



This is the 1st affidavit
of Navjeet Gill in this case
and was made on June 16, 2025

No. VLC-S-S-253697
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

INSTITUTIONAL MORTGAGE CAPITAL CANADA INC., in
its capacity as general partner of IMC LIMITED PARTNERSHIP

PETITIONER

AND:

MORTISE (SCOTT ROAD RESIDENTIAL) HOLDINGS LTD.,
MORTISE (SCOTT ROAD OFFICE) HOLDINGS LTD.,
MORTISE (SCOTT ROAD COMMERCIAL) HOLDINGS LTD.,
1048799 B.C. LTD., BALJIT SINGH JOHAL, BANCORP
BALANCED MORTGAGE FUND II LTD., BANCORP
GROWTH MORTGAGE FUND II LTD., BANCORP
FINANCIAL SERVICES INC., MANDATE MANAGEMENT
CORPORATION, G4 CONSTRUCTION LTD., BULAND
CONSTRUCTION LTD., LIFETIME CONSTRUCTION LTD.,
BEST CANADIAN HOMES LTD., GILL 22 CONSTRUCTION
LTD., 1370395 B.C. LTD., HARJUS CONSTRUCTION LTD.,
AND 1507718 B.C. LTD.

RESPONDENTS

AFFIDAVIT

FORM 109 (RULE 22-2(2) AND (7))

I, Navjeet Gill, businessperson, c/o 3200 - 650 West Georgia Street, in the City of Vancouver,
Province of British Columbia, AFFIRM AND SAY AS FOLLOWS:

1. I am the chief financial officer ("CFO") of the Mortise Group of Companies which is a residential and commercial real estate development company. The respondents, Mortise (Scott Road Residential) Holdings Ltd., Mortise (Scott Road Office) Holdings Ltd., Mortise (Scott Road Commercial) Holdings Ltd. ("Mortise") and 1048799 B.C. Ltd., are part of the Mortise Group of Companies (collectively to be referred as "Mortise" hereinafter), and as such I have personal knowledge of the matters and facts herein

deposed to save and except where the same are stated to be made upon information and belief and as to the latter I verily believe them to be true.

2. I am authorized to make this affidavit on behalf of Mortise.

The Lands

3. The lands subject to this proceeding – i.e. 8140 120th Street, Surrey, British Columbia (the “Lands”), is a strip mall known as “Scott Road Centre” which is located at 8140 120th Street, Surrey, British Columbia. The strip mall is comprised of retail, office and restaurant tenants. The rental demand remains high – only 2,600 square feet of the approximately 38,000 square feet comprising the strip mall remains vacant and that is by Mortise’s choice.
4. Paragraphs 33-34 of the affidavit #1 of Ryan Fernandes state that:
 - (a) Mortise cannot cover interest payments from rental income from the Lands;
 - (i) In response, the rental income from the Lands has not been Mortise’s sole source of funds to pay the Mortgage. This is demonstrated by the fact that, until the February 1, 2025 maturity date, Mortise was up to date on all payments to the petitioner;
 - (b) It appears that various tenants’ contract ceased in 2025 which will reduce the cashflow;
 - (i) In response, while some tenancy terms end in 2025, those tenants have either renewed their leases at higher rates, or Mortise is in the process of finalizing those renewals.

Efforts to Sell the Lands

a) First Contract to Sell the Lands

5. In or about February 2024, Mortise entered into a contract of purchase and sale to sell the Lands for \$32M (the “First Contract”). Mortise was paid a \$3.2M deposit (not a \$3.4M

deposit, as alleged at paragraph 14 of the affidavit #1 of Ryan Fernandes (the “Fernandes Affidavit”). Mortise provided the petitioner with a copy of the First Contract.

b) Registration of the Bancorp Second Mortgage

6. As part of the transaction relating to the First Contract, Mortise obtained a second mortgage from Bancorp (the “Bancorp Second Mortgage”).
7. Citifund mortgage broker, John Good, assisted Mortise in obtaining the Bancorp Second Mortgage. Mr. Good is at the same brokerage that assisted Mortise in obtaining the petitioner’s mortgage (the “IMC First Mortgage”).
8. Paragraph 20 of the Fernandes Affidavit alleges that the petitioner was first notified of the Bancorp Second Mortgage on October 29, 2024 when it received the commitment letter from Bancorp. In response, I disagree. Based on my discussions with Mr. Good, I understand from him that he kept Darren Schmidt (the managing director at the petitioner) informed of Mortise’s application for the Bancorp Second Mortgage and Mr. Schmidt did not raise the terms of the petitioner’s commitment letter as a bar to Mortise obtaining the Bancorp Second Mortgage.
9. An analyst at the petitioner, Vincent Slawski, raised the registration of the Bancorp Second Mortgage with me by email on January 14, 2025. I responded that the I understood that the Bancorp Second Mortgage was disclosed to Mr. Schmidt.
10. Mortise did not seek to hide, or purposely breach any agreement with the petitioner, by registration of the Bancorp Second Mortgage. The petitioner remains in first priority position in respect of the Lands.
11. In any event, as confirmed by paragraph 20 of the Fernandes Affidavit, the petitioner received the Bancorp commitment letter on October 29, 2024 which was prior to the registration of the Bancorp Second Mortgage. The petitioner did not assert the Bancorp Second Mortgage as a default of the IMC First Mortgage and continued to engage in

discussions with me regarding the payout of the IMC First Mortgage and, subsequently, the renewal of the IMC First Mortgage until mid-January 2025 (details of which are referred to at paragraph 15 below).

12. The purchaser ultimately did not complete the purchase of the Lands under the First Contract by the November 30, 2024 completion date. Mortise was not at fault for the failed completion and was entitled to the deposit.
13. Paragraph 30 of the Fernandes Affidavit raises Mortise's use of the deposit on another project (instead of paying it the petitioner) as an example of petitioner's "lost confidence" in Mortise to repay the loan in full. In response, the petitioner and Mortise did not enter into any agreement regarding the payment of the deposit to the petitioner, nor did the petitioner ever seek this agreement with Mortise. At the time Mortise retained the deposit, the IMC First Mortgage was in good standing.
14. Shortly after the collapse of First Contract, on December 2, 2024, I emailed Mr. Fernandes to seek a one year renewal of the IMC First Mortgage with a goal of giving Mortise additional time to work on another sale.

Discussions Regarding Renewal of IMC First Mortgage

15. Between December 2024 to January 2025 I engaged in various emails and Teams meeting with representatives of the petitioner regarding a renewal of the IMC First Mortgage. Our communications culminated in our final Teams meeting between Joe Saso, Vincent Slawski, and myself on January 15, 2025. At this meeting, I was informed that they wanted to present the proposed renewal internally and would inform me of the renewal decision shortly. The IMC First Mortgage was in good standing.
16. I did not receive a response from the petitioner regarding the renewal decision. Instead, on or about February 5, 2025, the petitioner issued a demand letter based on the failure to repay the Mortgage by the maturity date on February 1, 2025.

Second Contract to Sell the Lands

17. On or about February 19, 2025, Mortise entered into a contract of purchase and sale to sell the Lands for \$34M (the “Second Contract”). Mortise provided the petitioner with a copy of the Second Contract.
18. The original completion date was May 12, 2025 but the purchaser subsequently asked for a two to three week extension. During this extension period, on May 14, 2025, the petitioner filed the petition which the purchaser received notice of. As a result of the petition proceeding, the purchaser sought a reduction in the purchase price which Mortise did not agree to.

Engagement of Attivo Capital

19. Mortise has engaged Attivo Capital and is currently working with them to find a purchaser of the Lands.
20. Attached hereto and marked as **Exhibit “A”** is a true copy of the “About Us” page from the Attivo Capital website summarizing the expertise of the Attivo Capital team.

Further Response to Fernandes Affidavit

21. Paragraph 29 of the Fernandes Affidavit alleges that “on several occasions” Mortise’s payments to the petitioner did not clear and were returned “not sufficient funds”. In response, these isolated occasions were the result of a change to the clearance policy of funds at Community Savings Credit Union. On August 1, 2024, I emailed the petitioner to notify the petitioner of this change and that the payment would not be processed.

Significant Equity in the Lands

22. On or about April 1, 2025, Mortise obtained an appraisal from L.W. Property Advisors of the Lands which valued the Lands at \$34,000,000 as at March 8, 2025 (“L.W. Appraisal”).
23. Attached hereto and marked as **Exhibit “B”** is a true copy of the L.W. Appraisal.
24. Attached hereto and marked as **Exhibit “C”** is a true of the BC assessment for the Lands.

AFFIRMED BEFORE ME at Vancouver,
in British Columbia, on June 16, 2025

A Commissioner for taking affidavits within
British Columbia

SALMAN Y. BHURA
Barrister and Solicitor
3200 VANCOUVER CENTRE
650 W. GEORGIA ST.
VANCOUVER, B.C. V6B 4P7

(Print name or affix stamp of commissioner)

Navjeet Gill

ATTIVO CAPITAL

ABOUT US

With a combined team that has significant experience in real estate development, capital raising, funding, brokerage and construction, we specialize in creating innovative financial solutions for your commercial real estate projects. We understand the complexities of the market and leverage our extensive network, knowledge and experience to structure deals that maximize value for all parties involved. We are committed to deliver tailored solutions that drive success.

OUR TEAM

This is Exhibit "A" referred to in the	
affidavit of	Navjeet Gill
sworn before me at	Vancouver, BC
this	16 day of June, 2025
	
A Commissioner for taking Affidavits within British Columbia	



SAM PERERA MBA, CAIA, CF, MBI

Partner

A co-founder of Attivo Capital, Sam Perera, assumes a leadership role in overseeing all mortgage banking and direct lending activities. His key responsibilities include the structuring, negotiation, and monitoring of debt products related to the commercial real estate sector. His expertise extends across a diverse range of industries, including real estate, manufacturing, mining, lumber, agriculture, technology, service sectors and consumer products.

Prior to establishing Attivo Capital, Sam was Principal Broker and founder of Abacus North, a boutique mortgage banking and advisory firm. As well, Sam held prominent finance positions at HSBC Bank Canada, BMO Bank of Montreal, and Noverra Capital Partners. His extensive deal portfolio spans across mergers and acquisitions financing, cash-flow lending, hybrid debt instruments, construction financing, expansion capital, mezzanine financing, and public market offerings.



THOMAS MARTINI

Partner

Thomas Martini is co-founder of Attivo Capital, where he provides strategic leadership, overseeing key business operations with a strong focus on driving growth and strategy.

Thomas is a prominent entrepreneur based in Langley, British Columbia, known for his significant contributions to the manufacturing and real estate sectors. He is President & CEO and founder of Apex Aluminum Extrusions, Lorval Developments and Vitrum Glass.

In recognition of his entrepreneurial achievements, Martini was named the EY Entrepreneur Of The Year® 2023 Pacific Award Winner.



MICHAEL JARVELA

Executive Vice President

Michael is an Executive Vice President at Attivo, where he focuses on loan originations, relationship management and underwriting oversight. Michael brings 15 years of experience in real estate private equity and commercial lending. At Attivo, Michael is responsible for growing and maintaining the mortgage business with a focused strategy in Canada's primary and secondary markets.

Prior to joining Attivo, Michael was an Executive Director in the Mortgage Investments Group of KingSett Capital, where he was responsible for monitoring and originating loan opportunities in British Columbia and Ontario. At KingSett, Michael developed extensive experience in construction, term, bridge, and mezzanine lending. Prior to this, Michael worked at both Bank of Montreal and TD Bank in various lending and credit related roles.



DARREN MCQUEEN

Chief Financial Officer

Darren is responsible for overseeing financial, treasury and cash management functions for Attivo Capital.

Earning his CPA designation in 1998, Darren brings extensive experience in senior leadership positions.



ATTIVO CAPITAL

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MENU

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SOCIALS

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...and the law. He has worked on all facets of real estate, including acquisitions, development, financing, construction, leasing, and property management across a wide range of asset classes—residential, commercial, industrial, hotel, and seniors housing.

Irfan has negotiated complex purchase and sale agreements, overseen due diligence and pre-closing, and advised on large-scale development projects involving rezoning, strata and airspace parcels, and land assembly. His expertise also extends to construction law, lease negotiation, complex dispute resolution, regulatory compliance, corporate structuring, tax, and cross-border legal matters. He previously served as general counsel to major developers, managing legal affairs for projects throughout North America.

...and previously worked as a principal, overseeing all administrative work and managed a full team of 45 staff, maintained positive relations with parents and children in her school district. Alison brings a wealth of experience to our team, having previously worked in administrative roles that demanded precision, adaptability, and a can-do attitude. Alison is responsible for coordinating and overseeing various administrative functions that keep our office running smoothly. Her meticulous attention to detail ensures that schedules are organized, communication flows seamlessly, and resources are efficiently managed. From managing appointments to assisting with administrative tasks, Alison is the backbone of our day-to-day operations.

This is Exhibit " <u>B</u> " referred to in the	
affidavit of	<u>Navjeet Gill</u>
sworn before me at	<u>Vancouver, BC</u>
this <u>16</u> day of	<u>June</u> , 20 <u>25</u>
 A Commissioner for taking Affidavits within British Columbia	

**Appraisal of a Future Mixed-use
Development Site Currently Improved with
a Commercial Development Known as
"Scott Plaza"**



located at:

**8140 120 Street,
Surrey, BC**

effective date of valuation:

March 8, 2025

prepared for:

Gill 22 Constructions Ltd.

April 1, 2025

Our Reference Number: 2502-4952

Gill 22 Constructions Ltd.
307 – 1788 West 8th Avenue
Vancouver, BC, V6J 1P2

Re: APPRAISAL OF A FUTURE MIXED-USE DEVELOPMENT SITE CURRENTLY IMPROVED WITH A STRIP PLAZA LOCATED AT 8140 120 STREET, SURREY, BC

In response to your request, we prepared an appraisal of the above referenced property (the "subject property") with the objective of estimating the current market value of the leased fee interest in the subject property based on its highest and best use "as improved". The purpose and function of the appraisal is to assist the authorized client (Gill 22 Constructions Ltd.) with mortgage financing purposes. The use of our report for any other purpose is expressly denied. We reserve the right to refuse the issuance of the final reliance letter when the report is used and relied on inappropriately, and seek potential damages at our discretion.

The subject site located in the Newton Area within the City of Surrey, in the Lower Mainland of the Province of British Columbia. More specifically, the subject site is located on the east side of 120th Street / Scott Road, south of 82nd Avenue. According to building plans dated January 21, 2025, provided by our client, the subject property comprises a single legal lot with a gross site area of ±135,905 sq.ft. (±3.11 acres). The property is currently zoned CD (Comprehensive Development) and designated for "Commercial" within the Surrey Official Community Plan, and has potential to accommodate a mixed-use development project up to 2.0 FAR.

The subject property is currently guided under the CD (Comprehensive Development) and designated "Commercial" within the City of Surrey's OCP. Inquiry at the City of Surrey Zoning and Planning Department indicates a Project Application (25-0037) has been submitted in order to rezone the westly portion of the site (approx. 5,688 sq.m.) from CD to CD (based on RM-135), to subdivide from one (1) lot into two (2) lots, and to develop a 6-storey mixed-use building with 122 residential units and 3,611 sq.m. of commercial space to include retail, office and daycare space.

The rezoning application, subdivision application, and development permit application are all at the "Initial Review" stage of the planning process. According to a copy of Building Plans dated January 21, 2025, our client intends to construct a low-density, 6-storey mixed-use project on the subject site. The proposed project includes ground-level retail space, second level office and daycare space, and residential units on the 3rd to 6th levels. The total proposed development density is $\pm 121,718$ sq.ft. and illustrates 1.99 FSR based on the gross site area of $\pm 135,905$ sq.ft.

As of the effective date of valuation, the subject property is improved with a 2-storey ground oriented strip mall plaza demised into various units to accommodate various retail, restaurant, institution, consultant, and service tenants. Based on our cursory inspection, the buildings have been well maintained over its years of operation. The existing commercial uses of the subject buildings and units appear to conform to the current CD zoning. Proximity to public transportation, commercial establishments, shopping and entertainment, parks and schools is considered to be attractive to many residential and commercial occupiers.

Based on a rent roll dated February 1, 2025, provided by our client, the subject improvement only has one vacant unit, a 200 sq.ft. space on the second floor, indicating a very low vacancy rate. The improvements are generating significant income to the property owner. The building is expected to have a life expectancy of $\pm 30 - 35$ years with continued regular maintenance and repairs. Demand for commercial retail and residential premises within the subject area continues to be stable given its location along 120 Street, a major commuter route and commercial corridor. It is our opinion that the subject improvements are able to capture its market share.

Based on the preceding factors, we have concluded that the highest and best use of the subject property as improved, is the continuation of the existing commercial use for the remaining economic life of the subject improvements, pending redevelopment in line with the City of Surrey's OCP and long-term vision.

We have utilized the Income Approach to derive at our final estimate of market value of the subject property as of the effective date of the valuation. After consideration of all factors pertinent to value, it is our opinion that the current market value of the subject property, subject to the Assumptions and Limiting Conditions herein, as of March 8, 2025, are

Stabilized Net Operating Income: \$994,813 per Annum (Based on Contractual Rents)

Income Approach: \$33,160,000

Direct Comparison Approach: \$34,100,000

Final Estimate of Value: \$34,000,000

A report and addenda is attached and forms the basis of this opinion. Your attention is directed to the Terms of Reference and the Assumptions and Limiting Conditions herein, which may impact our opinion. This report has been prepared to meet the Canadian Uniform Standards of Professional Appraisal Practice.

If you have any questions or require clarification, please do not hesitate to contact the undersigned.

Yours truly,

L.W. Property Advisors Ltd.



Per: Rose Wang
B. Com., AACI, P. App.
AIC Membership No. 902311
Signed: April 1, 2025

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addenda

Appendix "A"	Copy of the Title Document
Appendix "B"	Copy of the CD Zoning Bylaw
Appendix "C"	Copy of Contract of Purchase and Sale dated February 18, 2025
Appendix "D"	Copy of Rent Roll dated January 29, 2025
Appendix "E"	Qualifications of the Appraiser

1.0 SUMMARY OF SALIENT FACTS

Effective Date of Valuation:	March 8, 2025						
Civic Address:	8140 120 Street, Surrey						
Type of Property:	Ground-Oriented Strip Mall						
Existing Improvements:	Retail strip comprising retail, office and restaurant units						
Gross Site Area:	±135,905 sq.ft. (3.11 acres) (Based on Building Plans dated January 21, 2025 provided by client)						
2025 Property Assessment:	<table><tr><td>Land</td><td>\$15,021,000</td></tr><tr><td><u>Building</u></td><td><u>\$12,779,000</u></td></tr><tr><td>Total</td><td>\$27,790,000</td></tr></table>	Land	\$15,021,000	<u>Building</u>	<u>\$12,779,000</u>	Total	\$27,790,000
Land	\$15,021,000						
<u>Building</u>	<u>\$12,779,000</u>						
Total	\$27,790,000						
2024 Property Tax:	\$228,533.10						
Current Zoning:	CD (Community Commercial Zone)						
Official Community Plan:	"Commercial"						
Leasable Area:	±35,858 sq.ft. (According to a copy of rent roll summary dated February 1, 2025. We were not able to obtain actual measurements of the improvements)						

SUMMARY OF SALIENT FACTS**(Continued)****CONCLUSIONS****Remaining Economic Life:****±30-35 Years****Highest and Best Use:****As-Improved**

Continuation of the existing commercial uses for the remaining economic life of the subject building and units

As-Vacant

Holding property pending City approvals for redevelopment to a higher density residential or mixed-use project consistent with the general guidelines set out by the City.

Stabilized Net Operating Income:**\$994,813 per Annum (Based on Contractual Rents)****Income Approach:****\$33,160,000****Direct Comparison Approach:****\$34,100,000****Final Estimate of Value:****\$34,000,000**

2.0 DEFINITION OF THE APPRAISAL EXERCISE

EFFECTIVE DATE OF VALUATION

This appraisal reflects value estimates as of March 8, 2025 the date of inspection.

TERMS OF REFERENCE

We have been instructed by our authorized client (Gill 22 Constructions Ltd.) to prepare an appraisal report of the subject property as of the effective date of valuation. The purpose of the appraisal is to estimate the current market value of the leased fee interest in the subject property based on its highest and best use "as improved". The function of this report is to assist our client with mortgage financing purposes.

SCOPE OF APPRAISAL

The scope of this appraisal encompasses the research and analysis necessary to provide an estimate of market value for the subject property in accordance with the Canadian Uniform Standards of Professional Appraisal Practice. In the preparation of this appraisal, we have conducted a complete market analysis including the following:

- Rose Wang conducted a cursory inspection of subject property from 120 Street on March 5, 2025. The inspection was cursory in nature, consisting only of visual observations from 120 Street, and walk-inspections of selected commercial units;
- Inspected the neighbourhood and researched market trends and competitive properties;
- Searched the title certificate and verified factual information relating to ownership, property taxes and assessments;
- Other property data (i.e.: site dimensions and zoning) have been compiled from public records at the City of Surrey;
- The building age has been obtained from information gathered during the inspection and information provided by the City of Surrey;
- Determined Highest and Best Use of the property from an analysis of the site, existing improvements, zoning, and financial data;
- Building areas have been based on rent roll and lease agreements provided by our client. We were not able to measure the subject improvements for the purpose of this appraisal and reserve

the right to amend our valuation upon receiving updated information on the subject property;

- We obtained leasing and sales data for comparable properties from our office files, Multiple Listing Service, Co-Star and real estate agents.

STATEMENT OF COMPETENCY

The professional staff at L.W. Property Advisors Ltd. and the appraiser responsible for this valuation have considerable experience in the valuation of income producing properties. In this regard, we have the experience to complete this appraisal assignment and have appraised and analyzed similar properties before.

Listed below are our terms of reference and the extraordinary limiting conditions that apply to this assignment.

- We have relied on the gross leasable areas based on the information provided by our client in valuing the subject property. We reserve the right to amend our value should any remeasurements indicate different areas.
- A full interpretation of the title certificate is beyond the scope of this appraisal and the report is contingent on the expectation that there are no material encumbrances that would affect value unless otherwise noted. However, as these can have a significant impact on the market value and / or marketability, legal advice is recommended.

3.0 DEFINITION OF TERMS

PROPERTY RIGHTS APPRAISED

The property rights appraised in this report are fee simple title ownership, except for normal public limitations. The fee simple interest can be defined as:

"The greatest interest an individual can own in land, or complete ownership in law, subject only to the governmental powers of taxation, expropriation, escheat and police powers."

DEFINITION OF MARKET VALUE

The "Canadian Uniform Standards of Professional Appraisal Practice" (2024 Standards), defines 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 what they consider their best interests;*
- 3. a reasonable time is allowed for exposure in the open market;*
- 4. payment is made in terms of 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.*

DEFINITION OF MARKET RENT

The Appraisal of Real Estate: Third Canadian Edition defines Market Rent as the rental income that a property would probably command in the open market. It is indicated by the current rents that are either paid or asked for comparable space with the same division of expenses as of the date of the appraisal. Market rent is sometimes referred to as economic rent. In this rental valuation report, Market Rent is known as Fair Market Rent.

GROSS LEASE

A **gross lease** is a commercial lease where the landlord pays for the building's property taxes, insurance and maintenance. In a **gross lease** the tenant makes a single payment that generally includes the basic rent and operating costs.

DEFINITION OF TRIPLE NET LEASE

The Appraisal of Real Estate: Third Canadian Edition defines Triple Net Lease as rent whereby the tenant pays utilities, taxes, insurance, and maintenance, and property owner pays for structural repairs only.

GROSS BUILDING AREA

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls; includes both the superstructure floor area and the substructure of the basement area.

GROSS LEASABLE AREA

Total floor area designed for the occupancy and exclusive use of tenants including basements and mezzanines; measured from the centre of joint partitioning to the outside wall surfaces.

NON-USABLE AREA

The difference between the Usable area and the Rentable area is called the Non-usable area. It will include all of the major building corridors, washrooms, janitor closets, electrical rooms, etc. This area may vary over the life of the building as a result of renovations.

USABLE AREA

This method will determine the actual demisable area of a floor used by the client's program. It includes circulation space within an office area, but excludes major building corridors, lobbies, etc. Usable area may vary over the life of a building when corridors or other non-usable areas change as a result of renovations.

COMMON AREA MAINTENANCE (C.A.M.)

Typically, the cost factor allocated to tenants for a proportional share of the operating costs pertaining to common areas such as malls, washrooms, parking lots, etc.

EXPOSURE TIME

Exposure time is the estimated length of time the properties would have been offered prior to a hypothetical market value sale on the effective date of valuation. It is a retrospective estimate based on an analysis of past events, assuming the competitive and open market. It assumes not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable market effort. Exposure time is therefore interrelated with the conclusion of value.

In consideration of these factors, we have analyzed the following:

- Exposure periods of comparable sales revealed during the course of this appraisal;
- Exposure time for similar properties in comparison to the subject properties as published by the *Greater Vancouver and Fraser Valley Real Estate Boards*; and
- Knowledgeable real estate professionals.

Based on the foregoing analysis, an exposure time of 6 to 12 months is reasonable, defensible, and appropriate. L.W. Property Advisors Ltd. assumes the subject would have been competitively priced and aggressively promoted regionally.

4.0 IDENTIFICATION OF THE SUBJECT PROPERTY

CIVIC ADDRESS AND LEGAL DESCRIPTION

8140 120 Street, Surrey, BC

Legal Description: LOT A SECTION 30 TOWNSHIP 2 NEW WESTMINSTER DISTRICT PLAN 84061

PID: 015-570-070

Title Number: CB313206

REGISTERED OWNERS

Mortise (Scott Road Residential) Holdings Ltd. (undivided 55/100 Interest)

Mortise (Scott Road Office) Holdings Ltd. (undivided 39/100 Interest)

Mortise (Scott Road Commercial) Holdings Ltd. (undivided 6/100 Interest)

104-9450 120 Street

Surrey, BC, V3V 4B9

REGISTERED CHARGES

Review of title information for subject property indicated numerous legal notations and charges including an annexed restrictive covenant, easements, and a permit under part 29 of the municipal act, registered on the subject's title. In addition, the following financial charges are registered under the subject title certificate:

- A mortgage (CB313466) and an assignment of rents (CB313467) are registered to Institutional Mortgage Capital Canada Inc. on November 1, 2022, and
- A mortgage (CB1691312) and an assignment of rents (CB1691313) are registered to Bancorp Balance Mortgage Fund II Ltd., Bancorp Growth Mortgage Fund II Ltd., Bancorp Financial Services Inc., and Mandate Management Corporation, on November 4, 2024.

Under the scope of this appraisal, we have assumed that the legal notation and the charges registered on the subject title do not adversely impact the value of the subject property. We recommend the reader to obtain opinion from a legal professional if more in-depth information regarding the charges on title is required. A copy of the title document for the subject property is attached in the Addenda as Appendix "A".

