

DRAFT

APPRAISAL OF REAL PROPERTY

High-Density Residential Land
28 Main Street Unionville
Markham, Ontario

IN A NARRATIVE APPRAISAL REPORT
As of June 15, 2013

Prepared For:
Global Unionville Development Inc.
(Sylmatt Investment Inc.)
150 Consumers Road, Suite 303
Toronto, ON
M2J 1P9

Prepared By:
Cushman & Wakefield Ltd.
Valuation & Advisory
33 Yonge Street, Suite 1000
Toronto, ON M5E 1S9
C&W File ID: 13-900254
CONFIDENTIAL



High-Density Residential Land
28 Main Street Unionville
Markham, Ontario

October 20, 2013

Mr. Patrick Chan
Global Unionville Development Inc. (Sylmatt Investment Inc.)
150 Consumers Road, Suite 303
Toronto, ON
M2J 1P9

Re: Narrative Appraisal Report
28 Main Street Unionville
Markham, Ontario

C&W File ID: 13-900254

Dear Mr. Chan:

Cushman & Wakefield Ltd. is pleased to transmit this Narrative Appraisal Report, estimating the current market value of approximately 4.72 acres of high-density residential land (with proposed development of 756 residential units of total gross floor area of 630,893 square feet), located at 28 Main Street Unionville, City of Markham.

By agreement, this is a Narrative 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 of the subject property for first mortgage financing purposes. The appraisal is prepared at the request and for the exclusive use of Global Unionville Development Inc. (Sylmatt Investment Inc.). This appraisal may not be distributed to or relied upon by other persons or entities without written permission of the Appraiser. 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 contained in Addendum A, in addition to any in the report.

MARKET VALUE

As a result of this analysis, the current market value of the fee simple interest of the subject property, subject to the assumptions, limiting conditions, certifications and definitions contained herein, as of October 1, 2013, was:

TWENTY FOUR MILLION TWO HUNDRED THOUSAND DOLLARS
\$24,200,000

In this appraisal, the estimated value is predicated 'net' of development charges on a reasonable exposure time of nine (9) months.

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 LTD.

DRAFT

Danny Ip, MRICS, AACI
Associate Vice President
Valuation & Advisory
T +1 (416) 359-2476
F +1 (416) 359-2602
danny.ip@ca.cushwake.com

EXECUTIVE SUMMARY

DESCRIPTION OF PROPERTY

Location:	28 Main Street Unionville, Markham, Ontario
Legal Description:	Part of Lot 9, Concession 5, Town of Markham, Regional Municipality of York
General Description:	A parcel of high-density residential land (which is bisected by Bill Crothers Drive to be assumed by the City), located at the northwest corner of Main Street Unionville and Enterprise Boulevard in the central south section of City of Markham.
Site Area:	4.72 acres (including woodlot of 1.4 acres) (approximately)
Site Shape:	Basically rectangular
Site Frontages:	East Parcel – 135 feet on west side of Main Street Unionville 1,009 feet on north side of Enterprise Boulevard West Parcel – 357 feet on north side of Enterprise Boulevard
Accommodation:	At the time of inspection, the East Parcel was improved with an abandoned single-family house, and the West Parcel was vacant and unimproved (with a woodlot at the west end section).
Proposed Development:	756 residential units with total gross floor area of 630,893 square feet (according to Bousfields Inc.) at an FSI of 3.07 (the net site density, excluding the existing woodlot and Bill Crothers Drive, would be 4.69 FSI)

MUNICIPAL INFORMATION

Official Plan Designation:	Commercial-Community Amenity Area / Environmental Protection Area - under current Official Plan Mixed Use High Rise / Greenway - under new draft Official Plan
Zoning:	Rural Residential One (RR1) – under existing Zoning
2012 Assessed Value:	\$2,325,000 (Residential (RT))

HIGHEST AND BEST USE

As Vacant:	High-density residential development in accordance with the intent of the Official Plan and the then applicable zoning by-law, and the general character of the neighbourhood.
-------------------	--

VALUE INDICATORS

Date of Inspection:	June 15, 2013
Date of Valuation:	October 1, 2013
Direct Comparison Approach:	\$24,200,000

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

EXTRAORDINARY ASSUMPTIONS

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.”

It is the Extraordinary Assumptions of this appraisal that the subject proposed development will obtain municipal approval, and the market conditions remain stable from the effective date of this valuation to the approval date. If these assumptions are proven incorrect, there will be an impact on the estimated value of the property. The estimated value does not take into account demolition costs associated with any existing structures, potential remediation costs (if any), site servicing and development costs associated with the development.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined by The Standards as: “That which is contrary to what exists but is supposed for the purpose of analysis.” Hypothetical conditions assume 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.”

This appraisal employs no hypothetical conditions.

PROPERTY PHOTOGRAPHS



Proposed Building A Site – Looking West from Main Street Unionville



Proposed Buildings A & B Site – Looking North from Enterprise Boulevard



View from Enterprise – Looking North



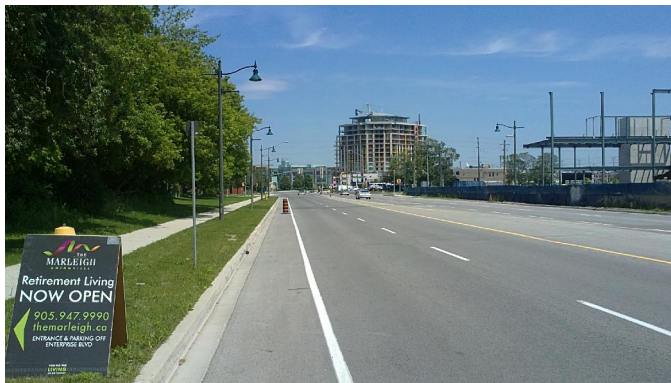
Proposed Building C Site - Looking North from Enterprise Boulevard



Main Street Unionville – Looking North



Main Street Unionville – Looking South



Enterprise Boulevard – Looking East



Enterprise Boulevard – Looking West

TABLE OF CONTENTS

EXECUTIVE SUMMARY	I
PROPERTY PHOTOGRAPHS	III
INTRODUCTION	1
LOCATION ANALYSIS	3
MARKET ANALYSIS	6
PROPERTY DESCRIPTION	9
MUNICIPAL INFORMATION	17
HIGHEST AND BEST USE	20
METHODS OF VALUATION	22
DIRECT COMPARISON APPROACH	23
ADDENDA CONTENTS	30
ADDENDUM A: ASSUMPTIONS AND LIMITING CONDITIONS	31
ADDENDUM B: CERTIFICATION OF APPRAISAL	35
ADDENDUM C: GLOSSARY OF TERMS AND DEFINITIONS	38

INTRODUCTION

IDENTIFICATION OF PROPERTY

Location:	28 Main Street Unionville, Markham, Ontario
Legal Description:	Part of Lot 9, Concession 5, Town of Markham, Regional Municipality of York

PROPERTY OWNERSHIP AND RECENT HISTORY

Current Ownership:	Sylmatt Investment Inc.
Sale History:	To the best of our knowledge, the property had not changed hands within the past three years of the effective date of this valuation.
Current Disposition:	The property is currently subject to Agreement of Purchase and Sale (dated February 8, 2012) to be sold to Kingsberg Development Corporation, at purchase price of \$10,500,000. The closing date shall be 18 months after written waiver by the Purchaser of all of the Purchaser's Conditions.

INTENDED USE AND USERS OF THE APPRAISAL

Intended Use:	This appraisal is intended to provide an opinion of the current market value of the fee simple interest of the subject property for first mortgage financing purposes. All other uses are unintended, unless specifically stated in the letter of transmittal.
Intended User:	This appraisal report is prepared at the request and for the exclusive use of Global Unionville Development Inc. (Sylmatt Investment Inc.). All other users are unintended, unless specifically stated in the letter of transmittal.

DATES OF INSPECTION AND VALUATION

Date of Inspection:	June 15, 2013
Date of Valuation:	October 1, 2013

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:

- Made an inspection of the property on June 15, 2013;
- Held discussion with Mr. Patrick Chan of Global Unionville Development Inc. (Sylmatt Investment Inc.);
- Examined market conditions and analyzed their potential effect on the property;
- Reviewed land use regulations, in particular the Official Plan and the Zoning By-Law applicable to the subject;
- Ascertained the highest and best use of the property;
- Considered information with respect to sales and listings, at or about the valuation date, of properties considered similar to the subject, where we have significant knowledge of such sales and listings 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 every real property transaction at or about the valuation date that might be said to bear on the determination of the market value of the subject; and
 - Fully discerned the motives behind the sales and listings considered in our analysis, such that our weighting of said information is without subjectivity.
- After analyzing the data, we have estimated the property's current market value using direct comparison approach.

