishments and restaurants;
- ii) institutional uses such as public health facilities, places of worship, medical offices, government offices, schools, and trade and business schools;
- iii) community facilities such as a Transit Hub, day care facilities, public parking facilities, parks, urban squares, and open space linkages;
- iv) arts, cultural, entertainment and recreational uses;
- v) accommodations such as hotels;
- vi) non-profit clubs and organizations;
- vii) parking lots as primary uses and new motor vehicle sales establishments, excluding accessory service/repair facilities and outdoor storage or display of vehicles;
- viii) residential uses such as street, block, stacked and back-to-back townhouses, back-to-back stacked townhouses, double-front townhouses, apartments, live- work units, and all types of special needs housing;
- ix) utilities; and,
- x) a broad variety of retail and service commercial activities, specifically excluding:

- any individual retail store or service commercial use in a building with a ground floor plate in excess of 4,645 square metres in size;
 - retail uses that require outdoor storage; and/or,
 - land uses which, by function, cater to automobiles rather than pedestrians, including (but not necessarily limited to) motor vehicle service centres, motor vehicle gas bars, motor vehicle washing establishments, drive-through facilities including drive-through restaurants, motor vehicle rental establishments, and taxi depots.
- b) For lands within the Downtown, single use retail commercial and/or office buildings shall only be permitted adjacent to Bayly Street, Harwood Avenue South, Commercial Avenue, Hunt Street, Mackenzie Avenue, Monarch Avenue, Station Street, or Kitney Drive.
- c) Permit townhouses, low-rise buildings, mid-rise buildings, and tall buildings in accordance with section 3.2.4.1.
- d) Establish the maximum height limit to be 25 storeys and the minimum height to be generally not less than 3 functional storeys.
- e) For single use non-residential buildings and mixed use buildings, establish the minimum density to be a net Floor Space Index of 1.25. There is no maximum density limit.
- f) Where existing, previously approved development is not in compliance with the applicable density policies of this Plan, support new development that contributes toward the intensification of the overall site density level on these sites and the built form policies of the designation, with the objective of ultimately achieving compliance with the applicable minimum density criterion.
- g) Require that ground floor animation uses, such as retail and service uses, studios, office entrances, and lobbies of residential buildings, be provided with sufficient ground floor height to accommodate commercial uses along major public roads.
- h) To ensure that light, view and privacy is maintained for adjacent low-rise residential neighbourhoods, require development be set below a 45 degree angular plane measured from the property line of the adjacent low density residential area.

Town of Ajax Zoning By-Law

According to the Town of Ajax Zoning By-Law No. 95-2003 , the subject sites are zoned **DCA/MU – Downtown Central Area – Residential Mixed Use Zone.**



Permitted Uses – DCA/MU Zone

- | | |
|------------------------------|---|
| • Accessory Outdoor Patio | • Medical Clinic (7) |
| • Art Gallery | • Motel |
| • Banquet Facility | • Motor Vehicle Rental Depot |
| • Commercial Fitness Centre | • Motor Vehicle Sales Establishment (2) |
| • Commercial School | • Museum |
| • Community Centre | • Office |
| • Convenience Store | • Parking Lot as a Principal Use |
| • Crisis Care Facility | • Personal Service Shop |
| • Day Care Facility | • Place Of Assembly |
| • Dry Cleaning Depot | • Place Of Entertainment |
| • Dry Cleaning Establishment | • Place Of Worship |
| • Financial Institution | • Restaurant |
| • Funeral Home | • Retail Store (8) |
| • Hotel | • Service or Repair Shop |
| • Laundromat, Self Serve | • Sports Arena |
| • Library | • Veterinary Clinic |

Notes:

(2) Excluding accessory service/repair facilities and outdoor storage or display of vehicles.

(7) Provided that in a residential mixed-use building, the main entrance to the medical clinic is separate and apart from the main entrance to the residential portion of the building, with no shared lobby, foyer, or common entry area.

(8) Individual retail uses having a gross leasable floor area in excess of 4,645.0 m², located in a multi-unit commercial building erected after July 14, 2003, in a residential mixed-use building, or in a free-standing building, shall not be permitted. However, none of the provisions of this By-law shall apply to prevent the expansion of any individual retail store up to a maximum gross leasable floor area of 9,300.0 m², provided that the retail store existed prior to July 14, 2003 as part of a shopping centre and that the total gross leasable floor area of the particular retail store, in all instances, is not more than half the total ground floor area of the overall building.

Proposed Development



184-188 Harwood Avenue South is site plan approved for a 10-storey building with 357,939 square feet of gross floor area, and 360 condominium apartment units. The total GFA would include 32,927 square feet of ground level retail space, and 25,144 square feet of second floor office space. The building will provide 586 parking spaces, including 549 spaces across two underground levels, plus 37 surface spaces.

Suite Breakdown:

Unit Type	No. of Units	% of Total
1 Bedroom	262	67.2%
2 Bedroom	100	25.6%
3 Bedroom	10	2.6%
Loft Units	18	4.6%
Total	390	100%

Development Agreement

Part of the receivership process is a Development Agreement that a developer purchaser would enter with the Town of Ajax. The following text is an excerpt from Schedule “C” of the Court Order (Court File No. CV-20-00651299-00CL) dated June 1st, 2023.

OBLIGATION TO CONSTRUCT MIXED-USE DEVELOPMENT IN ACCORDANCE WITH DEVELOPMENT PLANS

3. The Developer shall apply for a permit to allow construction to commence within 60 days after the date on which the Developer’s purchase of the Schedule “A” lands from the Receiver closes, and commence construction of the mixed-use development within the greater of 150 days after such permit has been obtained, or such other period mutually agreed to by the Developer, the Receiver and Ajax (the “Construction Commencement Date”). Should the Developer refuse or fail to commence the construction of the mixed-use development within the time permitted in Section 3 herein, the refusal or failure to commence is considered a Conveyance Event under the terms of this Agreement.

4. The Developer shall give the Receiver and Ajax five business days’ notice before the date that the Developer intends to start excavation for the construction of the foundation and underground parking for the mixed-use development. Representatives of the Receiver and Ajax will attend the Development on the date that the Developer commences construction.

5. The Developer shall complete construction of the mixed-use development within 30 months from the date on which the Developer commences construction.

6. Should the Developer refuse or fail to complete the construction of the mixed-use development within the time permitted in Section 5 herein, the Developer shall, within ten (10) days thereafter provide a written report to the Town explaining the reason or reasons for the delay and the expected completion date for the construction of the mixed-use development.

7. Should the Town, acting reasonably, be satisfied with the explanation for the delay and the expected completion date for the completion of the mixed-use development as set out in the report referenced in Section 6, above, the Town will so advise the Developer in writing within ten (10) days of receipt of the report from the Developer, and shall permit the construction to proceed without the payment of liquidated damages paid by the Developer as contemplated in Section 9 herein.

8. Should the Town not be satisfied with the explanation for the delay or the expected completion date of the mixed-use development as set out in the report referenced in Section 6, above, or should the Developer fail to submit the required report, the Town may impose a deadline upon the Developer, which cannot be less than ninety (90) days from original

completion date by which the construction of the mixed-use development must be completed by the Developer (the “deadline extension date”).

9. Should the Developer refuse or fail to complete the construction of the mixed-use development by the expected completion date established by the Town in accordance with Section 7 or by the deadline extension date established by the Town in accordance with Section 8, above, the Town may claim liquidated damages against the Developer commencing the day after the expected completion date or the deadline extension date, as the case may be, of \$1000 per day, which liquidated damages shall be payable by the Developer on the Monday of the following week and every Monday thereafter until construction of the mixed-use development has been completed.

10. Should the Developer refuse or fail to pay the liquidated damages referenced in Section 9, above, the Town may, if and when it sees fit to do so, draw upon the Letter of Credit posted with the Town by the Developer, as referenced in Section 28, below, for the purpose of recovering the amount of the liquidated damages owed to the Town.

LETTER OF CREDIT

28. Concurrent with the execution of this Agreement, the Developer shall post a letter of credit, in a form satisfactory to the Town and in an amount of \$250,000.00, for the purpose allowing the Town to draw upon the letter of credit pursuant to Section 10, above.

Provincial Forecast³

Ontario is facing its second straight year of paltry economic growth and shrinking GDP in per capita terms. Looking under the hood, the main catalyst behind this year's tough slog has been the goods sector. Indeed, when it's all said and done, overall output for goods-producing industries will have likely tumbled at its steepest rate since the pandemic in 2024 (Chart 1).

Ontario Economic Forecasts

[Annual average % change, unless otherwise noted]

Economic Indicators	2024F	2025F	2026F
Real GDP	1.3	1.5	1.8
Nominal GDP	4.3	3.6	3.9
Employment	1.6	1.3	0.4
Unemployment Rate (%)	6.9	6.9	6.4
Housing Starts (000's)	75.2	70.5	69.0
Existing Home Prices	0.3	6.4	2.7
Home Sales	4.8	22.6	4.1

Source: Statistics Canada, CMHC, CREA, Forecast by TD Economics.