PROPERTY HISTORY

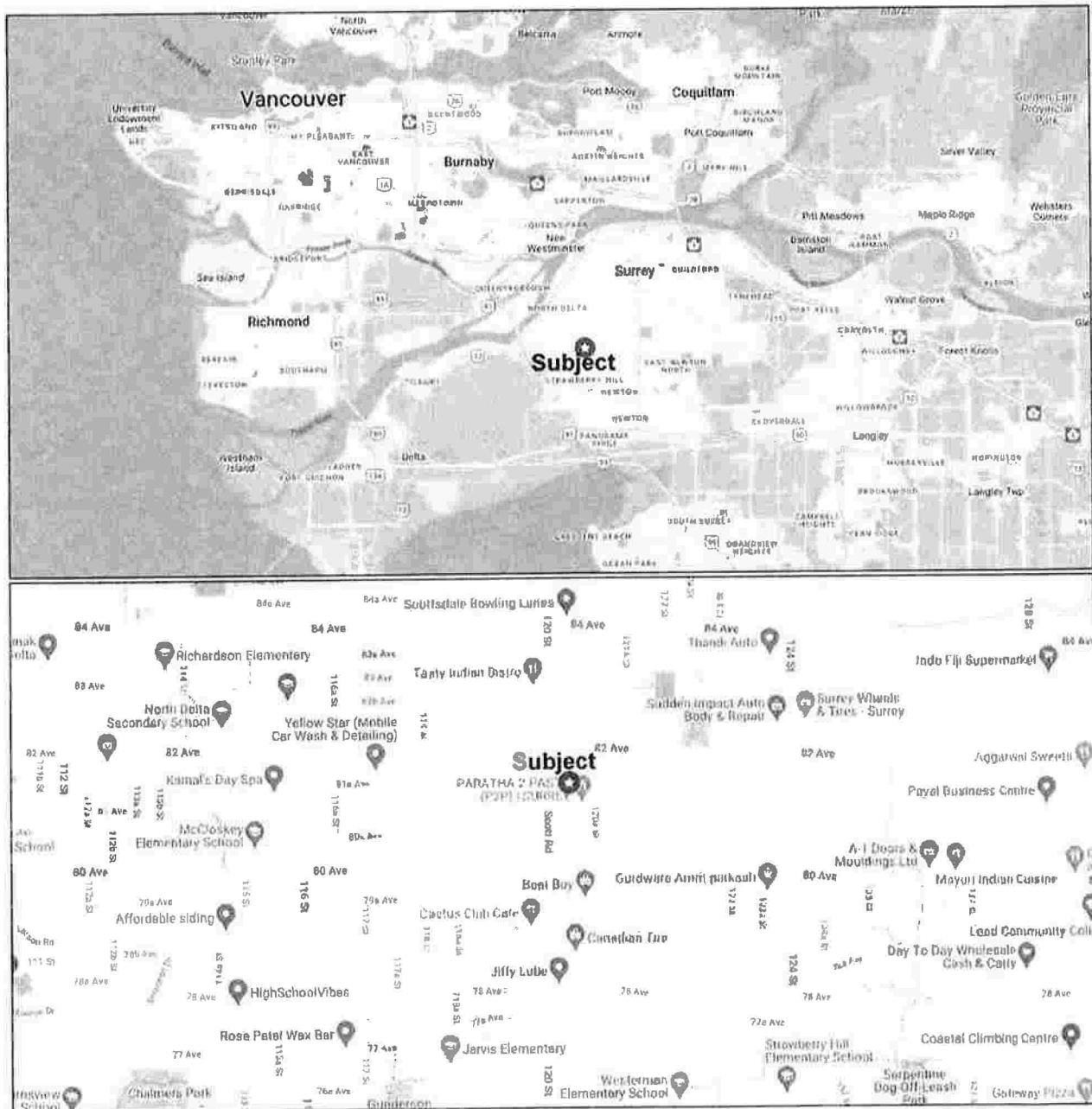
According to a copy of contract of purchase and sale dated February 18, 2025, our client and the current property owner entered into a contract to purchase the subject property for a total consideration of \$34,000,000. Negotiated completion date is set to be May 12, 2025.

According to BC Assessment Records, the current owner of the subject property purchased the subject for a total consideration of \$22,200,000 on November 1, 2022. To the best of our knowledge, the property did not have any other open market transaction recorded within the past 7 years.

5.0 MARKET AREA DESCRIPTION

GENERAL VICINITY

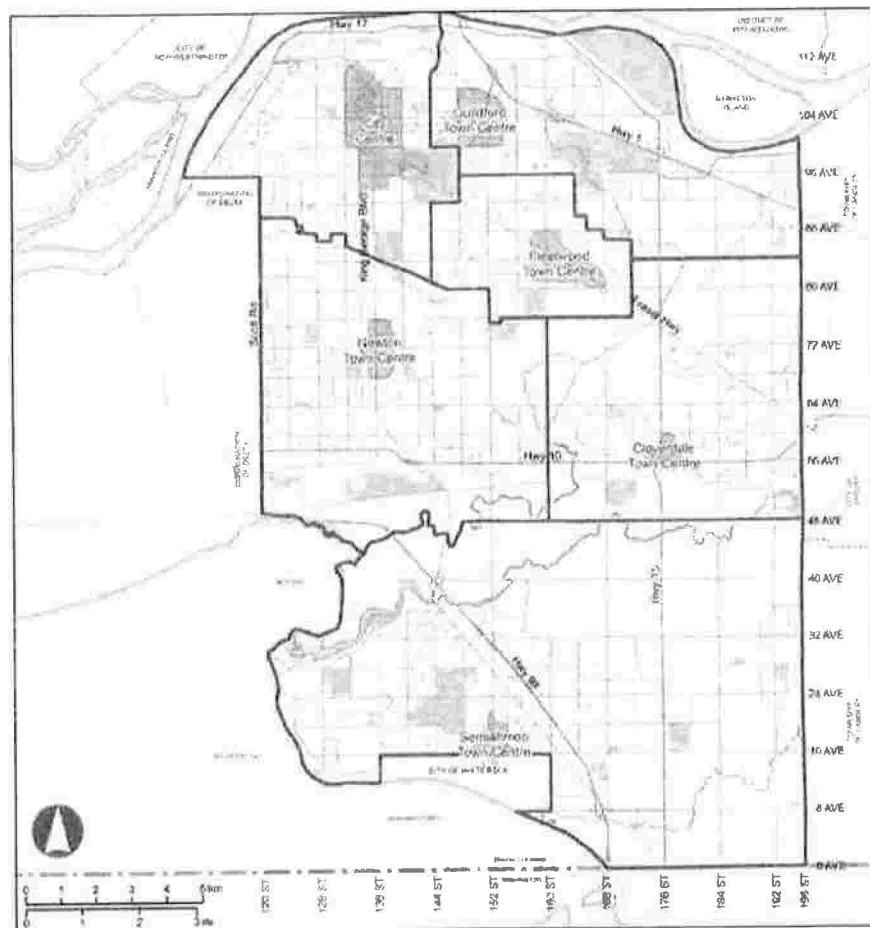
The subject is located in the Newton area within the City of Surrey. More specifically, the subject site is located on the east side of 120th Street / Scott Road, south of 82nd Avenue. The location of the property is identified on the regional and neighbourhood maps illustrated below.



GENERAL AREA DESCRIPTION

Surrey comprises 317 square kilometers and boasts a relaxed lifestyle, residential and city living combined with open country space. Located at the crossroads of the Pacific Rim, Metro Vancouver and the United States, Surrey is accessible to all major cities in the Lower Mainland of British Columbia. The city is well served by highways and railways and is also linked to downtown Vancouver by the region's light rapid transit system (SkyTrain). It has deep sea docking facilities and is located near an international airport.

Surrey is the largest city in BC's Lower Mainland and one of the fastest growing major cities in Canada with the second largest population estimated to be in the region of 568,322 (2021 census) an increase of 9.7% from the 2016 census data.



Source: OCP B2 Policies, Plans Surrey 2013, via the City of Surrey Webpage

NEIGHBOURHOOD AND OCCUPANT ANALYSIS

Newton is generally defined as the area bounded by 88th Avenue to the north, Scott Road to the west, Highway 10 to the south and 152nd Street to the east. The immediate area is also known as the Newton Town Centre and is a commercial node centered on the intersection of King George Highway and 72nd Avenue.

Land uses in the immediate vicinity of the Property is designated primarily for commercial uses. The immediate area surrounding the Property is characterized by extensive commercial uses along 120th Street improved with a number of single and multi-tenant commercial retail and office developments. The area north of 86th Avenue is designated for future high density mixed commercial/ residential and south of 80th Avenue will contain a mix of medium to high density mixed commercial uses. The surrounding North Delta area to the west will remain to be an existing residential neighbourhood consisting of single-family houses and infill, and townhouse developments on 72 Avenue.

120th Street/Scott Road is the dividing boundary between Surrey and Delta and serves as an important commercial corridor on both sides of this north/south arterial roadway. The Property is well located for a variety of commercial and multi-family uses due to its proximity to a residential population and major transportation corridors including 80th Avenue, 84th Avenue, Nordel Way, 128th Street, 88th Avenue, Highway 91 and the Alex Fraser Bridge providing easy access to other major communities. Strawberry Hill and Scottsdale Centre, located just south of the Property is a larger shopping centre mall with a good mix of tenants.

A number of properties within Surrey were recently proposed to be developed with various multifamily or mixed-use project. They include but are not limited to

- **10466 140B Street** Apcon Construction Group of Companies is proposing the development of two, 5-storey apartment buildings consisting of 131 residential dwelling units and Sensitive Ecosystems. The rezoning application (19-0245) achieved third reading on June 14, 2021, while the development permit is sitting at approval to draft, conferred on May 31, 2021. A PLA was issued to consolidate seven lots to one on December 7, 2022.
- **14037 - 14057 103A Avenue** is a proposed six-storey apartment building containing 89 condominium units. The proposal (19-0263) submitted by CitiWest Consulting Ltd. received third

reading status on December 12, 2022, while the development permit achieved approval to draft status on November 14, 2022. Lastly, PLA was issued on December 21, 2022.

- **14069 103 Avenue** Atelier Pacific Architecture Inc. has applied to the city of Surrey to construct a six storey building with 123 units. The proposal (21-0370) is currently at initial review status and includes a rezoning from RF to CD zoning, the development of a six-storey building containing 123 units, and the consolidation of four lots into one lot.
- **14036-14046 103A Avenue** is a proposed six-storey building containing 149 condominium units. The rezoning application and development permit (22-0285) submitted by Flat Architecture Inc. proposed to rezone the site from RF to Comprehensive Development Zone (CD), consolidate the site from five lots to one lot, and allow the development of a six-storey residential apartment building. The rezoning application and development permit received third reading on April 8, 2024, while the subdivision plan is currently at approval to draft status.
- **Zenith (14297 103A Avenue)**, Gurpreet Nijjer has applied to the City of Surrey to develop a six-storey apartment building with 66 dwelling units and underground parking at 14275, 14297 103A Avenue and 10365 143 Street. The application achieved third reading on December 18, 2023, the development permit is at approval to draft stage, and the PLA was issued on March 7, 2024.
- **14328 104 Avenue** is a six-storey mixed-use building consisting of 5 commercial units and 139 residential units atop a two-level secured underground parkade. The proposal (17-0196) submitted by Jatinderpal Singh Sidhu is currently sitting at initial review stage.
- **10515 138 Street** is a proposed six-storey residential building demised into four levels of market apartments above a two-storey townhouse base atop two levels of underground parking. The application (18-0096) proposes to rezone the site to CD (based on RM-70) and develop a 6-storey apartment building consisting of approximately 28 dwelling units. The rezoning application received third reading on April 26, 2021, and the development is currently at approval to draft status. Additionally, a PLA letter was issued on May 12, 2021, and extended on December 6, 2022.

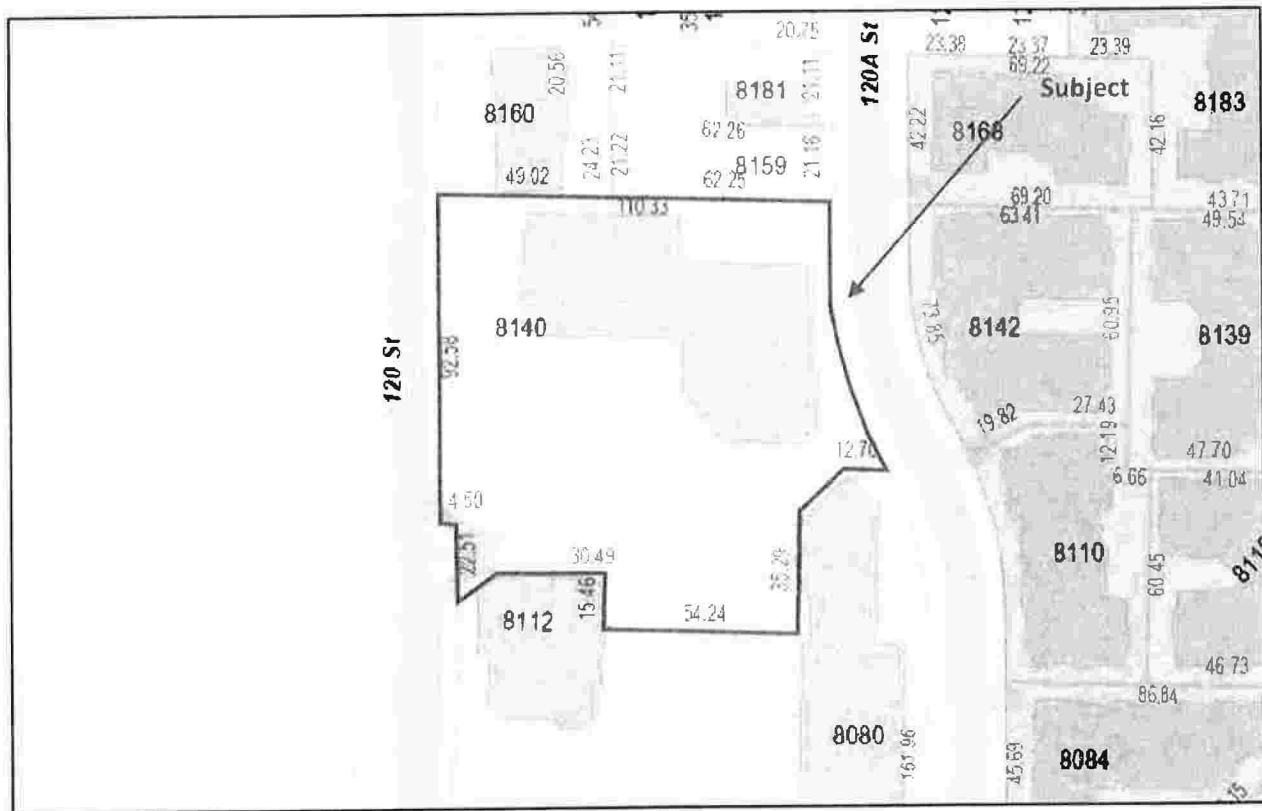
SUMMARY

In conclusion, the subject neighbourhood is considered a highly desirable location for mixed-use residential/commercial development given its location and proximity to the surrounding arterial roadways, various shopping centres and various commercial establishments. No adverse location influences detrimental to the property's market potential or use potential are noted. In conclusion, the location is considered to be a viable and desirable location for mixed-use development.

6.0 SITE DESCRIPTION

SITE DIMENSIONS

The subject property comprises a single irregular shaped legal lot with a gross site area of $\pm 135,915$ sq.ft. (± 3.11 acre), according to Building Plans dated January 21, 2025 provided by client. The subject has approximately ± 378 feet of frontage along the east side of 120 Street, and ± 254 feet of frontage along the west side of 120A Street. A site map obtained from the City of Surrey GIS map is illustrated below.



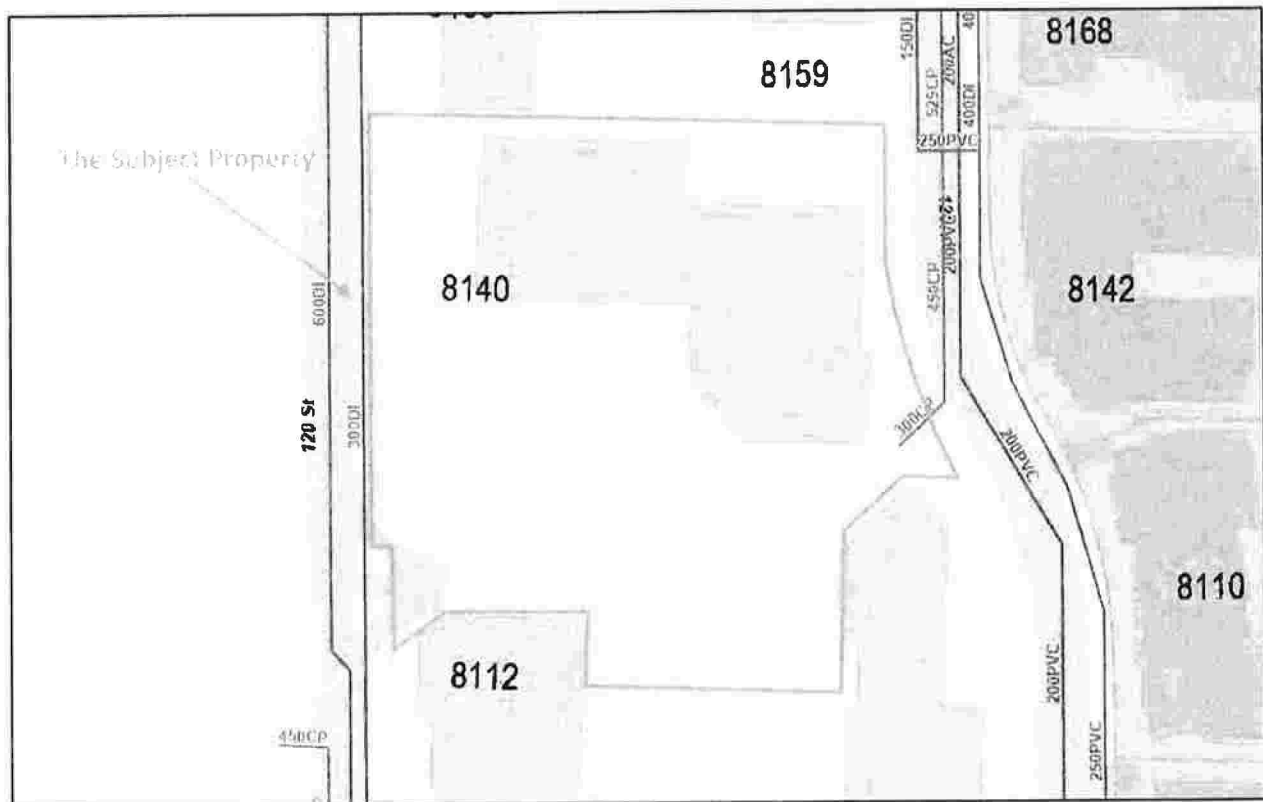
TOPOGRAPHY

The topography of the subject property is generally level without significant change in elevation from one point to another. We were not provided with any soil analysis for the site nor an environmental assessment. No such studies were commissioned in conjunction with this appraisal. It is assumed in this appraisal that soil conditions will be conducive to urban mixed use and residential development and no special preparation resulting from the presence of toxic fill or other environmentally sensitive waste products is necessary. No opinion is expressed by the appraiser with regard to actual soil conditions as this requires the services of a qualified engineer. The appraiser is not qualified to comment on the

environmental condition of the subject properties, and the subject properties have been appraised assuming free and clear from environmental concerns in this appraisal report.

SITE SERVICES

All municipal services requisite for mixed-use development, including municipal water, sanitary sewer, electricity, gas and telephone, are available to the subject property. No representations are made concerning engineering and servicing requirements as this requires the services of a qualified engineer. We were not provided with any engineering reports regarding the servicing capacity in the area. For the purpose of this appraisal we assume that the current municipal services available to the subject property are adequate for the current improvements. Below is an excerpt from the City of Surrey's Cosmos system, with the storm mains in green, sanitary main in red, and water main in blue.



STREET IMPROVEMENTS

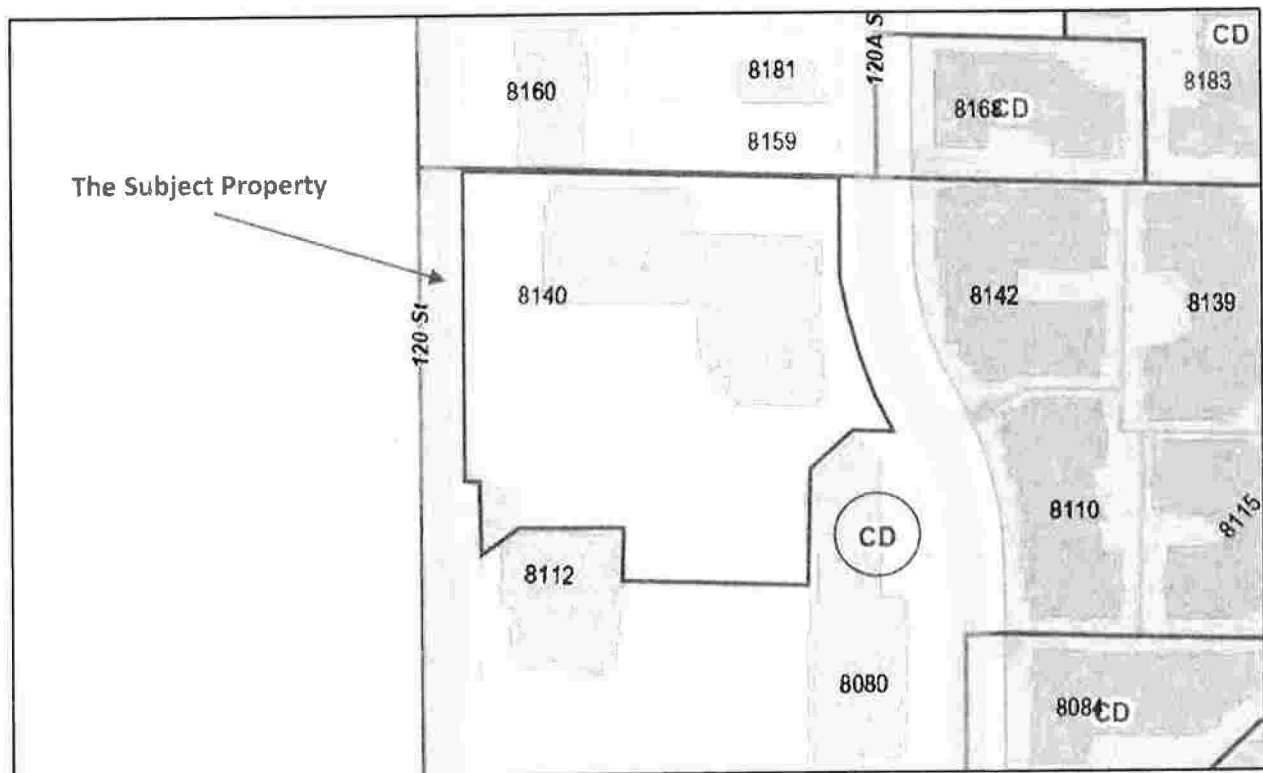
120 Street is an asphalt paved, four-lane major arterial road (two lanes in each direction) running north/south past the western boundary of the subject site. It is improved with curbs, sidewalks, a landscaped central reservation, street lighting and BC hydro poles with overhead power lines. 120A Street is another two-lane, asphalt paved, secondary road but running north/south past the eastern boundary of the subject site. It is improved with curbs, sidewalks, street parking and street lighting. An aerial photo of the subject property, outlined in red, has been included below for reference.



7.0 ZONING AND PLANNING

ZONING

The subject site is zoned CD(Comprehensive Development Zone). The zone is intended to accommodate and regulate the development of uses on one lot or defined area based on a comprehensive plan that conforms to the OCP and corresponding Secondary Plan. The zone appears to include various zoning types and guidelines for each of the designated areas within the CD plan. Generally, the subject appears to be regulated based on the CS Shopping Centre Zone guidelines, according to Zoning By-law 5942. For more details on the permitted uses, heights, setbacks, densities and more, refer to the City of Surrey Zoning By-law No. 5942, which has been included in the addenda as Appendix "B".

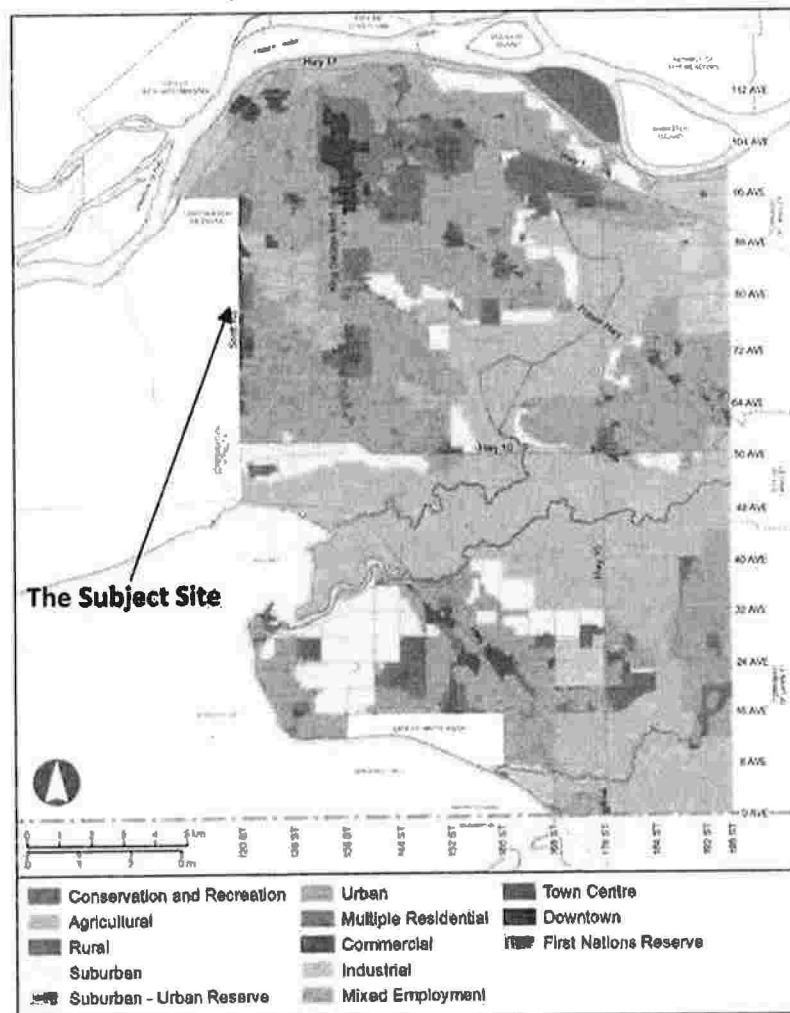


CITY OF SURREY OCP

A comprehensive Official Community Plan (OCP) provide guidance on future land uses in Surrey as well as Neighbourhood Concept Plans (NCP's) / Local Area Plans (LAP's) in some areas. The OCP and NCP's / LAP's are not zoning bylaws, nor do they supersede any existing zoning. They do, however, outline the planning objectives of the City and place some restrictions on the freedom of Council to rezone a property to allow any land use other than one indicated by the plan designations.

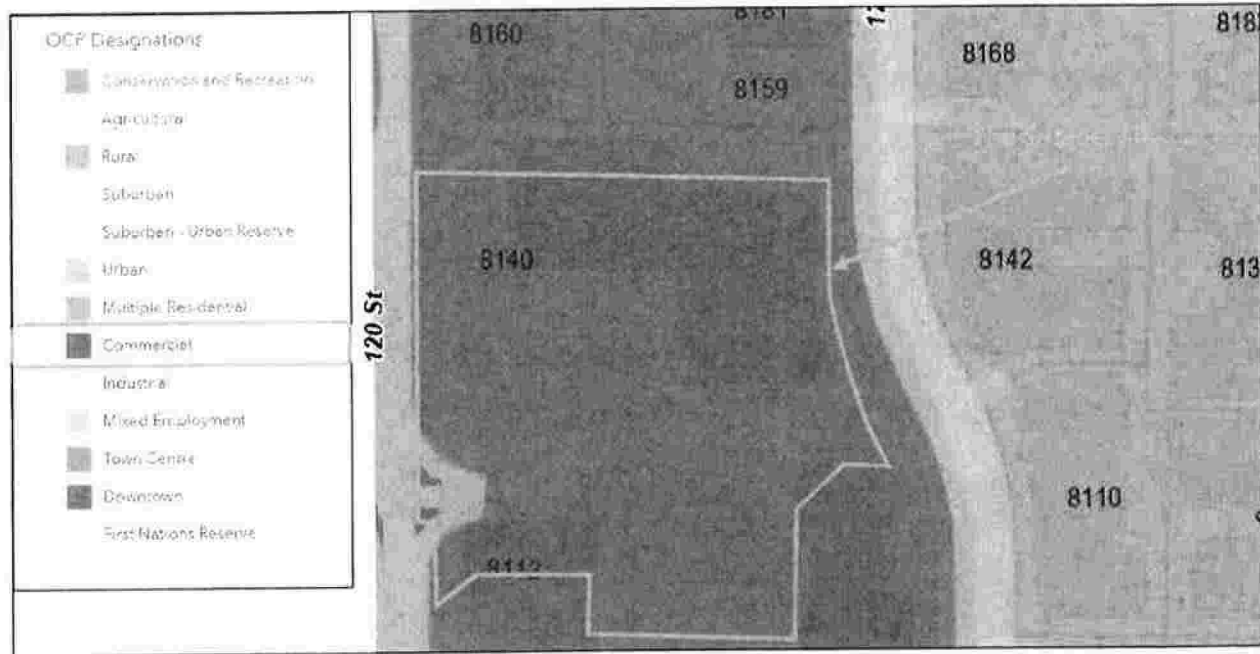
The City of Surrey OCP identifies the subject site as within a Commercial area. An excerpt taken from the City of Surrey OCP General Land Use Designations map is illustrated below.