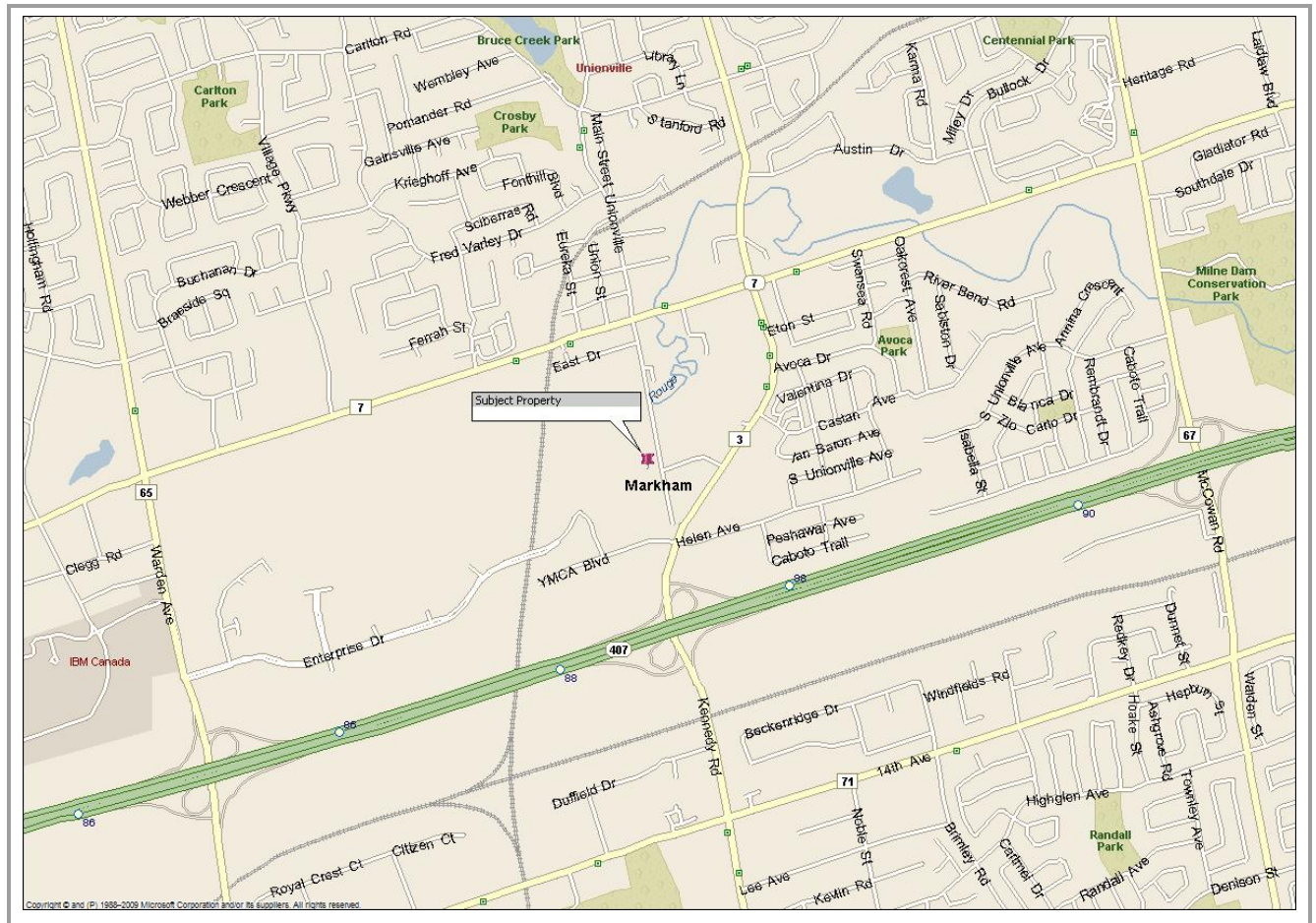
LOCATION ANALYSIS

REGIONAL OVERVIEW

The subject property is located in the City of Markham within Toronto Census Metropolitan Area (CMA) in Ontario. A regional overview is provided below:

- In 2012, the population of Ontario reached 13.5 million (the highest of all the Canadian provinces). Ontario's population accounts for approximately 39% of the national total. The Conference Board of Canada forecasts Ontario population will continue to grow to 14.3 million by 2017.
- While roughly 70% of Ontario's GDP is generated by the services sector, the province is also Canada's leading manufacturing centre. The top five manufacturing industries include transportation equipment, metal products, food processing, chemical & by-products and electrical & electronic products.
- According to *RBC Provincial Outlook (September 2013)*: "Despite encouraging signs earlier this year, we are still waiting for Ontario's economy to switch into a higher gear. Progress on the export front – which we still anticipate becoming a prime source of economic growth in the province – virtually stalled in more recent months. After reaching a five-year high in 2012, motor vehicle production softened in the province. At home, consumers and home buyers continue to be active, but they have limited ability to bolster the economy further, while businesses remain generally cautious in their capital spending. In short, we find little evidence that economic momentum is building as anticipated, and accordingly, we adjusted our real GDP growth forecast downwardly in 2013 to 1.3% from 1.7% in the June edition of *Provincial Outlook*. Despite this lack of momentum, we continue to expect that stronger projected US demand will boost Ontario's exports next year, thereby contributing to real GDP growth re-accelerating to 2.8% in 2014."
- Toronto CMA covers an area of 2,090 square miles in the south central section of the Province of Ontario. According to 2011 Census, Toronto CMA has a population of 5,583,000, with income per capita above national average. With its high concentration of economic activity and population, Toronto CMA has maintained its position as Canada's financial and industrial centre. The City of Toronto is the financial and investment capital of the country. Canada's largest five banks and 80% of foreign banks operating in Canada have their headquarters in Toronto, as do 60% of Canada's top insurers, responsible for 90% of the industry's total assets.
- In light of the prevailing social and economic attributes of the Toronto CMA, economists are generally cautiously optimistic about the short-term outlook. The Toronto CMA regularly attracts over 50,000 net migrants annually, supporting growth in domestic demand. In the long-term, the region should see stability and continuous moderate growth, with overall increasing real estate value.

LOCATION MAP



LOCAL AREA DESCRIPTION

The subject property is located at the northwest corner of Main Street Unionville and Enterprise Boulevard, to the west of Kennedy Road and north of Highway 407 ETR, in the central south section of the City of Markham. A local area description is provided below:

- Markham is one of the nine municipalities that comprise the York Region, and is one of the fastest growing municipalities in Ontario. It contains an area of 212 square kilometres, with a current population of over 310,000 and projected population 370,500 in 2021. Markham has average personal income higher than the Ontario average and the Canadian average. Markham is well served by Highway 404, Highway 407 ETR and Highway 7, and Buttonville Airport.
- Markham is Canada's Hi-Tech and Life Sciences Capital, with over 800 high-technology and life-science companies. These two sectors generate a total employment of close to 33,000, or almost a quarter of the total employment of 123,000. Some of the Town's world renowned corporations include: IBM Canada, American Express, Honda Canada, Motorola, Honeywell, Sun Microsystems and Johnson & Johnson.

- With over 310,000 residents, Markham is the 16th largest municipality in Canada, and with over 9,000 employers, Markham is part of the country's fourth largest office cluster. Recently, Markham Council approved change from Town to City status effective on Canada Day, July 1, 2012.
- In this appraisal, the market area is basically bounded by Sixteenth Avenue to the north, McCowan Road to the east, Highway 407 ETR to the south, and Woodbine Avenue to the west. This market area comprises primarily low-density residential neighbourhoods and light industrial/business parks, with retail and office commercial developments concentrated on Highway 7 East. Markham Civic Centre, Markham Theatre, First Markham Place, Markville Shopping Centre and several hotels are located along Highway 7 East in this market area.
- The subject property is located within Markham Centre which is currently being developed as Markham's new downtown core. It is bordered by Highway 7 East to the north, Kennedy Road to the east, Highway 407 ETR to the south, and Rodick Road to the west. At the time of inspection, numerous medium-rise residential condominium buildings were recently completed or under construction.
- The surrounding land uses of the subject property are:
 - North: Brand new nine-storey senior residence development (The Marleigh Retirement Residence) which was not yet occupied at time of inspection, and Bill Crothers Secondary School (with soccer fields of which one has running tracks).
 - East: Across Main Street Unionville is a three-storey medical office building.
 - South: Across Enterprise Boulevard at City-owned lands which is being developed with the Markham Pan Am Centre. South of the woodlot, at the west end of the subject site, are lands that have been recently approved for a high-density development (Markham Centre Development Corporation) consisting of four buildings with heights ranging from 10 to 29 storeys.
 - West: GO railway line.
- Main Street Unionville is a two-way, two-lane collector road carrying north/south vehicular traffic. Enterprise Boulevard is a two-way, four-lane arterial road carrying east/west vehicular traffic. York Region VIVA bus service is provided on Kennedy Road, and GO Train Unionville Station is situated within short walking distance from the subject property. The interchange of Highway 407 ETR/Kennedy Road is located less than half a mile to the southeast. Overall, public transport and vehicular access to the subject property are very good.