Within the goods sector, a sharp decline in condominium investment is weighing on construction, as the industry is retrenching in response to very weak home pre-sales activity. Manufacturing activity hasn't fared much better amid auto plant closures in Canada and the U.S. for EV retooling. We expect another tough year for construction in 2025 as condo construction continues to be weak. Manufacturing activity will likely gain some traction next year on the back of rising auto production and still-firm U.S. economic growth. However, the potential for U.S. tariffs is a major threat to Ontario's auto sector, and vehicles represent Canada's second largest export to the U.S.

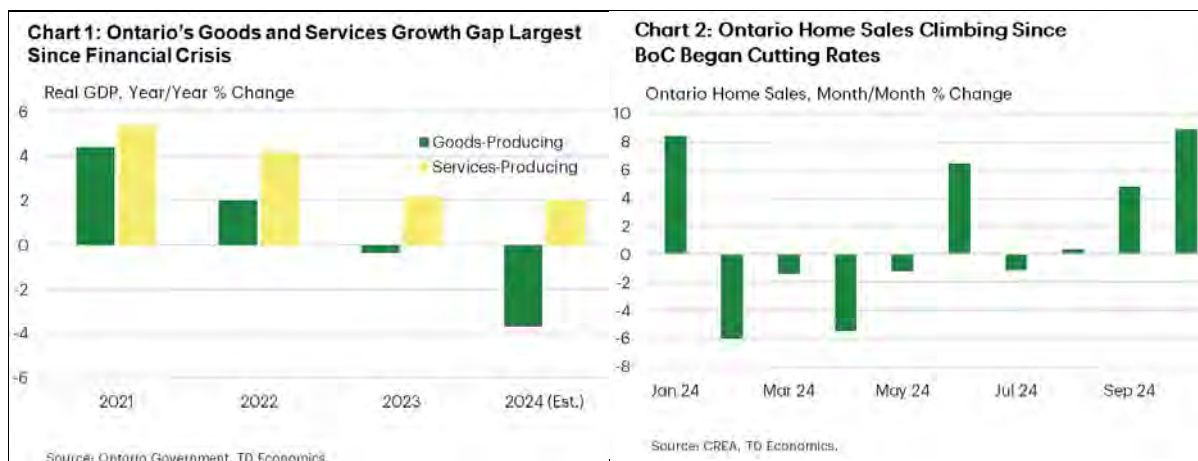
On a per capita basis, household spending has declined by more in Ontario than the rest of Canada since interest rates began to climb higher in 2022. In 2025, we see household spending advancing at a trend-like 2% pace, supported by falling interest rates and government stimulus measures, including \$3 billion in provincial funds to be doled out to Ontario's households early next year.

Preventing an even stronger consumption performance is the likelihood that population growth will slow dramatically next year. Ontario is particularly vulnerable to the federal plan targeting a net outflow of non-permanent residents, given the province's outsized share of these newcomers. Weaker population growth should downwardly pressure labour force gains, leading to a moderate pull-back in the unemployment rate from its current level next year.

Softer population growth will also likely reduce pressure on housing markets through weaker rental demand, weighing on investor appetite for homes. This probably won't be enough to prevent a strong year for Ontario's housing market, as falling borrowing costs and loosened

³TD Economics, Provincial Quarterly Economic Forecast. – published December 16th, 2024.

federal mortgage rules (enacted this month), unlock significant pent-up demand. We've already had a taste of what's to come, with home sales surging 9% m/m in October (Chart 2).



Toronto Condo Market Survey - 2024⁴

The Greater Toronto Hamilton Area (GTHA) new condominium apartment market reported a total of 4,590 sales in 2024, declining for the third straight year with a 64% drop from 2023 (12,696 sales) and a 78% decline compared to the latest 10-year average (20,835 sales). Last year marked the slowest year for new condo sales in the GTHA since 1996.

New condominium apartment sales totaled 802 units in Q4-2024, increasing 12% from Q3-2024 but down 71% annually and representing the lowest fourth quarter sales total since 1993.

Six projects totaling 1,829 units launched for presales during Q4-2024, of which only 10% of units sold. Over the past 10 years, an average of 6,123 new units launched during Q4 periods, achieving an average sales rate of 52%. Sales at new project launches were limited despite lower prices offered. New projects launched at an average price of \$1,130 psf in Q4-2024, the lowest level since Q2-2021 and down 15% compared to new launches in Q4-2023 (\$1,334 psf).

Unsold new condominium units in development (including pre-construction, under construction and recently completed projects) reached a record high 24,277 units at the end of 2024, increasing 6% from the previous year-end high in 2023 (22,978 units) and rising 50% above the latest 10-year average (16,154 units). At the 2024 level of sales, it would take 64 months to clear current unsold inventory, a record high that is nearly six times higher than a balanced level of inventory at 10-12 months of supply.

Overall, unsold new condominium apartment prices averaged \$1,338 psf in Q4-2024, a 3% decrease from a year earlier (\$1,375 psf) and a 5% decrease compared to two years ago in Q4-2022 (\$1,407 psf).

A total of 10,916 new condominium apartments reached completion in Q4-2024, rising 71% compared to a year earlier. This brought total completions in 2024 to a record high of 29,800 units, 24% higher than the previous record set in 2023 (24,117 units) and 61% higher than the 10-year average (18,535 units). Completions are set for another record high in 2025 with 30,793 units scheduled to finish construction.

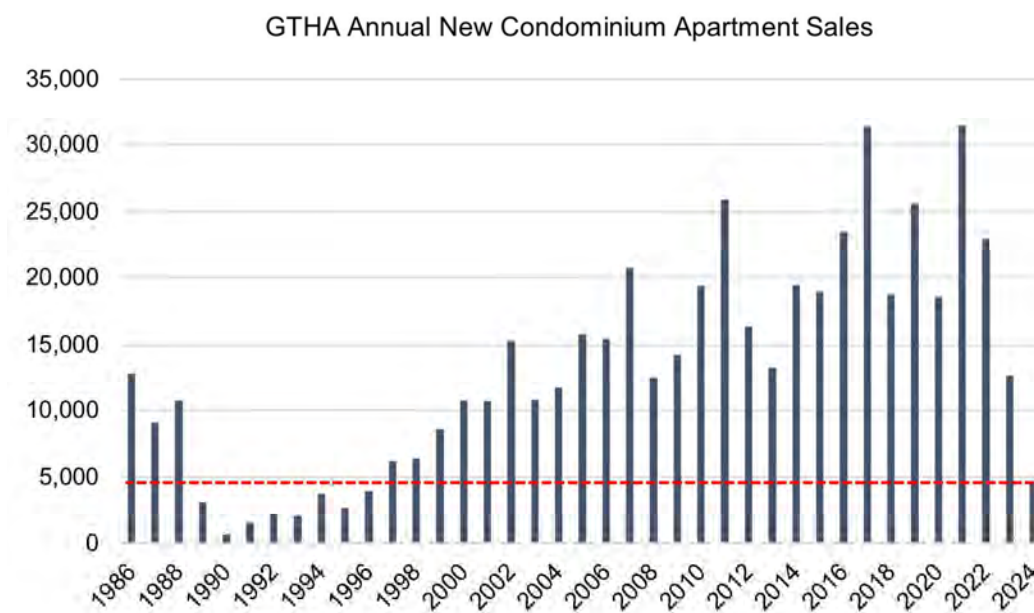
A total of 1,506 new condominium apartments started construction in Q4-2024, down 59% year-over-year. Total condominium starts in 2024 fell to their lowest level since 2002 at 9,258 units — a 51% drop from 2023 (18,950 units) and 56% below the 10-year average of 21,213

⁴ Source: Urbanation – published January 16th, 2025

units. A total of 78,742 new condos were under construction in the GTHA as of Q4-2024, representing the lowest number of units being built in the region since Q2-2020.

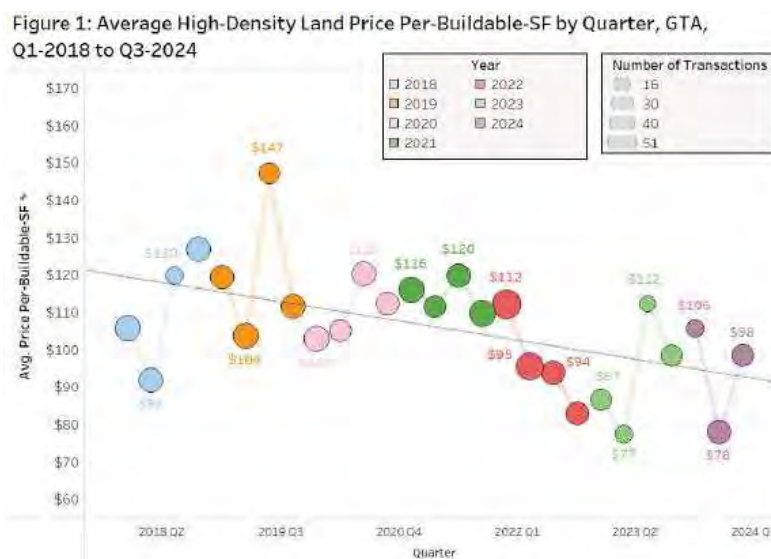
“The new condo market just experienced its toughest year in three decades. Expectations for the market remain low this year as investors, the primary driver of presale activity, continue to deal with negative cash flow, difficulties arranging financing and declining prices and rents. The drop in presale activity will continue to cripple construction starts in 2025, causing a massive decrease in new supply beginning in 2026-2027.”