Figure 3: General Land Use Designations



Source: City of Surrey OCP General Land Use Designations map October 20, 2014, via the City of Surrey Webpage

An excerpt of the OCP obtained from City of Surrey's COSMOS Mapping system is provided below.



Land uses within the "Commercial" designation include retail and stand-alone office uses including institutional offices. Also, multi-unit residential developments are permitted in mixed-use development as long as they include with ground-floor commercial uses. Exceptions to ground-level commercial apply to areas of buildings away from street frontages which may be used to support residential uses but may not be dwelling units. Densities within the "Commercial" designation may range up to 1.5 FAR, or higher if located within Frequent Transit Network Areas, Frequent Transit Development Areas, Urban Centres, and more. The current City of Surrey's Official Community Plan was adopted by Surrey City Council on October 20, 2014, and has been amended and updated continuously. An excerpt taken from the current OCP is shown on the right.

Commercial

The COMMERCIAL designation is intended to support land use and development that is primarily retail and office development. Lands within this designation are intended to be used for commercial and institutional uses, including retail, office, and institutional uses. The current City of Surrey's Official Community Plan (OCP) is shown on the right.

Land uses within the COMMERCIAL designation include retail and stand-alone office uses including institutional offices. Also, multi-unit residential developments are permitted in mixed-use development as long as they include with ground-floor commercial uses. Exceptions to ground-level commercial apply to areas of buildings away from street frontages which may be used to support residential uses but may not be dwelling units. Densities within the "Commercial" designation may range up to 1.5 FAR, or higher if located within Frequent Transit Network Areas, Frequent Transit Development Areas, Urban Centres, and more. The current City of Surrey's Official Community Plan was adopted by Surrey City Council on October 20, 2014, and has been amended and updated continuously. An excerpt taken from the current OCP is shown on the right.

Land uses within the COMMERCIAL designation include retail and stand-alone office uses including institutional offices. Also, multi-unit residential developments are permitted in mixed-use development as long as they include with ground-floor commercial uses. Exceptions to ground-level commercial apply to areas of buildings away from street frontages which may be used to support residential uses but may not be dwelling units. Densities within the "Commercial" designation may range up to 1.5 FAR, or higher if located within Frequent Transit Network Areas, Frequent Transit Development Areas, Urban Centres, and more. The current City of Surrey's Official Community Plan was adopted by Surrey City Council on October 20, 2014, and has been amended and updated continuously. An excerpt taken from the current OCP is shown on the right.

DEVELOPMENT CONSIDERATIONS FOR COMMERCIAL

Densities:

- 1. Density within the COMMERCIAL designation may range up to 1.5 FAR, subject to any applicable limits set out in Figure 10, with the exception of certain areas.
- 2. Density within Figure 10, located within the COMMERCIAL designation may range up to 1.5 FAR, subject to any applicable limits set out in Figure 10, with the exception of certain areas.
- 3. Referencing Figure 10, located within the COMMERCIAL designation may range up to 1.5 FAR, subject to any applicable limits set out in Figure 10, with the exception of certain areas.
- 4. Referencing Figure 10, located within the COMMERCIAL designation may range up to 1.5 FAR, subject to any applicable limits set out in Figure 10, with the exception of certain areas.
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- 7. Referencing Figure 10, located within the COMMERCIAL designation may range up to 1.5 FAR, subject to any applicable limits set out in Figure 10, with the exception of certain areas.
- 8. Referencing Figure 10, located within the COMMERCIAL designation may range up to 1.5 FAR, subject to any applicable limits set out in Figure 10, with the exception of certain areas.
- 9. Referencing Figure 10, located within the COMMERCIAL designation may range up to 1.5 FAR, subject to any applicable limits set out in Figure 10, with the exception of certain areas.
- 10. Referencing Figure 10, located within the COMMERCIAL designation may range up to 1.5 FAR, subject to any applicable limits set out in Figure 10, with the exception of certain areas.

Development Permits:

- 1. Development of multiple residential units with designated development in this designation is subject to the issuance of a Development Permit, in accordance with OCP of the City of Surrey, Section 10.1.

Since the subject property is located along 120 Street (Scott Road) which is an existing frequent transit network area, it is understood that a density of up to **2.0 FAR** is permitted on the subject property.

We noted that the City of Surrey is undertaking a major review of its Official Community Plan, the OCP update will be done in five phases is expected to be completed in the fall of 2025.

PROPOSED DEVELOPMENT

Inquiry at the City of Surrey Zoning and Planning Department indicates a Project Application (25-0037) has been submitted in order to rezone the westly portion of the site (approx. 5,688 sq.m.) from CD to CD (based on RM-135), to subdivide from one (1) lot into two (2) lots, and to develop a 6-storey mixed-use building with 122 residential units and 3,611 sq.m. of commercial space to include retail, office and daycare space. The rezoning application, subdivision application, and development permit application are all at the "Initial Review" stage of the planning process.

According to a copy of Building Plans dated January 21, 2025, the proposed project includes ground-level retail space, second level office and daycare space, and residential units on the 3rd to 6th levels. The total proposed development density is ±121,718 sq.ft. and illustrates 1.99 FSR based on the gross site area of ±135,905 sq.ft. Given the very preliminary planning status of the subject project, we reserve the right to amend upon receiving detailed architectural drawing and planning.

8.0 DESCRIPTION OF THE SUBJECT IMPROVEMENTS

GENERAL DESCRIPTION

The description of the Subject Property appearing herein has been based on our site inspection. Our inspection of the property was visual and completed solely for the purpose of observing the general condition of the subject building. An aerial photograph of the subject property is illustrated below for visual reference, with the subject property roughly outlined in red.



As of the effective date of valuation, the subject property is improved with a ground-oriented strip mall plaza known as "Scott Plaza", a two-storey commercial building demised into smaller units to accommodate various retail, restaurant, institution, consultant, and service tenants. The site also comprises a paved parking lot and vehicular driveways/ circulation space. According to information provided in the rent roll dated February 1, 2025 provided by the landlord, the major tenants include Nav Sweets, Frontier Bridal Shop, Purak Pharmacy, Dairy Queen, Gurjit Gill & Associates, and more. As of the effective date of appraisal, the subject property is fully leased, except for a 2nd floor backspace unit which is vacant. A copy of the rent roll dated February 1, 2025 provided by our client has been included in the Addenda as Appendix "D".

According to the Rent Roll, the subject improvement has a gross rentable area of $\pm 35,858$ sq.ft. The subject building, currently improved as a free-standing retail strip, was constructed circa 1990, abutting a surface parking space with parking lots and driveways. The subject building comprises an irregular shaped space of stucco finished elevations underneath a flat roof, incorporating glazed front entrance and windows.

We note we were not able to obtain actual measurements of the improvements and reserve the right to amend our appraisal report upon receiving updated data. The reported gross leasable areas are summarized within the table below, in accordance with the Rent Roll.

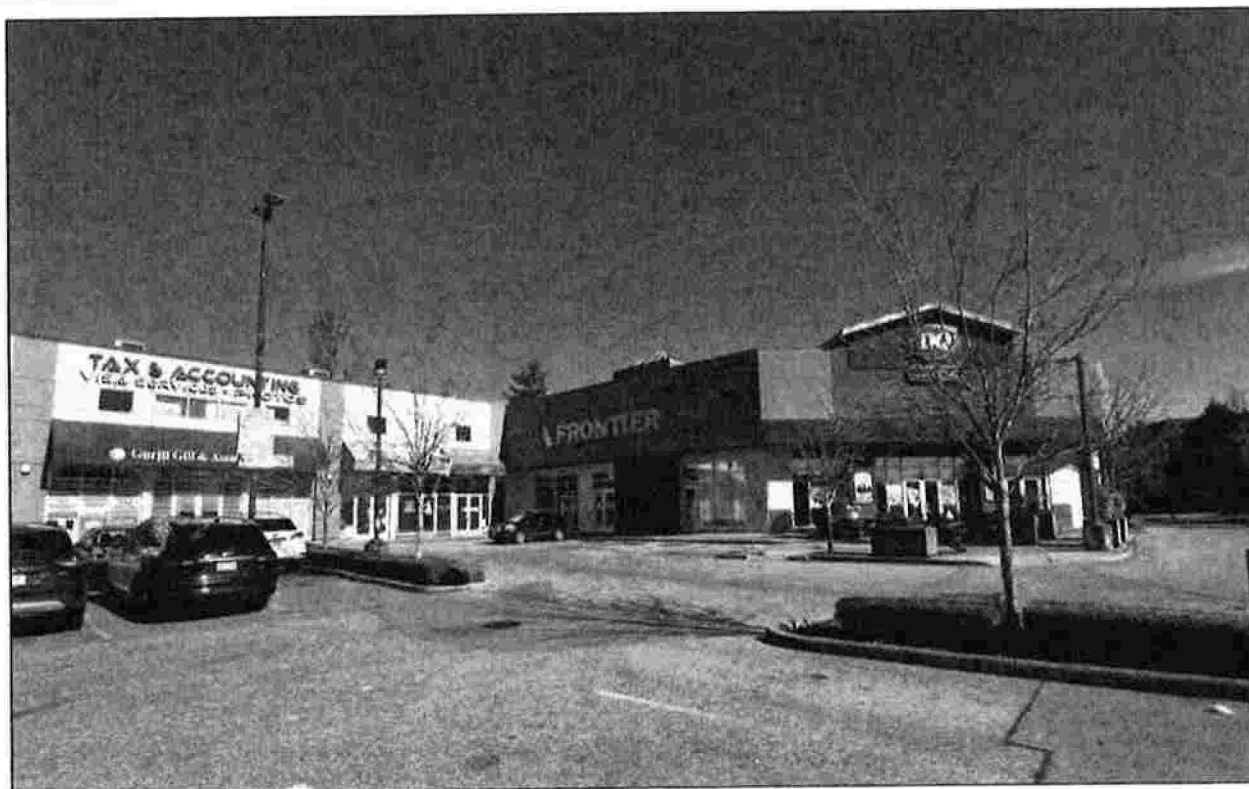
Subject Rent Roll

Unit #	Tenant	Tenancy Type	Leasable Area (sq.ft.)
#100 - 8140 120 Street	Nav Sweets	Restaurant	1,842
#101 - 8140 120 Street	Nav Sweets	Restaurant	1,686
#102 - 8140 120 Street	Nav Sweets	Restaurant	700
#102 - Back - 8140 120 Street	Nav Sweets	Restaurant	2,447
#103 - 8140 120 Street	Gurjit Gill & Associates	Office	3,647
#104 - 8140 120 Street	Purak Pharmacy	Office/Retail	2,663
#105 - 8140 120 Street	Frontier	Retail	12,927
#106 - 8140 120 Street	Delta Ice Cream (Dairy Queen)	Restaurant	2,687
#107 - 8140 120 Street	Desi Rasoi	Restaurant	3,959
#201 - 8140 120 Street	Skye Marketing	Office	2,000
#202 - 8140 120 Street	Skye Marketing	Office	350
2nd Floor - Backspace	Vacant	-	200
#203 - 8140 120 Street	UTA	Office	350
#204 - 8140 120 Street	Orca Transport	Office	400
Occupied Retail Space (Sq.ft.)			35,658
Vacant Retail Space (Sq.ft.)			200
Total Retail Space (sq.ft.)			35,858

Based on the gross site area of $\pm 135,905$ sq.ft. and the approximate gross leasable area of $\pm 35,858$ sq.ft., the subject has an existing FAR of 0.26. This appears to be significantly below the maximum permitted FAR of 2.0 FAR under the subject's designation within the Official Community Plan.

The existing improvements are relatively attractive given the extensive exposure to 120th Street / Scott Road and the extensive surface parking space. It is our opinion that the subject improvement provides average quality accommodations when compared to other local commercial rental premises.

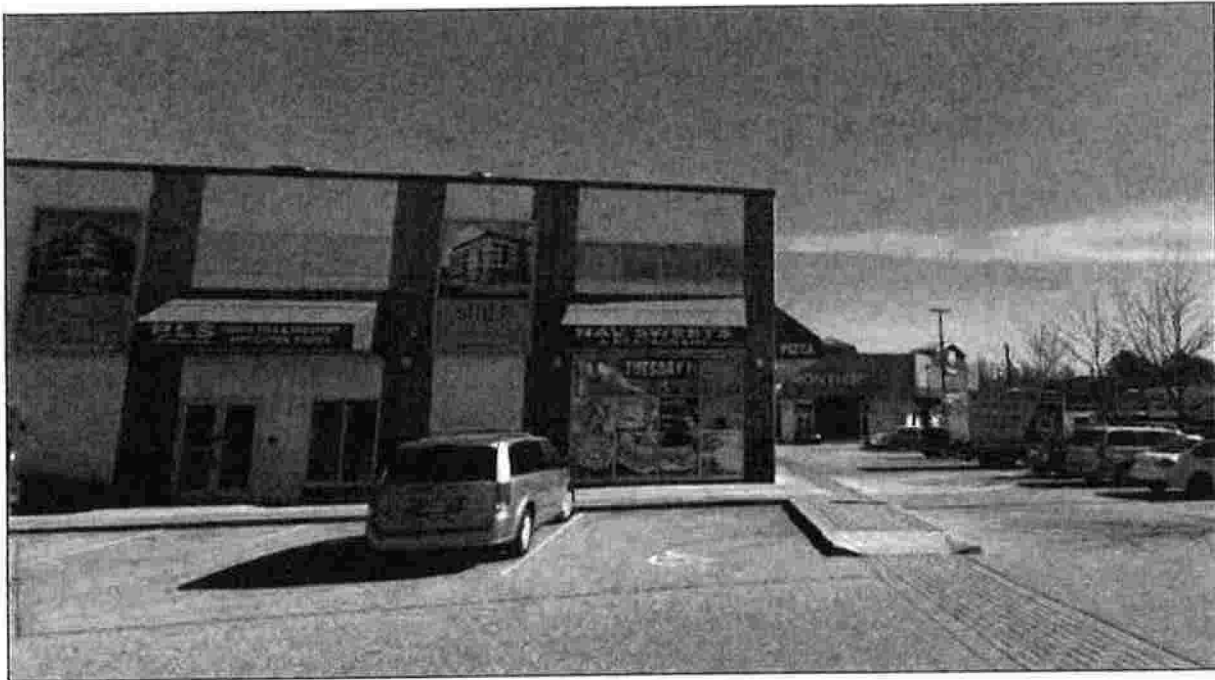
Photograph of the Subject Building



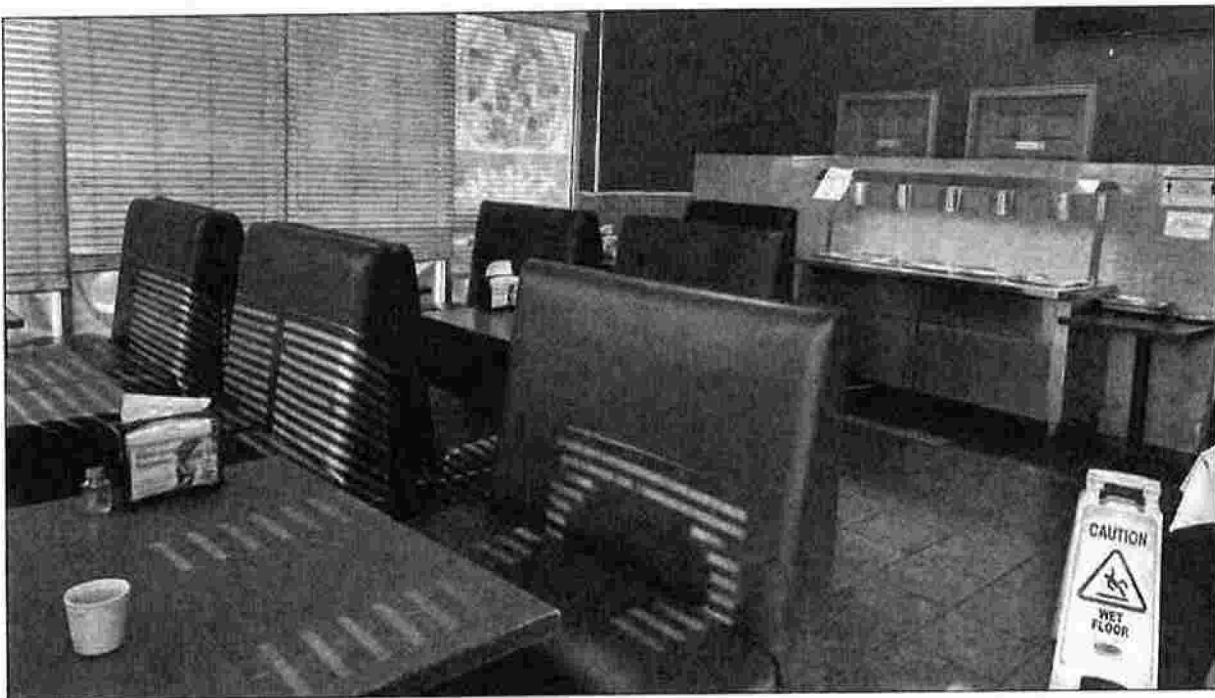
View of the Subject Building and the Surface Parking Space

BUILDING CONDITION

The appraiser is not qualified to give engineering advice pertaining to the structural nature of the buildings. During the course of our inspection, only cursory observations were made and areas inaccessible were not inspected. The appraiser makes no warranty as to the structural capacity of the buildings. For greater certainty, the services of a professional building inspector should be retained. The buildings were constructed circa 1990 according to our client and BC Assessment Records. The chronological age of the buildings is estimated at approximately 30 - 35 years. The remaining economic life of the subject buildings has been estimated at 30 to 35 years, assuming on going regular maintenance and repairs.



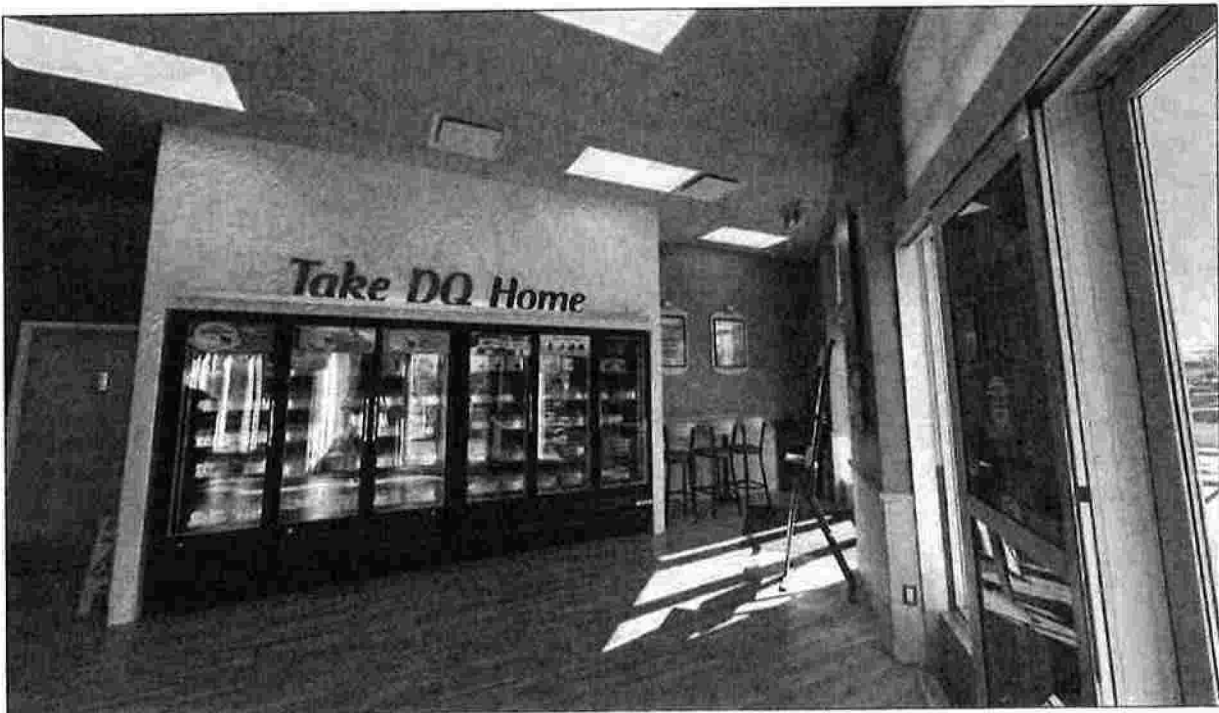
View of the Subject Building Exterior and the Surface Parking Space



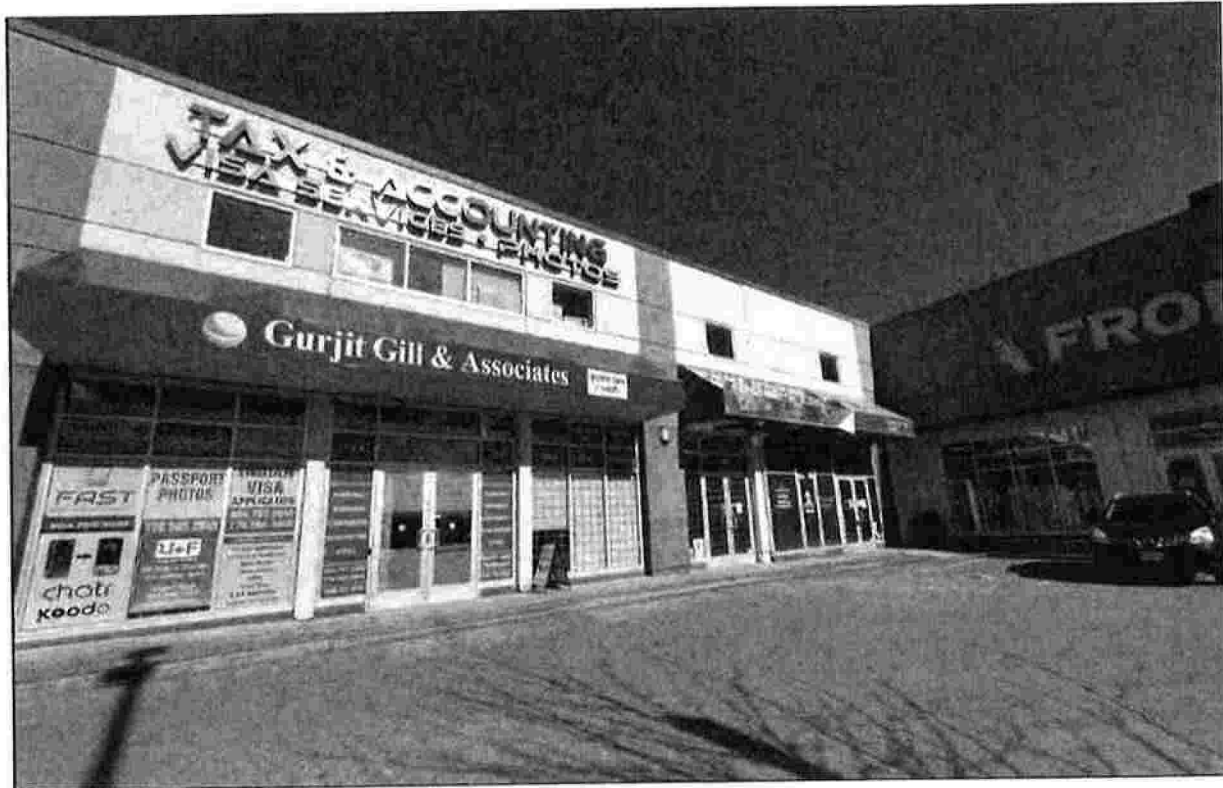
Interior Photo of Unit #100-#102 leased by Nav Sweets



Additional View of the Exterior of the Subject Building taken from Parking Lot



Interior Photo of Unit #106 leased by Delta Ice Cream (Dairy Queen)



Additional View of the Subject Building and the Surface Parking Space



Additional View of the Exterior of the Subject Building (Desi Rasoi)

9.0 HIGHEST AND BEST USE

The definition of "Highest and Best Use" is as follows:

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

Source: (1) Canadian Standards of Professional Appraisal Practice, 2024.

Many factors and appraisal principles become a consideration in the determination of "Highest and Best Use". These include: government regulations, supply, demand, anticipation, balance, surplus productivity, contribution, competition, etc. The definition also includes the presumption that the use is in keeping with the zoning and legal requirements.

The concept of "Highest and Best Use" recognizes that land use patterns can change over a given period and that the optimum use of a site is determined by need or demand at any given point in time. Elements affecting value that are dependent upon events or a combination of occurrences which, while within the realm of possibility, are not shown to be reasonably probable and should be excluded from consideration. This is also the case if the intended use is dependent on the uncertain act of another person.

The subject site located in the Newton Area within the City of Surrey, in the Lower Mainland of the Province of British Columbia. More specifically, the subject site is located on the east side of 120th Street / Scott Road, south of 82nd Avenue. According to building plans dated January 21, 2025, provided by our client, the subject property comprises a single legal lot with a gross site area of ±135,905 sq.ft. (±3.11 acres). The property is currently zoned CD (Comprehensive Development) and designated for "Commercial" within the Surrey Official Community Plan, and has potential to accommodate a mixed-use development project up to 2.0 FAR.

Land uses in the immediate vicinity of the Property is designated primarily for commercial uses. The immediate area surrounding the Property is characterized by extensive commercial uses along 120 Street improved with a number of single and multi-tenant commercial retail and office developments. The area north of 86th Avenue is designated for future high density mixed commercial/ residential and south of 80th Avenue will contain a mix of medium to high density mixed commercial uses. The surrounding North Delta area to the west will remain to be an existing residential neighbourhood consisting of single-family houses and infill, and townhouse developments on 72 Avenue. Highway 91 and the Alex Fraser Bridge provide

easy access to other major communities. Strawberry Hill and Scottsdale Centre, located just south of the Property is a larger shopping centre mall with a good mix of tenants.

The subject property is currently guided under the CD (Comprehensive Development) and designated "Commercial" within the City of Surrey's OCP. Inquiry at the City of Surrey Zoning and Planning Department indicates a Project Application (25-0037) has been submitted in order to rezone the westly portion of the site (approx. 5,688 sq.m.) from CD to CD (based on RM-135), to subdivide from one (1) lot into two (2) lots, and to develop a 6-storey mixed-use building with 122 residential units and 3,611 sq.m. of commercial space to include retail, office and daycare space. The rezoning application, subdivision application, and development permit application are all at the "Initial Review" stage of the planning process.