MARKET ANALYSIS

SINGLE FAMILY DWELLINGS MARKET

According to Toronto Real Estate Board (TREB), the number of sales and the average/median prices of single-family dwellings in Markham since 2005 are provided below. Single-family dwellings include single-detached, semi-detached, condominium townhouse, condominium apartment, link, attached/row, co-op apartment and detached condominium.

SALES OF SINGLE-FAMILY DWELLINGS MARKHAM			
YEAR	ANNUAL SALES	AVERAGE PRICE	MEDIAN PRICE
2005	4,109	\$380,862	\$349,000
2006	4,012	\$399,489	\$365,000
2007	4,536	\$421,655	\$383,650
2008	3,537	\$437,567	\$393,500
2009	4,781	\$448,748	\$415,000
2010	4,359	\$508,001	\$460,000
2011	4,725	\$549,196	\$495,000
2012	4,252	\$605,564	\$550,793
2013 (Jan-Sep)	3,660	\$630,730	\$580,000

As can be noted, the sale prices of single-family dwellings in Markham have been on increasing trend since 2005. The average price had gained 66% from \$380,862 in 2005 to \$630,730 in 2013 (Jan-Sep). The median price had also gained 66% from \$349,000 to \$580,000 during the same period. By year-end 2013, the average and median prices are forecasted to be higher than year-end 2012.

NEW RESIDENTIAL CONDOMINIUM MARKET OVERVIEW

According to *Urbanation* (Q2-2013), a total of 3,903 new condominium apartment sales were recorded in the Toronto CMA in Q2-2013, down by 18% from a year earlier. In typical fashion, sales held close to the number of new units opened during the quarter, which was roughly 20% lower than usual Q2 volumes. Unsold inventory edged up to 19,394 units, most of which (11,265 units) was in pre-construction. With sales below historical averages and unsold inventory at record highs, pricing remained fairly flat. The average sold index price was \$539 psf — up 2.6% from last year.

TORONTO CMA NEW CONDOMINIUM MARKET BY QUARTER					
Quarter	Q2-2012	Q3-2012	Q4-2012	Q1-2013	Q2-2013
Active Market					
Projects	343	341	355	358	367
Total Units	87,386	86,108	89,251	90,507	92,398
Quarter Sales	4,769	3,317	3,841	2,728	3,903
Unsold Inventory	18,123	17,182	18,366	18,845	19,394
Average Sold psf	\$525	\$530	\$536	\$533	\$539
Average Unsold psf	\$566	\$573	\$568	\$567	\$566
Sales to Supply Ratio	21.1%	15.5%	20.1%	13.0%	17.0%
New Project Openings					
Projects	31	17	22	9	20
Total Units	7,072	3,215	4,758	2,604	4,124
New Projects Construction Status					
Construction Starts	7,343	6,962	4,227	2,226	7,493
Projects UC	196	207	207	197	210
Total Units UC	52,695	56,336	56,866	55,342	57,461
Proposed Developments					
Future/Potential	236,997	242,125	253,768	257,404	261,282

Source: Urbanation Inc., Toronto Real Estate Board

- *Urbanation* tracked a total of 393 high-rise condominium apartment projects in Q2-2013, including 367 active projects containing 92,398 units and 7,764 units in 26 sold out (and not registered) projects.
- 3,903 new condominium units sold in Q2-2013, an increase of 43% from Q1-2013 (2,728) and a decrease of 18% from Q2-2012 (4,769).
- There were twenty new project launches in the second quarter, which added 4,124 new units to the market. The absorption rate among these new projects was 44%, up from the 31% absorption rate among Q1-2013 launches.
- Unsold inventory increased by an additional 549 units to its highest level recorded in the CMA at 19,394 units in Q2-2013, up 2.9% from the first quarter (18,845) and 7% higher than Q2-2012 (18,366). Unsold inventory climbed 3.8% quarterly in the '416' area (14,316), while remaining relatively unchanged in the '905' region (5,078).
- The average sold index price for new condominium apartments in Q2-2013 was \$539 psf, an increase of 1.2% over Q4-2012 (\$533 psf) and an increase of 2.6% annually (\$525 psf in Q2-2013).
- There were 7,493 construction starts and 4,383 completions in Q2-2013, resulting in an increase in the number of units under construction to 57,461 in 210 projects (compared to 55,342 units in 197 projects in Q1-2013).
- The second quarter performance of the Toronto CMA condominium market reveals that activity within new developments is still rebalancing after hitting record levels in 2011 and early 2012. With demand being pulled forward during that time, largely driven by investors, this subsequent 'cooling off' period should not be considered a surprise. That said, the market has shown 'green shoots' of at least a partial sales recovery, most notably in the success of well-located and competitively new project openings in 2013. The industry has reacted in a very cautious, yet appropriate, manner by ensuring new supply is aligned with current levels of demand to limit the further accumulation of unsold inventory, which now rests at a record high. Their reward has been price levels that have largely held steady in this weaker sales environment.
- In the years to come, the slowdown in pre-construction activity will be viewed as a stabilizing factor for market conditions by limiting completions, which are set to reach record highs in 2014 and 2015. In the interim, the expected growth in supply has set off many alarm bells for an impending 'crash'. Should demand for completed condos head south, the likelihood of a price correction rises. However, the numbers continue to indicate otherwise. Resale and rental transactions for condos remain strong, even growing year-over-year when taken together. Rental demand is expected to continue to act as the driver of condo absorption, providing a secure avenue for investors to hold onto their units, and limit supply and price pressure on the resale market.

PROPERTY DESCRIPTION

SITE DESCRIPTION

Site Area:	4.72 acres (including woodlot of 1.4 acres) (approximately)
Site Shape:	Basically rectangular
Site Frontages:	East Parcel – 135 feet on west side of Main Street Unionville 1,009 feet on north side of Enterprise Boulevard West Parcel – 357 feet on north side of Enterprise Boulevard
Topography:	Basically flat and level at street grade in conformity to adjacent sites
Frontage & Visibility:	Good
Soil Conditions:	We did not receive nor review a soil report. We assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
Municipal Services & Utilities:	Provided
Site Improvements:	At the time of inspection, the East Parcel was improved with an abandoned single-family house, and the West Parcel was vacant and unimproved (with a woodlot at the west end section).
Land Use Restrictions:	We are not aware of any easements, encroachments or restrictions that would adversely affect the site's use. A title search is recommended to ascertain whether any adverse conditions exist.
Hazardous Substances:	We are not qualified to ascertain any toxic wastes or contaminated materials, soil/sub-soil conditions and environmental issues. Determination of such information was not part of our 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 or on adjacent lands, or in close proximity to the subject property to materially affect value. Phase I environmental site assessment (ESA) would be required to address any environmental issue, if consider necessary.
Overall Functionality:	The subject site is functional for its proposed high-density residential use.
Location Rating:	After considering all of the location aspects, overall accessibility and street visibility, we have concluded that the location of the property is very good.

PROPOSED DEVELOPMENT

According to City of Markham Staff Report (dated May 21, 2013), the proposed residential development is comprised of two parcels: an East Parcel proposed for two buildings (Building A and Building B), and a West Parcel proposed for one residential building (Building C) and a new public park. The proposed development will have a total of 756 residential units with total gross floor area of 630,893 square feet and an FSI of 3.07 (the net sit density, excluding the existing woodlot and Bill Crothers Drive, would be 4.69 FSI). The development will be phased, with the first phase being the easterly building on the East Parcel (Building A) and the last phase being the West Parcel (Building C).

The East Parcel will be comprised of two residential buildings. Building A is proposed to have 9 storeys (consistent with the height of the seniors' residence to the north) and 161 units. Building B is proposed to have 19 storeys and 261 units. A total of 422 parking spaces are proposed (including 22 surface parking spaces) in 2½ levels of underground parking garage.

The West Parcel will be comprised of one 27 storey residential building with 334 units (Building C), a proposed public park and preservation of the existing woodlot. A total of 340 parking spaces will be provided in 2½ levels of underground parking garage. There is no at-grade surface parking space proposed.

Applications for Official Plan and Zoning By-Law Amendment had been submitted by Bousfields Inc., on behalf of Global Unionville Development Inc., to facilitate the proposed high density residential development. As of the effective date of valuation, the applications were under circulation.