--Shaun Hildebrand, President of Urbanation



High-Density Land Prices in the GTA⁵

Figure 1 looks at the average price per-buildable-sf for GTA land transactions identified as having future development potential as a condominium or rental apartment. The data is aggregated by quarter from Q1-2018 to Q3-2024. The size of the markers reflects the number of transactions that quarter, with the colour corresponding with the year of the trades. Transactions in previous quarters have not been revised with updated application data.



On a per-buildable-sf basis, the average estimated land price in the GTA was \$98 pbsf in Q3-2024, down 13% year-over-year from \$112 pbsf in Q3-2023.

Prior to further analysis, it is important to note that land prices can fluctuate both annually and quarterly due to several factors, such as location, property size, the scope of the projects (mid-rise, high-rise, parking requirements), the potential buildable GFA, the tax policies of the municipalities, the holding income of the properties, the VTBs offered by the vendor, and the planning status of the land at the time of sale, in addition to broader market conditions and buyer/lender sentiment. A detailed breakout of the land sale data is essential to determine whether changes in land values over a given period are driven by variations in transaction composition or are genuine reflections of market shifts.

Nonetheless, it is clear that the market for high-density land has been experiencing a downward trend since 2019, as illustrated by the grey dashed line in Figure 1. Contributing factors include the poor pre-construction sales market, flattening rental rates, elevated debt costs, and higher government fees. What has prevented the land market from falling further

⁵Bullpen Research – GTA High Rise Land Insights Report, published Oct 30, 2024

is vendors' reluctance to lower prices and lenders' efforts to collaborate with borrowers to avoid financial distress and forced sales.

In light of these market realities, developers with strong balance sheets will continue to hold off on buying right now, awaiting better opportunities and lower prices in the future. With that said, many developers continue to indicate to Bullpen and Batory that they are still actively underwriting opportunities, but require land values to be much lower to offset the decline in unit revenues.

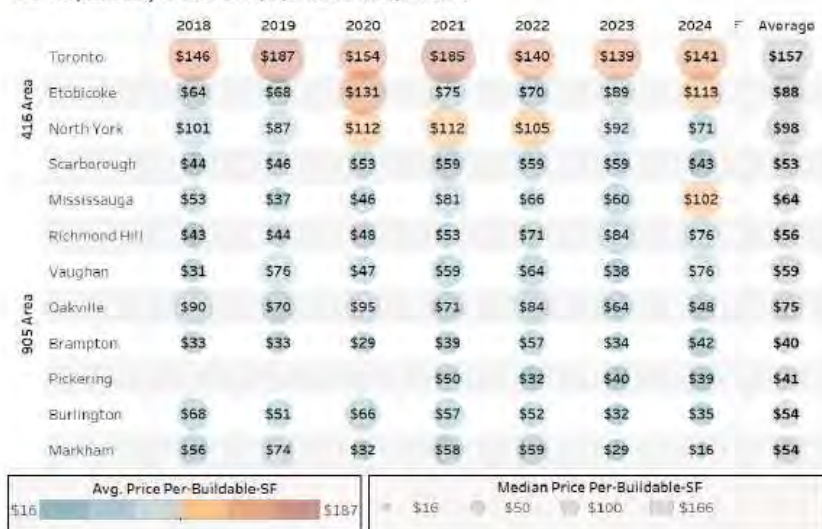
The number of transactions in the third quarter tracked in this report was 29, versus 19 in Q1-2024 and 34 in Q2-2024. Bullpen and Batory track these land transactions at closing, and there can be a significant lag between the purchase agreement and the transfer of title.

Similar to our reporting in the first half of the year, there were several transactions where developers were continuing, or rounding out, assemblies that started in 2023 or earlier. Additionally, there were a number of land sales in the master-planned Lakeview Village community, where the individual developers were announced almost three years ago in November 2021.

Land Prices by Municipality

Figure 3 presents the average price per-buildable-sf by municipality in the GTA. In the City of Toronto, the data is broken out into the former cities (using pre-amalgamation boundaries). Note that there are very small sample sizes in some years.

Figure 3: Average Price Per-Buildable-SF by Year, Select Municipalities (and former Municipalities) in the GTA, Q1-2018 to Q3-2024



Highest and Best Use

Highest and Best Use may be defined as "the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value." Alternatively, Highest and Best Use may be defined as "the reasonable and probable use that supports the highest value, as defined, as of the effective date of appraisal." Typical considerations in the estimation of Highest and Best Use include the following; the use must be legally permissible, physically possible, financially feasible, and maximally productive. These criteria are generally considered sequentially and are detailed below:

- the use must be legal;
- the use must be within the realm of probability, that is, it must be likely, not speculative or conjectural;
- there must be demand for such use;
- the use must be profitable;
- the use must provide to the land the highest net return; and,
- the use must deliver the return for the longest period of time.

A value estimated in accordance with a property's Highest and Best Use, represents probable price in terms of cash and/or terms or financial arrangements equivalent to cash. An appraiser considers highest and best use of the property **as if vacant** separately from the highest and best use of the property **as improved**. Highest and best use of the site as if vacant and available for development determines the value of the land, even if the property's existing improvement does not represent the highest and best use of the site.

As If Vacant

Legal Permissibility: The subject properties are designated as Regional Centre in the Durham Region Official Plan, and are designated as Commercial Mixed Use I in the Ajax Official Plan. The site is zoned DCA/MU in the Ajax Zoning By-law.

Physical Possibility: We are not qualified to conduct independent soil analysis, nor are we qualified to comment on any third party soil studies. Notwithstanding the foregoing, based on the existing uses on the site and surrounding uses in the area it appears that the Subject could reasonably support mixed-use development. Municipal water and sanitary sewer services will need to be extended to the site for development to be possible.

Financial Feasibility: The subject properties are located in an area that is developed with a mix of retail plazas, apartment buildings, and employment uses. Surrounding uses include mainly retail plaza developments along Harwood Avenue South, residential developments to the east, and industrial uses to the west

The demand for high density residential development land has softened since interest rates began to rise in early 2022, and the market for new homes subsequently weakened. Consumer demand for housing is expected to regain strength in 2025 after multiple interest rate cuts and new mortgage rules lower financing costs for buyers. Given its location and setting, this site would likely have broad appeal as a mixed-use development site. Development of the site with high-density mixed uses is considered to be financially feasible at this time.

Maximum Profitability: The maximally profitable use of the site is considered to be development with high density mixed uses. The maximally profitable use is considered to be the site plan approved mixed-use development.

As Improved

The existing retail plaza was built between the mid 1950's and early 1960's, and appears to be approaching the end of its economic life. In our opinion, it is displaying functional obsolescence as compared to the more modern plazas to the south. Therefore, the Highest and Best Use 'As Improved' is therefore consistent with the 'As-if Vacant' conclusions.

The Approaches to Value in the Appraisal Process

The appraisal process consists of the application of one or more of the three approaches to value. These three approaches to value are as follows:

Cost Approach - involves determining the current cost of reproducing an improvement less accrued depreciation from all causes plus the current market value of the land.

Income Approach - involves converting the projected current net operating income into an estimate of current value through the use of an overall capitalization rate (Direct Capitalization) or through an analysis of anticipated growth in earnings during the length of the prescribed investment horizon (Discounted Cash Flow).

Direct Comparison Approach - is based on the direct comparison of recent arm's length transactions of similar properties in the open market.

All three approaches rely on relevant market data. Nonetheless, the various approaches could possibly lead to a different estimate of value for the same property. Each value estimate is reviewed with regard to purpose of the appraisal, type of property and the degree of reliability of the data used. The reconciliation and final estimate of value is usually heavily influenced by the most applicable approach to the given appraisal problem.

Methodology of Valuation

For the development land at No. 184-188, neither the Cost Approach nor the Income Approach is considered applicable. The Direct Comparison Approach will, therefore, be utilized in estimating the market value of the Subject.

The Direct Comparison Approach was utilized in estimating the value of the six retail properties. The income approach was not utilized, as several of the units are currently vacant and the plaza is to eventually be demolished to make way for Phase 2 of Ajax Central Park development.

