



Appraisal Report on:
A 68 Acre Site Located at
1295 Manotick Station Road
City of Ottawa

Effective Date:
June 16, 2015

Report Date:
July 16, 2015

Prepared For:
Ultimate Parks Inc.

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July 16, 2015

Reference No. 119-15-31

Ultimate Parks Inc.
c/o Ottawa-Carleton Ultimate Association
875 Bank Street, Suite #1
Ottawa, ON
K1S 3W4

Attention: Mr. Christopher Castonguay

Dear Mr. Castonguay:

Re: Appraisal Report on a 68 Acre Site Located at 1295 Manotick Station Road, in the City of Ottawa (formerly in the Township of Osgoode).

In accordance with your request, we have inspected the above noted property for the purpose of estimating the market value of the fee simple interest in the subject property, assuming it has been severed from the larger parcel and comprises a 68 acre site with frontage and access onto Manotick Station Road. As per the client's request, we have also provided a market value estimate of the fee simple interest in the subject property assuming it comprises a landlocked parcel. The effective date of this appraisal report is June 16, 2015, the date an inspection of the property was completed. The appraisal report is based on the following assumptions:

- ▶ the property is free and clear of any mortgage charges or title encumbrances;
- ▶ the subject property comprises a 68 acre parcel of land that is assumed to have been severed from the larger parcel as at the effective date of appraisal; and
- ▶ the subject property and adjoining lands are free of environmental contaminates.

Based on the foregoing assumptions as well as our investigations and analysis of the relevant data, it is our opinion that the market value of the fee simple interest in the subject property, assuming it has been severed from the larger parcel and comprises a 68 acre parcel of land with frontage and access onto Manotick Station Road, as at June 16, 2015, is:

**SIX HUNDRED AND EIGHTY THOUSAND DOLLARS
(\$680,000)**

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It is our further opinion that the market value of the fee simple interest in the subject property, assuming it has been severed from the larger parcel and comprises a 68 acre parcel of land, but is considered a landlocked parcel with no frontage or access onto Manotick Station Road, as at June 16, 2015, is:

THREE HUNDRED AND FORTY THOUSAND DOLLARS
(\$340,000)

We have prepared this report for you and your associates for your information and guidance. It is not to be reproduced, in whole or in part, without the written consent of the undersigned. Neither our name nor the material submitted may be included in any prospectus, newspaper publicity or as part of any printed material, or used in offerings or representations in connection with the sale of securities or participation interests to the public, without our prior written consent. The report is only valid if it bears the original signature of the author.

Our report providing details of the property and our method of valuation is attached. If we can be of further assistance in these or other matters, please do not hesitate to contact us.

Yours truly,

JUTEAU JOHNSON COMBA INC

Tania J. McDonald, B.A., AACI, P.App.

AERIAL PHOTOGRAPH



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SUMMARY OF SALIENT FACTS AND IMPORTANT CONCLUSIONS

TERMS OF REFERENCE

Purpose of Appraisal:	The purpose of the appraisal is to estimate the market value of the fee simple interest in the subject property under two scenarios. The first scenario assumes the subject comprises a 68 acre site that has been severed from the larger parcel and it has access and frontage onto Manotick Station Road. The second scenario is that it comprises a 68 acre parcel that has been severed from the larger parcel, but is landlocked as it does not have access or frontage onto Manotick Station Road. Our value estimates are free and clear of mortgage or other encumbrances, unless otherwise indicated, and are subject to any assumptions and limiting conditions outlined herein.
Function of Appraisal:	The function of this appraisal is to assist the client in estimating the market value of the subject property in accordance with the two foregoing scenarios, for decision making purposes.
Effective Date of Appraisal:	June 16, 2015
Date of Inspection:	June 16, 2015
Physical Data	
Location:	The larger parcel is located on the east side of Manotick Station Road, to the south of Mitch Owens Road, in the former Township of Osgoode, now in the south end of the City of Ottawa. The subject property is situated to the immediate east of the larger parcel.
Legal Description:	The larger parcel is legally described as Part of Lot 4, Concession 3, being Part 1 on Plan 4R-13570, in the former Township of Osgoode, now in the City of Ottawa. The larger parcel is identified as PIN 04318-0812 in the Ottawa Registry Office.
Official Plan Designation:	General Rural Area with an Organic Soils Overlay
Zoning:	Rural Countryside Zone
Site Area:	68 acres (as estimated by the client)

Highest and Best Use:

The Highest and Best Use of the subject property assuming it comprises a 68 acre site that is severed from the larger parcel and has access and frontage onto Manotick Station Road, is for it's mid to long term holding for development with an estate residential subdivision when market conditions, and all zoning and soil conditions have been approved by all governing bodies.