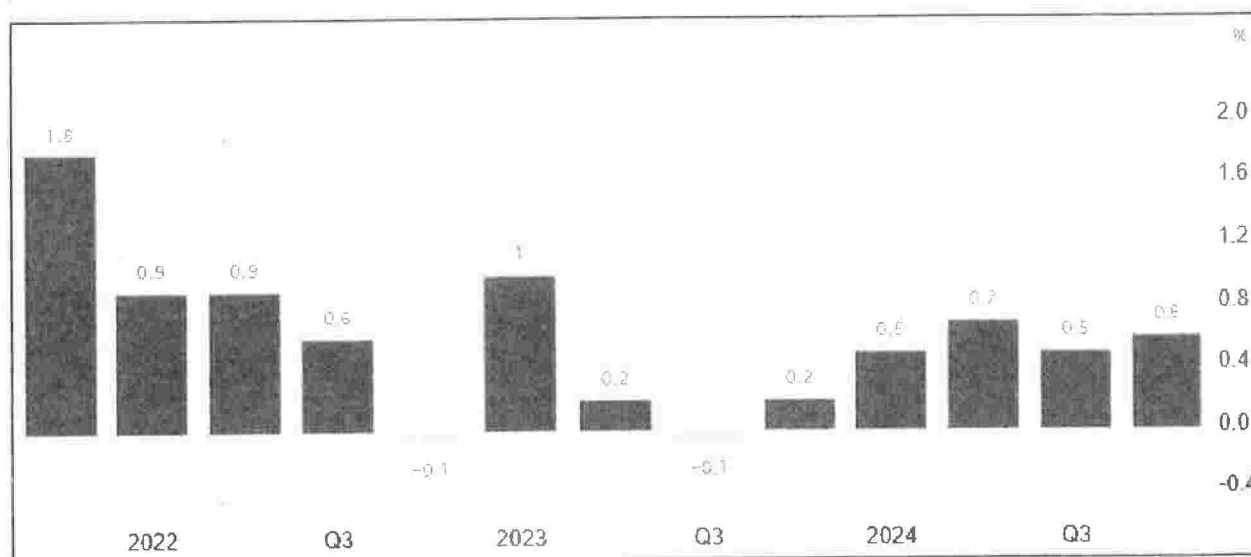
According to a copy of Building Plans dated January 21, 2025, the proposed project includes ground-level retail space, second level office and daycare space, and residential units on the 3rd to 6th levels. The total proposed development density is $\pm 121,718$ sq.ft. and illustrates 1.99 FSR based on the gross site area of $\pm 135,905$ sq.ft.

As of the effective date of valuation, the subject property is improved with a 2-storey ground oriented strip mall plaza demised into various units to accommodate various retail, restaurant, institution, consultant, and service tenants. Based on our cursory inspection, the buildings have been well maintained over its years of operation. The existing commercial uses of the subject buildings and units appear to conform to the current CD zoning. Proximity to public transportation, commercial establishments, shopping and entertainment, parks and schools is considered to be attractive to many residential and commercial occupiers.

Based on a rent roll dated February 1, 2025, provided by our client, the subject improvement only has one vacant unit, a 200 sq.ft. space on the second floor, indicating a very low vacancy rate. The improvements are generating significant income to the property owner. The building is expected to have a life expectancy of $\pm 30 - 35$ years with continued regular maintenance and repairs. Demand for commercial retail and residential premises within the subject area continues to be stable given its location along 120 Street, a major commuter route and commercial corridor. It is our opinion that the subject improvements are able to capture its market share.

MACRO ECONOMIC ENVIRONMENT OVERVIEW

On March 12, 2025, the Bank of Canada announced a further reduction to the overnight rate, bringing it down by 25 basis points to 2.75%. After entering 2025 in a strong position, the Canadian Economy now faces uncertainty and heightened tensions due to tariffs imposed by the United States. Canada's economy grew by 2.6% in Q4 of 2024, following a 2.2% growth in Q3 2024, and past cuts to the interest rate have boosted economic activity, particularly in housing and consumption. Surveys suggest a decrease in consumer confidence and a slow of domestic demand; however, this will be partially offset due to a surge in exports prior to the imposition of tariffs. In January 2025, inflation increased to 1.9% from 1.8% in the previous month, and up from a three year low of 1.6% in September 2024. Inflation remains in line with the 2% target but was slightly higher than expected following the GST/HST suspension. Transportation costs continue to be a leading driver of inflation, with energy prices rising 5.3% in January from the higher prices of gasoline and natural gas. Furthermore, the purchase price of passenger vehicles rose 0.4% in January, which marks the first year over year increase in eight months. GDP has seen steady growth through 2024, after a period of deceleration through 2023. The chart below illustrates the quarterly percentage change in Canada's GDP.

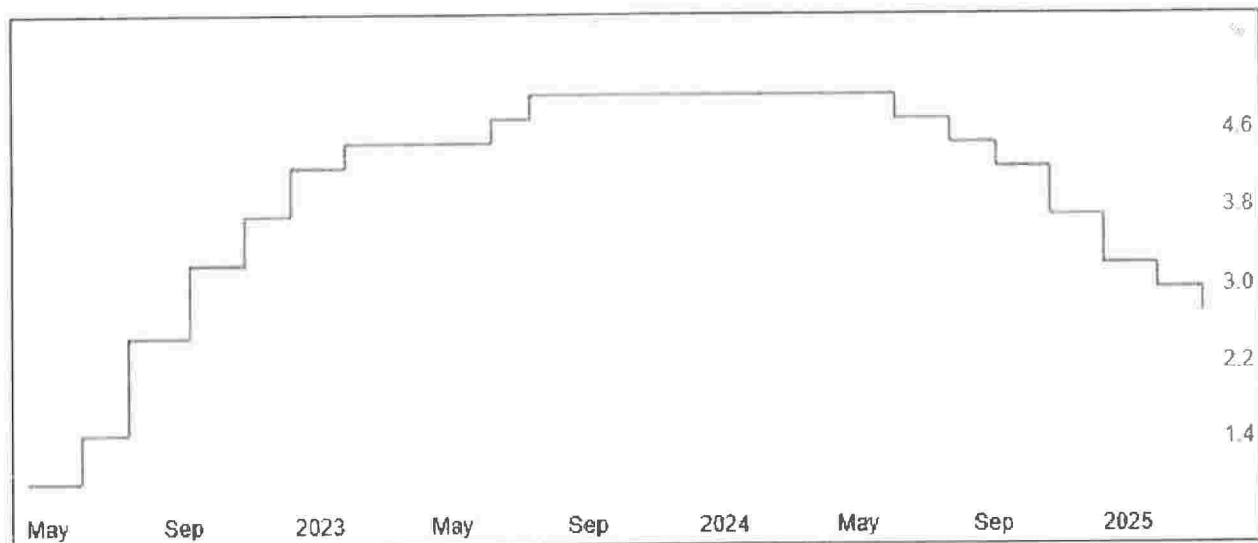


- TradingEconomics (Statistics Canada), Gross Domestic Product, Q4 2024

INFLATION AND INTEREST RATES

Despite strong GDP growth through the end of 2024, the threat and imposition of future and current US tariffs has led the Bank of Canada to decrease the target for the overnight rate to 2.75%. The Bank of Canada continues to ease monetary policy in an effort to spur consumer expenditure in uncertain times, where consumers are hesitant and risk averse. Evidentially, these cuts have illustrated their intended effects already by increasing inventory supply and leading to decelerating shelter cost growth. As the upward pressure of shelter prices gradually diminishes, and the downward pressure from excess supply is absorbed, the Bank aims to keep inflation close to 2% moving forwards. The Bank hopes to ensure that higher prices caused by a trade war to not lead to further and ongoing inflation.

The graph below, published by Trading Economics, illustrates the Bank of Canada's interest rate changes since April 2022 to-date.

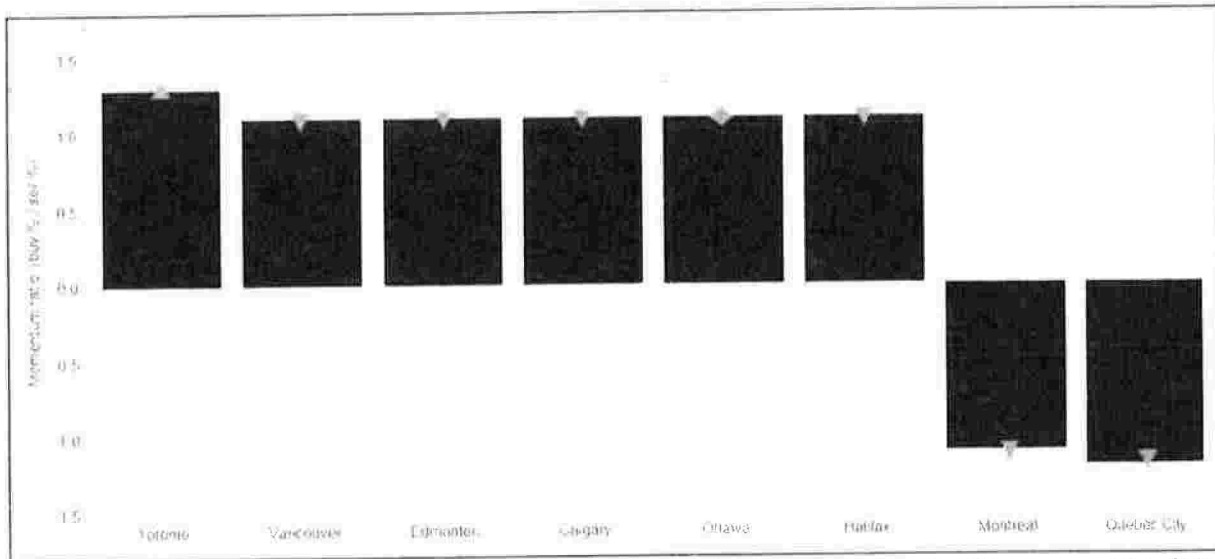


- *Tradingeconomics.com/Canada/Interest-Rate, March 2025*

REAL ESTATE INVESTMENT TRENDS

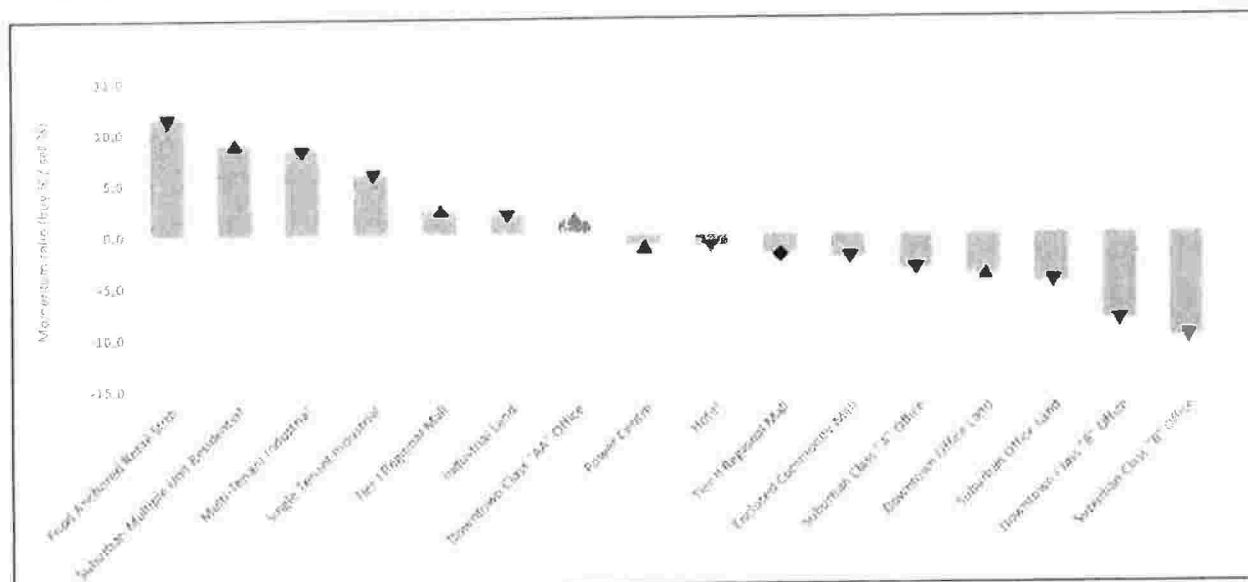
In Altus Group's Canadian CRE Investment Trends Survey for Q4 2024, the top three preferred markets for investors across all asset classes were Toronto, Vancouver, and Edmonton, respectively. Different from Q3 and Q2 2024, the market was sluggish in Q4 2024 reporting a mainly negative momentum ratio (percentage of investors looking to buy/percentage of investors looking to sell) across all markets. Toronto reported an upward momentum ratio indicating that more investors prefer to buy versus sell in this market, whereas Ottawa remained stable. Vancouver, Edmonton, Calgary, Halifax, Montreal and Quebec City reported a downward momentum ratio, indicating that more investors prefer to sell versus buy in

these markets. The chart on the following page has been extracted from Altus Group's Canadian Investment Trends Survey for Q4 2024, illustrating the momentum ratio by location.



- AltusGroup.com, Canadian CRE Investment Trends Survey

The top three preferred property types by investors in Q4 2024 were food-anchored retail strip, suburban multiple-unit residential, and multi-tenant industrial, respectively. As a result of changing consumer behaviour over the last two quarters, retail centres with grocery or big box store anchors continue to be thriving investment opportunities. At the same time, Tier I regional malls and downtown Class "AA" offices have seen an uptick in investor appeal. Through 2024, the Canadian commercial real estate market experienced an approximate 8% decrease in dollar volume transacted compared to last year. Evidentially, the 15 lease preferred combinations revolved around Class-B office and office land assets; however, appeal for residential, industrial, and retail remain stable or improved. The following chart has been extracted from Altus Group's Canadian Investment Trends Survey for Q4 2024, illustrating the momentum ratio by asset type.



- AltusGroup.com, Canadian CRE Investment Trends Survey

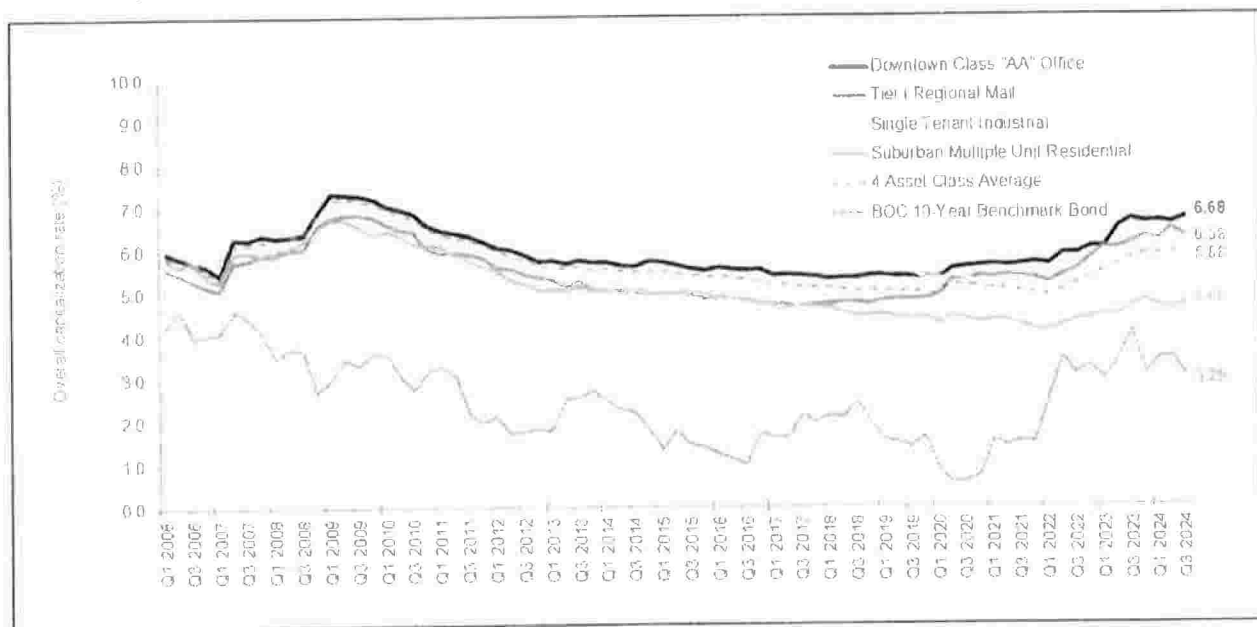
According to the product/market barometer, the top three preferred combinations were multi-tenant industrial in Montreal, suburban multiple unit residential in Montreal, and food-anchored retail strip in Toronto. Challenges created by the residual effects of elevated interest rates and a persistent bid-ask gap have led to investors to wait for more favourable conditions.

CAPITALIZATION RATES

The latest market data from Altus Group's Canadian CRE Investment Trends Survey reveals that the overall capitalization rate (OCR) decreased slightly to 5.88% in Q4 2024, down 3 basis points from the previous quarter. The cap rates are reflective of fewer transactions in Canada and the continued bid-ask price gap between buyers and sellers. With the threat of potential US tariffs and uncertain interest rates, investors are ultimately cautious. As the Bank of Canada focuses on inflationary control measures, the average OCR for the 4 benchmark asset classes was primarily down, except for Tier I Regional Mall, which increased by 10 basis points since Q3 2024. In 2024, the preference for multi-family, industrial, and food-anchored retail strip assets persisted, given their strong underlying demographic and economic fundamentals.

Specifically, cap rates for suburban multiple unit residential decreased to 4.60%, indicating a 0.08% decrease from Q3 2024. Suburban multiple unit residential cap rates across different markets saw mixed results, as Edmonton and Montreal remained unchanged, Vancouver and Toronto reported increases, while Calgary, Ottawa, Quebec City, and Halifax reported decreases. Cap rates for single-tenant industrial decreased slightly to 5.85%, as the national industrial availability rate flattened at 6.30%, as conditions eased due to short-term oversupply. Most markets for single-tenant industrial were down from Q3 2024,

Edmonton remained unchanged, Calgary and Ottawa reported increases, and Vancouver, Toronto, Montreal, Quebec City, and Halifax reported decreases. Downtown class AA office cap rates decreased to 6.68%, as office availability decreased by 60 basis points to 17.5%, quarter-over-quarter. Toronto and Halifax remained unchanged, whereas Vancouver, Edmonton, Calgary, and Quebec City reported increases, while Ottawa and Montreal reported decreases. The only product type to report an increase, Tier 1 regional mall cap rates increased by 10 basis points to 6.38% in Q4 2024. Vancouver, Edmonton, and Calgary remained unchanged, while Toronto, Ottawa, and Halifax experienced increases, and Montreal and Quebec City reported decreases. The chart on the following page has been extracted from Altus Group's Canadian Investment Trends Survey for Q4 2024, illustrating OCR by asset type.



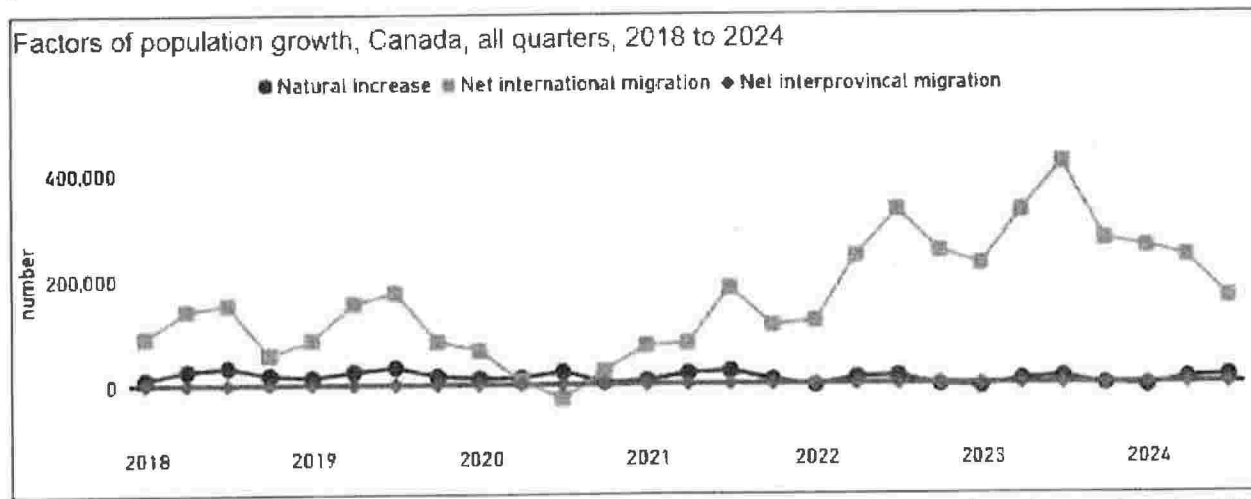
- AltusGroup.com, Canadian CRE Investment Trends Survey

ALTERNATIVE INVESTMENTS

As interest rates fall, it often triggers a value increase on existing bonds or other investments with higher yields compared to newly issued bonds or assets with lower rates. According to Trading Economics, Canada's 10-year government bond yield reached another 15-year high of 4.16% as of October 3, 2023, but has seen continuous drops below the temporary 15-year high. Following the recent January 29, 2025 interest rate cut by the Bank of Canada, the Canada Government Bond 10Y yield reached a 4-month low at 2.95% as of February 5, 2025, decreasing by 28 basis point monthly, and 56 basis points year-over-year.

POPULATION CHANGE IN RELATION TO HOUSING DEMAND

According to a December 17, 2024 release by Statistics Canada, Canada's population was estimated at 41,465,298 on October 1, 2024, growing by 176,699 from July 1, which is equal to a 0.4% increase quarterly. International immigration, including permanent and temporary immigration, has accounted for a majority (92.0%; +162,566) of this growth. Immigration continues to be a major driver of population through 2024 - consistent with 2022 and 2023. Below is a graph displaying the factors of population growth on a quarterly basis within Canada from Q1 2018 to Q3 2024, according to Statistics Canada.



-Statistics Canada, Quarterly Demographic Estimates, December 2024

On October 24th, 2024, Immigration, Refugees and Citizenship Canada (IRCC) announced a new Levels Plan set to outline the target of future immigration numbers over the coming years. The new targets for permanent residents include 395,000 new permanent residents in 2025, 380,000 in 2026, and 365,000 in 2027. Furthermore, the Levels Plan aims to reduce the number of temporary resident volumes to 5% of Canada's population, which was over 7% based on Q2 2024's total of 3,002,090, and a total population of 41,288,599. This reduction will be achieved by issuing fewer study permits, while transitioning current temporary residents into permanent residents.

In line with the IRCC's new Levels Plan, Q3 2024 experienced the lowest net increase in non-permanent residents (+47,187) since Q3 2015, and welcomed 124,239 permanent immigrants in Q3 2024, which is down from 134,138 in the second quarter. The growth rate in this category has been slowing since October 2023, due to a decrease in the number of study permits issued. Alberta continues to see the largest gain in net interprovincial migrants, with 80,538 interprovincial migrants in Q3 2024. Nova Scotia (+359), Northwest Territories (+63), Quebec (+18) also saw net increases in interprovincial migration in Q3, 2024, whereas all of the other provinces and territories saw net losses.

Despite recent policy changes to decrease the population growth rate, the past years of rapid growth continue to impose substantial demand on the housing supply in Canada. Statistics Canada released a population projection on January 21, 2025 illustrating various growth scenarios over the next fifty years. The medium-growth scenario estimates that the Canadian population could reach 59.3 million by 2074. With housing supply in the multifamily sector already struggling to keep up with demand, the increasing populace will likely bolster the underlying fundamentals of this sector. In turn, these dynamics will likely cause further increases in both rent and housing prices.

LABOUR FORCE AND EMPLOYMENT

As the government of Canada eases immigration-based population growth and the economy normalizes following major financial policy changes, the job market in Canada begins to show signs of recovery following a challenging period through mid to late 2024. According to the Statistics Canada Labour Force Survey released January 10th, 2025, total employment in Canada for December 2024 saw an increase (+91,000, +0.4%). As such, the employment rate increased 0.2% to 60.8%, following monthly declines since late Summer of 2024. The December 2024 unemployment rate remain relatively high at 6.7%, which is only 0.1% less than November 2024, which was the highest month since September 2021. Notable employment growth occurred in educational services (+17,000; +1.1%), transportation and warehousing (+17,000; +1.6%), finance, insurance, real estate, rental and leasing (+16,000; +1.1%), and health care and social assistance (+16,000; +0.5%). Total hours rose by 0.5% compared to November, and 2.1% on a year-over-year basis. Average hourly wages rose 3.8% (up \$1.68 to \$35.76) on a year-over-year basis in December, following growth of 4.1% in November (not seasonally adjusted).

With relatively high unemployment numbers, people may be attracted to more affordable housing options such as rentals and downsized residential options, which has in turn affected the attractiveness of small-scale multifamily investments.

MACRO ECONOMIC ENVIRONMENT CONCLUSION

Throughout Canada, upward pressure on the real estate market caused by rapid population growth and high borrowing costs, continue to contribute to record high housing and rental prices across the country. As evident by the strong GDP growth through the latter half of 2024, as well as inflation below the 2% target rate, we have seen that the Bank of Canada and other governing bodies are easing their policy measures, which has applied downward pressures on the real estate market. During a period of heightened trade tensions and tariff impositions by the United States, the Canadian economy may experience a drop in consumer confidence, leading to uncertain economic outcomes.

SUMMARY

Based on the preceding factors, we have concluded that the highest and best use of the subject property as improved, is the continuation of the existing commercial use for the remaining economic life of the subject improvements, pending redevelopment in line with the City of Surrey's OCP and long-term vision.

As vacant, the highest and best use of the subject property is concluded as the development of a mixed use project that's consistent with the City's long term planning objective.

10.0 APPRAISAL METHODOLOGY

The three main approaches to value are:

1. COST APPROACH

The Cost Approach is based on the assumption that an informed purchaser will not pay more than the cost of producing a substitute property with the same utility as the subject. This involves valuing the site as though vacant and then adding the depreciated value of the improvements. We have not utilized the Cost Approach since, considering the building age, depreciation is difficult to accurately measure.

2. INCOME APPROACH

The Income Approach is a method of estimating the value of a property based on the present, or discounted, worth of the anticipated income benefits that it may reasonably be expected to produce during the course of its remaining economic life. The process of converting an income stream into an estimate of present worth is known as "capitalization".

The Income Approach assumes that there is a relationship between the net income capability of a property and its market value. It has been our experience the typical purchaser for this type of property is an investor. Accordingly, the Income Approach reflects the motivation for purchase in some cases. This approach has been used in the report and has been given considerable weight.

3. DIRECT COMPARISON APPROACH

The Direct Comparison Approach is also based upon the principal of substitution and assumes an informed buyer would pay no more for a property than the cost of acquiring an existing property having the same utility as the subject. This method is considered most appropriate where there is an adequate volume of recent sales and current listings data to be used in the comparison process. The market data available is considered to effectively bracket a value for the subject and the Direct Comparison Approach has been given some weight in this appraisal.

SUMMARY

In terms of the subject property, we have adopted the Income Approach to value.

11.0 INCOME APPROACH

The Income Approach is a method of estimating the value of a property based on the present or discounted worth of the anticipate income benefits that it may reasonably be expected to produce during the course of its remaining economic life. The process of converting an income stream into an estimate of present worth is known as "capitalization".

The basic steps involved in valuation by this approach are as follows:

1. Estimate the gross annual income of the property less any allowances for bad debts and vacancy.
2. Estimate the total annual operating expenses.
3. Calculate the annual net operating income. (Gross income less expenses).
4. Select an appropriate capitalization rate.
5. Select an appropriate method of capitalization.
6. Using a suitable procedure, convert the anticipated annual net operating income stream into an indication of the capitalization value of the property.

ESTIMATE OF NET OPERATING INCOME:

As noted above, the first three steps in the Income Approach result in an estimate of annual net operating income for the property being appraised. First step in developing an operating statement is to estimate total potential income based upon its "Market Rent". Market Rent may be defined as:

"the rental income that a property would most probably command on the open market as indicated by current rentals being paid for comparable space (as of the effective date of appraisal)."