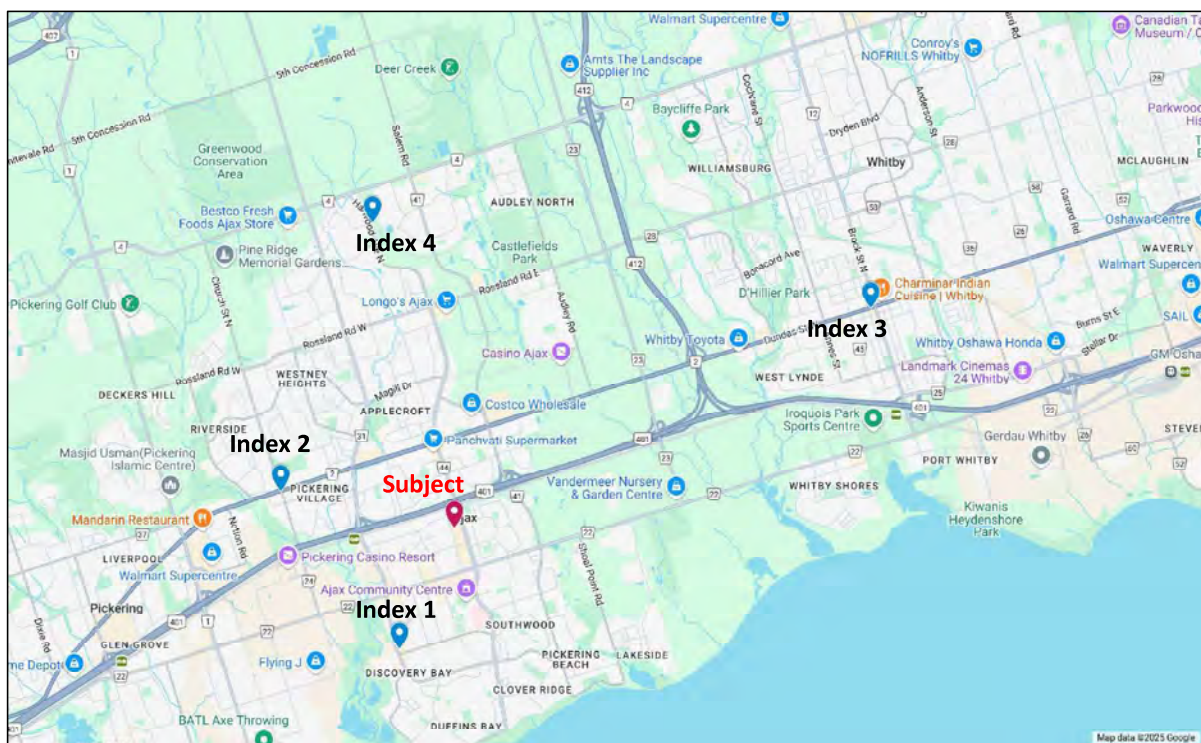


Direct Comparison Approach – Retail Properties

The following involve four sales of retail/commercial properties in Ajax and Whitby. The comparables selected are felt to offer good insight into an estimate of value for the subject properties through the Direct Comparison method. The comparables will be analysed on a price per square foot of gross floor area (GFA).

Index	Address	Location	Registration Date	Sale Price	Site Area SF	Frontage (Ft.)	Site Coverage	Building Size (Sq. Ft.)	\$/Sq. Ft. of GFA
1.	487 Westney Rd. S., Unit 18	Ajax	13-Jan-2025	\$665,000	1,298	20.00	100%	1,298	\$512
2.	601 Kingston Road West	Ajax	19-Jun-2024	\$1,400,000	3,920	41.54	64%	2,501	\$560
3.	113 Dundas St. W.	Whitby	3-Jun-2024	\$685,000	1,796	29.31	86%	1,550	\$442
4.	1801 Harwood Ave. N.	Ajax	21-Aug-2023	\$1,200,000	1,594	20.00	100%	1,594	\$753
Average				\$987,500		27.71	88%	1,736	\$567
Subject	134, 144-148, 150-152, 214-222, 224, 226 Harwood Ave. S.	Ajax			27,846		120%	33,378	

Comparables Location Map



Index Number One – 487 Westney Road South, Unit 18, Ajax



Location	:	Northeast corner of Clements Road West
PIN	:	27086-0039
Vendor	:	Corwin Mortgage Holding Corp.
Purchaser	:	N/A
Registration Date	:	January 13 th , 2025
Sale Price	:	\$665,000
Site Area	:	1,298 sq.ft.
Building Size	:	1,298 sq.ft.
\$/Sq. Ft. of Building	:	\$512

Comments: This is the sale of a commercial condo unit a multi-unit plaza located at the northeast corner of Westney Road South and Clements Road West, in Ajax. This unit is situated on the southern frontage of the plaza, facing Clements Road West. This location is about three kilometres southwest of the subject properties.

The Ajax Zoning By-law classifies the property for prestige employment uses. The unit's interior was finished for office use. The main floor is demised with six offices, a conference room, kitchenette and 2-piece washroom. The unit also has a partial second floor of 220 square feet, which includes a 4-piece washroom with a bathtub and shower.

This unit was listed under Power of Sale for \$699,000, and was sold on November 29th, 2024 for \$665,000 after 140 days on the market. The sale closed on January 13th, 2025. The sale price equates to \$512 per square foot of building area.

Adjustments: This is a recent sale, which does not require an adjustment for time. Adjustments for property rights and financing are not required. An adjustment for motivation is not required for this forced sale.

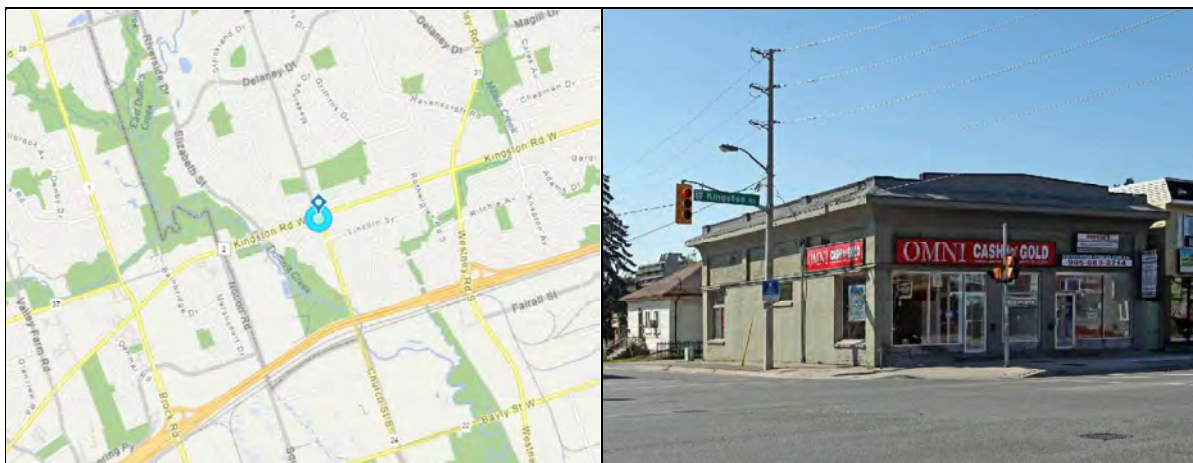
An upward locational adjustment will be considered, as this property is within an industrial area of Ajax, whereas the subject units are located along an arterial road lined with retail uses.

The floor area of this comparable is smaller than all of the subject units, therefore a downward size adjustment is required to the unit rate.

Based on the listing photos, the unit's exterior and interior condition appears to be far superior to the subject units, requiring a large downward adjustment for building condition.

All adjustments considered, the rate of \$512 per square foot of building is concluded to be well above the appropriate market rate of the subject properties.

Index Number Two – 601 Kingston Road West, Ajax



Location	:	Southwest corner of Church Street South
PIN	:	26440-0058
Vendor	:	1097416 Ontario Inc.
Purchaser	:	1000559191 Ontario Limited
Registration Date	:	June 19 th , 2024
Consideration	:	\$1,400,000
Site Area	:	3,920 sq.ft.
Building Size	:	2,501 sq.ft.
\$/Sq. Ft. of Building	:	\$560

Comments: This index is a freestanding retail building located at the southwest corner of Kingston Road and Church Street, in Ajax. This property is located less than four kilometres northwest of the subject properties.

The property is improved with a one-storey retail building with 2,501 sq.ft. of floor area. The building includes two tenant units, one of which was vacant at the time of sale.

This property was listed for sale at \$1,630,000, and was sold on June 5th, 2024 for \$1,400,000 after 288 days on the market. The sale closed on June 19th, 2024. The sale price equates to \$560 per square foot of building area.

Adjustments: A minor downward adjustment for time will be considered for this June 2024 transaction. Adjustments for property rights and financing are not required. A downward motivational adjustment will be considered in comparison to the forced sale value of the subject properties.

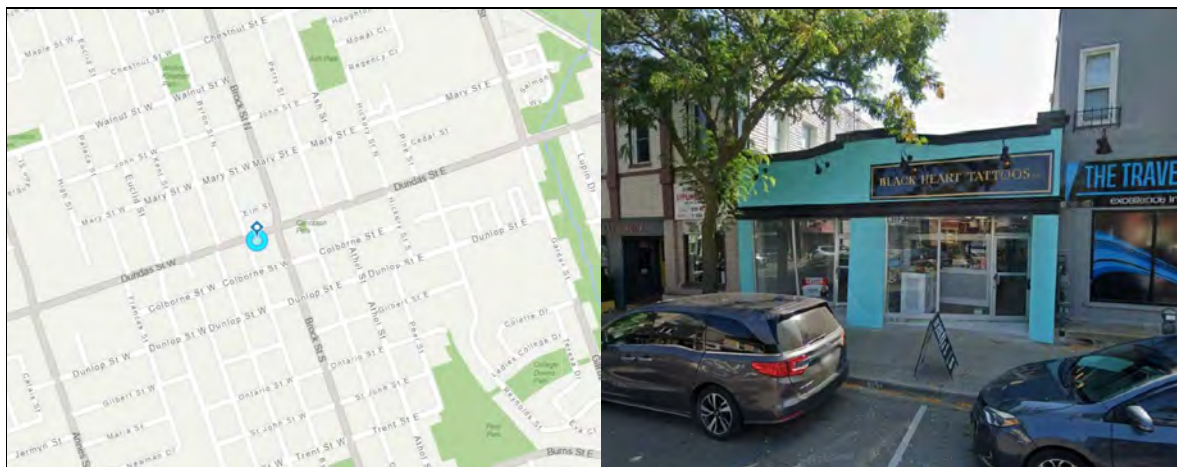
A locational adjustment is not considered necessary for this property on Kingston Road in Ajax.