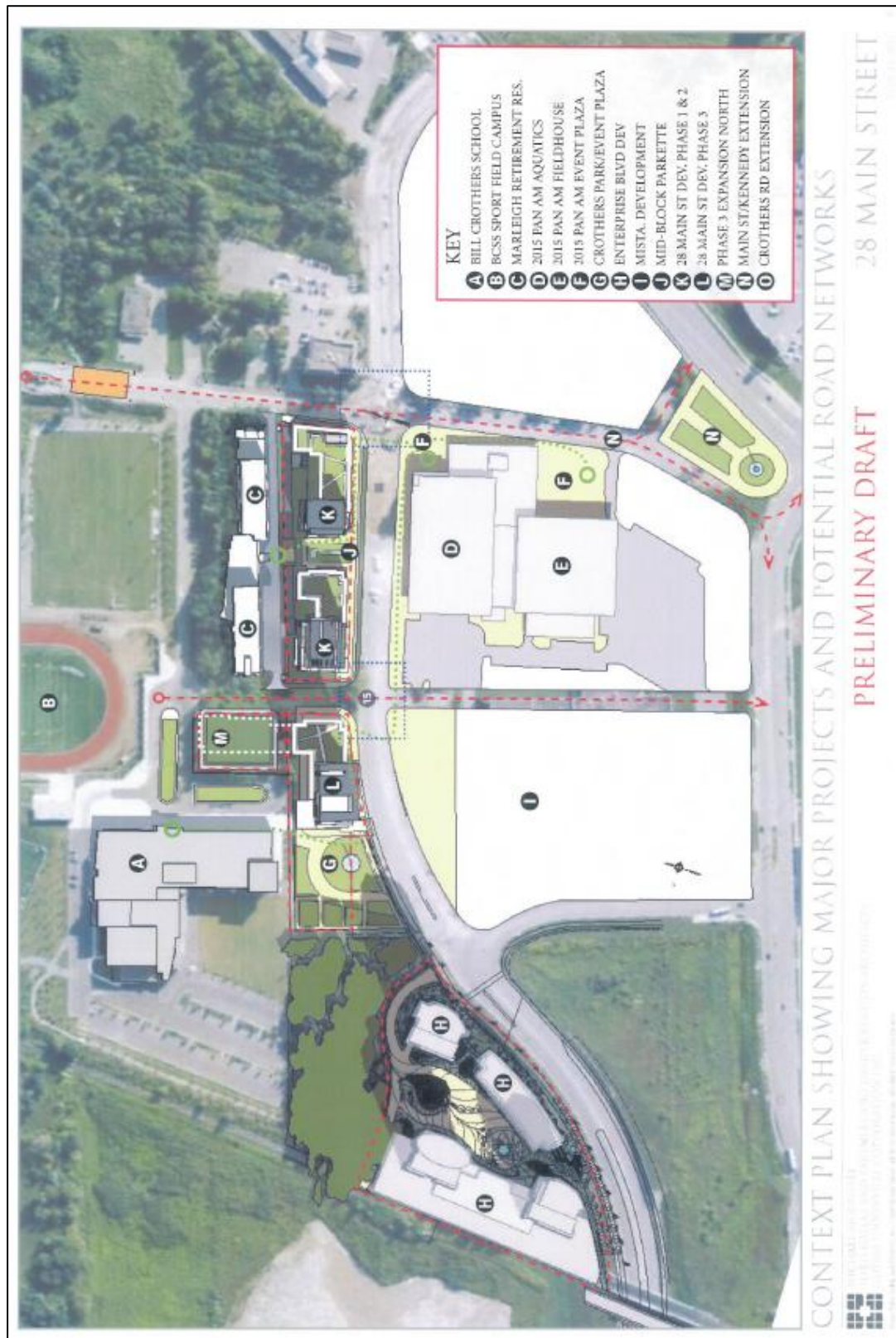
Conceptual plan, artist's rendering and elevations of the proposed development are provided on the following pages.

ESTIMATED PARKLAND CREDIT

According to Delta Urban Inc., cash-in-lieu of parkland is calculated by the City, at the time of subdivision agreement (Section 51 of the Planning Act) for owners who are party to the Markham Centre Community Landowners Cost Sharing Agreement (CSA), and at time of building permit (Section 42) for owners who are not party to the CSA. The City's approach to date has been to calculate parkland obligations by the lesser of 1 ha/300 units, or 3 acres/1,000 people. This will determine the amount of park dedication required by the application. Once you have this number, you deduct the amount of park which is actually being dedication. If there is a shortfall, the application will require cash in lieu.

According to the draft cost sharing agreement (dated September 4, 2013), Sylmatt Investment Inc. (which is a non-participating landowner) is tentatively estimated to have a parkland credit of \$399,971. We will include this parkland credit in estimating the market value of the subject property.