Market Rent may be the actual rent payable under a lease ("contract" rent) as determined by analysis of existing lease agreements covering the property, or it may be the appraiser's estimate of the rent obtainable in the market for similar properties ("economic" or "market" rent). In estimating "economic" or "market" rent, an attempt is made to determine the rent that a tenant is warranted in paying.

Most commercial leases are stated on a "triple net" basis to the landlord. A "triple net" lease generally describes a lease where, in addition to the contract rent stipulated, the tenant assumes payment of all operating expenses pertaining to a property such as taxes, insurance, utilities and maintenance, but excluding structural repairs.

SUBJECT LEASE DATA

The rentable area of the subject property has been based on a copy of Rent Roll dated February 1, 2025 provided by our client. We assume the information provided is correct and used a total leasable area of $\pm 35,858$ sq.ft. We were not able to measure the subject buildings and units and have assumed that the provided information is correct and accurate in the preparation of this appraisal report. We reserve the right to alter our value conclusion should any re-measurements indicate different areas. A copy of the rent roll provided by our client is attached as Appendix "D". A summary of the subject rent roll is shown below:

Current Rent Roll

Subject Rent Roll										
Unit #	Tenant	Tenancy Type	Term		Leasable Area (sq.ft.)	Lease Type	Monthly Rental Income	Annual Rental Income	NNN Lease Rate (\$/sq.ft.)	Additional Rental Income Per Month
			From	To						
Occupied Space - Commercial Space (Retail, Restaurant, & Office)										
#100 - 8140 120 Street	Nav Sweets	Restaurant	Feb-25	Jan-27	1,842	NNN	\$4,912	\$58,944	\$32.00	\$1,535
#101 - 8140 120 Street	Nav Sweets	Restaurant	Feb-25	Jan-27	1,686	NNN	\$4,496	\$53,952	\$32.00	\$1,405
#102 - 8140 120 Street	Nav Sweets	Restaurant	Feb-25	Jan-27	700	NNN	\$1,867	\$22,400	\$32.00	\$583
#102 - Back - 8140 120 Street	Nav Sweets	Restaurant	Jan-25	Jan-27	2,442	Gross	\$5,400	\$60,000	\$24.52	
#103 - 8140 120 Street	Gurji Gill & Associates	Office	Sep-24	Aug-29	3,642	NNN	\$9,725	\$116,704	\$32.00	\$7,000
#104 - 8140 120 Street	Purabi Pharmacy	Office/Retail	Jun-25	Jan-27	2,663	NNN	\$7,101	\$85,216	\$32.00	\$2,663
#105 - 8140 120 Street	Crinifon	Bar/Club	Oct-24	Sep-26	12,927	Gross	\$26,511	\$323,175	\$25.14	
#106 - 8140 120 Street	De La Roche's room (Dairy, Veggies)	Restaurant	Nov-24	Nov-26	3,182	Gross	\$6,720	\$80,632	\$25.01	
#107 - 8140 120 Street	Desi Basil	Restaurant	Jan-25	Jan-30	3,950	NNN	\$9,098	\$118,770	\$30.00	\$3,299
#201 - 8140 120 Street	Skye Marketing	Office	Jan-25	Jan-26	2,000	NNN	\$5,000	\$60,000	\$30.00	\$1,667
#202 - 8140 120 Street	Skye Marketing	Office	Jan-25	Jan-26	350	NNN	\$875	\$10,500	\$30.00	\$292
2nd Floor - Backspace	Vacant				200	NNN	-	-		-
#203 - 8140 120 Street	U.S.A.	Office		Jan-26	350	Gross	\$7,500	\$12,000	\$34.29	
#204 - 8140 120 Street	Blue Technology	Office		Jan-26	400	Gross	\$1,000	\$12,000	\$30.00	
Summary										
Occupied Space (Sq. ft.)										35,658
Vacant Space (Sq. ft.)										200
Total Space (sq. ft.)										35,858

The subject commercial units range in size from ± 200 to $\pm 12,927$ sq.ft., offering a total of $\pm 35,858$ sq.ft. of leasable area demised into various ground level and second level commercial retail, restaurant, café, institution, consultation and service premises.

As of the valuation date, the subject property has only one ± 200 sq.ft. vacant second floor backspace, representing a 0.56% vacancy rate based on total leasable area. The leases contain mainly long-term tenants who have renewed their previous leases, as well as some new tenants.

Re-Constructed Current Rent Roll

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analyzed provide a general index for the estimate of market rental value for the subject premises and are illustrated in the chart on the next page.

Commercial Lease Comparables							
No.	Address	Leasable Area (Sq.ft.)	Lease date	Term	Year Built	Lease rate (NNN)	Comments
Ground Level Commercial Comparables							
1	8434 120 Street Surrey	800	Jul-24	-	1978	\$35.00	Ground-floor retail space currently leased by Church's Chicken restaurant. Located within two-storey wood-frame commercial building with frontage towards 120 Street.
2	9386 120 Street Unit 101 Surrey	897	Mar-24	5 Years	1980	\$28.00	Ground-floor retail corner unit along the east side of 120th Street within a 1980 built 2-storey building. Additional rent is reported at \$11 per sq.ft.
3	8388 128 Street Unit #5 Surrey	801	Jul-24	5 Years	1995	\$27.00	Ground-floor retail unit along the east side of 128 Street, within a 1995 built 2-storey commercial plaza. Additional rent is reported
4	8496 120 Street Unit 101 Surrey	1,645	Jan-24	3-5 Years	2023	\$45.00	Ground-floor retail corner unit along the east side of 120th Street, within a 2023 built mixed-use building. Additional rent is reported at \$11.5 per sq.ft.
5	Benchmark Plaza Ground Level Ground Level Ground Level 6834-6846 King George Boulevard Surrey	749 793 505	Nov-24 Sep-24 Apr-24	- - -	1988	\$24.00 \$23.00 \$30.00	Ground-floor and second level commercial retail/office units within a 2-storey concrete commercial building. Units are built out as office layouts. Additional rents are from \$7.52 to \$11.99/SF. Larger ground level 6,608 sq.ft. unit includes individual units with the option to change back to shell.
Upper Level Commercial Comparables							
No.	Address	Leasable Area (Sq.ft.)	Lease date	Term	Year Built	Lease rate (NNN)	Comments
6	8425 120 Street Unit 308 Delta	1,388	Dec-24	5 Years	1980	\$30.00	Third-level office unit within a 3-storey concrete office building. Starting rent discounted at \$27.00/SF.
7	8035 120 Street Unit 205 Delta	767	Apr-24	3 Years	1972	\$18.00	Second level office space within a 3-storey concrete building "Delta Professional Building". Starting rent discounted at
8	12885 80 Avenue Unit 203 Surrey	1,445	Dec-23	-	2011	\$30.00	Second-level office unit with 6 offices within a business centre built 2011, located north of 80th Avenue. Additional rent is reported at \$15 per sq.ft.
9	8318 120 Street Unit 301 Surrey	939	Sep-23	5 Years	2016	\$28.00	Corner office unit with a kitchenette, within a 2016 built 4-storey commercial building along the east side of 120th Avenue. Additional rent reported at \$13.12 per sq.ft.
10	16055 Fraser Highway Unit 202 Unit 206 Unit 204 Surrey	1,155 1,213 1,000	Sep-23 Sep-24 Jan-25	- - 3 Years	1996	\$27.00 \$27.00 \$25.00	Second floor commercial office space within a low-rise commercial office and retail building in Fleetwood's, "Fleetwood Mews".

Comparable One (8434 120 Street, Surrey) is located on the northeast corner of 120 Street and 84 Avenue, north of the subject within low-rise commercial strip known as "Plaza 84". The commercial retail space is a corner, ground-level retail unit demised as restaurant space leased by Church's Chicken. The comparable is within a two-storey, 1978-built building, and includes ± 800 sq.ft. of leasable area. In July 2024, the comparable was reportedly leased for \$35.00 per sq.ft., triple net. The comparable provides strong market indication for the subject units given its similar locational appeal and overall parent property type. We note that the comparable is smaller than most of the subject units. After adjustments for size, we would expect a slightly lower market rental rate for the subject's ground level units.

Comparable Two and Comparable Three include ground level retail units located in the general subject area, within low-rise commercial plazas, similar to the subject. Ranging in size from ± 801 to ± 897 sq.ft. in buildings constructed circa 1980 and 1995, the units provide similar property styles and age yet are smaller compared to the subject. The units leased in March and July of 2024, for triple net rates at \$27.00 to \$28.00 per sq.ft., with additional rents from \$11.00 to \$14.00 per sq.ft. After appropriate adjustments for building age, unit size, and location, we expect a higher lease rate for the subject property units.

Comparable Four (8496 120 Street, Surrey) is the January 2024 lease of a ground level commercial strata unit within a 4-storey mixed-use building. Located on the east side of 120 Street, north of the subject and directly north of Comparable One, the comparable provides strong location evidence for the subject. Totalling 1,645 sq.ft. of leasable area, the comparable reported a triple net rental rate of \$45.00 per sq.ft. Due to the comparable's newer building condition, we would expect a downward adjustment, leading the subject units to achieve a lower price per sq.ft.

Comparable Five (Benchmark Plaza, 6834-6846 King George Boulevard, Surrey) represents several leases signed from April to November 2024 of smaller sized ground-level retail units within "Benchmark Plaza", a 2-storey commercial strip. Located on the east side of King George Boulevard, south of 64 Avenue within the Newton area, the comparable provides similar traffic exposure to a major arterial road, but is in an inferior commercial location, warranting a downward adjustment. Lease data collected reflects units ranging from ± 505 to ± 793 sq.ft. in size, achieving rents from \$23.00 to \$30.00 per sq.ft. on a triple net basis. Despite the comparable's smaller unit sizes, we would expect the subject to achieve rents higher than the comparable's indicated range, after the aforementioned upward adjustments for location.

The following comparables include upper-level commercial spaces within the City of Surrey and Delta, primarily utilized as office space. These comparables are thought to provide more relevant evidence for the subject's second level commercial units.

Comparable Six (8425 120 Street, Delta) is the recent December 2024 signed lease third level office unit within a 3-storey, concrete commercial office building constructed circa 1980. The building is located on the northwest corner of 120 Street and 84 Avenue, directly north of the subject, providing similar locational appeal. At ±1,388 sq.ft. in size, the unit achieved a rental rate of \$30.00 per sq.ft., triple net, with a first-month discount at \$27.00 per sq.ft. The comparable is in a superior style concrete building with substantial windows and an attractive exterior. We believe that the subject upper-level units would achieve a lower price per sq.ft. value, after downward adjustments for the building style and design.

Comparable Seven (8035 120 Street, Delta) highlights another second level office space located on the west side of 120 Street, on the City of Delta side. The unit totals 767 sq.ft., and in April 2024 a 3-year lease was signed for \$18.00 per sq.ft., triple net. Given the comparable buildings 1972 construction date, and the direct and immediate exposure onto 120 Street, with no buffer, we would expect upward adjustments for building age and noise from traffic.

Comparable Eight and Comparable Nine are two upper-level office units that were leased in late 2023, located within immediate proximity to the subject with exposure to 80 Avenue and 120 Street, two major commercial roads. The comparable buildings are of a newer construction age and condition, having been built in 2011 and 2016. Ranging in size from 939 to 1,445 sq.ft., the 2nd and 3rd storey units illustrated a lease rate of \$28.00 and \$30.00 per sq.ft. These comparables have been included due to their similar commercial exposure and location to the subject's upper-level units. After a downward adjustment for the subject's older construction date, and an offsetting upward adjustment for the subject's generally smaller upper-level unit size, we would expect the subject's upper-level units to achieve a similar rent per sq.ft. on a net basis.

Comparable Ten (16055 Fraser Highway, Surrey) includes more recently signed leases within a low-rise commercial strip located on the north side of Fraser Highway, east of 160 Street in Fleetwood. Despite being on the other side of Surrey in Fleetwood, the comparable is thought to provide similar commercial exposure due to the proximity to Fraser Highway which is a busy commuter road, similar to 120 Street. With the building constructed in 1996, with unit sizes ranging from $\pm 1,000$ to $\pm 1,213$ sq.ft., the comparable units are of a generally similar style and condition to the subject. Having achieved lease rates from \$25.00 to \$27.00 per sq.ft., net, we believe that the comparable provides strong and recent market evidence for upper level office/commercial spaces in Surrey.

SUMMARY

The current lease agreements for the Subject property indicate net rental rates (re-constructed rent roll) between **\$15.00 per sq.ft. to \$32.00 per sq.ft.** It is our opinion that the comparable data provides a strong indication of market lease rate for the subject premises after appropriate adjustments are applied. Based on our review of the rental data, the location, unit size, and type of accommodation offered by the subject property, it is our opinion that some of the subject leases are below market with future rental upside upon renewing contract. For the purposes of this appraisal, we have estimated the vacant unit (2nd Floor – Backspace) a projected triple net rental rate at **\$30.00 per sq.ft.** whilst for the remaining occupied units, we utilized the current contractual rates.

We have included similar comparable commercial retail premises in the City of Surrey and Delta illustrating achieved lease rates for similar ground floor retail space and upper-level office space within the general vicinity of the subject property. It is our opinion that the comparable data provides strong reference to appropriate market lease rates for the subject premises.

Additionally, it is our opinion that the subject building is also able to achieve an average rental rate at **\$30.00 to \$32.50 per sq.ft.** on a triple net basis, upon future rental upside and lease renewal.

VACANCY ALLOWANCE

Potential income reflects the property's income at full occupancy. However, income properties may not be fully occupied over their economic lives and vacancy and collection losses must be considered. This factor, the "vacancy rate" is normally expressed as a percentage and reflects conditions in the current market.

Market	Gross Leasable Area (SF)**	Vacancy (SF)** H2 2024	Colliers Index Vacancy Rate (%)** H2 2024	Average CRU Net Rent (\$PSF/Per Annum)*	Average Additional Rent (\$PSF/Per Annum)*	Vacancy Change
Squamish	214,125	0	0.00%	\$27-\$35	\$10-\$15	↓
North Shore	554,541	1,962	0.37%	\$45-\$70	\$15-\$20	↓
Vancouver	274,269	1,476	0.54%	up to \$50	\$15-\$25	↑
Burnaby	690,862	0	0.00%	up to \$80	\$15-\$25	↓
New Westminster	408,536	5,054	1.24%	\$25-\$75	\$15-\$25	↓
Richmond	353,641	2,841	0.79%	up to \$60	\$15-\$20	↑
Coquitlam	551,046	0	0.00%	\$40-\$50	\$15-\$20	↔↔
Port Moody	126,690	1,547	1.06%	\$40-\$50	\$15-\$20	↑
Port Coquitlam	226,171	0	0.00%	\$45-\$50	\$12-\$15	↔↔
Delta	343,492	0	0.00%	\$35-\$50	\$15-\$20	↓
North Surrey	436,632	2,053	0.47%	\$45-\$60	\$15-\$20	↑
South Surrey	833,664	9,146	0.98%	\$45-\$60	\$15-\$20	↓
Langley	594,264	3,363	0.56%	\$35-\$50	\$12-\$15	↓
Maple Ridge/Pitt Meadows	283,351	0	0.00%	\$35-\$50	\$10-\$15	↔↔
Mission	436,632	10,971	2.51%	\$35-\$40	\$10-\$15	↓
Abbotsford	646,787	5,270	0.82%	\$35-\$40	\$10-\$15	↓
Chilliwack	300,155	0	0.00%	\$35-\$40	\$10-\$15	↓
Total Vacancy	6,296,600	43,421	0.69%			↓

*Colliers' opinion of lease rates for a typical strip mall of 1,000 sq. ft. property located in the respective market.
Source: Colliers Research

**Based on Colliers' index of selected properties. For more information regarding Colliers' index please contact the Colliers retail team.

Fall/Winter 2024 Greater Vancouver Retail Report, published by Colliers

According to Colliers' Greater Vancouver Retail Report for Fall/Winter 2024, the subject North Surrey Area has had a reported vacancy rate of 0.5%. As of the effective date of valuation, the subject property has one vacant ±200 sq.ft. unit, illustrating a 0.56% vacancy rate, which is in line with market. Based on the preceding and in consideration of the subject's strong location, we have adopted a long-term normalized vacancy rate of **2.0%**.

OPERATING EXPENSES

Most commercial leases are triple net in nature with the tenant responsible for their proportionate share of all landlord's operating expenses except those of a structural nature. Our stabilized net income is based on a normalized or typical property. Property taxes, the cost of building insurance, ground maintenance and management are incurred by the property owner during periods of vacancy.

We are not provided with a copy of operating expense. According to our client and rent roll dated January 29, 2025, the operating expense for the subject building is approximately at \$10.00 per sq.ft. for majority of the subject units with triple net lease rates. Therefore, we utilized an average of \$10.00 per sq.ft. for the operating expenses for the subject building. We reserve the right to amend our valuation upon receiving a detailed copy of operating expense.

Additionally, we have allocated \$0.15 per sq.ft. for long term structural repairs. The typical range for this item is \$0.10 to \$0.20 per sq.ft. and we have concluded at the middle end given the age of the subject property. We note that the annual operating budget has already included building repairs and maintenance.

Our calculation of the stabilized net operating income for the subject building is shown on the next page, using the current contractual lease rates.

CONTRACTUAL NET INCOME CHART

8140 120 Street, Surrey, BC					
Stabilized Net Operating Income - Based on Contractual Rents					
As At March 4, 2025					
ANNUAL INCOME					
Commercial Income					
Contractual Income	35,658 sq.ft. x	\$28.45	per sq.ft. NET	\$1,020,093	
Projected Income - 2nd Floor Office Space	200 sq.ft. x	\$30.00	per sq.ft. NET	\$6,000	
Total Lease Income (Contractual)					\$1,026,093
Total Net Annual Income (Contractual)					\$1,026,093
Less: Vacancy & Collection Loss Allowance @		2.00%		\$20,522	
Effective Annual Income					\$1,005,571
Less: Non-Recoverable Operating Expenses					
Long Term Structural Repairs					
(35,858 sq.ft. x \$0.10 per sq.ft.)				\$3,586	
Operating Costs on Stabilized Vacancies					
(35,858 sq.ft. x 2.0% x \$10.00 per sq.ft.)				\$7,172	
Total Non-Recoverable Operating Expenses					\$10,757
STABILIZED NET OPERATING INCOME - CONTRACTUAL					\$994,813

Given the below market rents achieved by some units, we have also projected stabilized net operating income based on the estimated market lease rate for the subject buildings to reflect the fair market income expectation from the subject property. The calculations are shown below.

PROJECTED NET INCOME CHART

8140 120 Street Stabilized Net Operating Income - Projected Market Rents As At March 4, 2025				
ANNUAL INCOME				
Commercial Income				
Projected Income	35,858 sq.ft. x	\$32.50 per sq.ft. NET	\$1,165,385	
Total Retail Lease Income (Projected)				<u>\$1,165,385</u>
Total Net Annual Income (Projected)				<u>\$1,165,385</u>
Less: Vacancy & Collection Loss Allowance @	2.00%		\$23,308	
Effective Annual Income				<u>\$1,142,077</u>
<u>Less: Non-Recoverable Operating Expenses</u>				
Long Term Structural Repairs				
(35,858 sq.ft. x \$0.15 per sq.ft.)			\$5,379	
Operating Costs on Stabilized Vacancies				
(35,858 sq.ft. x 2.0% x \$10.00 per sq.ft.)			\$7,172	
Total Non-Recoverable Operating Expenses				<u>\$12,550</u>
STABILIZED NET OPERATING INCOME - PROJECTED				<u>\$1,129,527</u>

12.0 CAPITALIZATION RATE

ANALYSIS OF CAPITALIZATION RATES

Capitalization is defined in "Introduction to Real Estate Appraising" published by the Appraisal Institute of Canada, as follows:

"Capitalization, in the appraisal of real estate, may be defined as the process of converting into a present worth a series of anticipated future installments of income by the application of a factor, referred to either as a capitalization rate or a present worth factor, depending upon the process used".

A capitalization rate is a conversion factor, appropriate to the property being appraised that is applied to the income stream to convert it into an indication of the market value of a property. In the capitalization process, the following steps are required:

- selection of a method of deriving the capitalization rate
- selection of an appropriate method of capitalization
- analysis of the market for the factors involved

SELECTION OF A CAPITALIZATION RATE

Through the analysis of comparable sales, ratios between selling prices in the marketplace and the net operating income of the property being sold can be derived. With consideration given to the degree of comparability in each instance, these ratios can provide an indication of the overall rate that is applicable. Where comparable sales exist, this method is widely accepted and used in the appraisal of income-producing properties since it is considered reliable, objective, and easily supported.

These comparables are summarized on the following pages and are considered to provide a general range of indication of capitalization rates for rental investment properties within and near the subject area.

Comparable Capitalization Rates										
No.	Address	Future Development Potential	Sale/Listing Price	Sale Date	Site Area (Sq.ft.)	Building Size (Sq.ft.)	Price per Sq. Ft.	Building Age	Stabilized Net Income per Annum	Capitalization Rate
1	10227 King George Boulevard Surrey	OCP: Downtown City Centre Plan: CBD - Area 2 (7.5 FAR) TOA: Tier 3 (Up to 5.0 FAR, 20 Storeys)	\$50,800,000	Listing	67,697	30,403	\$1,671	48	\$960,000	1.89%
2	10541 King George Boulevard Surrey	OCP: Downtown City Centre Plan: Mixed Use (3.5 FAR) TOA: Tier 3 (Up to 3.0 FAR, 8 Storeys)	\$7,050,000	Nov-23	16,801	6,697	\$1,053	31	\$263,600	3.74%
3	8062 King George Boulevard Surrey	OCP: Commercial (Up to 2.0 FAR)	\$14,250,000	Jun-24	57,064	15,342	\$929	50	\$437,242	3.07%
4	15330 102A Avenue Surrey	OCP: Town Centre Guildford Plan: Low to Mid Rise Mixed Use (2.25 FAR)	\$17,100,000	Aug-23	59,167	10,052	\$1,701	43	\$324,900	1.90%
5	Clayton Shopping Centre 18789 Fraser Highway Surrey	OCP: Commercial Clayton Corridor Plan Draft Low to High Rise Transition Mixed Use (3.0 FSR) TOA: Tier 3 (Up to 3.0 FAR, 8 Storeys)	\$10,730,000	May-23	37,076	9,320	\$1,151	19	\$336,296	3.13%
6	719-721 Victoria Street New Westminster	OCP: Mixed-Use High Density Up to 5.2 FAR TOA: Tier 1 (Up to 5.0 FAR, 20 Storeys)	\$6,780,000	Jun-24	17,698	16,000	\$484	35	\$250,860	3.70%
Min			\$6,780,000			6,697				1.89%
Max			\$50,800,000			30,403				3.74%
Average			\$17,785,000			14,302				2.91%

Comparable One (10227 King George Boulevard, Surrey) highlights the current listing (court-ordered sale) is a commercial plaza located at the corner of King George Boulevard and 102 Avenue, in the City Centre area of Surrey. The property encompasses multiple single storey commercial buildings with a total rentable area of 30,403 sq.ft. It is our understanding that the comparable's underlying land is designated CBD Area 2 within the Surrey City Centre Plan with a potential development density up to 7.5 FSR. Additionally, the comparable's underlying land has received 3rd reading approval for a high-density mixed-use development at 10.9 FSR. The listing price of \$50,800,000 derives a capitalization rate at 1.89% based on the reported net operating income of approximately \$960,000 per annum. The lower capitalization rate is the result of the much higher underlying land value which exceeds the current income producing abilities which would require an upward adjustment. Additional upward adjustment is suggested for the comparable's much superior and centralized locational appeal within the Surrey City Centre neighbourhood, fronting King George Boulevard and 102 Avenue.

Comparable Two (10541 King George Boulevard, Surrey) is a single-storey commercial building with commercial retail and office space, located further northeast of the subject in the Surrey City Centre area. The property comprises 6,697 sq.ft. of floor area and was constructed circa 1994 according to BC Assessment Records. The property's underlying land is designated Mixed-Use under the Surrey City Centre Plan with a potential development density up to 3.5 FSR. The property sold in November 2023 for \$7,050,000 and reflects a capitalization rate of 3.74% according to the reported net operating income of

\$263,600 per annum. It is our understanding the current lease is a seller lease back for a 5 year term. Downward adjustment is suggested given some of the subject leases are well below market. Additional downward adjustment is warranted for the recent rate cuts compared to November 2023.

Comparable Three (8062 King George Boulevard, Surrey) is the June 2024 sale of a commercial property located on the east side of King George Boulevard and north of 80 Avenue and within the Bear Creek Green Timbers neighbourhood of Surrey. The comparable comprises 57,064 sq.ft. (± 1.31 acres) of rectangular-shaped site area, which is improved with a service commercial building with a total gross building area of $\pm 15,342$ sq.ft. The comparable building was built circa 1974 and is zoned C-8 (Community Commercial Zone), similar to the Subject. The comparable sold for \$14,250,000 and indicates a rate of return at 3.07% based on the reported net stabilized operating income of \$437,247 per annum. After an upward adjustment reflecting the subject's larger size and a downward adjustment to account for the subject's redevelopment potential, a lower cap rate is expected for the subject site.

Comparable Four (15330 102A Avenue, Surrey) is located immediately further northeast of the Subject site, on the south side of 102A Avenue, east of 152 Street in the Guildford neighborhood of Surrey. The comparable is a low-rise commercial building currently used as a restaurant. Built on 1981, the comparable has 59,167 sq.ft. of site area and a net leasable area of 10,052 sq.ft. based on BC Assessment Records. A rezoning application (22 – 000377) seeking to rezone the site from CHI to CD zoning to permit the development of one 22-storey mixed-use building consisting of 296 dwelling units and ground floor commercial space was submitted in December 2022 and achieved first and second reading on September 11, 2023, and third reading on September 25, 2023. The property transacted in August 2023 for \$17,100,000 resulting in a reported cap rate of 1.90% based on a net operating income of \$324,900 per annum. The comparable is similar to the subject in terms of re-development potential. Upward adjustment is suggested for the comparable's smaller size.

Comparable Five (18789 Fraser Highway, Surrey) represents May 2023 sale of a multi-tenant commercial freestanding building located on the northwest corner of Fraser Highway and 188th Street. The comparable property is zoned CD (Comprehensive Development) under Bylaw No. 15679 and designated Commercial under the OCP. The comparable is also located within the 400m to 800m radius from the proposed 190 Street SkyTrain Station and according to the policy framework, the future development on the comparable parcel can be up to 3.0 FAR and up to 8 storeys for this Tier. The property comprises

±0.850 acres ±37,026 sq.ft. and is improved with a single storey retail building comprising a total rentable area of ±9,320 sq.ft. and constructed circa 2005. The comparable sold for \$10,730,000 with a reported annual net income of \$336,296 indicating a capitalization rate of 3.13%. Downward adjustment is warranted for the current market conditions with recent interest rate cuts.

Comparable Six (719 – 721 Victoria Street, New Westminster) is located in the City of New Westminster. The comparable property is a 2-storey commercial building constructed circa 1990, and offers 14,000 sq.ft. of rentable area. It is our understanding the property's underlying land is able to accommodate a high-density development up to 5.2 FAR under the corresponding C-4 zoning bylaw. The comparable sold in June 2024 for \$6,780,000 and yields a capitalization rate of 3.70% based on the reported net operating income of \$250,860 per annum. When drawing comparison, we've made downward adjustment for the subject's superior locational appeal and commercial exposure.