The floor area of this comparable is smaller than all of the subject units, therefore a downward size adjustment is required to the unit rate.

A downward adjustment for the superior condition of this building will be considered. A downward adjustment for the lower site coverage of this property will be required.

All adjustments considered, the unit rate of \$560 per square foot of building is considered to be well above the estimated market rate for the subject properties.

Index Number Three – 113 Dundas Street West, Whitby



Location	:	West of Brock Street
PIN	:	26502-0029
Vendor	:	Beatrix Pelgrims; Estate of Christiaan Pelgrims
Purchaser	:	N/A
Registration Date	:	June 3 rd , 2024
Consideration	:	\$685,000
Site Area	:	1,796 sq.ft.
Building Size	:	1,550 sq.ft.
\$/Sq. Ft. of Building	:	\$442

Comments: This is the sale of a retail property on the south side of Dundas Street East, in the first block west of Brock Street South, in Whitby. The site is more or less rectangular in shape, with frontage of 29.3 feet and depth of 61.3 feet. The property is improved with a one-storey, two-unit retail building with a total area of 1,550 square feet. The site area of 1,796 square feet indicates a coverage ratio of 86%. The building had rear service access and parking for two cars.

This property was listed for sale at \$699,900, on April 10th, 2024, and was sold on the same day for \$685,000. The sale closed on June 3rd, 2024. The sale price equates to \$442 per square foot of building area.

Adjustments: A minor downward adjustment for time will be considered for this June 2024 transaction. Adjustments for property rights and financing are not required. A downward motivational adjustment will be considered in comparison to the forced sale value of the subject properties.

The location of this index, near the main intersection of downtown Whitby, is considered to be somewhat superior to the subject properties. A downward locational adjustment will therefore be considered.

The floor area of this comparable is smaller than all of the subject units, therefore a downward size adjustment is required to the unit rate.

A downward adjustment for the superior condition of this building will also be considered. A minor downward adjustment for the somewhat lower site coverage of this property will be considered.

All adjustments considered, the unit rate of \$442 per square foot of building is considered to be above the estimated market rate for the subject properties.

Index Number Four – 1801 Harwood Avenue North, Ajax



Location	:	South of Taunton Road West
PIN	:	27233-0005
Vendor	:	Royal Property Holdings Inc.
Purchaser	:	Realtron East Holdings Inc.
Registration Date	:	August 21 st , 2023
Sale Price	:	\$1,200,000
Site Area	:	1,594 sq.ft.
Building Size	:	1,594 sq.ft.
\$/Sq. Ft. of Building	:	\$753

Comments: This is the sale of a commercial condo unit a multi-unit plaza located in north Ajax. This location is about 5.5 kilometres north of the subject properties.

The plaza was built in 2009 with 24 condo units. This unit is situated on the southern wing of the plaza, facing north and with good exposure onto Harwood Avenue North. The unit also has rear access and parking on the service lane. At the time of sale, the unit was occupied by a real estate office and was built out for offices units.

The City of Ajax Official Plan designates the property Prestige Employment. The Zoning By-law classifies the property PE, a Prestige Employment classification.

This property was sold on August 21st, 2023 for \$1,200,000. The sale price equates to \$753 per square foot of building area.

Adjustments: A downward adjustment for time will be considered for this mid-2023 transaction. Adjustments for property rights and financing are not required. A downward motivational adjustment will be considered in comparison to the forced sale value of the subject properties.

The location of this index, near the northern edge of the developed area of Ajax, is considered to be inferior to the subject properties. An upward locational adjustment will therefore be considered.

The floor area of this comparable is smaller than all of the subject units, therefore a downward size adjustment is required to the unit rate.

Based on the available information, the unit's exterior and interior condition appears to be far superior to the subject units, requiring a large downward adjustment for building condition.

All adjustments considered, the rate of \$753 per square foot of building is concluded to be well above the appropriate market rate of the subject properties.

Adjustment Grid

The adjustments to the comparable retail properties are summarized below.

Index	1	2	3	4
Address	487 Westney Rd. S., Unit 18	601 Kingston Road West	113 Dundas St. W.	1801 Harwood Ave. N.
Sale Price	\$665,000	\$1,400,000	\$685,000	\$1,200,000
Sale Date	13-Jan-25	19-Jun-24	3-Jun-24	21-Aug-23
Building Area (Sq. Ft.)	1,298	2,501	1,550	1,594
Price/ Sq. Ft. of GFA	\$512	\$560	\$442	\$753
Time Adjustment	Nil	↓	↓	↓
Property Rights	Nil	Nil	Nil	Nil
Financing	Nil	Nil	Nil	Nil
Motivation	Nil	↓	↓	↓
General Location	↑	Nil	↓	↑
Site Coverage	Nil	↓	↓	Nil
Building Size	↓	↓	↓	↓
Building Quality	↓↓	↓	↓	↓↓
Overall	↓↓	↓↓	↓	↓↓



Analysis - Conclusions

The sales selected were felt to provide good insight into an estimate of market value for the subject. The four comparable properties are sales of retail/commercial buildings located in Ajax and Whitby.

The comparable properties range in building size from 1,298 to 2,501 square feet, with an average of 1,736 square feet. This is smaller in size compared to the subject properties, which range from 2,924 to 8,793 square feet. The sales ranged in value from \$442 to \$753 per square foot of building, with an average of \$567 per square foot.

The subject property has a mix of tenants, which are all local businesses. The building size of the subject properties are generally larger and were found to be in poorer condition compared to three of the four comparables. Therefore, in our opinion, the unit rate should be below the average rate.

Taking the foregoing analysis into consideration, the market value of the subject properties after adjustment is best represented at **\$325 to \$350** per square foot of GFA. Therefore, the market value of the subject properties is calculated as follows:

Address	Unit Building Size (Sq. Ft.)	\$ / Sq. Ft. of GFA	Value Estimate	Rounded
132 Harwood Ave. S.	4,696	\$325	\$1,526,200	\$1,530,000
144-148 Harwood Ave. S.	2,924	\$350	\$1,023,400	\$1,020,000
150-152 Harwood Ave. S.	8,793	\$325	\$2,857,725	\$2,860,000
214-222 Harwood Ave. S.	6,085	\$325	\$1,977,625	\$1,980,000
224 Harwood Ave. S.	4,216	\$325	\$1,370,200	\$1,370,000
226 Harwood Ave. S.	6,915	\$325	\$2,247,375	\$2,250,000
Total/ Avg.	33,629	\$327	\$11,002,525	
Rounded to				\$11,000,000

Land Valuation

Methodology of Valuation

The market for any real estate consists of those entities that can benefit from the highest and best use of a particular property and, accordingly, are willing and able to pay a competitive price. In most cases, for any particular property the market is represented by a fairly clearly defined group of individuals or financial entities. In the case of the subject property, the purchaser profile would ordinarily be a developer. The valuation contained in this document attempts to replicate the analysis that a prospective purchaser would likely use.

Adjustment Process

In the Direct Comparison Approach, consideration is given to the following elements of comparison:

- Market conditions (Time)
- Real property rights conveyed
- Financing
- Motivation
- Land Use Ordinances
- Location
- Physical Characteristics (including size, shape and availability of servicing).
- Project Size
- Demolition of Existing Improvements

Inferior attributes of each comparable are adjusted upward relative to the Subject and superior attributes are adjusted downward relative to the Subject.