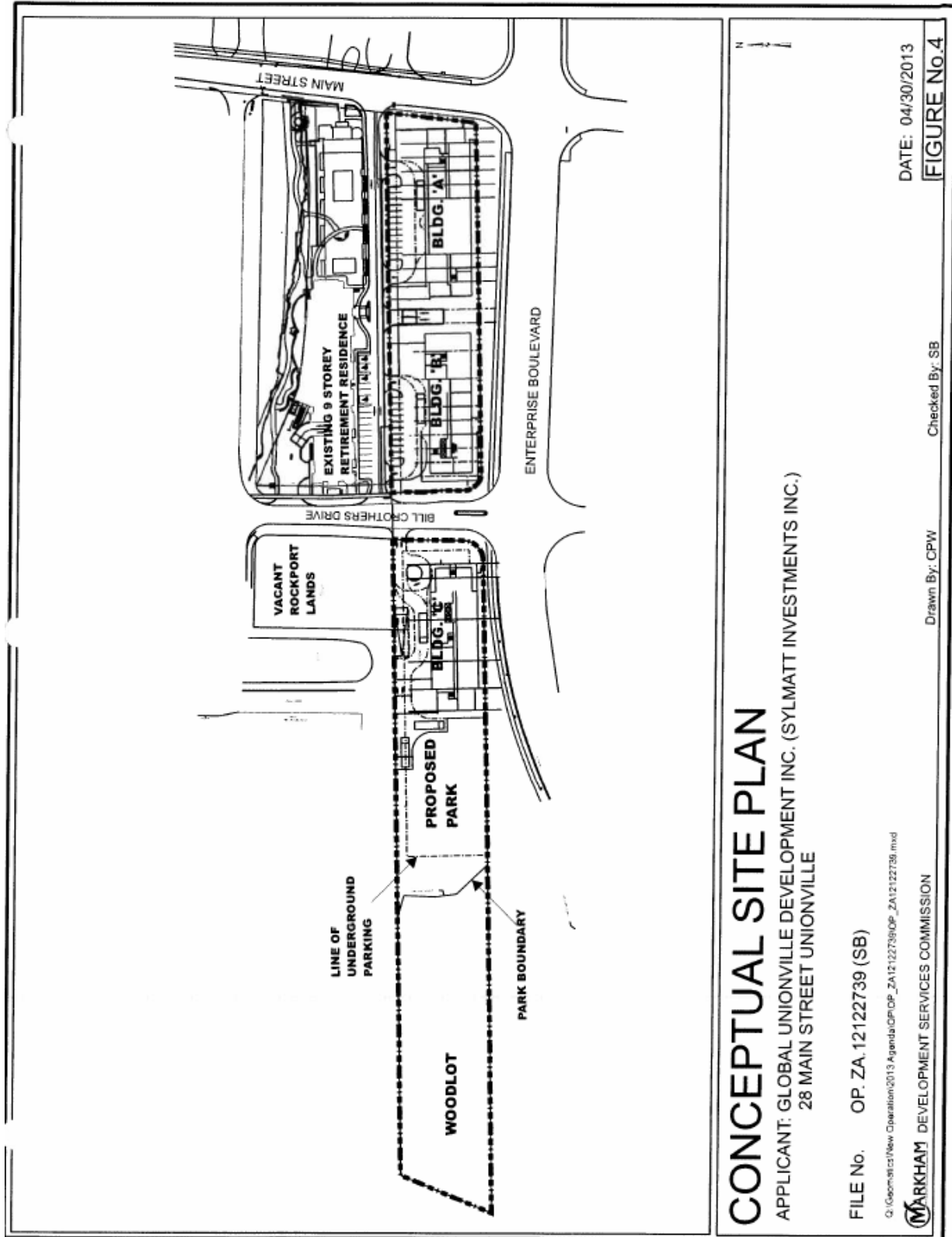
CONCEPTUAL PLAN



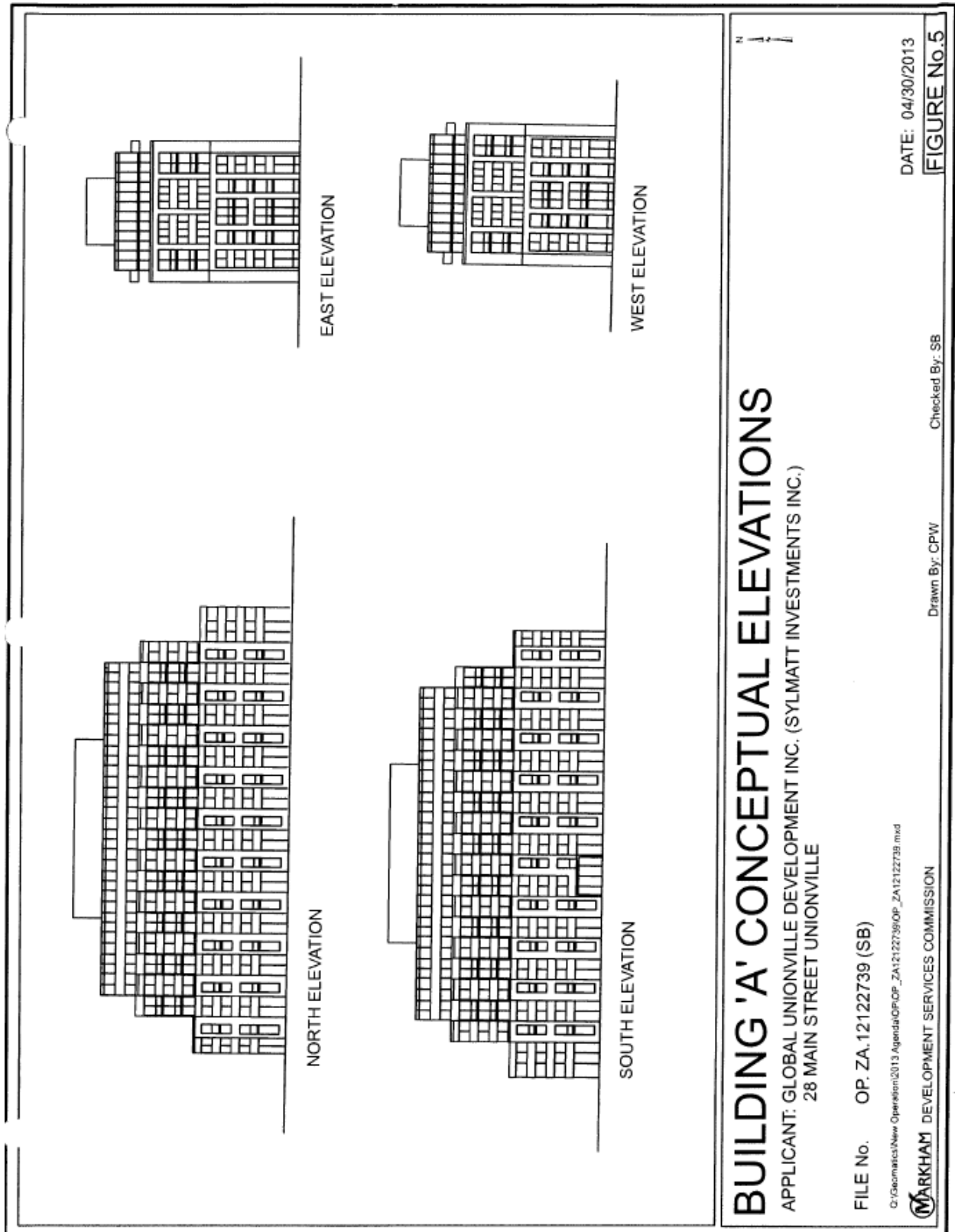
ARTIST'S RENDERING



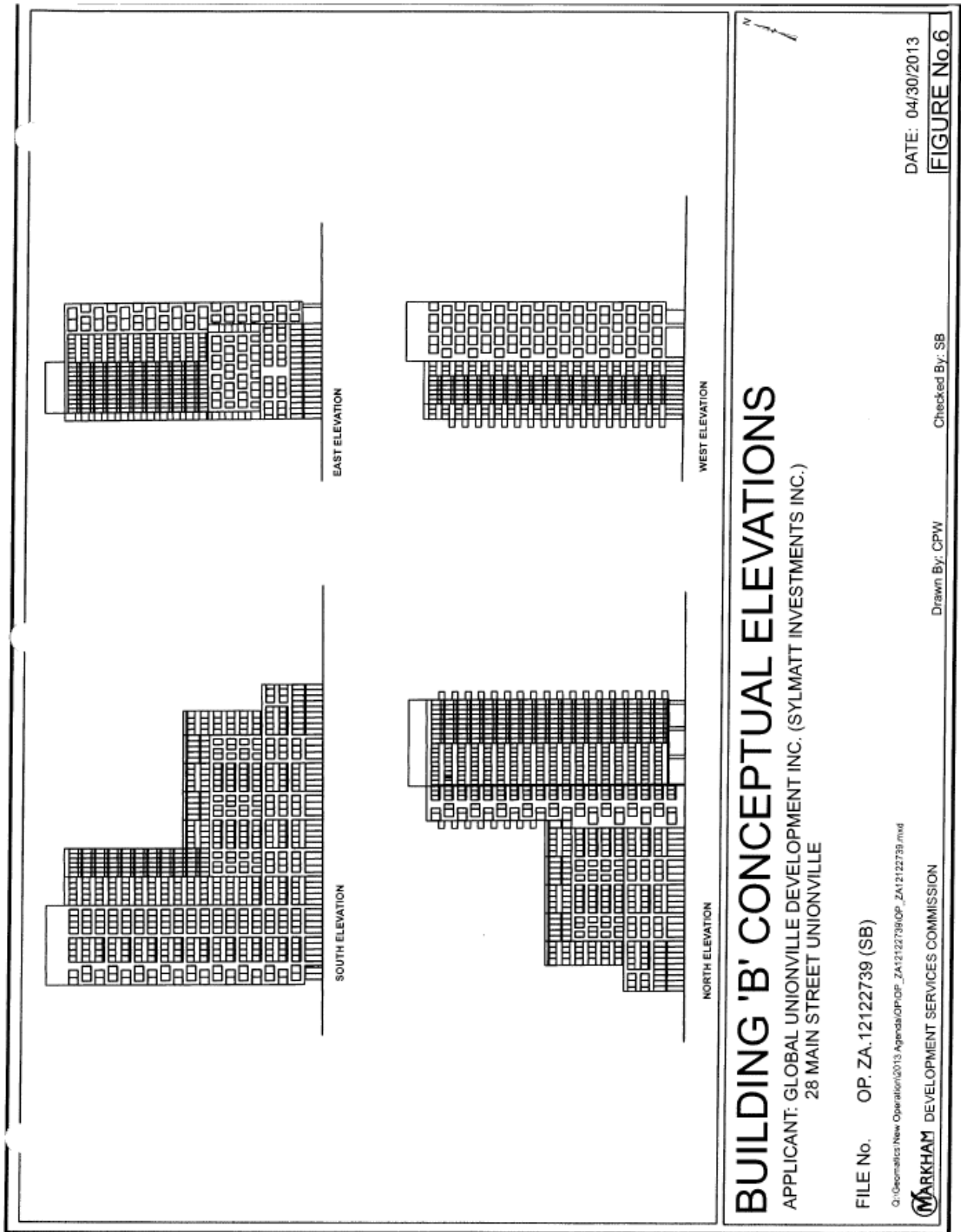
CONCEPTUAL SITE PLAN



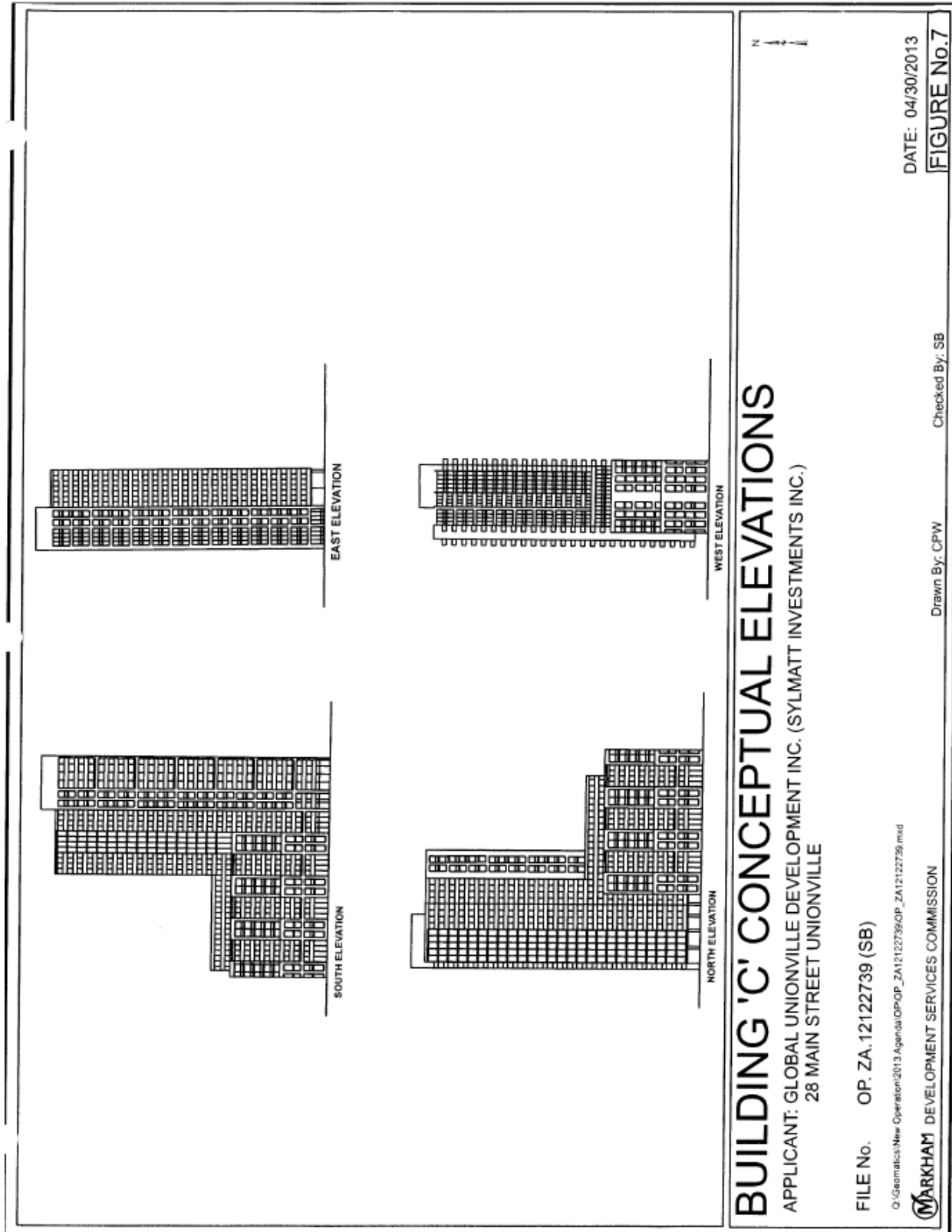
PROPOSED BUILDING A ELEVATIONS



PROPOSED BUILDING B ELEVATIONS



PROPOSED BUILDING C ELEVATIONS



MUNICIPAL INFORMATION

ASSESSMENT AND PROPERTY TAXES

The subject property is located within the taxing jurisdiction of the City of Markham, and appears under Assessment Roll No. 19-36-020-127-22000-0000. The 2012 Assessed Value (based on a January 1, 2012 Valuation Date) is \$2,325,000 (Residential (RT)).

OFFICIAL PLAN DESIGNATION

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.

The City of Markham current Official Plan designates the subject property “Commercial-Community Amenity Area”, with an “Environmental Protection Area” designation applying to the woodlot.

The Markham’s new draft Official Plan designates the subject property “Mixed Use High Rise” and “Greenway” (woodlot area).

Official Plan (Markham Centre Secondary Plan) amendment application had been submitted to re-designate the subject property to “Community Amenity Area – Major Urban Place”, “Open Space” and “Open Space – Environmentally Significant”.

ZONING

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 currently zoned “Rural Residential One (RR1)”, under By-Law 122-72, as amended, which permits a single family dwelling and accessory buildings and structures.

Zoning amendment application had been submitted to incorporate the subject property into the Markham Centre Zoning By-law and zone them “Markham Centre Downtown Two (MC-D2)” and “Markham Centre Public Space Two (MC-PS2)” (woodlot area).

We are not expert in the interpretation of zoning regulations, and we deem the proposed high-density residential development will be legal and conforming to the then applicable zoning regulations. However, the determination of zoning compliance is beyond the scope of this appraisal, and confirmation from the municipal zoning office will be required for such compliance and specific details.

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 property, that 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

In the evaluation of the highest and best use of the subject property, the following four criteria are considered:

- **LEGALLY PERMISSIBLE**

The first test concerns permitted uses. As discussed in the previous section “Municipal Information”, we deem the subject proposed development will be in accordance with the official plan designation, and legal and conforming to the then applicable zoning regulations. Aside from the site's zoning regulations, we are not aware of any legal restrictions that limit the potential uses of the subject.

- **PHYSICALLY POSSIBLE**

The second test is what is physically possible. As discussed in the earlier section "Site Description", the site's size, shape, soil, topography, etc. do not appear to physically limit its use. The subject site is of adequate shape and size to accommodate almost all urban uses. In addition, its proximity to Markham Centre, arterial roads and amenities would support high-density residential or residential/commercial development.

- **FINANCIAL FEASIBLE**