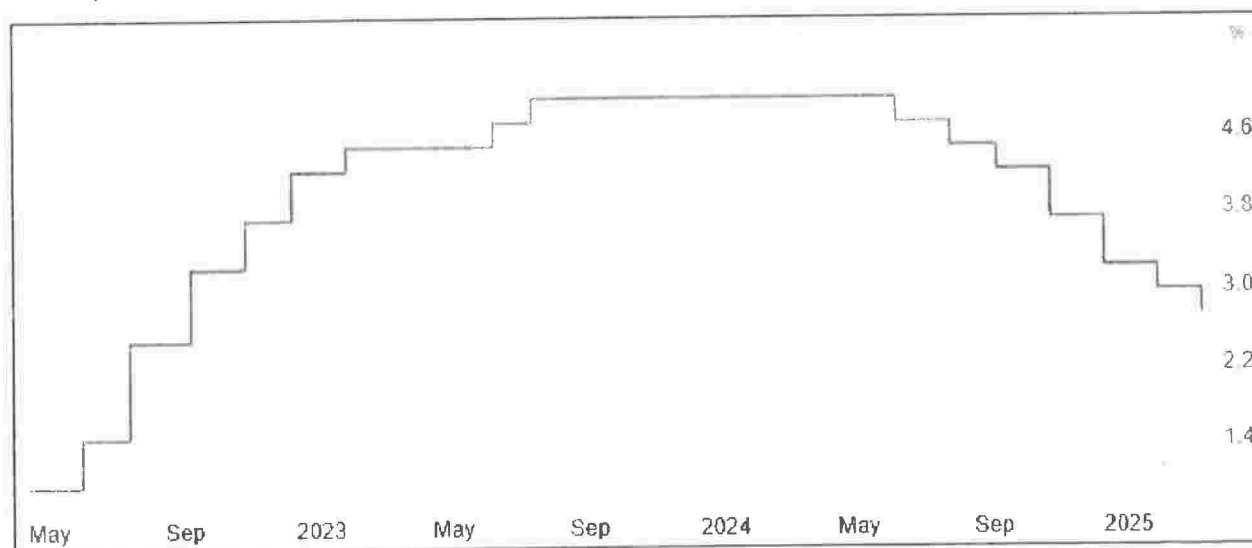
In estimating a capitalization rate for the subject property, we have analyzed the preceding comparables with consideration to the following items:

- Strong location within proximity to nearby transportation, amenities and many other major supermarkets, restaurants, and entertainment venues.
- The subject improvement is in good condition and provides quality accommodation appropriate for its present uses;
- The subject property comprises a total of ±35,858 sq.ft. of leasable area and has ±200 sq.ft. of vacant space as of the effective date of valuation;
- The commercial property has extensive frontage and excellent commercial exposure along 120 Street, a major arterial in the City of Surrey, with exposure to pedestrian and vehicle traffic.
- The subject is currently zoned CD permitting various commercial uses; and
- The subject property has a substantial land value and redevelopment potential in accordance with the "Commercial" designation under the City of Surrey Official Community Plan, allowing a potential permitted floor area ratio (FAR) of 2.0 FAR. The City of Surrey envisions the subject area to be redeveloped with future potential mixed use projects.

When considering the capitalization rate market data presented in this section, we have been cognizant of the recent changes in macro-economic policy that have been undertaken by the Bank of Canada. Although real estate values are influenced by the supply and demand for properties in a given locale, prices are also strongly influenced by investors' cost of capital, as most assets are levered with financing to some degree. Furthermore, as interest rates rise and fall, risk free returns (i.e. government bond yields) change.

Despite strong GDP growth through the end of 2024, the threat and imposition of future and current US tariffs has led the Bank of Canada to decrease the target for the overnight rate to 2.75%. The Bank of Canada continues to ease monetary policy in an effort to spur consumer expenditure in uncertain times, where consumers are hesitant and risk averse. Evidentially, these cuts have illustrated their intended effects already by increasing inventory supply and leading to decelerating shelter cost growth. As the upward pressure of shelter prices gradually diminishes, and the downward pressure from excess supply is absorbed, the Bank aims to keep inflation close to 2% moving forwards. The Bank hopes to ensure that higher prices caused by a trade war to not lead to further and ongoing inflation.

The graph below, published by Trading Economics, illustrates the Bank of Canada's interest rate changes since April 2022 to-date.



- [Tradingeconomics.com/Canada/Interest-Rate](https://tradingeconomics.com/canada/interest-rate), March 2025

As interest rates fall, it often triggers a value increase on existing bonds or other investments with higher yields compared to newly issued bonds or assets with lower rates. According to Trading Economics, Canada's 10-year government bond yield reached another 15-year high of 4.16% as of October 3, 2023, but has seen continuous drops below the temporary 15-year high. Following the recent January 29, 2025 interest rate cut by the Bank of Canada, the Canada Government Bond 10Y yield reached a 4-month low at 2.95% as of February 5, 2025, decreasing by 28 basis point monthly, and 56 basis points year-over-year.

Based on the expectation of investors in correlation to borrowing costs and returns on alternative investment, it is our opinion that a similar capitalization rate to Comparable One and Four is the most appropriate for the Subject. It is also important to note that the investment rationale for the subject property is likely correlated to its redevelopment potential in the future based on the City of Surrey Official Community Plan allowing up to 2.0 FAR.

Additionally, inquiry at the City of Surrey Zoning and Planning Department indicates a Project Application (25-0037) has been submitted in order to rezone the westly portion of the site (approx. 5,688 sq.m.) from CD to CD (based on RM-135), to subdivide from one (1) lot into two (2) lots, and to develop a 6-storey mixed-use building with 122 residential units and 3,611 sq.m. of commercial space to include retail, office and daycare space at approximately 1.99 FSR. The rezoning application, subdivision application, and development permit application are all at the "Initial Review" stage of the planning process.

This type of investment would typically achieve lower capitalization rates compared to improved commercial shopping centres that do not have redevelopment potential in the foreseeable future.

Based on the previous discussed factors including location, investment size, vacancy, re-development potential and macro economic conditions, we have concluded that based on the projected stabilized net income utilizing market lease rates, a capitalization rate towards the middle to lower end of the comparable range, at say 3.00%, is reasonable.

$$\begin{array}{rcl} \text{NET OPERATING INCOME} & = & \$994,813 \text{ (CONTRACTUAL RENTS)} \\ \text{OVERALL RATE} & & \underline{3.00\%} \\ & = & \$33,160,433 \end{array}$$

This would also equate to 3.41% if calculated on the projected net income of \$1,129,527 per annum, and reflects the rental upside upon lease expiry and renewal. The established cap rates above appear to be supported by the comparables analyzed previously.

As such, our estimate of market value of the subject property based on its current income producing use, as of the effective date of this appraisal on March 8, 2025, is concluded at:

ROUNDED TO
THIRTY-THREE MILLION ONE HUNDRED AND SIXTY THOUSAND DOLLARS
(\$33,160,000)

13.0 DIRECT COMPARISON APPROACH

The Direct Comparison Approach implies the Principle of Substitution that states that a prudent purchaser will not pay more for a property than the price to acquire an equally desirable substitute property. The properties selected for comparison must be similar in most respects to the one being appraised.

ANALYSIS OF THE COMPARABLE DATA

In estimating market value for the Subject, we have analyzed the sales of comparable commercial buildings in the City of Surrey and other nearby cities, based on a price per square foot of leasable area. The comparables have been adjusted based on building size, location, development age and quality providing a good index of value on a per sq.ft. basis for the Subject. The comparables indicate a range in value between \$873 and \$1,701 per sq.ft. of building area for building sizes ranging from ±6,697 to ±30,403 sq.ft. in size as summarized in the chart below:

Direct Comparison Approach						
No.	Address	Sale/Listing Price	Sale Date	Building Size (Sq.ft.)	Price per Sq. Ft	Building Age
1	8062 King George Boulevard Surrey	\$14,250,000	Jun-24	15,342	\$929	50
2	8035 120 Street Delta	\$16,000,000	Aug-24	17,338	\$923	53
3	10227 King George Boulevard Surrey	\$50,800,000	Listing	30,403	\$1,671	48
4	10541 King George Boulevard Surrey	\$7,050,000	Nov-23	6,697	\$1,053	31
5	15330 102A Avenue Surrey	\$17,100,000	Aug-23	10,052	\$1,701	43
6	Clayton Shopping Centre 18789 Fraser Highway Surrey	\$10,730,000	May-23	9,320	\$1,151	19
7	Ridge Plaza 13190 58A Avenue Surrey	\$9,600,000	May-24	11,000	\$873	4
Min		\$7,050,000		6,697	\$873	
Max		\$50,800,000		30,403	\$1,701	
Average		\$17,932,857		14,307	\$1,186	

Comparable One (8062 King George Boulevard, Surrey) is the June 2024 sale of a commercial property located on the east side of King George Boulevard and north of 80 Avenue and within the Bear Creek Green Timbers neighbourhood of Surrey, east of the subject property. The comparable comprises 57,064 sq.ft. (± 1.31 acres) of rectangular-shaped site area, which is improved with a service commercial building with a total gross building area of $\pm 15,342$ sq.ft. The comparable building was built circa 1974 and is zoned C-8 (Community Commercial Zone). The comparable sold for \$14,250,000 and illustrates \$929 per sq.ft. Downward adjustment for size is warranted whilst upward adjustment for the subject's newer age is suggested. It is our opinion that the indicated price provides good market value evidence for the subject.

Comparable Two (8035 120 Street, Delta) is located immediately south of the subject along 120 Street, in the City of Delta. The property is currently improved with a 3-storey medical office building known as "Delta Professional Building". Per BC Assessment Records, the comparable building was constructed circa 1972 and offers 17,338 sq.ft. of rentable area. The comparable sold in August 2024 for \$16,000,000 and yields \$923 per sq.ft. of floor area. Given the similar locational appeal, we would expect the subject to achieve a similar price per sq.ft. basis.

Comparable Three (10227 King George Boulevard, Surrey) highlights the current listing (court-ordered sale) is a commercial plaza located at the corner of King George Boulevard and 102 Avenue, in the City Centre area of Surrey. The property encompasses multiple single storey commercial buildings with a total rentable area of 30,403 sq.ft. It is our understanding that the comparable's underlying land is designated CBD Area 2 within the Surrey City Centre Plan with a potential development density up to 7.5 FSR. Additionally, the comparable's underlying land has received 3rd reading approval for a high-density mixed-use development at 10.9 FSR. The listing price of \$50,800,000 indicates \$1,671 per sq.ft. of floor area and would require a general downward adjustment for its much superior locational appeal, high-density redevelopment potential, 3rd reading approval status as well as listing status. We would expect a price generally below \$1,671 per sq.ft. for the subject after aforementioned adjustments.

Comparable Four (10541 King George Boulevard, Surrey) is a single-storey commercial building with commercial retail and office space, located further northeast of the subject in the Surrey City Centre area. The property comprises 6,697 sq.ft. of floor area and was constructed circa 1994 according to BC Assessment Records. The property's underlying land is designated Mixed-Use under the Surrey City Centre Plan with a potential development density up to 3.5 FSR. The property sold in November 2023 for \$7,050,000 and translates into \$1,053 per sq.ft. of floor area. When drawing comparison, we've made appropriate downward adjustment for the comparable's smaller size and superior locational appeal.

Comparable Five (15330 102A Avenue, Surrey) is located northeast of the subject property, on the south side of 102A Avenue, east of 152 Street, in the Guildford neighborhood of Surrey. The comparable is a low-rise commercial building currently used as a restaurant. Built on 1981, the comparable has 59,167 sq.ft. of site area and a net leasable area of 10,052 sq.ft. based on BC Assessment Records. A rezoning application (22 – 000377) seeking to rezone the site from CHI to CD zoning to permit the development of one 22-storey mixed-use building consisting of 296 dwelling units and ground floor commercial space was submitted in December 2022 and achieved first and second reading on September 11, 2023, and third reading on September 25, 2023. The property transacted in August 2023 for \$17,100,000, which equates to \$1,701 per sq.ft. of floor area. We would expect a downward adjustment for size and location. Additionally, it is our understanding the purchase price was made on the underlying land value.

Comparable Six (18789 Fraser Highway, Surrey) represents May 2023 sale of a multi-tenant commercial freestanding building located on the northwest corner of Fraser Highway and 188th Street, further southeast to the subject. The comparable property is zoned CD (Comprehensive Development) under Bylaw No. 15679 and designated Commercial under the OCP. The comparable is also located within the 400m to 800m radius from the proposed 190 Street SkyTrain Station and according to the policy framework, the future development on the comparable parcel can be up to 3.0 FAR and up to 8 storeys for this Tier. The property comprises ±0.850 acres ±37,026 sq.ft. and is improved with a single storey retail building comprising a total rentable area of ±9,320 sq.ft. and constructed circa 2005. The comparable sold for \$10,730,000 and illustrates \$1,151 per sq.ft. of floor area. Downward adjustment for size and building age is suggested.

Comparable Seven (13190 58A Avenue, Surrey) represents a May 2024 sale of a multi-tenant commercial property located on the northwest corner of BC Highway 10 and 132 Street in West Newtown of Surrey. The comparable property comprises ±30,785 sq.ft. (±0.707 acres) and is improved with a multi-tenant single storey commercial freestanding building constructed circa 2020 comprising ±11,000 sq.ft. of ground floor commercial retail space. The property is zoned C5 (Neighbourhood Commercial) and sold for \$9,600,000, which yields \$873 per sq.ft. of floor area. Upward adjustment for locational appeal and commercial exposure are more than offsetting negative adjustment for size and building age.

SUMMARY

- Strong location within proximity to nearby transportation, amenities and many other major supermarkets, restaurants, and entertainment venues.
- The subject improvement is in good condition and provides quality accommodation appropriate for its present uses;
- The subject property comprises a total of 35,858 sq.ft. of leasable area and is currently 99% leased with various local businesses including restaurants, retail stores and office space;
- Majority of the subject leases are considered at market rates whilst some are below market with future rental upside;
- The commercial property has extensive frontages and excellent commercial exposures along 120 Street, with exposure to pedestrian and vehicle traffic.
- The subject is currently zoned CD permitting various commercial uses.

Based on the preceding analysis of comparable data, it is our opinion that a value on a per sq.ft. basis closer to the higher end of the comparable range is reflective of the market value of the subject property as of the effective date of this valuation. We have concluded at a value of \$950 per sq.ft. of gross leasable area for the subject building. The estimated market value for the Subject Property as described herein, under the Direct Comparison Approach, as of March 8, 2025, is therefore calculated as:

Gross Leasable Area	X	Price per sq.ft.	=	Estimated Value
±35,858 sq.ft.	X	\$950	=	\$34,065,100

ROUNDED TO

THIRTY-FOUR MILLION ONE HUNDRED THOUSAND DOLLARS
(\$34,100,000)

14.0 RECONCILIATION AND FINAL ESTIMATE OF VALUE

Income Approach:	\$33,160,000
Direct Comparison Approach:	\$34,100,000

INCOME APPROACH

The Income Approach considers return on investment to be a primary motivation for the purchase of an income producing property. The capitalization rate has been derived from analysis of various transactions involving income-producing properties in the area and is representative of returns required in the marketplace. The Income Approach represents the actions of typical investors when purchasing an income producing property such as the subject since it relates the financial components of the property to a capitalized value.

DIRECT COMPARISON APPROACH

In this approach we analyzed similar investment properties to derive a value based upon a price per square foot of Gross Leasable Area. The comparables analyzed consist of commercial retail buildings or retail/office mixed use buildings in the immediate neighbourhood and surrounding areas. The comparables analyzed on a price per square foot basis provide a good indication of value for the Property after adjustments.

The values derived under the two approaches illustrate a narrow range from \$33,160,000 to \$34,100,000 and provide strong value support and cross reference for each other. The subject is ultimately a redevelopment property to accommodate a higher density mixed use project that's consistent with the City's long term vision for the area. After consideration of all factors pertinent to value, we have concluded the final estimate of market value of the Subject Property primary based on the Direct Comparison Approach given that the investment decision of the subject property is likely to be less reliant on the income approach. The final estimate of market value of the subject property as described herein, subject to the Assumptions and Limiting Conditions herein, as of , is concluded at:

THIRTY-FOUR MILLION DOLLARS
(\$34,000,000)

15.0 CERTIFICATION

April 1, 2025

RE: 8140 120 Street, Surrey, BC

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

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

CIVIC ADDRESS AND LEGAL DESCRIPTION

8140 120 Street, Surrey, BC

Legal Description: LOT A SECTION 30 TOWNSHIP 2 NEW WESTMINSTER DISTRICT PLAN 84061

PID: 015-570-070

Title Number: CB313206

BASED UPON THE DATA, ANALYSES AND CONCLUSIONS CONTAINED HEREIN, THE MARKET VALUE OF THE INTEREST IN THE PROPERTY DESCRIBED, BASED ON ITS HIGHEST AND BEST USE AS AT MARCH 8, 2025, IS ESTIMATED AT

Stabilized Net Operating Income: \$994,813 per Annum (Based on Contractual Rents)

Income Approach: \$33,160,000

Direct Comparison Approach: \$34,100,000

Final Estimate of Value: \$34,000,000

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

Respectfully submitted,
L.W. Property Advisors Ltd.



Per: Rose Wang
B.Comm, AACI, P. App
AIC Membership No. 902311
Signed: April 1, 2025

16.0 ASSUMPTIONS AND LIMITING CONDITIONS

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

1. This report is prepared at the request of the client and for the specific use referred to herein. It is not reasonable for any other party to rely on this appraisal without first obtaining written authorization from the client, the authors, subject to the qualification below. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.
2. Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this appraisal cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.
3. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No registry office search has been performed and the appraiser assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in this report. The property is appraised on the basis of it being under responsible ownership.
4. The subject property is presumed to comply with government regulations including zoning, building codes and health regulations and, if it does not comply, its non-compliance may affect market value.
5. No survey of the properties has been made. Any sketch in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property.
6. This report is completed on the basis that testimony or appearance in court concerning this appraisal 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 appraisal report and data related thereto and the provision of appropriate compensation.

ASSUMPTIONS AND LIMITING CONDITIONS (continued)

7. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
8. The appraiser 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 subject property.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client-supplied information, which we believed to be correct.
10. The term "inspection" refers to observation and reporting of the general material finishing and conditions seen 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, in accordance with the CUSPAP.

ASSUMPTIONS AND LIMITING CONDITIONS (continued)

11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The appraiser has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The appraiser has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this physical inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the appraiser.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser 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 appraiser'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 appraiser's privacy policy and in accordance with the PIPEDA.
13. The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use.
14. Written consent from the authors must be obtained before any part of the appraisal report can be used for any use by anyone except the client and other intended users identified in the report. Where the client is the mortgagee and the loan is insured, liability is extended to the mortgage insurer. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee.
15. 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. This appraisal report, its content and all attachments/addendums and their content are the property of the author. The client, intended 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.

ASSUMPTIONS AND LIMITING CONDITIONS (continued)

16. 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 appraiser, can be relied upon without fault.
17. Where the intended use of this report is for financing or mortgage lending, it is a condition of reliance on this report that the authorized user has or will conduct loan underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender, 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 such loan underwriting and due diligence in accordance with the standards set out by the Office of the Superintendent of Financial Institutions (OSFI) Residential Mortgage Underwriting Practices and Procedures B-20, even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition.
18. Where the intended use of this report is for mortgage insurance, it is a condition of reliance on this report that the authorized user will conduct loan insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent mortgage insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, to conduct such loan insurance underwriting and/ due diligence in accordance with the standards set out by the Office of the Superintendent of Financial Institutions (OSFI) Residential Mortgage Insurance Underwriting Practices and Procedures B-21, even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition.

Appendix "A"

Copy of the Title Information

TITLE SEARCH PRINT

File Reference: 2502-4952

Declared Value \$22200000

2025-03-04, 17:00:22
Requestor: Wesley Koroluk****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN******Land Title District**
Land Title OfficeNEW WESTMINSTER
NEW WESTMINSTER**Title Number**
From Title NumberCB313206
CA2307611**Application Received**

2022-11-01

Application Entered

2022-11-03

Registered Owner in Fee Simple
Registered Owner/Mailing Address:MORTISE (SCOTT ROAD RESIDENTIAL) HOLDINGS LTD., INC.NO.
BC1378105
104-9450 120 ST
SURREY, BC
V3V 4B9
AS TO AN UNDIVIDED 55/100 INTEREST

Registered Owner/Mailing Address:

MORTISE (SCOTT ROAD OFFICE) HOLDINGS LTD., INC.NO.
BC1378112
104-9450 120 ST
SURREY, BC
V3V 4B9
AS TO AN UNDIVIDED 39/100 INTEREST

Registered Owner/Mailing Address:

MORTISE (SCOTT ROAD COMMERCIAL) HOLDINGS LTD.,
INC.NO. BC1378122
104-9450 120 ST
SURREY, BC
V3V 4B9
AS TO AN UNDIVIDED 6/100 INTEREST**Taxation Authority**

Surrey, City of

Description of Land

Parcel Identifier:

015-570-070

Legal Description:

LOT A SECTION 30 TOWNSHIP 2 NEW WESTMINSTER DISTRICT PLAN 84061

Legal NotationsTHIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 26 OF THE LOCAL
GOVERNMENT ACT, SEE BB128607

TITLE SEARCH PRINT

File Reference: 2502-4952

Declared Value \$22200000

2025-03-04, 17:00:22⁷⁹
Requestor: Wesley Koroluk

HERETO IS ANNEXED RESTRICTIVE COVENANT BV174960 OVER LOT 113 NWD
PLAN 59070

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA1089435
FILED 2009-04-21

HERETO IS ANNEXED EASEMENT AC49878 OVER (PLAN 80840) LOT 11 PLAN 71800

THIS TITLE MAY BE AFFECTED BY A PERMIT
UNDER PART 29 OF THE MUNICIPAL ACT.
SEE D.F. AC134409 (EXPIRES MAY 25, 1991)

THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 29 MUNICIPAL ACT
SEE DF AD18906 EXPIRES NOVEMBER 23, 1990

HERETO IS ANNEXED RESTRICTIVE COVENANT AD290612 OVER LOT 1 PLAN 58453

Charges, Liens and Interests

Nature:	COVENANT
Registration Number:	AC30252
Registration Date and Time:	1989-02-09 11:52
Registered Owner:	DISTRICT OF SURREY
Remarks:	SECTION 215 L.T.A. AS TO PART FORMERLY LOT 1 PLAN 80198

Nature:	COVENANT
Registration Number:	AC30259
Registration Date and Time:	1989-02-09 11:54
Registered Owner:	DISTRICT OF SURREY
Remarks:	INTER ALIA SECTION 215 L.T.A. AS TO PART FORMERLY LOT 2 PLAN 80198

Nature:	EASEMENT
Registration Number:	AD3468
Registration Date and Time:	1990-01-04 12:58
Remarks:	PART HEAVY OUTLINE PLAN 84062 APPURTENANT TO LOT B PLAN 84061

Nature:	EASEMENT
Registration Number:	AD3469
Registration Date and Time:	1990-01-04 12:58
Remarks:	PART HATCHED PLAN 84062 APPURTENANT TO LOT B PLAN 84061 (SEE AD3468)

TITLE SEARCH PRINT

File Reference: 2502-4952

Declared Value \$22200000

2025-03-04, 17:00:22
Requestor: Wesley Koroluk

Nature:
Registration Number:
Registration Date and Time:
Remarks:

RESTRICTIVE COVENANT
BB436632
2007-08-03 13:34
APPURTENANT TO LEASE BX463109 AND
LEASE BB533107 AND LOT A, EXCEPT:
PART ON PLAN LMP46212, SECTION 28,
B5N, R6W, NWD PLAN 79716 AND
LOT B, EXCEPT: PART ON PLAN LMP46213,
SECTION 28, B5N, R6W, NWD PLAN 79716
MODIFIED BY CA1949117

Nature:
Registration Number:
Registration Date and Time:
Remarks:

MODIFICATION
CA1949117
2011-03-28 10:44
MODIFICATION OF BB436632

Nature:
Registration Number:
Registration Date and Time:
Registered Owner:

MORTGAGE
CB313466
2022-11-01 12:01
INSTITUTIONAL MORTGAGE CAPITAL CANADA INC.
INCORPORATION NO. A0081339

Nature:
Registration Number:
Registration Date and Time:
Registered Owner:

ASSIGNMENT OF RENTS
CB313467
2022-11-01 12:01
INSTITUTIONAL MORTGAGE CAPITAL CANADA INC.
INCORPORATION NO. A0081339

Nature:
Registration Number:
Registration Date and Time:
Registered Owner:

MORTGAGE
CB1691312
2024-11-04 09:22
BANCORP BALANCED MORTGAGE FUND II LTD.
INCORPORATION NO. BC0856913
BANCORP GROWTH MORTGAGE FUND II LTD.
INCORPORATION NO. BC0856914
BANCORP FINANCIAL SERVICES INC.
INCORPORATION NO. BC0712503
MANDATE MANAGEMENT CORPORATION
INCORPORATION NO. BC0372290

TITLE SEARCH PRINT

File Reference: 2502-4952

Declared Value \$22200000

81
2025-03-04, 17:00:22
Requestor: Wesley Koroluk

Nature:

Registration Number:

Registration Date and Time:

Registered Owner:

ASSIGNMENT OF RENTS

CB1691313

2024-11-04 09:22

BANCORP BALANCED MORTGAGE FUND II LTD.

INCORPORATION NO. BC0856913

BANCORP GROWTH MORTGAGE FUND II LTD.

INCORPORATION NO. BC0856914

BANCORP FINANCIAL SERVICES INC.

INCORPORATION NO. BC0712503

MANDATE MANAGEMENT CORPORATION

INCORPORATION NO. BC0372290

Duplicate Indefeasible Title

NONE OUTSTANDING

Transfers

NONE

Pending Applications

NONE

Appendix "B"

Copy of the CD Zoning Bylaw

THE CORPORATION OF THE DISTRICT OF SURREYBY-LAW NO. 8234

A by-law to amend "Part 1 of Surrey
Zoning By-law, 1979, No. 5942 as amended."
.....

THE MUNICIPAL COUNCIL of The Corporation of the District of
Surrey, in open meeting assembled, ENACTS AS FOLLOWS:

1. "Part 1 of Surrey Zoning By-law, 1979, No. 5942", as amended, is hereby further amended pursuant to the provisions of Section 716 of the "Municipal Act" and the classification of the parcels of land described in Schedule 1 and delineated on Plan 1, said Schedule 1 and Plan 1 being attached hereto and forming a part of this by-law, presently shown upon the maps designated as the "Zoning Maps" and marked as Schedule "A" under PART III of the said By-law No. 5942, is hereby amended as follows:

FROM "THE PROVISIONS OF LAND USE CONTRACT NO. 587" TO
"COMPREHENSIVE DEVELOPMENT ZONE NUMBER TWELVE (C-D(12))"

(a) Delineation of Site Areas

The parcels described in Schedule 1 and delineated on Plan 1 are divided into site areas as delineated on Plan 2 which is attached hereto and forms part of this by-law.

- (b) The land area identified by the number 12 on Plan 2 shall be developed in accordance with the provisions of "PART XXXVI - C-S SHOPPING CENTRE ZONE" of "Part 2 of Surrey Zoning By-law, 1979, No. 5942", as amended, SAVE AND EXCEPT Section G. HEIGHT OF STRUCTURES and Section H. YARDS AND SETBACKS, which are hereby deleted and the following sections shall apply to the land:

Section G. HEIGHT OF STRUCTURES

- (1) Principal buildings: The height of principal buildings shall not exceed two (2) storeys, or twelve (12) metres (39 ft), except for portions occupying no more than thirty (30) percent of the total roof area which shall not exceed a height of twenty-four (24) metres (78 ft).
- (2) Accessory buildings: The height of accessory buildings shall not exceed four decimal five (4.5) metres (15 ft), except the clock tower which shall be not less than 18 metres (59 ft) nor more than 22 metres (72 ft).

Section H. YARDS AND SETBACKS

Buildings and structures shall be located within the building envelopes indicated on Plan 3 which is attached hereto and forms a part of this by-law;

and the following section shall be added:

Section L. BUILDING SIZE AND SHAPE

All buildings and structures shall be constructed in accordance with Plans 4, 5, 6 and 7, which are attached hereto and form a part of this by-law, with respect to dimensions and materials. For those parts of the buildings and structures on Plans 4, 5 and 6 for which no dimensions are shown, the dimensions shall be determined by scaling the drawings on the said plans in proportion to the dimensioned parts of the buildings. Minor variations in the dimensions indicated in Plans 4, 5 and 6 are permitted provided, however, that the said minor variation does not exceed a dimension of ten percent more or ten percent less than the dimension indicated on Plans 4, 5 and 6.