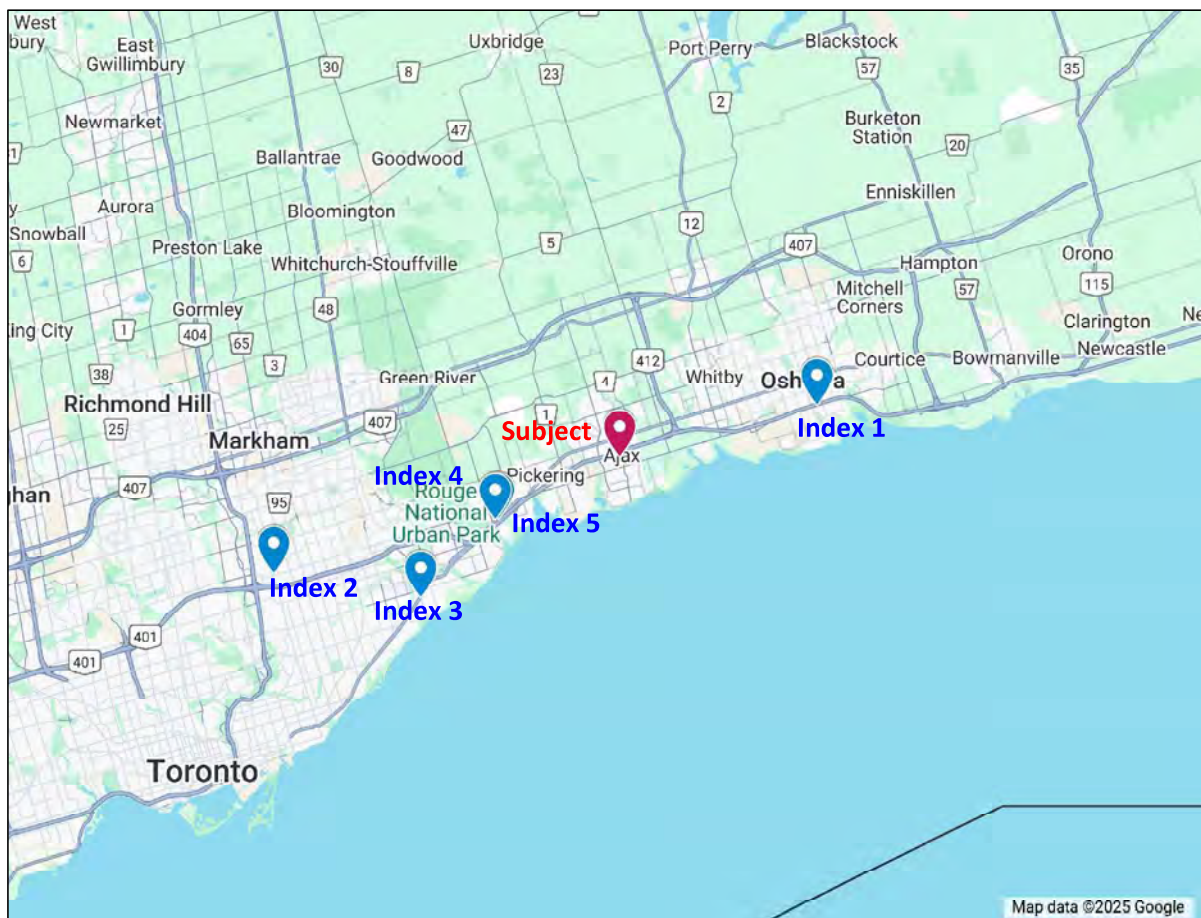


Direct Comparison Approach- Development Land Sites

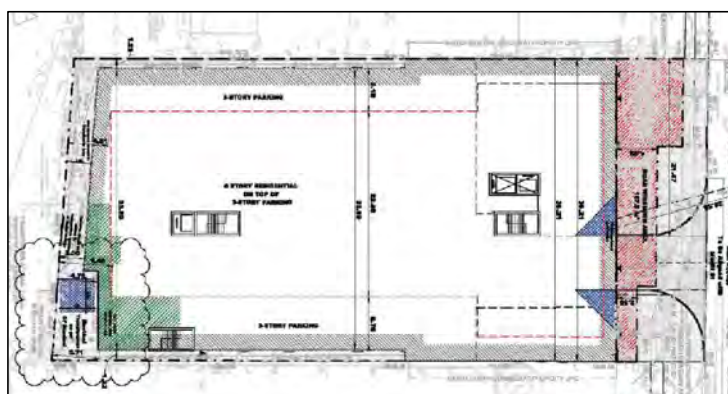
The following sales of residential or mixed-use development sites have been selected as offering relevant market evidence of value for the development site at No. 184-188. On the following pages, details of each transaction are presented then analyzed with respect to the subject property. The sales will be analyzed on a price per acre, price per unit, and price per square foot of GFA metrics.

Index	Address	Area	Reg. Date	Sale Price	Lot Area (SF)	Official Plan	Zoning	\$/Acre	No. of Units	Res GFA	Non-Res GFA	GFA	FSI	\$/ Unit	\$/ GFA
1.	121-131 Bloor St. E.	Oshawa	16-Aug-24	\$3,400,000	28,401	Planned Commercial Strip	PSC-A	\$5,214,724	167	133,600	979	134,579	2.50	\$20,359	\$25
2.	2912-2926 Sheppard Ave. E.	Scar	02-Aug-24	\$11,250,000	38,874	Mixed Use Areas	CR	\$12,606,112	246	184,652	9,719	194,370	5.00	\$45,694	\$58
3.	144 Galloway Road	Scar	30-May-24	\$5,600,000	23,250	Mixed Use Areas	CR	\$10,491,871	168	114,335	0	114,335	4.92	\$33,333	\$49
4.	356-364 Kingston Road	Pickering	17-May-24	\$6,550,000	61,855	Mixed Corridors	RM3	\$4,612,676	193	146,906	7,732	154,638	2.50	\$33,886	\$42
5.	395-401 Kingston Rd.	Pickering	04-Mar-24	\$12,671,432	84,637	Mixed Corridors	C1	\$6,521,581	523	401,383	16,724	418,107	4.94	\$24,245	\$30
<i>Average</i>					47,403			\$7,889,393	259	196,175	7,031	203,206	3.97	\$31,504	\$41
SP	184-188 Harwood Ave. S.	Ajax			103,635				390	299,868	58,071	357,939	3.45		

Map of Comparable Properties



Sale Number One– 121-131 Bloor Street East, Oshawa



Location	:	East of Simcoe Street South
PIN	:	16382-0685
Vendor	:	1000645992 Ontario Ltd.
Purchaser	:	Oshawa Bloor Square GP Inc.
Registration Date	:	August 16 th , 2024
Consideration	:	\$3,400,000
Site Area	:	0.652 acres – 28,401 ft ²
Development	:	167 apartment units + 979 ft ² of commercial area
Proposed GFA	:	±135,000 (estimated)
Proposed Density	:	4.74 (estimated)
Price per ft ² GFA	:	±\$25
Price per Unit	:	\$20,359
Price per Acre	:	\$5,214,724



Index No. 1 is an assembly of three lots on the south side of Bloor Street East, east of Albert Street, in south Oshawa. At the time of sale, each lot was improved with an older detached home. The rear section of No. 131 was used to park commercial vehicles. This location is about 15 kilometres east of the subject location. The surrounding uses were a mix of detached homes, automotive and low-rise commercial uses.

The Oshawa Official Plan designates the site as Planned Commercial Strip within an Intensification Area along a Regional Corridor, which contextually permits High Density II residential development up to a density of 300 units per hectare (121.4 u/ac.). The site is zoned PSC-A (Planned Commercial Strip).

OPA and ZBA applications (OPA-2024-02 & Z-2024-02) were submitted to develop the site with an 11-storey residential/commercial mixed-use building containing 167 apartment units and 90.95 m² of commercial floor space. The building would have 8 residential storeys on top of three-storey's of above-ground parking. The applications did not specific the total amount of GFA. Based on a standard gross unit size of 800 square feet, plus the stated commercial area, the total GFA is estimated at approximately 135,000 square feet.

This property was registered sold on August 16th, 2024 for \$3,400,000. Based on the proposed development, the sale price indicates unit rates of approximately \$25 per square foot of GFA. The sale price per acre is \$5,214,724.

Adjustments: A downward adjustment for time (market conditions) will be considered =for this August 2024 transaction. The property rights and financing appeared normal, requiring no adjustments. An upward motivational adjustment will be required for this normal sale, in comparison to the forced sale value of the Subject.

The location of this Index, further to the east in Oshawa, is considered to be inferior to the Subject and warrants some upward adjustment. A downward adjustment for project size will be made for this smaller proposed development. An upward physical adjustment will be made for this mid-block site with comparatively narrow street frontage. An upward adjustment for the planning status is required, in relation to the site plan approved subject site. A downward adjustment to account for the onerous Development Agreement with the Town of Ajax will be considered. The agreement is seen as an encumbrance compared to sites without an enforced development timeline.

The overall adjustment made to this index is upward, which denotes that the unadjusted rate of \$25 psf of proposed GFA is somewhat below the market value of the subject property.

Index 2: 2912-2926 Sheppard Avenue East, Scarborough



Location	:	East of Victoria Park Avenue
Vendor	:	Labriza Properties Co.; Mauricio Laufer; Joseph Zabner; Rachel Zabner
Purchaser	:	HOF 2914 Sheppard Ave Inc.
Registration Date	:	August 2 nd , 2024
Consideration	:	\$11,250,000
Site Area	:	0.89 acres – 38,874 ft ²
Development	:	No proposal
Estimated GFA	:	194,370 ft ²
Estimated Density	:	5.0 FSI
Price per ft² GFA	:	\$58 (estimated)
Price per Unit	:	\$45,694 (estimated)
Price per Acre	:	\$12,606,112



Index No. 2 is the sale of a high-density mixed-use development site located on the north side of Sheppard Avenue East, and is the second property east of Victoria Park Avenue, in the Lamoreaux neighbourhood in Scarborough. This location is about 28 kilometres southeast of the subject property. This site is surrounded by residential and commercial uses. Highway 401 is accessible within 450 metres, Highway 404 is accessible within 1.2 kilometres and the Don Mills Subway Station is accessible within 1.8 kilometres.

The site was designated as Mixed Use Areas under the Official Plan and was zoned Commercial Residential (CR 0.4 (c0.4; r0.0) SS3 (x546)) under the City of Toronto Zoning By-Law 569-2013. No development applications had been submitted by the time of sale. Based on current development applications in the immediate surrounding area, we have estimated a potential density of 5.0 FSI. Based on this density, the total GFA for the site is estimated at 194,370 square feet.