The third test is what is financially feasible. For a potential use to be seriously considered, it must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Based upon market evidence of developments in the general market area, it is reasonable to conclude that usual urban uses would be financially feasible.

- **MAXIMALLY PROFITABLE**

The fourth test is what will produce the highest net return (or maximum profitability). Of the uses deemed to be financially feasible, that use which produces the highest estimated return to the land represents the highest and best use of the land. Based upon market evidence of land uses in the immediate neighbourhood, it is reasonable to conclude that high-density residential development to the maximum building density is maximally profitable.

HIGHEST AND BEST USE CONCLUSION

Considering the subject's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject property as vacant is high-density residential development in accordance with the intent of the Official Plan and the then applicable zoning by-law, and the general character of the neighbourhood.

METHODS OF VALUATION

METHODOLOGY

There are two methods most commonly used for valuation of development land: Direct Comparison Approach and Land Residual Analysis.

- **DIRECT COMPARISON APPROACH**

The Direct Comparison Approach is a valuation method in which sales of similar properties are analyzed and compared to the subject property. The assumption is that, if the subject had been exposed to the market, it would have been in competition with comparable properties, dealing with the same potential purchasers in the same market. Adjustments are made for factors such as time, location, lot size/shape, development potential/imminence, etc.

- **LAND RESIDUAL ANALYSIS**

The Land Residual Analysis estimates market value based on the potential utility of the property, derived from the revenue which can be generated from the sales of serviced product, less all costs required to transfer the site from its raw state to a fully serviced and registered subdivision or approved building site. It will be a reliable valuation method where the land is capable of being developed immediately and sold quickly, so that development costs, sale prices and rate of sale can be estimated with reasonable certainty.

METHODS USED

In this appraisal, we have used the Direct Comparison Approach only to estimate the market value of the subject land.

In the absence of an approved development plan, detailed revenue and development cost estimates, and a precise development time frame, the Land Residual Analysis is considered subjective and unreliable. Therefore, the Land Residual Analysis is not prepared.

DIRECT COMPARISON APPROACH

METHODOLOGY

The Direct Comparison Approach is a means of valuing a property by comparison with similar properties which have been sold or offered for sale recently. The assumption is that if the subject property had been exposed to the market, it would have been in competition with the comparable property dealing with the same type of purchaser under similar market conditions. It is based on the "Principle of Substitution" which implies that a prudent purchaser will not pay more to buy a property than it will cost them to buy a comparable substitute property, assuming no costly delay is encountered in making the substitution.

In this analysis, the primary unit of comparison is "*price per buildable residential unit*". We have also considered "*price square foot of buildable gross floor area*" as a secondary unit of comparison.