- (c) The land area identified by the number 11 on Plan 2 shall be developed in accordance with the provisions of "PART XXXIV - C-R(1) RETAIL COMMERCIAL ZONE ONE" of "Part 2 of Surrey Zoning By-law, 1979, No. 5942", as amended, SAVE AND EXCEPT Section G. HEIGHT OF STRUCTURES and Section H. YARDS AND SETBACKS, which are hereby deleted and the following sections shall apply to the land:

Section G. HEIGHT OF STRUCTURES

- (1) Principal buildings: The height of principal buildings shall not exceed four (4) storeys or sixteen decimal eight (16.8) metres (55 ft).
- (2) Accessory buildings: The height of accessory buildings shall not exceed four decimal five (4.5) metres (15 ft);

Section H. YARDS AND SETBACKS

Buildings and structures shall be located within the building envelopes indicated on Plan 3 which is attached hereto and forms a part of this by-law;

and the following section shall be added:

Section L. BUILDING SIZE AND SHAPE

Building and structures shall be constructed in accordance with Plans 4 and 7, and Plan 8, which are attached hereto and form part of this by-law, with respect to dimensions and materials. For those parts of the building and structures for which no dimensions are shown, the dimensions shall be determined by scaling the drawings on Plan 5 in proportion to the dimensioned parts of the building. Minor variations in the dimensions indicated on Plan 8 are permitted provided, however, that the said minor variation does not exceed a dimension of ten percent more or ten percent less than the dimension indicated on Plan 8.

- (d) The land area identified by the numbers 2, 3, 4, 5, 7, 8, 9, and 10 on Plan 2 shall be developed in accordance with the provisions of "PART XXV - RM-2 MULTIPLE RESIDENTIAL ZONE TWO" of "Part 1 of Surrey Zoning By-law, 1979, No. 5942", as amended, SAVE AND EXCEPT Section D. DENSITY, Section H. HEIGHT OF STRUCTURES and Section I. YARDS AND SETBACKS, which are hereby deleted and the following sections shall apply to the land:

Section D. DENSITY

The number of units for each delineated parcel shall not exceed that given in the following table:

<u>Parcel</u>	<u>Maximum Number of Units</u>
2	Seventy-five (75)
3	Seventy-five (75)
4	Seventy-five (75)
5	Eighty (80)
7	Ninety (90)
8	Eighty (80)
9	Sixty (60)
10	Sixty-five (65)

Section H. HEIGHT OF STRUCTURES

- (1) Principal buildings: The height of principal buildings shall not exceed four (4) storeys or fourteen decimal six (14.6) metres (48 ft).
- (2) Accessory buildings: The height of accessory buildings shall not exceed four decimal five (4.5) metres (15 ft);

Section I. YARDS AND SETBACKS

Buildings and structures shall be located within the building envelopes indicated on Plan 3;

and the following section shall be added:

Section L. BUILDING SIZE AND SHAPE

All buildings and structures shall be constructed in accordance with Plans 4 and 7, and Plan 9, which are attached hereto and form part of this by-law, with respect to dimensions and materials. For those parts of the buildings and structures for which no dimensions are shown, the dimensions shall be determined by scaling the drawings on Plans 4 and 9 in proportion to the dimensioned parts of the buildings. Minor variations in the dimensions indicated on Plans 4 and 9 are permitted provided, however, that the said minor variation does not exceed a dimension of ten percent more or ten percent less than the dimension indicated on Plans 4 and 9.

- (e) The land area identified by the number 6 on Plan 2 shall be developed in accordance with the provisions of "PART XXVI - RM-3 MULTIPLE RESIDENTIAL ZONE THREE" of "Part 1 of Surrey Zoning By-law, 1979, No. 5942", as amended, SAVE AND EXCEPT Section D. DENSITY, Section H. HEIGHT OF STRUCTURES and Section I. YARDS AND SETBACKS, which are hereby deleted and the following sections shall apply to the land:

Section D. DENSITY

The number of units shall not exceed ninety-six (96).

Section H. HEIGHT OF STRUCTURES

- (1) Principal buildings: The height of principal buildings shall not exceed ten (10) storeys or forty (40) metres (131 ft).
- (2) Accessory buildings: The height of accessory buildings shall not exceed four decimal five (4.5) metres (15 ft).

Section I. YARDS AND SETBACKS

Buildings and structures shall be located within the building envelopes indicated on Plan 3;

and the following section shall be added:

Section O. Building Construction

All buildings and structures shall be constructed in accordance with Plans 4, 7 and 9, with respect to dimensions and materials. For those parts of the buildings and structures for which no dimensions are shown, the dimensions shall be determined by scaling the drawings on Plans 4 and 9 in proportion to the dimensioned parts of the buildings. Minor variations in the dimensions indicated on Plans 4 and 9 are permitted provided, however, that the said minor variation does not exceed a dimension of ten percent more or ten percent less than the dimension indicated on Plans 4 and 9.

- (f) The land area identified by the number 1 on Plan 2 shall be developed in accordance with the provisions of "PART XXIII - RT-1 TOWNHOUSE RESIDENTIAL ZONE" of "Part 1 of Surrey Zoning By-law, 1979, No. 5942", as amended, SAVE AND EXCEPT Section D. DENSITY, Section F. SUBDIVISION, Section G. SITE AREA, and Section I. YARDS AND SETBACKS, which are hereby deleted and the following sections shall apply to the land:

Section D. DENSITY

The number of units shall not exceed forty-five (45).

Section F. SUBDIVISION

- (1) Lot size: The minimum lot size shall be eight thousand (8,000) square metres (2.0 ac.).
- (2) Lot depth: The depth of the lot shall not exceed two decimal five (2.5) times the width of the lot.

Section G. SITE AREA

The minimum site area shall be zero decimal eight (0.8) hectares (2.0 acres).

Section I. YARDS AND SETBACKS

Buildings and structures shall be located within the building envelopes indicated on Plan 3;

and the following section shall be added:

Section L. Building Construction

All buildings and structures shall be constructed in accordance with Plans 4, 7, 8 and 9 with respect to dimensions and materials. For those parts of the buildings and structures for which no dimensions are shown, the dimensions shall be determined by scaling

the drawings on Plans 4, 8 and 9 in proportion to the dimensioned parts of the buildings. Minor variations in the dimensions indicated on Plans 4, 8 and 9 are permitted provided, however, that the said minor variation does not exceed a dimension of ten percent more or ten percent less than the dimension indicated on Plans 4, 8 and 9.

- (g) The land area identified by the number 13 on Plan 2 shall be developed in accordance with the provisions of "Part XVIII - R-F - Family Residential Zone" of "Part 1 of Surrey Zoning By-law, 1979, No. 5942, as amended.
- (h) The land areas identified by the numbers 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 on Plan 2 shall be subject to the provisions of "Part V - Off-Street Parking" of "Part 1 of Surrey Zoning By-law, 1979, No. 5942" as amended.

2. "Part 1 of Surrey Zoning By-law, 1979, No. 5942", as amended, is hereby further amended pursuant to the provisions of Section 717 of the "Municipal Act", and that area of land within the Municipality of Surrey, which is contained within the described boundaries as described in Schedule 1 to this by-law and as delineated on Plan 1 to this by-law, is hereby designated as a development permit area.

3. (a) That owners of land within the said development permit area shall prior to the commencement of a development other than a development of three (3) or less self-contained dwelling units, obtain or hold a development permit, which may regulate or require any or all of the matters referred to in Sub-section (2)(a) to (k) of Section 717 of the "Municipal Act".

(b) Variations in the size, shape and siting of buildings and structures that differ by more than ten percent from the dimensions indicated on the attached plans or that in any other way are not in accordance with the specifications, terms and conditions of this by-law may be varied by a development permit.

4. Upon the application of an owner of land within the said development permit area as designated by Section 2 hereof, or his agent, the Council may, in conformity with the

requirements and the procedure set out in the "Surrey Development Permit Form, Fee and Procedure By-law, 1978, No. 5583" and amendments thereto, and Section 717 of the "Municipal Act", Chapter 290, R.S.B.C. 1979, as amended, issue a development permit to such owner, or his agent, and thereafter, the land shall be developed strictly in accordance with the development permit.


5. This By-law shall be cited for all purposes as "Part 1 of Surrey Zoning By-law, 1979, No. 5942, Amendment By-law, 1985, No. 8234."


READ A FIRST AND SECOND TIME on the 29th day of April, 1985.

PUBLIC HEARING HELD thereon on the 10th day of June, 1985.

READ A THIRD TIME on the 10th day of June, 1985.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the 24th day of March, 1986.

 MAYOR

 CLERK

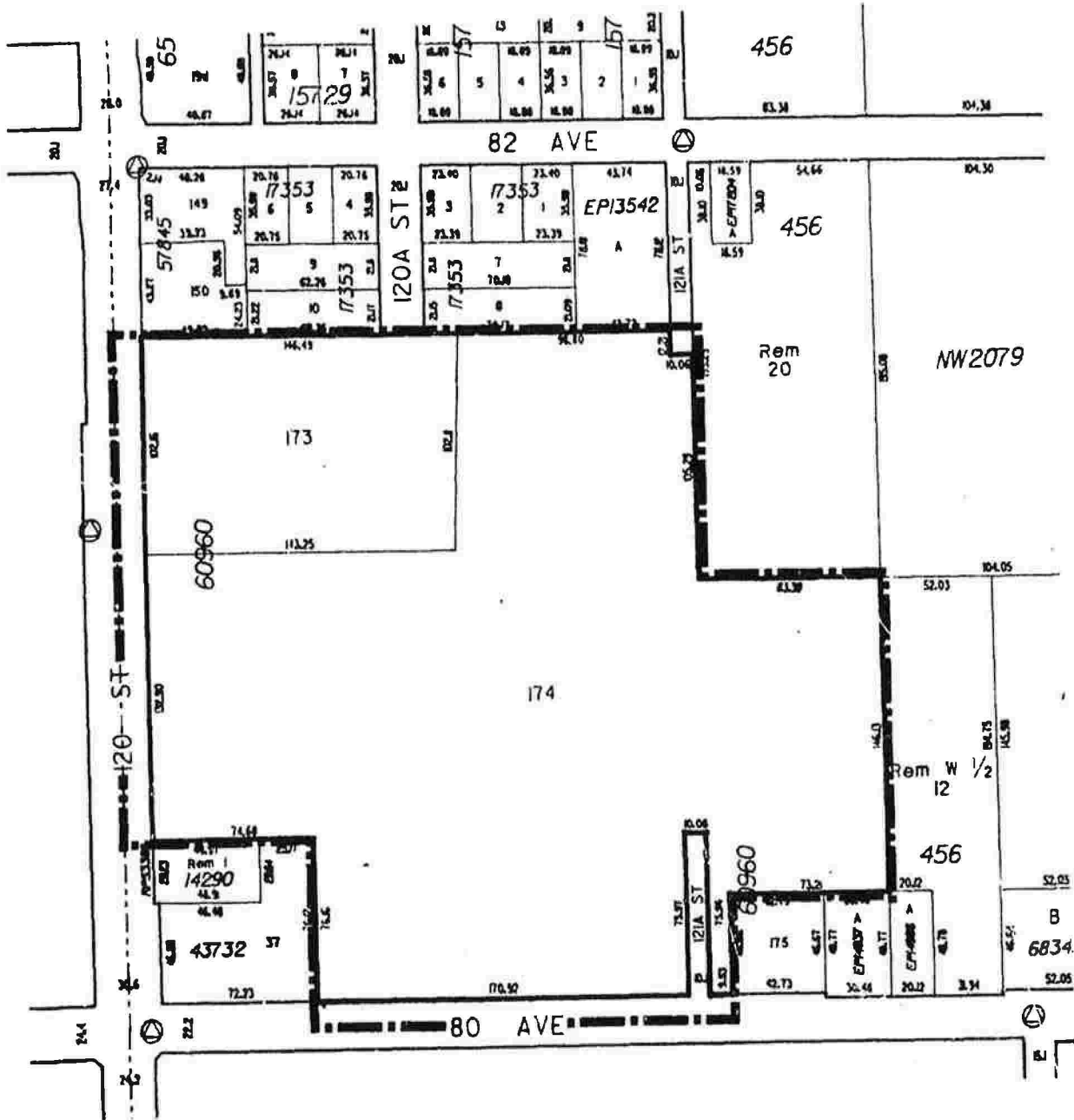
SCHEDULE 1

LANDS REZONED FROM "Shopping Centre Zone (C-S)" and "Multiple Residential Zone Four (RM-4)" to "Comprehensive Development Zone Number Twelve (C-D(12))."

Lot One Hundred Seventy-Three (173) and Lot One Hundred Seventy-Four (174), both of the South West Quarter (SW 1/4) of Section Thirty (30), Township Two (2), Plan Sixty Thousand Nine Hundred Sixty (60960), New Westminster District.

(8066 and 8128 - 120 Street)

Together with those portions of 120 Street, 121A Street and 80 Avenue contained within the rezoning area as delineated on Plan 1.



PLAN 1 LEGAL DESCRIPTION

BYLAW 8234

LEGEND

- SUBJECT PROPERTIES
- ZONING AREA

120th STREET (SCOTT ROAD)

80 AVENUE

82 AVENUE

120A STREET

121A STREET

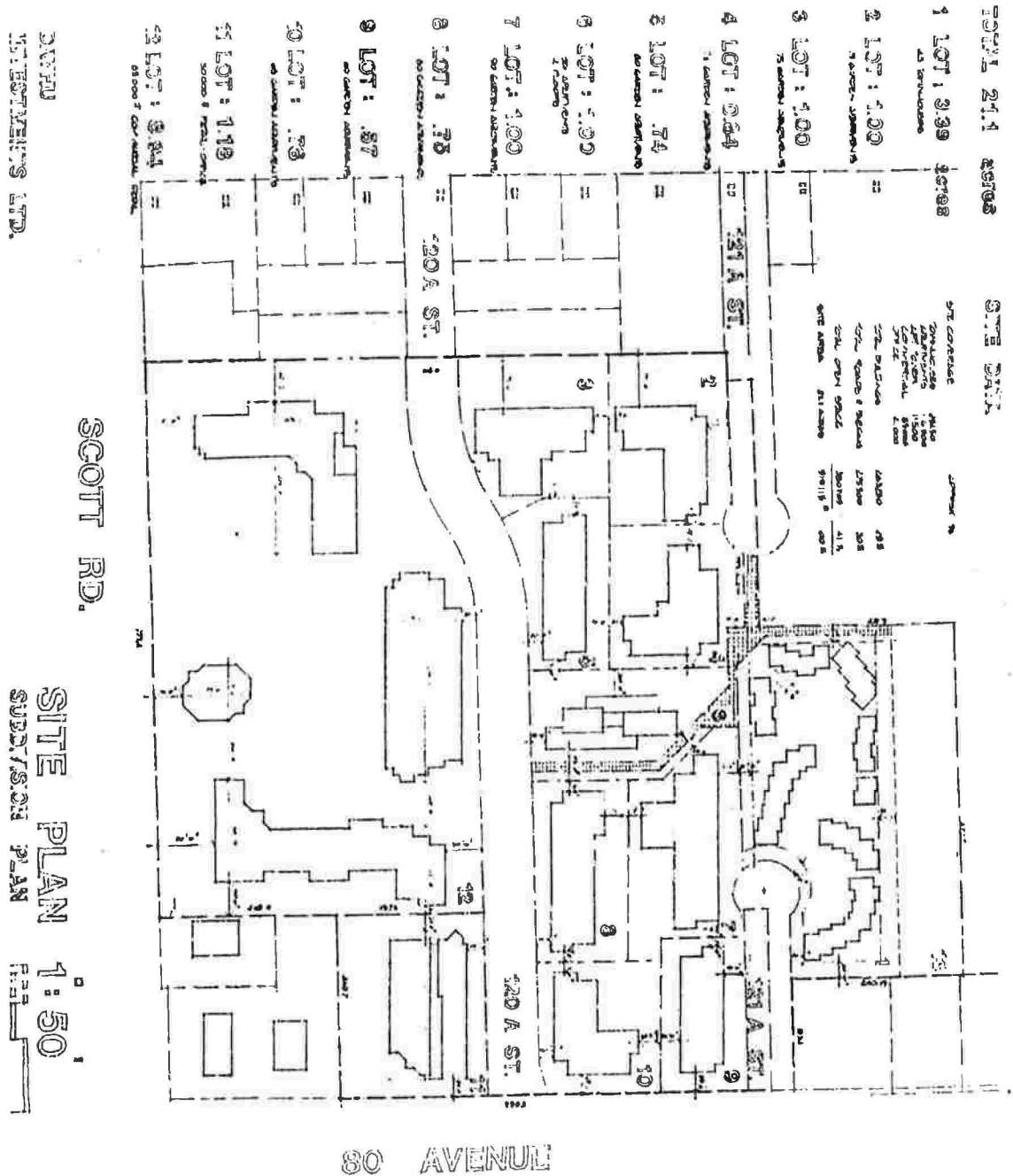
Lot Areas:

Lot No.	Area (m²)
1	9212
2	4430
3	4608
4	3622
5	3352
6	4026
7	4004
8	3824
9	2929
10	3409
11	5554
12	3287.5
13	4009

Cumulative Distances (m):

Lot No.	Distance (m)
1	14.1
2	14.1
3	14.1
4	14.1
5	14.1
6	14.1
7	14.1
8	14.1
9	14.1
10	14.1
11	14.1
12	14.1
13	14.1

PLAN NO. 3
BY-LAW NO. 8234



SITE PLAN 1:50
SUBDIVISION PLAN

PLAN 3
PELHAM
ARCHITECTS

SCOTT ROAD CENTRE
a comprehensive development

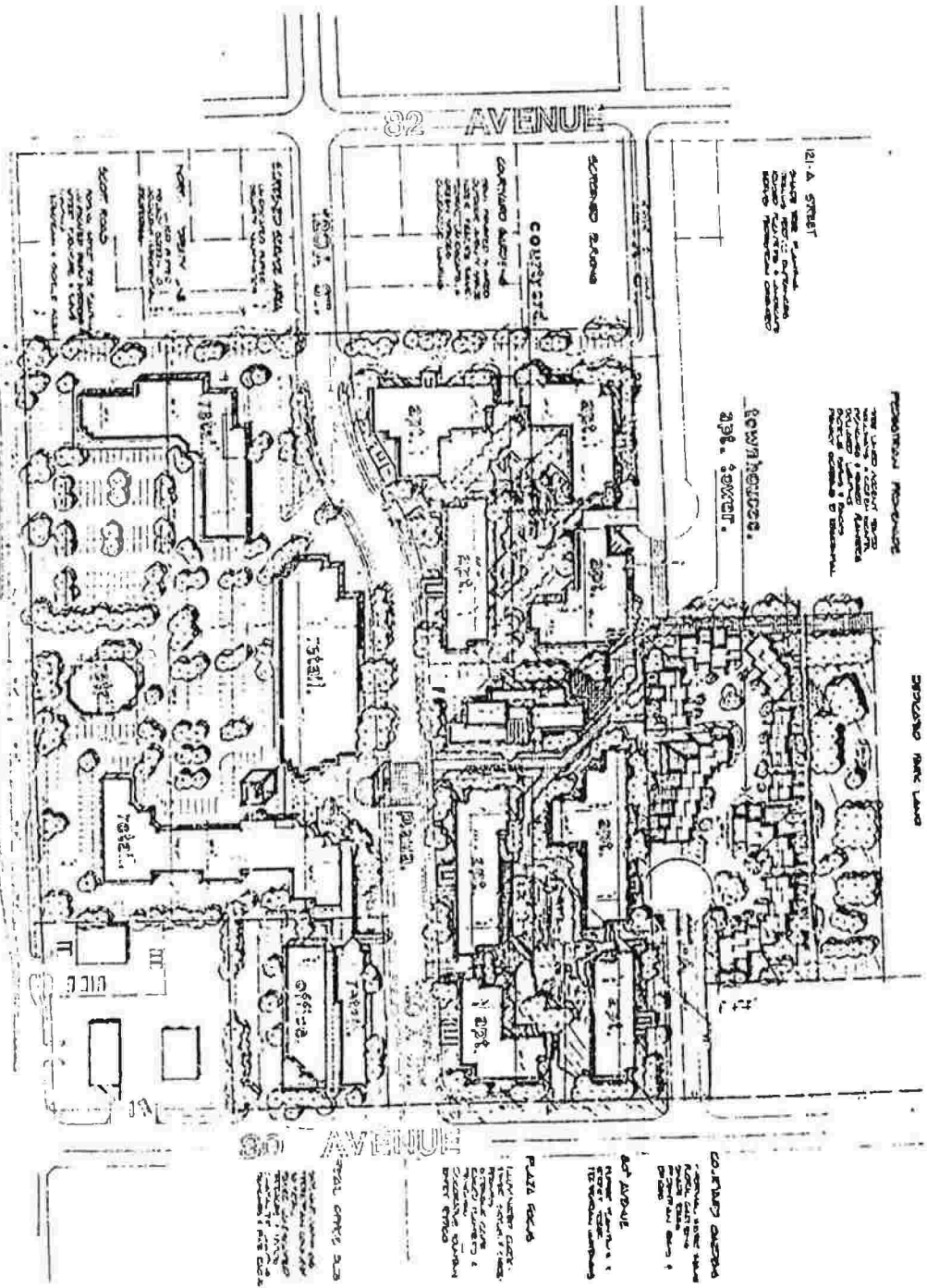
PLAN NO. 4
BY-LAW NO. 8234

THE
HARRIS GROUP LTD.

SCOTT RD.

SITE PLAN 1:50

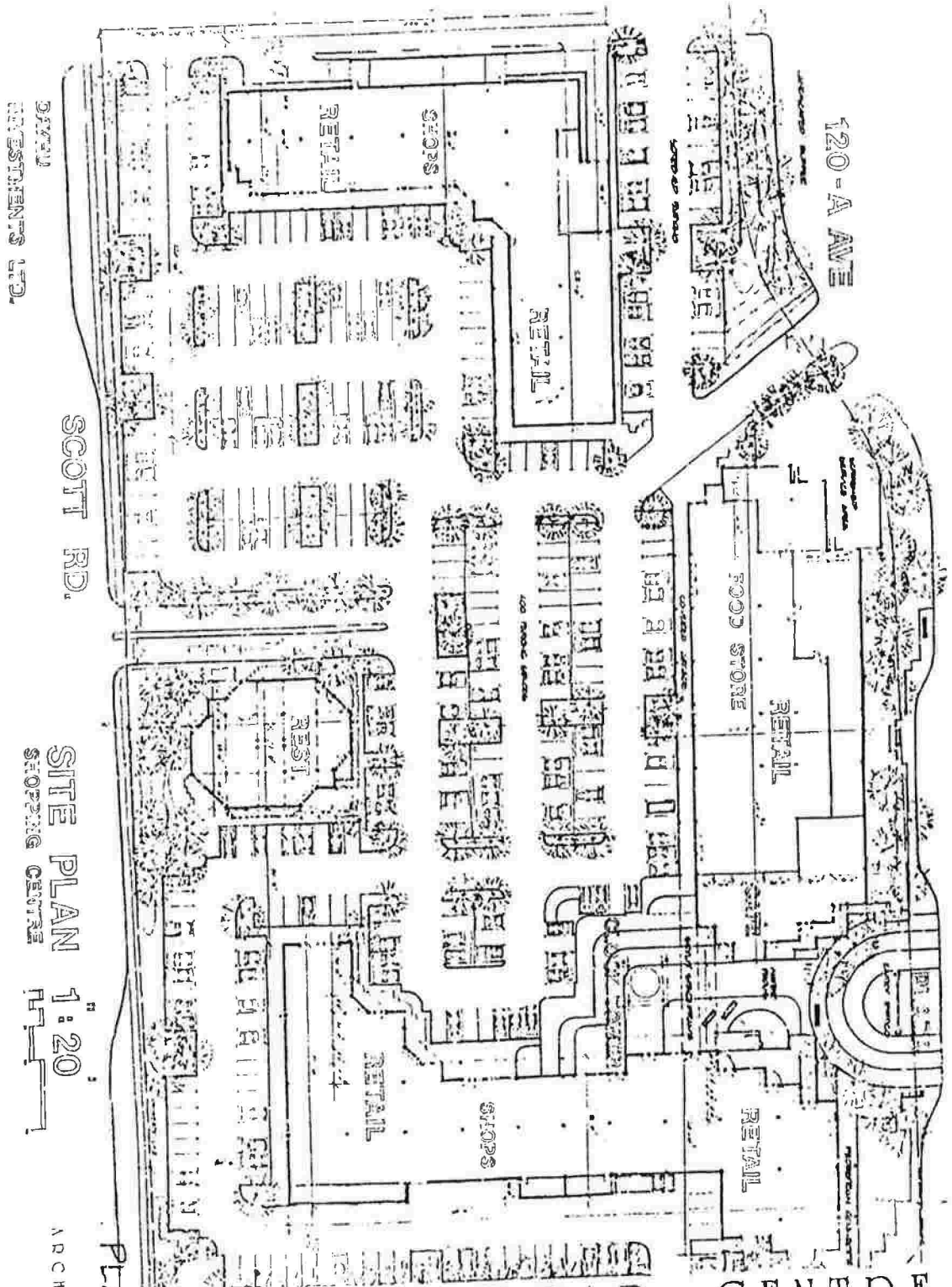
PLAN 4
DELMAN
ARCHITECTS



SCOTT ROAD CENTRE
a comprehensive development

PLAN NO. 5

BY-LAW NO. 82.34



DEVELOPERS
INTERESTMENTS LTD.

SCOTT RD.

SITE PLAN 1:20
SHOPPING CENTRE

PLAN 5
DELMAN
ARCHITECTS

SCOTT ROAD CENTRE
a comprehensive development

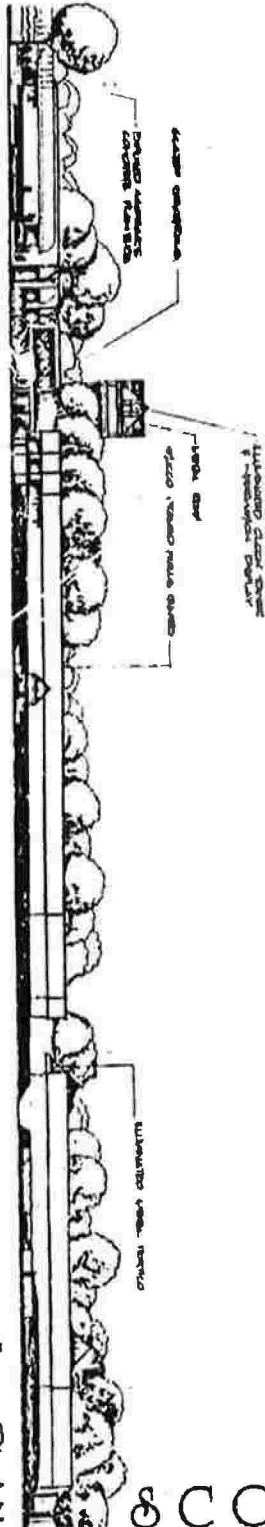
PLAN NO. 6

BY-LAW NO. 8234

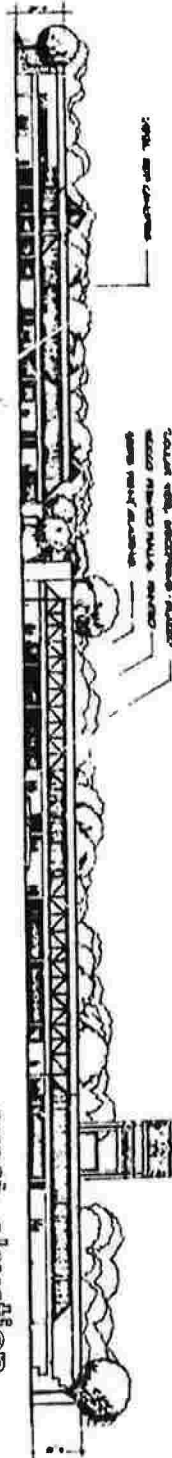
DAVID
INVESTMENTS LTD.