The site was registered and sold on August 2nd, 2024, for \$11,250,000. Based on the estimated development, the sale price indicates a GFA rate of approximately \$58. The sale price per acre is \$12,606,112.

Adjustments: A downward adjustment for time (market conditions) will be considered =for this August 2024 transaction. The property rights and financing appeared normal, requiring no adjustments. An upward motivational adjustment will be required for this normal sale, in comparison to the forced sale value of the Subject. This location east of the interchange of Highways 401 and 404 is considered to be superior, and warrants a downward adjustment. A downward adjustment for size will be considered, as the size of the potential development on this site is smaller than the proposed development on the subject site. An upward adjustment for planning status will be required, as no development applications had been submitted, whereas the subject site is site plan approved. A downward adjustment to account for the onerous Development Agreement with the Town of Ajax will be considered. The agreement is seen as an encumbrance compared to sites without an enforced development timeline.

The overall adjustment made to this index is downward, based on location and size. This indicates that the unadjusted unit rate of \$58 psf is above the appropriate market rate for the Subject.

Index 3: 144-146 Galloway Road, Scarborough



Location	:	South of Kingston Road
PIN	:	06380-0212
Vendor	:	Built With Purpose Rental Inc.
Purchaser	:	146 Galloway Inc.
Registration Date	:	May 30 th , 2024
Consideration	:	\$5,600,000
Site Area	:	23,250 ft ² - 0.54 acres
Development	:	10 storey building with 168 rental apartments
Proposed GFA	:	114,335 ft ²
Proposed Density	:	4.92 FSI
Price per ft² GFA	:	\$49
Price per Unit	:	\$33,333
Price per Acre	:	\$10,491,871



Index No. 3 is the sale of a development site located in Scarborough, on the west side of Galloway Road, about 100 metres south of Kingston Road. This location is about 19 kilometres southwest of the subject property. The site is currently improved with an 8-bay self-serve car wash building. Surrounding uses are a mix of low and medium-density residential and institutional uses. The Guildwood Go station is 1 kilometre to the southwest.

The City of Toronto Official Plan designates the property Mixed Use Area. The site is zoned under the former City of Scarborough Zoning By-law for commercial and residential uses.

The vendor had submitted a site plan application prior to time of sale. The application proposed a 10-storey residential building with 168 rental units and a total GFA of 114,334 ft². The proposed density is 4.92 FSI. A total of 58 parking spaces in a single-level underground parking garage would be included.

The site was listed for sale at \$6,950,000, and was sold on January 12th, 2024 for \$5,600,000. The sale closed on May 30th, 2024. Based on the proposed development, the sale price indicates a GFA rate of \$49 psf, and a price per unit of \$33,333. The sale price per acre was \$10,491,871.

Adjustments: A downward adjustment will be considered for deteriorating market conditions between the sale date and the effective date. The property rights and financing appeared normal, requiring no adjustments. An upward motivational adjustment will be required for this normal sale, in comparison to the forced sale value of the Subject. A downward locational adjustment will be considered for this site in east Scarborough. A downward adjustment for project size will be considered, as this development will have less than half of the GFA as compared to the proposed development on the subject site. An upward physical adjustment will be made for this mid-block site with comparatively narrow street frontage. An upward adjustment for planning status is necessary for this unapproved site. A downward adjustment to account for the onerous Development Agreement with the Town of Ajax will be considered. The agreement is seen as an encumbrance compared to sites without an enforced development timeline.

After weighing the adjustments made to this index, the rate of \$49 psf of buildable GFA is concluded to be above the market value of the Subject.

Index Number Four – 356-364 Kingston Road, Pickering



Location	:	NW corner of Kingston Road
PIN	:	26303-0233
Vendor	:	Vector Management Services Ltd
Purchaser	:	Grand Communities (Rougemount) Corp.
Registration Date	:	May 24 th , 2024
Consideration	:	\$6,550,000
Site Area	:	61,855 ft ² - 1.42 acres
Development	:	Mid-rise condo apartment building
Max. GFA	:	154,638 ft ²
Max. Density	:	Max 2.5 FSI
Price per ft² GFA	:	±\$42
Price per Unit	:	±\$33,886
Price per Acre	:	\$4,612,676



Index No. 4 is the forced sale of a vacant site at the northwest corner of Kingston Road and Rougemount Drive, in Pickering. The property is also addressed as 1350 Rougemount Drive. The site has a quadrilateral shape, with frontage on the north side of Kingston Road of 300 feet, and frontage along the west side of Rougemount Road of 140 feet. The property is located about 11 kilometres southwest of the subject property. The surrounding uses consisted of low-density residential and commercial uses. A high-density residential development, consisting of 28 and 31-storey towers has been proposed for the site at the southeast corner of Kingston Road and Rougemount Drive.

The site was marketed for sale by CBRE Land Services Group as an infill development site. The Pickering Official Plan designates the site as Mixed Corridors. Mixed Corridors policies include a minimum net residential density of 13 dwellings per acre. The maximum net residential density is 57 dwellings per acre. The maximum FSI for the site is 2.5 times coverage. However, as per policy 12.7.c., sites within the Rougemount Neighbourhood that are located on the north side of Kingston Road and abut low-density developments, are restricted to a maximum residential density of 23 units per net acre. The site is also located within the Kingston Road Corridor Development Guidelines, which helps to provide urban design and built form guidelines for future development in the area. The site is currently zoned RM3 – Residential Multiple 3 Zone.

Despite the restriction on units per acre, the site is also part of OPA 38, a City initiated amendment to the Official Plan that updates policies for lands along Kingston Road and is designated Residential. City Council have approved OPA 38, although it has been appealed to the OLT by many of the landowners. The appeal is still ongoing. Once approved, City staff will prepare a ZBLA to secure the policies and vision of OPA 38. It is proposed, that for lands adjacent to low density residential, that low and mid-rise buildings up to a maximum of 12 storeys may be permitted.

The site was listed under Power of Sale, on October 25th, 2023, for \$6,950,000. After 191 days on the market, the site was sold in March 2024 for \$6,550,000. The sale closed on May 24th, 2024. Based on the current maximum FSI of 2.5x, the sale price results in a GFA rate of \$42. If developed at less than the maximum density, the resulting GFA rate may be higher. Assuming a typical gross unit size of 800 square feet, the sale price indicates a rate of \$33,886 per unit. The sale price per acre is \$4,612,676.



Adjustments:

- A minor downward adjustment for Time (market conditions) will be considered, as the sale price was negotiated about ten months before the effective date, over which time market conditions for development land have worsened.
- Conditions for Property rights and financing appeared normal and do not require adjustment. An adjustment for motivation is not required for this forced sale.
- This location in Pickering is considered to be somewhat superior and a minor downward adjustment will be considered.
- The size of a potential development here would be smaller than the subject property, requiring a downward adjustment.
- The physical characteristics of this corner site appear to be superior to the Subject's mid-block position, requiring some downward adjustment.
- An upward adjustment for the inferior planning status of this site will be considered, as the planning status of the subject site is assumed to be approved.
- An upward adjustment for planning status is necessary for this unapproved site.
- A downward adjustment to account for the onerous Development Agreement with the Town of Ajax will be considered. The agreement is seen as an encumbrance compared to sites without an enforced development timeline.

The overall adjustment made to this index is upward, which denotes that the unadjusted unit rate of \$42 psf of estimated GFA is somewhat below the applicable market rate for the Subject.

Index Number Five – 395-401 Kingston Road, Pickering



Location	:	East of Rougemont Drive
PIN	:	26308-0173, -0179
Vendor	:	Allison Greenwood Auto Wreckers Limited; 750985 Ontario Inc.; 1138224 Ontario Limited
Purchaser	:	395 Kingston Road Corporation & 401 Kingston Road Corporation (Decade Capital Corp.)
Registration Date	:	February 26 th , 2023; March 4 th , 2024
Consideration	:	\$12,671,432
Site Area	:	84,637 ft ² – 1.943 acres
Development	:	No proposal
Estimated GFA	:	±418,107 ft ²
Estimated Density	:	±4.94 FSI
Price per ft² GFA	:	±\$30
Price per Unit	:	±\$24,245
Price per Acre	:	\$6,521,581



Index No. 5 is an assembly of three sites along the south side of Kingston Road, east of Rougemount Drive. The sites back onto the north side of Highway 401. Together, the sites form a nearly rectangular site with frontage 326 feet. The surrounding uses consisted of commercial, and low to mid-rise residential uses. This assembly is immediately east of the retail plaza at the southeast corner of Rougemount Drive, where a high-rise residential condo development is proposed.

The City of Pickering Official Plan designates the property Mixed Corridors. The Zoning By-law classifies the property as C1, a Commercial Zone classification, and MU-12, which permits a range of commercial and retail uses.

Although no development applications had been submitted for this site, the Decade Capital Corp. was also developing the adjacent site at 381-395 Kingston Road. An application to develop the two-acre site with two residential towers of 28 and 31-storeys was currently under review. The development would have 446,913 ft² of total GFA, at 4.94 FSI. Assuming this amount of density, the site in this sale could potentially be developed with 418,107 ft² of GFA.

The sites at 401-413 Kingston Road were registered sold together on February 13th, 2023 for \$6,671,432. The site at 395 Kingston Road was registered sold on March 4th, 2024, for \$6,000,000. The total consideration included a VTB mortgage of \$4,500,000 (75%). The loan term was just over three years, at the greater of 10.20%, or RBC Prime + 3.0% interest.