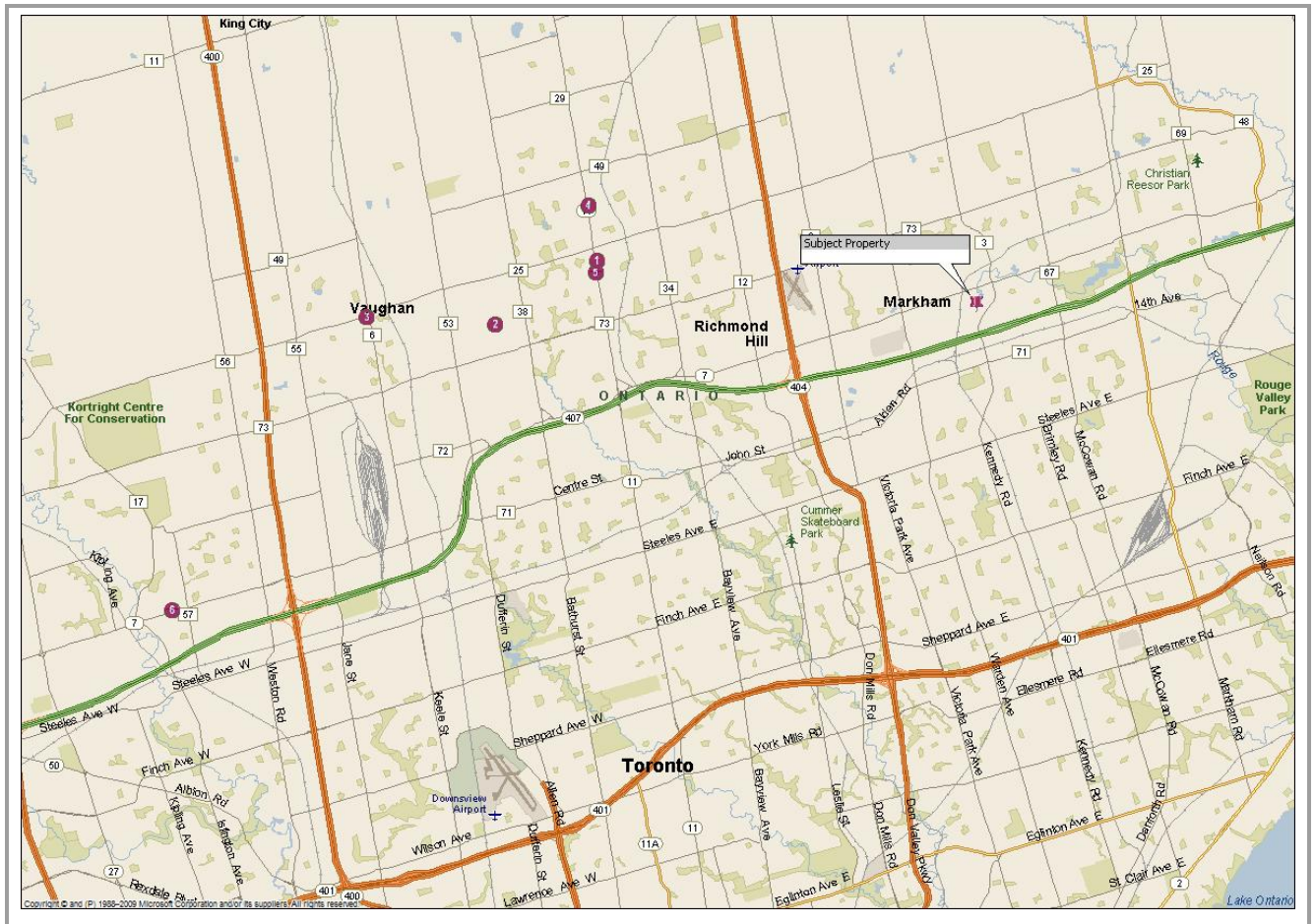
DISCUSSION OF COMPARABLE SALES

For the purpose of this valuation, we have conducted market research of comparable land sales in York Region. The most pertinent comparable sales that we have considered are provided below, which show prices in the range from \$26,463 to \$32,766 per buildable unit (with average of \$28,897 per unit), and in the range from \$27 to \$34 per buildable gross floor area (with average of \$31 per square foot).

COMPARABLE LAND SALES						
Index	Date	Address	Land Area (Acres)	Buildable Units / GFA (SF)	Sale Price	\$/Buildable Unit / \$/SF *
1	Feb-2013 & Dec-2012	9861 Yonge Street & 240 Church Street South, Richmond Hill	0.521	82 78,492	\$2,170,000	\$26,463 \$28
2	Nov-2012	Thomas Cook Avenue, Vaughan	15.37	855 906,488	\$24,400,000	\$28,538 \$27
3	Jun-2012	8-12 Church Street, 1 Jackson Street, 9964-9980 Keele Street & 2269-2285 Major Mackenzie Drive, Vaughan	2.118	188 157,508	\$5,000,000	\$26,596 \$32
4	Jun-2012	10415 Yonge Street, Richmond Hill	1.913	222 220,000	\$6,750,000	\$30,405 \$31
5	Jan-2012	9750 & 9760 Yonge Street, Richmond Hill	2.104	360 321,711	\$10,300,000	\$28,611 \$32
6	Aug-2011	Highway 7 West, east of Wigwoss Drive, Vaughan	1.763	122 116,242	\$3,997,500	\$32,766 \$34

* Excluding parkland dedication

LOCATION MAP OF COMPARABLES



INDEX 1

This high-density residential development land is located on the east side of Yonge Street to the south of Major Mackenzie Drive in Richmond Hill. The location is superior to the subject property.

The property is zoned Residential Multiple third Density (RM3). It is rectangular in shape, and is slightly sloping at street grade. At the time of sale, it was vacant and unimproved. Official plan amendment and rezoning applications were submitted in late 2012, proposing the development of one condominium residential building of eight storeys along the Yonge Street frontage and gradually terraces down in height to incorporate two-storey loft-style apartment units on ground floor level along the Church Street South frontage. The development would have total gross floor area of approximately 78,492 square feet (at 3.46 site coverage). Development imminence is comparable to the subject.

The vendors are individuals, and the purchaser is Two Z Incorporated (9861 Yonge Developments Inc.). The sale price was paid all in cash.

INDEX 2

This high-density residential land comprises two parcels of land on both sides of Thomas Cook Avenue at Lebovic Campus Drive, to the west of Bathurst Street and north of Rutherford Road in Richmond Hill. The location is inferior to the subject property.

The property is zoned Apartment Residential Holding (RA3(H)). Each land parcel is irregular in shape, and is generally flat and level. In August 2010, it had been approved for the development of four 6 to 8 storeys residential buildings, with maximum of 855 units and maximum gross floor area of 906,488 square feet (at 1.35 site coverage). Development imminence is superior to the subject.

The vendor is Joseph and Wolf Lebovic Jewish Community Campus, and the purchaser is Vogue Development Group Inc. The sale price was paid all in cash.

INDEX 3

This high-density residential development land located at the northwest corner of Keele Street and Church Street, with frontages also on Major Mackenzie Drive West and Jackson Street, in Vaughan. The location is inferior to the subject property.

The property is zoned Residential (R). It is irregular in shape, and is generally flat and level. At the time of sale, it was improved with nine single-family detached dwellings. Official plan amendment and rezoning applications were submitted in May 2012, proposing the development of a four-storey, 188-unit residential with retail at grade. The development would have total gross floor area of approximately 153,559 square feet (at 1.66 site coverage), including approximately 7,104 square feet of retail space. Development imminence is comparable to the subject.

The vendor is an individual(s), and the purchaser is Gold Park Homes. The sale price was paid all in cash.

INDEX 4

This high-density residential development land is located on the east side of Yonge Street to the south of Elgin Mills Road in Richmond Hill. The location is superior to the subject property.

The property is zoned General Commercial (GCR). It is irregular in shape, and is generally flat and level. At the time of sale, it was improved with a vacant used car dealership. As of June 2012, no applications had been submitted regarding development of the property. However, it was reported that the purchaser had acquired the property in order to construct a 10-storey youth centre and affordable housing building. The development would have total gross floor area of approximately 220,000 square feet (at 2.64 site coverage). Development imminence is inferior to the subject.

The vendor is Ansia Corporation, and the purchaser is Housing York Inc. The sale price was paid all in cash.

INDEX 5

This high-density residential development land is located on the west side of Yonge Street to the south of Major Mackenzie Drive in Richmond Hill. The location is superior to the subject property.

The property is zoned Residential Office (RO). It is rectangular in shape, and is slightly sloping at street grade. At the time of sale, it was vacant and unimproved. Official plan amendment and rezoning applications were submitted in January 2012, proposing the development of two condominium residential buildings (15 and 16 storeys) connected by a three-storey podium, and a five-storey condominium residential building. The development would have total gross floor area of approximately 321,711 square feet (at 3.51 site coverage). Development imminence is comparable to the subject.

The vendor is Amica Mature Lifestyles (Amica (Richmond Hill) Inc.), and the purchaser is Mady Development Corporation. The sale price was paid all in cash.

INDEX 6

This high-density residential development land is located on the north side of Highway 7 West to the west of Pine Valley Drive in Vaughan. The location is inferior to the subject property.

The property is zoned Apartment Residential (Holding) (RA2(H)). It is irregular in shape, and is generally flat and level. At the time of sale, it was vacant and unimproved. Official plan amendment and rezoning applications were submitted in 2011, proposing the development of a seven-storey, 122-unit residential condominium building. The development would have total gross floor area of approximately 116,242 square feet (at 1.51 site coverage). Development imminence is comparable to the subject.