ELEVATIONS.
SHOPPING CENTRE.

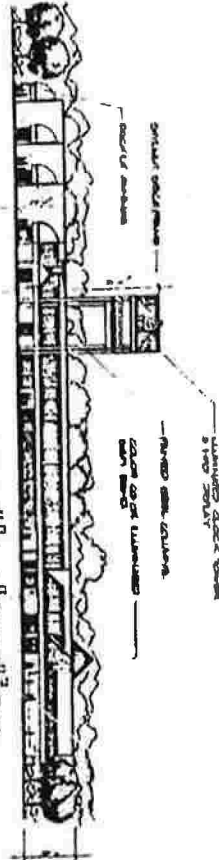
east elevation. PLAN 6
1:20. FT. ARCHITECTS



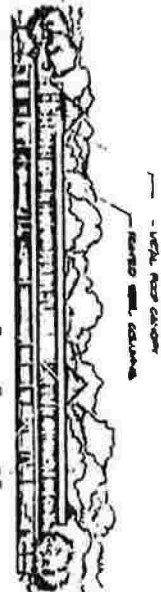
west elevation.
1:20. FT.



north elevation.
1:20. FT.



south elevation.
1:20. FT.



SCOTT ROAD CENTRE
a comprehensive development

PLAN NO. 7

BY-LAW NO. 8234

SCOTT ROAD CENTRE
a comprehensive development

1971

PLAN 7
DELMAN
CHITECTS



Appendix "C"

**Copy of Contract of Purchase and Sale
dated February 18, 2025**

INFORMATION ABOUT THE CONTRACT OF PURCHASE AND SALE
COMMERCIAL REAL ESTATE

THIS INFORMATION IS INCLUDED FOR THE ASSISTANCE OF THE PARTIES ONLY. IT DOES NOT FORM PART OF THE CONTRACT AND SHOULD NOT AFFECT THE PROPER INTERPRETATION OF ANY OF ITS TERMS.

1. **CONTRACT:** This document, when signed by both parties, is a legally binding contract. READ IT CAREFULLY. The parties should ensure that everything that is agreed to is in writing.
2. **DEPOSIT(S):** Section 28 of the *Real Estate Services Act* requires that money held by a brokerage in respect of a real estate transaction for which there is an agreement between the parties for the acquisition and disposition of the real estate be held by the brokerage as a stakeholder. The money is held for the real estate transaction and not on behalf of one of the parties. If a party does not remove a subject clause, the brokerage requires the written agreement of both parties in order to release the deposit. If both parties do not sign the agreement to release the deposit, then the parties will have to apply to court for a determination of the deposit issue.
3. **COMPLETION:** (Clauses 6.1 and 17) Unless the parties are prepared to actually meet at the Land Title Office and exchange title documents for the purchase price, it is, in every case, advisable for the completion of the sale to take place in the following sequence:
 - (a) The buyer pays the purchase price or down payment in trust to the buyer's lawyer or notary (who should advise the buyer of the exact amount required) several days before the completion date and the buyer signs the documents.
 - (b) The buyer's lawyer or notary prepares the documents and forwards them for signature to the seller's lawyer or notary who returns the documents to the buyer's lawyer or notary.
 - (c) The buyer's lawyer or notary then attends to the deposit of the signed title documents (and any mortgages) in the appropriate Land Title Office.
 - (d) The buyer's lawyer or notary releases the sale proceeds at the buyer's lawyer's or notary's office.

Since the seller is entitled to the seller's proceeds on the completion date, and since the sequence described above takes a day or more, it is strongly recommended that the buyer deposits the money and the signed documents AT LEAST TWO DAYS before the completion date, or at the request of the conveyancer, and that the seller delivers the signed transfer documents no later than the morning of the day before the completion date.

While it is possible to have a Saturday or Sunday completion date using the Land Title Office's electronic filing system, parties are strongly encouraged NOT to schedule a Saturday completion date as it will restrict their access to fewer lawyers or notaries who operate on Saturdays; lenders will generally not fund new mortgages on Saturdays; lenders with existing mortgages may not accept payouts on Saturdays; and other offices necessary as part of the closing process may not be open.

4. **POSSESSION:** (Clauses 7.1 and 18) The buyer should make arrangements through the REALTORS® for obtaining possession. The seller will not generally let the buyer move in before the seller has received the sale proceeds. Where residential tenants are involved, buyers and sellers should consult the *Residential Tenancy Act*.
5. **ADJUSTMENT:** (Clauses 8.1 and 19) The buyer and seller should consider any additional adjustments that are necessary given the nature of the property and how any costs are payable by tenants and whether the seller holds any of the tenant's funds with respect to such costs.

INFORMATION ABOUT THE CONTRACT OF PURCHASE AND SALE
COMMERCIAL REAL ESTATE (continued)

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6. **TITLE:** (Clause 22) It is up to the buyer to satisfy the buyer on matters of zoning or building or use restrictions, toxic or environmental hazards, encroachments on or by the property and any encumbrances which are staying on title before becoming legally bound. It is up to the seller to specify in the contract if there are any encumbrances, other than those listed in clause 22 and Schedule 22, which are staying on title before becoming legally bound. If you as the buyer are taking out a mortgage, make sure that title, zoning and building restrictions are all acceptable to your mortgage company. In certain circumstances, the mortgage company could refuse to advance funds. If you as the seller are allowing the buyer to assume your mortgage, you may still be responsible for payment of the mortgage, unless arrangements are made with your mortgage company.

7. **CUSTOMARY COSTS:** (Clause 31) In particular circumstances there may be additional costs, but the following costs are applicable in most circumstances:

Costs to be Borne by the Seller

Lawyer or Notary Fees and Expenses:
- attending to execution documents
Costs of clearing title, including:
- discharge fees charged by
encumbrance holders,
- prepayment penalties.
Real Estate Commission (plus GST).
Goods and Services Tax (if applicable).

Costs to be Borne by the Buyer

Lawyer or Notary Fees and Expenses:
- searching title,
- investigating title,
- drafting documents.
Land Title Registration fees.
Survey Certificate (if required).
Costs of Mortgage, including:
- mortgage company's lawyer/notary,
- appraisal (if applicable),

Land Title Registration fees.
Fire Insurance Premium.
Sales Tax (if applicable).
Property Transfer Tax.
Goods and Services Tax (if applicable).



In addition to the above costs there maybe financial adjustments between the seller and the buyer pursuant to Clause 19.

8. **RISK:** (Clause 32) The buyer should arrange for insurance to be effective as of 12:01 am on the earlier of the completion date. The seller should maintain the seller's insurance in effect until the later of the date the seller receives the proceeds of sale, or the date the seller vacates the property.
9. **FORM OF CONTRACT:** This Contract of Purchase and Sale is designed primarily for the purchase and sale of freehold commercial real estate. If your transaction involves: a building under construction, an operating business with or without employees being hired, a sale and purchase of shares in the owner of the property, the purchase of a leasehold interest, other special circumstances, additional provisions, not contained in this form, may be needed, and professional advice should be obtained.



CONTRACT OF PURCHASE AND SALE FOR COMMERCIAL REAL ESTATE

MLS® NO: Exclusive

DATE: February 18 2025

PART 1 – INFORMATION SUMMARY

1. Prepared By	
1.1	Name of Brokerage <u>Royal LePage Global Force Realty</u>
1.2	Brokerage Address <u>104 - 13049 76 Avenue Surrey BC V3W2V7</u> Phone No. <u>(604) 5961800</u>
1.3	REALTOR®'s Name <u>Ike Sekhon</u>
1.4	Personal Real Estate Corporation <u>Ike Sekhon PREC*</u>
1.5	REALTOR®'s Email Address <u>ike@ikesekhon.com</u> Fax No.
1.6	Brokerage Phone No. <u>6045961800</u> Fax No.
2. Parties to the Contract	
2.1	Seller <u>Mortise (Scott Road Commercial) Holdings LTD</u>
	Seller <u>Mortise (Scott Road Office) Holdings LTD</u>
	Seller <u>Mortise (Scott Road Residential) Holdings LTD</u>
2.2	Seller's Address
2.3	Seller's Phone No. Fax No.
2.4	Seller's Email Address
2.5	Seller's Incorporation No. 2.6 Seller's GST No.
2.7	Buyer <u>G4 CONSTRUCTION LTD, BULAND CONSTRUCTION LTD, LIFETIME CONSTRUCTION LTD</u>
	Buyer <u>BEST CANADIAN HOMES LTD, GILL 22 CONSTRUCTION LTD, 1370395 B.C. LTD</u>
	Buyer <u>HARJUS CONSTRUCTION LTD, 1507718 B.C. LTD</u>
2.8	Buyer's Address
2.9	Buyer's Phone No. Fax No.
2.10	Buyer's Email Address
2.11	Buyer's Incorporation No. 2.12 Buyer's GST No.
3. Property	
3.1	Civic Address of Property <u>8140 120 Street Surrey BC V3W 3N3</u>
3.2	Legal Description of Property <u>LOT A, PLAN NWP84061, SECTION 30, TOWNSHIP 2, NEW WESTMINSTER LAND DISTRICT</u>
PID	<u>015-570-070</u>




BUYER'S INITIALS

SELLER'S INITIALS

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4. Purchase Price	\$34,000,000.00	Clause
4.1		14
Thirty-Four Million	Dollars	
5. Deposit		Clause
5.1 Deposit to be provided by the following date:		15
<input type="checkbox"/> within 48 hours of acceptance of offer or counter-offer		
<input type="checkbox"/> date _____		
<input checked="" type="checkbox"/> other <u>See Schedule</u>		
5.2 Amount of Deposit \$5,000,000.00	Five Million	15
5.3 Deposit to be paid in trust to Direct to seller	See Schedule	15
6. Completion Date		
6.1 Completion Date	May 12 2025	17
7. Possession Date		
7.1 Possession Date	May 12 2025	18
7.2 Vacant Possession <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	7.3 All Existing Tenancies <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	18
8. Adjustment Date		
8.1 Adjustment Date	May 12 2025	19
9. Viewing Date		
9.1 Viewing Date		21
10. Agency Disclosure		
10.1 Seller's Designated Agent	REALTOR® _____ REALTOR® _____ Brokerage _____	38A
10.2 Buyer's Designated Agent	REALTOR® _____ REALTOR® _____ Brokerage _____	38B
10.3 Limited Dual Agency Designated Agent	REALTOR® _____ REALTOR® _____ Brokerage _____	38C
10.4 Date of Limited Dual Agency Agreement		38C

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SELLER'S INITIALS

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to the Seller on or before the time and date specified for each condition. Unless each Buyer's Condition is waived or declared fulfilled by delivery of the Buyer's Notice to the Seller on or before the time and date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

The obligations of the Seller described in this Contract are subject to the satisfaction or waiver of the conditions precedent set out in Schedule 16B, if any (the "Seller's Conditions"). The Seller's Conditions are inserted for the sole benefit of the Seller. The satisfaction or waiver of the Seller's Conditions will be determined in the sole discretion of the Seller and the Seller agrees to use reasonable efforts to satisfy the Seller's Conditions. These conditions may only be satisfied or waived by the Seller giving written notice (the "Seller's Notice") to the Buyer on or before the time and date specified for each condition. Unless each Seller's Condition is waived or declared fulfilled by delivery of the Seller's Notice to the Buyer on or before the time and date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the *Real Estate Services Act*.

17. **COMPLETION:** The sale will be completed on the date specified in Clause 6.1 (Completion Date) at the appropriate Land Title Office.
18. **POSSESSION:** The Buyer will have possession of the Property at the time and on the date specified in Clause 7.1 (Possession Date) with vacant possession if so indicated in Clause 7.2, or subject to all existing tenancies if so indicated in Clause 7.3; or subject to the specified tenancies set out in Schedule 18, if so indicated in Clause 12 (if Clause 7.3 or 12 is selected, such tenancies shall be the "Accepted Tenancies").
19. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel, utilities, insurance, rents, tenant deposits including interest, prepaid rents, and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of the date specified in Clause 8.1 (the "Adjustment Date").
20. **INCLUDED ITEMS:** The Purchase Price includes the Accepted Tenancies, any buildings, improvements, fixtures, appurtenances and attachments thereto, and all security systems, security bars, blinds, awnings, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection, together with those items set out in Schedule 20A but excluding those items set out in Schedule 20B.
21. **VIEWED:** The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on the date specified in Clause 9.1.
22. **TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, the Accepted Tenancies and any additional permitted encumbrances set out in Schedule 22.
23. **ADDITIONAL SELLER'S WARRANTIES AND REPRESENTATIONS:** In addition to the representations and warranties set out in this Contract, the Seller makes the additional representations and warranties set out in Schedule 23 to the Buyer.
24. **ADDITIONAL BUYER'S WARRANTIES AND REPRESENTATIONS:** In addition to the representations and warranties set out in this Contract, the Buyer makes the additional representations and warranties set out in Schedule 24 to the Seller.

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25. **GST:** In addition to the Purchase Price, the applicable Goods and Services Tax ("GST") imposed under the *Excise Tax Act* (Canada) (the "Act") will be paid by the Buyer. On or before the Completion Date, the Buyer may confirm to the Seller's Lawyer or Notary that it is registered for the purposes of Part IX of the Act and will provide its registration number. If the Buyer does not confirm that it is a registrant under Part IX of the Act on or before the Completion Date, then the Buyer will pay the applicable GST to the Seller on the Completion Date and the Seller will then remit the GST as required by the Act. All taxes payable pursuant to the *Provincial Sales Tax Act* arising out of the purchase of the Property, will be paid by the Buyer and evidence of such payment will be provided to the Seller.
26. **TENDER:** Tender or payment of monies by the Buyer to the Seller will be by bank draft, wire transfer, certified cheque, or Lawyer's/Notary's or real estate brokerage's trust cheque.
27. **DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registerable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 pm on the Completion Date.
- 27A. **SELLER'S PARTICULARS AND RESIDENCY:** The Seller shall deliver to the Buyer on or before the Completion Date a statutory declaration of the Seller containing: (A) particulars regarding the Seller that are required to be included in the Buyer's Property Transfer Tax Return to be filed in connection with the completion of the transaction contemplated by this Contract (and the Seller hereby consents to the Buyer inserting such particulars on such return); and (B) if the Seller is not a non-resident of Canada as described in the non-residency provisions of the *Income Tax Act*, confirmation that the Seller is not then, and on the Completion Date will not be, a non-resident of Canada. If on the Completion Date the Seller is a non-resident of Canada as described in the residency provisions of the *Income Tax Act*, the Buyer shall be entitled to hold back from the Purchase Price the amount provided for under section 116 of the *Income Tax Act*.
28. **TIME:** Time will be of the essence hereof, and unless the balance of the payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount paid by the Buyer will be non-refundable and absolutely forfeited to the Seller, subject to the provisions of Section 28 of the *Real Estate Services Act*, on account of damages, without prejudice to the Seller's other remedies.
29. **BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the "CBA Standard Undertakings").
30. **CLEARING TITLE:** If the Seller has existing financial charges to be cleared from title, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Seller agrees that payment of the Purchase Price shall be made by the Buyer's Lawyer or Notary to the Seller's Lawyer or Notary, on the CBA Standard Undertakings to pay out and discharge the financial charges, and remit the balance, if any, to the Seller.
31. **COSTS:** The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.

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SELLER'S INITIALS

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- 32. RISK:** All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 am on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer. If loss or damage to the Property occurs before the Seller is paid the Purchase Price, then any insurance proceeds shall be held in trust for the Buyer and the Seller according to their interests in the Property.
- 33. GOVERNING LAW:** This Contract will be governed by the laws of the Province of British Columbia. The parties submit to the exclusive jurisdiction of the courts in the Province of British Columbia regarding any dispute that may arise out of this transaction.
- 34. CONFIDENTIALITY:** Unless the transaction contemplated by this Contract is completed, the Buyer and the Seller will keep all negotiations regarding the Property confidential, and the Buyer will not disclose to any third party the contents or effect of any documents, materials or information provided pursuant to or obtained in relation to this Contract without the prior written consent of the Seller, except that each of the Buyer and the Seller may disclose the same to its employees, inspectors, lenders, agents, advisors, consultants, potential investors and such other persons as may reasonably be required and except that the Buyer and the Seller may disclose the same as required by law or in connection with any regulatory disclosure requirements which must be satisfied in connection with the proposed sale and purchase of the Property.
- 35. PLURAL:** In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.
- 36. SURVIVAL OF REPRESENTATIONS AND WARRANTIES:** There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and any attached Schedules. All of the warranties contained in this Contract and any attached Schedules are made as of and will be true at the Completion Date, unless otherwise agreed in writing.
- 37. PERSONAL INFORMATION:** The Buyer and the Seller hereby consent to the collection, use and disclosure by the Brokerages and by the managing broker(s), associate broker(s) and representative(s) of those Brokerages (collectively the "REALTOR®(s)") described in Clause 38, the real estate boards of which those Brokerages and REALTOR®s are members and, if the Property is listed on a Multiple Listing Service®, the real estate board that operates that Multiple Listing Service®, of personal information about the Buyer and the Seller:
- A. for all purposes consistent with the transaction contemplated herein;
 - B. if the Property is listed on a Multiple Listing Service®, for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service® and other real estate boards of any statistics including historical Multiple Listing Service® data for use by persons authorized to use the Multiple Listing Service® of that real estate board and other real estate boards;
 - C. for enforcing codes of professional conduct and ethics for members of real estate boards; and
 - D. for the purposes (and to the recipients) described in the British Columbia Real Estate Association's Privacy Notice and Consent form.

The personal information provided by the Buyer and Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.

- 38. AGENCY DISCLOSURE:** The Seller and the Buyer acknowledge and confirm as follows (initial appropriate box(es) and complete details as applicable):

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A. The Seller acknowledges having received, read and understood the BC Financial Services Authority (BCFSA) form entitled "Disclosure of Representation in Trading Services" and hereby confirms that the Seller has an agency relationship with the Designated Agent(s)/REALTOR®s specified in Clause 10.1 who is/are licensed in relation to the brokerage specified in Clause 10.1.

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INITIALS

B. The Buyer acknowledges having received, read and understood the BCFSA form entitled "Disclosure of Representation in Trading Services" and hereby confirms that the Buyer has an agency relationship with the Designated Agent(s)/REALTOR®(s) specified in Clause 10.2 who is/are licensed in relation to the brokerage specified in Clause 10.2.

INITIALS

C. The Seller and the Buyer each acknowledge having received, read and understood the BCFSA form entitled "Disclosure of Risks Associated with Dual Agency" and hereby confirm that they each consent to a dual agency relationship with the Designated Agent(s)/REALTOR®(s) specified in Clause 10.3 who is/are. licensed in relation to the brokerage specified in Clause 10.3, having signed a dual agency agreement with such Designated Agent(s)/REALTOR®(s) dated the date set out in Clause 10.4.

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INITIALS

If only (A) has been completed, the Buyer acknowledges having received, read and understood the BCFSA form "Disclosure of Risks to Unrepresented Parties" from the Seller's agent listed in (A) and hereby confirms that the Buyer has no agency relationship.

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INITIALS

E. If only (B) has been completed, the Seller acknowledges having received, read and understood the BCFSA form "Disclosure of Risks to Unrepresented Parties" from the Buyer's agent listed in (B) and hereby confirms that the Seller has no agency relationship.

39. ASSIGNMENT OF REMUNERATION: The Buyer and the Seller agree that the Seller's authorization and instruction set out in clause 45(c) below is a confirmation of the equitable assignment by the Seller in the Listing Contract and is notice of the equitable assignment to anyone acting on behalf of the Buyer or Seller.

39A. RESTRICTION ON ASSIGNMENT OF CONTRACT: The Buyer and the Seller agree that this Contract: (a) must not be assigned without the written consent of the Seller; and (b) the Seller is entitled to any profit resulting from an assignment of the Contract by the Buyer or any subsequent assignee.

40. ADDITIONAL TERMS: The additional terms set out in Schedule 40 are hereby incorporated into and form a part of this Contract.

41. ACCEPTANCE IRREVOCABLE:

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BUYER'S INITIALS

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SELLER'S INITIALS

The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale, whether executed and sealed by hand or by digital or electronic signature and seal, or otherwise, is hereby executed under seal, which is evidenced by each of the Buyer and the Seller making the deliberate, intentional and conscious act of inserting their initials (whether by hand or electronically) in the appropriate space provided beside this Section 41. The parties intend that the act of inserting their initials as set out above is to have the same effect as if this Contract of Purchase and Sale had been physically sealed by wax, stamp, embossing, sticker or any other manner. It is agreed and understood that, without limiting the foregoing, the Seller's acceptance is irrevocable including without limitation during the period prior to the date specified for the Buyer to either:

- A. fulfill or waive the terms and conditions herein contained; and/or
- B. exercise any option(s) herein contained.

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BUYER'S INITIALS

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SELLER'S INITIALS

PROPERTY ADDRESS

42. COUNTERPARTS: The parties agree that this Contract of Purchase and Sale and any amendments or attachments thereto may be executed in counterparts by the parties and delivered originally or by facsimile, email, or other means of electronic transmission. Each such counterpart when so executed and delivered is deemed to be an original and all such counterparts of a relevant document taken together shall constitute one and the same relevant document as though the signatures of all the parties were upon the same document.

43. THIS IS A LEGAL DOCUMENT. READ THIS ENTIRE DOCUMENT AND INFORMATION PAGE BEFORE YOU SIGN.

44. OFFER: This offer, or counter-offer, will be open for acceptance until the time and date specified in Clause 11.1 (unless withdrawn in writing with notification to the other party of such revocation prior to notification of its acceptance), and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Contract of Purchase and Sale on the terms and conditions set forth.

<p><i>irjot Kaur Gill</i></p> <p>Authenticator</p> <p><i>GURSEWAK SINGH</i> SEAL</p> <p>Authenticator</p> <p>BUYER</p> <p><i>[Signature]</i></p> <p>114 CONSTRUCTION LTD, 101 WEST COMBUSTION, 101 WEST COMBUSTION LTD</p> <p>PRINT NAME</p> <p>WITNESS</p>	<p><i>Rajvinder Kaur Gill</i></p> <p>Authenticator</p> <p><i>Saudagar Singh Gill</i> SEAL</p> <p>Authenticator</p> <p>BUYER</p> <p><i>Kuinder Kaur Gill</i></p> <p>BEST CANADIAN HOMES LTD, GILL 22 CONSTRUCTION LTD, 1370395 B.C. LTD</p> <p>PRINT NAME</p> <p>WITNESS</p>	<p><i>Simran Gill</i></p> <p>Authenticator</p> <p><i>Tara Singh Gill</i> SEAL</p> <p>Authenticator</p> <p>BUYER</p> <p><i>[Signature]</i></p> <p>HARJUS CONSTRUCTION LTD, 1507718 B.C. LTD</p> <p>PRINT NAME</p> <p>WITNESS</p>
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45. ACCEPTANCE: The Seller (a) hereby accepts the above offer and agrees to complete the sale upon the terms and conditions set out above, (b) agrees to pay a commission as per the Listing Contract, and (c) authorizes and instructs the Buyer and anyone acting on behalf of the Buyer or Seller to pay the commission out of the cash proceeds of sale and forward copies of the Seller's Statement of Adjustments to the Cooperating/Listing Brokerage, as requested, forthwith after completion.

Seller's acceptance is dated this 02/19/25 day of _____ yr. _____

The Seller declares their residency:

RESIDENT OF CANADA ☒ NON-RESIDENT OF CANADA ☐ as defined under the *Income Tax Act*.

INITIALS

<p><i>Mortise (Scott Road Office) Holdings</i> SEAL</p> <p>SELLER</p> <p>Mortise (Scott Road Commercial) Holdings LTD</p> <p>PRINT NAME</p> <p>WITNESS</p>	<p><i>Mortise (Scott Road Residential) Holdings LTD</i> SEAL</p> <p>SELLER</p> <p>Mortise (Scott Road Office) Holdings LTD</p> <p>PRINT NAME</p> <p>WITNESS</p>	<p><i>Mortise (Scott Road Commercial) Holdings LTD</i> SEAL</p> <p>SELLER</p> <p>Mortise (Scott Road Residential) Holdings LTD</p> <p>PRINT NAME</p> <p>WITNESS</p>
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*PREC represents Personal Real Estate Corporation

Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).

BC 2053 REV. NOV 2023

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Appendix "D"

**Copy of Rent Roll
dated January 29, 2025**

Appendix "E"

Qualifications of the Appraiser

QUALIFICATIONS

ROSE SHUYANG WANG, B.Com., AACI, P.App.

Experience with a variety of assignments involving medium to large scale proposed mixed use and multifamily projects, commercial and residential development sites, commercial retail, and office properties in the Metro Vancouver area. Designated member of the Appraisal Institute of Canada. Membership #902311

EXPERIENCE:

Present

Principal

L.W. Property Advisors Ltd.

Specializing in medium to large scale proposed development projects, holding properties and development sites, and various asset classes in Metro Vancouver.

2012 – 2019

Appraisal Contractor

Garnett Wilson Realty Advisors Ltd.

Specialized in proposed multifamily and mixed use developments throughout Metro Vancouver.

2011 – 2012:

Director of Residential Development

Carmichael Wilson Property Consultants Ltd. (CWPC). Specialized in appraisals of proposed multifamily and mixed use development projects, development parcels and master planned communities in Greater Vancouver Area.

2003 – 2011

Senior Property Consultant / Property Consultant

Carmichael Wilson Property Consultants Ltd. (CWPC). Involved in all aspects of commercial appraisals and consulting work in British Columbia.

PROFESSIONAL LIABILITY INSURANCE:

Since 2003:

Appraisal Institute of Canada

Type of Practice: Fee Appraiser (Claim Free)

Trisura Guarantee Insurance Company

PROFESSIONAL QUALIFICATIONS AND MEMBERSHIPS:

- May 2005:** Awarded use of the professional designations AACI (Accredited Appraiser Canadian Institute) and P.App. (Professional Appraiser) by the Appraisal Institute of Canada (Vancouver Chapter).
- 2001 - Present:** Real Estate Institute of BC
- 2002 - Present:** Urban Development Institute
- 2015 - Present:** BC Expropriation Association

EDUCATION:

- April 2005:** University of British Columbia: Fulfilled academic requirements for the Appraisal Institute of Canada's AACI and P.App designations by completing the Business 499 (demo report) course through the Department of Real Estate.
- May, 2003:** University of British Columbia: Completed Bachelor of Commerce degree program. Major in Urban Land Economics/Real Estate.

8140 120 ST SURREY V3W 3N3

Area-Jurisdiction-Roll: 14-326-6302-90014-1



Total value **\$27,800,000**

2025 assessment as of July 1, 2024

Land \$15,021,000

Buildings \$12,779,000

Previous year value \$27,721,000

Land \$17,217,000

Buildings \$10,504,000

Property information

Year built 1990

Description Retail Store

Bedrooms

Baths

Carpports

Garages

Land size 135943 Sq Ft

First floor area

Second floor area

Basement finish area

Strata area

Building storeys 1

Gross leasable area 3,300

Net leasable area 32,558

No. of apartment units

Legal description and parcel ID

LOT A, PLAN NWP84061, SECTION 30, TOWNSHIP 2, NEW WESTMINSTER LAND DISTRICT

PID: 015-570-070

Sales history (last 3 full calendar years)

No sales history for the last 3 full calendar years

Manufactured home

Width

Length

Total area

This is Exhibit "C" referred to in the
affidavit of Navjeet Gill
sworn before me at Vancouver, BC
this 16 day of June, 2025


A Commissioner for taking Affidavits
within British Columbia