The sale price per square foot of potential GFA is estimated at \$30 psf. Assuming a typical gross unit size of 800 square feet, the sale price indicates a rate of \$24,245 per unit. The sale price per acre is \$6,521,581.



Adjustments:

- A downward adjustment for Time will be considered for this transaction, as market conditions have continued to deteriorate since the time of both transfer dates.
- Property Rights appear normal and do not require adjustment. Downward adjustments for motivation and financing will be required.
- A minor downward adjustment for the Pickering location will be considered.
- An upward adjustment for site size will be considered for this larger site, which could support a larger amount of GFA.
- This site backs onto Highway 401, therefore an upward physical adjustment will be considered.
- A large upward adjustment for Planning Status is warranted, as no development applications had been submitted. The Official Plan designation permits high-density development, but a zoning change from the existing C1 zone and an approved site plan will be required.
- A downward adjustment to account for the onerous Development Agreement with the Town of Ajax will be considered. The agreement is seen as an encumbrance compared to sites without an enforced development timeline.

After weighing the adjustments made to this index, the rate of \$30 psf of buildable GFA is concluded to be near the market value of the Subject.

Adjustment Grid

Index	1	2	3	4	5
Address	121-131 Bloor St. E.	2912-2926 Sheppard Ave. E.	144 Galloway Road	356-364 Kingston Road	395-401 Kingston Rd.
Sale Price	\$3,400,000	\$11,250,000	\$5,600,000	\$6,550,000	\$12,671,432
Sale Date	16-Aug-24	2-Aug-24	30-May-24	17-May-24	4-Mar-24
GFA	134,579	194,370	114,335	154,638	418,107
\$ / GFA	\$25	\$58	\$49	\$42	\$30
Time Adj.	↓	↓	↓	↓	↓
Property Rights	Nil	Nil	Nil	Nil	Nil
Financing	Nil	Nil	Nil	Nil	↓
Motivation	↓	↓	↓	Nil	↓
Location	↑	↓↓	↓	↓	↓
Project Size	↓	↓	↓	↓	↑
Physical	↑	Nil	↑	↓	↑
Zoning/Planning Status	↑	↑	↑	↑	↑↑
Other	↓	↓	↓	↓	↓
Overall	↑	↓↓	↓	↑	↔

Analysis & Conclusions – Price per Square Foot of GFA

To estimate the land value for the Subject, five sales of residential development sites were selected as comparable sales. The sales are located within reasonably similar areas to the Subject, and were felt to provide good insight into the Subject's current value. The comparable properties presented a range of rates from approximately \$25 to \$58 per square foot of proposed GFA, averaging \$41/ft². In terms of development size, the sales ranged from 114,335 to 401,383 square feet of GFA. The comparable average size of 203,206 square feet of GFA is smaller than the Subject at 357,939 square feet, which suggests that a below average rate is appropriate for the Subject.

Adjustments to the comparable rates, in relation to the Subject, were considered to offset superior or inferior characteristics. We feel that the Subject is reasonably well represented by the comparables, in terms of location and market appeal.

In selecting a market rate for the subject property, the following factors were considered:

- The subject site is being valued for forced sale purposes, with an exposure time of three to six months.
- Development of the site is subject to an agreement with the Town of Ajax.
- The site is located within walking distance to retail and restaurant uses, and to public transit routes.
- The current state of the development land market in Ajax and the wider GTA.

Taking the foregoing analysis into consideration, we feel the forced sale value of the subject property is best represented by a rate of \$30-\$35 per square foot of proposed buildable gross floor area. The forced sale value of the subject property development land, is concluded as follows:

Estimated Buildable SF GFA	Rate	Estimate of Value (Rounded)
357,939	\$30	\$10,380,000
357,939	\$35	\$12,530,000
Concluded at	\$33	\$11,800,000

Analysis & Conclusions - Price per Acre

An alternate unit of measurement used to compare sales is the price per acre. The comparable sale prices ranged from \$3.40 million to \$12.67 million, and ranged in size from 0.89 to 1.94 acres, with an average of 1.09 acres. The price per acre ranged from \$4.61 to \$12.6 million per acre, with an average of \$7.89 million per acre.

The proposed development densities ranged from approximately 2.5 to 5.00 FSI, averaging 3.72 FSI. AT 3.45 FSI, the Subject is below the average rate. The above average size and below average density suggests that a below average rate is appropriate.

Taking the foregoing analysis into consideration, the market value of the subject property, after adjustment, is best represented in the range of **\$4,900,000 to \$5,100,000** per acre. The Subject's estimated forced sale value is calculated as follows:

Acres	\$/Acre	Value Estimate (Rnd)
2.38	\$4,900,000	\$11,660,000
2.38	\$5,100,000	\$12,140,000
Concluded at	\$5,000,000	\$11,900,000

Reconciliation

The price per square foot of total GFA helps reduce the variance in site area and is seen as the best method of valuation using the Direct Comparison Approach. The highest degree of emphasis will be placed on the rate per GFA, which is well supported by the price per acre metric.

Therefore, based on our findings, the estimated forced sale value of the development land at 184-188 Harwood Avenue South, Ajax, as of January 24th, 2025, has been concluded as follows:

Eleven Million Eight Hundred and Fifty Thousand Dollars*
\$11,850,000* (CDN)

**This estimate of market value is subject to the Assumptions and Limiting Conditions listed at the end of this report as well as the Extraordinary Assumptions and Limiting Conditions as listed on page 8.*



Reconciliation of Value

Cost Approach	:	N/A
Income Approach	:	N/A
Direct Comparison Approach	:	

Value of the Retail Properties:

Eleven Million Dollars*
\$11,000,000* (CDN)

Land Value of 184-188 Harwood Avenue South, based on the approved development:

Eleven Million Eight Hundred and Fifty Thousand Dollars*
\$11,850,000* (CDN)

Combined Value of the Development Land and Retail Properties:

Twenty Two Million Eight Hundred and Fifty Thousand Dollars *
\$22,850,000* (CDN)

**This estimate of market value is subject to the Assumptions and Limiting Conditions listed at the end of this report as well as the Extraordinary Assumptions and Limiting Conditions as listed on page 8.*



Assumptions and Limiting Conditions

1. This report is prepared only for the exclusive use of **2615333 Ontario Inc.**, to be used for forced sale valuation purposes. 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 Janterra Real Estate Advisors Inc.
3. We 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 we assume 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.
7. Unless otherwise stated in this report, we have 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 Janterra Real Estate Advisors Inc. We make 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. We are 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. Janterra Real Estate Advisors Inc 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. We have not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. We have 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.
12. The contents of this report are confidential and will not be disclosed by Janterra Real Estate Advisors Inc 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. Janterra Real Estate Advisors Inc 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 authorized use.
14. This report, its content and all attachments/addendums and their content are the property of Janterra Real Estate Advisors Inc. 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. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright.
17. Where the authorized 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.



Certification

**Re: Appraisal of 134, 144-148, 150-152, 214-222, 224, 226
Harwood Avenue South, Ajax, Ontario**

We certify that to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Our engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the client.
- Our analyses, opinions, and conclusions were developed, and this review report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice.
- We have the knowledge and experience to complete the assignment competently.
- As of the date of this report, I, Jonathan G. Bannister has fulfilled the requirements of The Appraisal Institute of Canada Mandatory Recertification Program for designated members.
- I, Jonathan G. Bannister personally inspected the subject property on January 24th, 2025.



Based on the information and analysis as set out in the report; in our opinion that the forced sale value of the subject property, as of January 24th, 2025, is as follows:

Value of the Retail Properties:

Eleven Million Dollars*
\$11,000,000* (CDN)

Land Value of 184-188 Harwood Avenue South, based on the approved development:

Eleven Million Eight Hundred and Fifty Thousand Dollars*
\$11,850,000* (CDN)

Combined Value of the Development Land and Retail Properties:

Twenty Two Million Eight Hundred and Fifty Thousand Dollars*
\$22,850,000* (CDN)

**This estimate of market value is subject to the Assumptions and Limiting Conditions listed at the end of this report as well as the Extraordinary Assumptions and Limiting Conditions as listed on page 8.*

Respectfully Submitted,
 Janterra Real Estate Advisors

Jon Bannister, BBE, DULE, AACI, P.App

DESIGNATED MEMBER



Appraisal Institute of Canada
 Institut canadien des évaluateurs

Dated: January 30th, 2025

-6-

2615333 ONTARIO INC.
Applicant

and

CENTRAL PARK AJAX DEVELOPMENTS PHASE 1
INC. et al.
Respondents

Court File No. CV-20-00651299-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
APPLICATION UNDER SUBSECTION 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**
Proceeding commenced at Toronto

AFFIDAVIT OF WENMING CHENG
also known as REX CHENG

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Lawyers for the Applicant,
2615333 Ontario Inc.

File Number: 12256-001

2615333 ONTARIO INC. and
Applicant

CENTRAL PARK AJAX DEVELOPMENTS PHASE 1
INC., et al.
Respondents

Court File No. CV-20-00651299-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**RESPONDING MOTION RECORD OF
2615333 ONTARIO INC.
(Motion returnable March 3, 2025)**

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