The vendor is 1643750 Ontario Limited, and the purchaser is Quadcam Development Group Incorporated (Vista Parc Limited). The transaction was facilitated by vendor-take-back mortgage of \$1,997,500 (50% of sale price).

ADJUSTMENT PROCESS

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:

- property rights conveyed
- financial terms of the transaction
- conditions or motivations surrounding the sale
- changes in market conditions since the sale
- location of the real estate
- development type/scale
- development imminence
- physical characteristics of the property

Downward adjustment will be made to those comparables considered superior to the subject. Conversely, upward adjustment will be made to those comparables considered to be inferior.

PROPERTY RIGHTS CONVEYED

All comparable sales involved transfer of the fee simple interest, and therefore no adjustment is required.

FINANCIAL TERMS

The purchase price of Indexes 1 to 5 was paid all in cash, and no adjustment is required for financial terms. The transaction of Index 6 was facilitated by vendor-take-back mortgage, and downward adjustment is suggested for favourable financial terms.

CONDITIONS OF SALE

Conditions of sale usually reflect the motivations of the buyer and the seller. In some situations, the conditions of sale may significantly affect transaction prices. All comparable sales are considered to be "arms-length" market transactions between knowledgeable buyers and sellers on the open market. Therefore, no adjustment is required.

MARKET CONDITIONS

The comparable sales dated between August 2011 and February 2013. Overall market conditions for the subject type of real estate in the subject market area had improved since August 2011 up to the effective date of this valuation. Upward adjustment for time is suggested to all comparables.

LOCATION

Downward adjustment is suggested to Indexes 1, 4 and 5 for superior location; while downward adjustment is suggested to Indexes 2, 3 and 6 for inferior location to the subject.

DEVELOPMENT TYPE/SCALE

Similar to the subject property, all comparables have high-density residential development potential, and no adjustment is required. All comparables, except Index 2, required downward adjustment for smaller development scale than the subject.

DEVELOPMENT IMMINENCE

Downward adjustment is required to Index 2 for superior development imminence; while upward adjustment is required to Index 4 for inferior development imminence to the subject. No adjustment is required to the remaining comparables.

PHYSICAL CHARACTERISTICS

- The shape of a land parcel affects the layout of the proposed development. All comparable sales have land shapes which do not appear to adversely affect the layout of proposed development. Therefore, no adjustment is suggested.
- Adjustment for topography is applied for the dissimilarities in terrain, drainage, slope and other topographical features. Variances in topography will have costly effect at the time of initial development of a site. These costs are associated with grading and leveling, bringing in fill dirt, removal of excess earth, designing of building footprints to accommodate the terrain, and design of adequate drainage. In this respect, no adjustment is suggested to all comparables.
- The subject property includes approximately 1.4 acres of woodlot, and is tentatively estimated to have a parkland credit of \$399,971. In this respect, all comparables required upward adjustment for inferior parkland provision.

SUMMARY OF ADJUSTMENTS

Comparable (\$/Buildable Unit)	Index 1 (\$26,463)	Index 2 (\$28,538)	Index 3 (\$26,596)	Index 4 (\$30,405)	Index 5 (\$28,611)	Index 6 (\$32,766)
Date of Sale	Dec-2012 & Feb-2013 (upward)	Nov-2012 (upward)	Jun-2012 (upward)	Jun-2012 (upward)	Jan-2012 (upward)	Aug-2011 (upward)
Property Rights	Fee simple (none)	Fee simple (none)	Fee simple (none)	Fee simple (none)	Fee simple (none)	Fee simple (none)
Conditions of Sale	Market (none)	Market (none)	Market (none)	Market (none)	Market (none)	Market (none)
Financing	Cash (none)	Cash (none)	Cash (none)	Cash (none)	Cash (none)	VTB (downward)
Location	Superior (downward)	Inferior (upward)	Inferior (upward)	Superior (downward)	Superior (downward)	Inferior (upward)
Development Type/Scale	Superior (downward)	Comparable (none)	Superior (downward)	Superior (downward)	Superior (downward)	Superior (downward)
Physical Characteristics	Inferior (upward)	Inferior (upward)	Inferior (upward)	Inferior (upward)	Inferior (upward))	Inferior (upward)
Overall Adjustment	Upward	Upward	Upward	Upward	Upward	Comparable

CONCLUSION

After the necessary adjustments, we consider the subject property will command a market value in the range from \$31,000 to \$33,000, say \$32,000 per buildable residential unit. Therefore, we conclude the market value of the subject property by the Direct Comparison Approach as shown below.

DIRECT COMPARISON APPROACH	
Buildable Number of Residential Units	756
Concluded Value Per Unit	<u>X \$ 32,000</u>
Indicated Value	\$ 24,192,000
Rounded	\$ 24,200,000

The indicated value represents \$38 per square foot of buildable gross floor area [i.e. \$24,200,000 / 630,893 sf], which is higher than the comparable range (unadjusted) between \$27 and \$34 per square foot, but is considered not unreasonable taking into account its location in Markham Centre and estimated parkland credit.

In this appraisal, the estimated value is predicated 'net' of development charges on a reasonable exposure time of nine (9) months.

ADDENDA CONTENTS

ADDENDUM A: ASSUMPTIONS AND LIMITING CONDITONS

ADDENDUM B: CERTIFICATION OF APPRAISAL

ADDENDUM C: GLOSSARY OF TERMS AND DEFINITIONS

ADDENDUM A ASSUMPTIONS AND LIMITING CONDITIONS

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 Ltd." means Cushman & Wakefield Ltd. or its subsidiary that issued the Report.

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

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

This report has been prepared at the request of **Global Unionville Development Inc. (Sylmatt Investment Inc.)** for the purpose of providing an estimate of the current market value of approximately 4.72 acres of high-density residential land, located at **28 Main Street Unionville, Markham, Ontario**, for first mortgage financing purposes. The Client and any Intended 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 **Global Unionville Development Inc. (Sylmatt Investment 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.

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.

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.

The estimated value of the real property which is appraised in this report pertains to the value of the fee simple interest, based on vacant possession. The property rights appraised herein exclude mineral rights, if any.

The estimate of 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 of the property was obtained from MPAC and the site area was obtained from Markham staff report (dated May 21, 2013). Further, the plans and sketches contained in this report are included solely to aid the recipient in visualizing the location of the property, and the configuration and boundaries of 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 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 estimated 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.

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 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 expressed herein is in Canadian dollars.

This report is only valid if it bears the original signature of the author.

ADDENDUM B CERTIFICATION OF APPRAISAL

CERTIFICATION OF APPRAISAL

I certify that, to the best of my 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.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My 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.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute of Canada.
- The Appraisal Institute of Canada reserves the right to review this report.
- I, Danny Ip, made an inspection of the property that is the subject of this report on June 15, 2013.
- The Appraisal Institute of Canada has a mandatory Continuing Professional Development program for designated members. As of the date of this report, I have fulfilled the requirements of the program and remained as a member in good standing.
- No one provided significant professional assistance to the person signing this report.
- The value estimate contained in this report applies as of October 1, 2013. This date may be referred to as the *effective date of valuation*.

FINAL ESTIMATE OF VALUE

Having regard to all of the information contained in this report, it is our professional opinion that the current market value of **28 Main Street Unionville, Markham, Ontario**, as of the effective date of valuation, was:

TWENTY FOUR MILLION TWO HUNDRED THOUSAND DOLLARS

\$24,200,000

In this appraisal, the estimated value is predicated 'net' of development charges on a reasonable exposure time of nine (9) months.

DRAFT

Danny Ip, MRICS, AACI
Associate Vice President
Valuation & Advisory

October 20, 2013

Date

ADDENDUM C

GLOSSARY OF TERMS AND DEFINITIONS

GLOSSARY OF TERMS AND DEFINITIONS

DEFINITIONS OF VALUE, INTEREST APPRAISED AND OTHER TERMS

MARKET VALUE

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

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.”

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 ESTATE

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.

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.

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 an appraiser to compare transactions involving atypical financing to transactions involving comparable properties financed at typical market terms.

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 nine (9) months. This assumes the current owner would have employed an active and professional marketing plan.

MARKETING TIME

Marketing time is an opinion of the time that might be required to sell a real property interest at the concluded market value level. Marketing time is presumed to start during the period immediately after the effective date of an appraisal. (Marketing time is subsequent to the effective date of the appraisal and exposure time is presumed to precede the effective date of the appraisal). The opinion of marketing time uses some of the same data analyzed in the process of developing a reasonable exposure time opinion as part of the appraisal process and it is not intended to be a prediction of a date of sale or a one-line statement.

We believe, based on the assumptions employed in our analysis and our selection of investment parameters for the subject, that our value conclusion represents a price achievable within nine (9) months.