It is our further opinion that the Highest and Best Use of the subject property, assuming it comprises a 68 acre site that is severed from the larger parcel, but comprises a landlocked parcel that does not have access or frontage onto Manotick Station Road, is for it's development with an estate residential subdivision in conjunction with the adjacent property to the north when market conditions, and all zoning and soil conditions have been approved by all governing bodies. However, consideration should also be given to the fact that the property to the immediate north has received Draft Plan of Subdivision for a proposed estate residential subdivision. As such, immediate action/discussions with this adjacent land owner would be required to determine if they would be in agreement in developing their lands together with the subject.

VALUATION PARAMETERS

Final Estimate of Market Value:

Assuming Severed with Frontage and Access on Manotick Station Road:

Site Area:	68 acres +/-
Price Per Acre:	\$10,000
Final Estimate of Market Value:	\$680,000

Assuming Severed and Landlocked with No Frontage and Access to Manotick Station Road:

Site Area:	68 acres +/-
Price Per Acre:	\$10,000
Discount for Being Landlocked:	50%
Final Estimate of Market Value:	\$340,000

TERMS OF REFERENCE

Purpose of Appraisal

The purpose of the appraisal is to estimate the market value of the fee simple interest in the subject property under two scenarios. The first scenario assumes the subject comprises a 68 acre site that has been severed from the larger parcel and it has access and frontage onto Manotick Station Road. The second scenario is that it comprises a 68 acre site that has been severed from the larger parcel, but is landlocked as it does not have access or frontage onto Manotick Station Road. The appraisal report is based on the following assumptions and limiting conditions outlined herein:

- ▶ the property is free and clear of any mortgage charges or title encumbrances;
- ▶ the subject property comprises a 68 acre parcel of land that is assumed to have been severed from the larger parcel as at the effective date of appraisal; and
- ▶ the subject property and adjoining lands are free of environmental contaminants.

Function of Appraisal

The function of this appraisal is to assist the client in estimating the market value of the subject property for decision making purposes.

Definition of Market Value

For the purpose of this appraisal, market value is defined as:

The most probable price which a property should bring in a competitive and open market as of the specified date 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 are the consummation of a sale as of the 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 cash in Canadian dollars or in terms of financial arrangements comparable thereto; and*
5. *the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

The foregoing definition was extracted from the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) dated April 1, 2014.

Definition of Exposure Time

Exposure time, as per the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) dated April 1, 2014, may be defined as follows:

The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. It is always presumed to have preceded the effective date of the appraisal.

Exposure time is different for various types of real estate and under various market conditions. It should be noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort.

It is estimated that an exposure time of four to six months would be required for the subject property.

Property Rights Under Appraisal

The property ownership right under appraisal is that of the fee simple interest in the subject site assuming it is vacant and unimproved. Fee simple is defined in the Canadian Edition of "The Appraisal of Real Estate" as:

"...absolute ownership of property unencumbered by any other interest or estate and subject only to the powers of government."

Effective Date of Appraisal

The effective date of appraisal is June 16, 2015.

Date of Inspection

An inspection of the property was conducted on June 16, 2015.

SCOPE OF APPRAISAL

The Scope of the Appraisal describes the extent of the process of collecting, confirming and reporting data. The appraisal commenced with a preliminary investigation undertaken to determine market trends, influences and other significant factors pertinent to the subject property. An inspection of the property was completed on June 16, 2015, together with the surrounding neighbourhood. The larger parcel's legal description was obtained from GeoWarehouse (an on-line service providing access to land registry data and updated regularly from the POLARIS data base - the automated land records management system for the Province of Ontario). The subject parcel's estimated site area was provided by the client and is assumed to be correct. Zoning was extracted from the City of Ottawa's Zoning By-law No. 2008-250, as amended. Official Plan information was extracted from the City of Ottawa 20/20 Official Plan, as amended. Market data sources included information contained in our files, the land registry office, and other appraisers, realtors or persons knowledgeable of the subject property marketplace. Additionally, discussions with City of Ottawa staff were critical in the valuation of the subject property.

This appraisal complies with our understanding of the requirements of the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada. We did not complete technical investigations such as:

- an environmental review of the property;
- a survey of the site;
- investigations into the bearing qualities of the soils.

The analysis contained in this report relied on written and verbal information of market transactions. Data and statistics were obtained from a variety of sources we considered reliable. A concerted effort was made to verify the accuracy of the information contained herein. If information independently researched by the appraiser or provided by the client on the surface appeared to be reasonable, it was relied on as true and correct. No in-depth investigation was made into the parties to real estate transactions and audits were not performed on documents or information provided.

Appraisers are not qualified in professional matters like land surveying, engineering, architecture and the law, nor are they qualified as building inspectors. Investigations into matters such as these do not form part of an appraiser's investigations. We have assumed that there are no hidden or unapparent conditions of the property, sub-soil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them. Where matters were noted that appeared unusual, they have been noted in this report. The services of experts in these fields are required to investigate the possibility that defects are present.

PROPERTY IDENTIFICATION

Location

The larger parcel is located on the east side of Manotick Station Road, to the south of Mitch Owens Road, in the former Township of Osgoode, now in the south end of the City of Ottawa. The subject property is situated to the immediate east of the larger parcel.

Legal Description

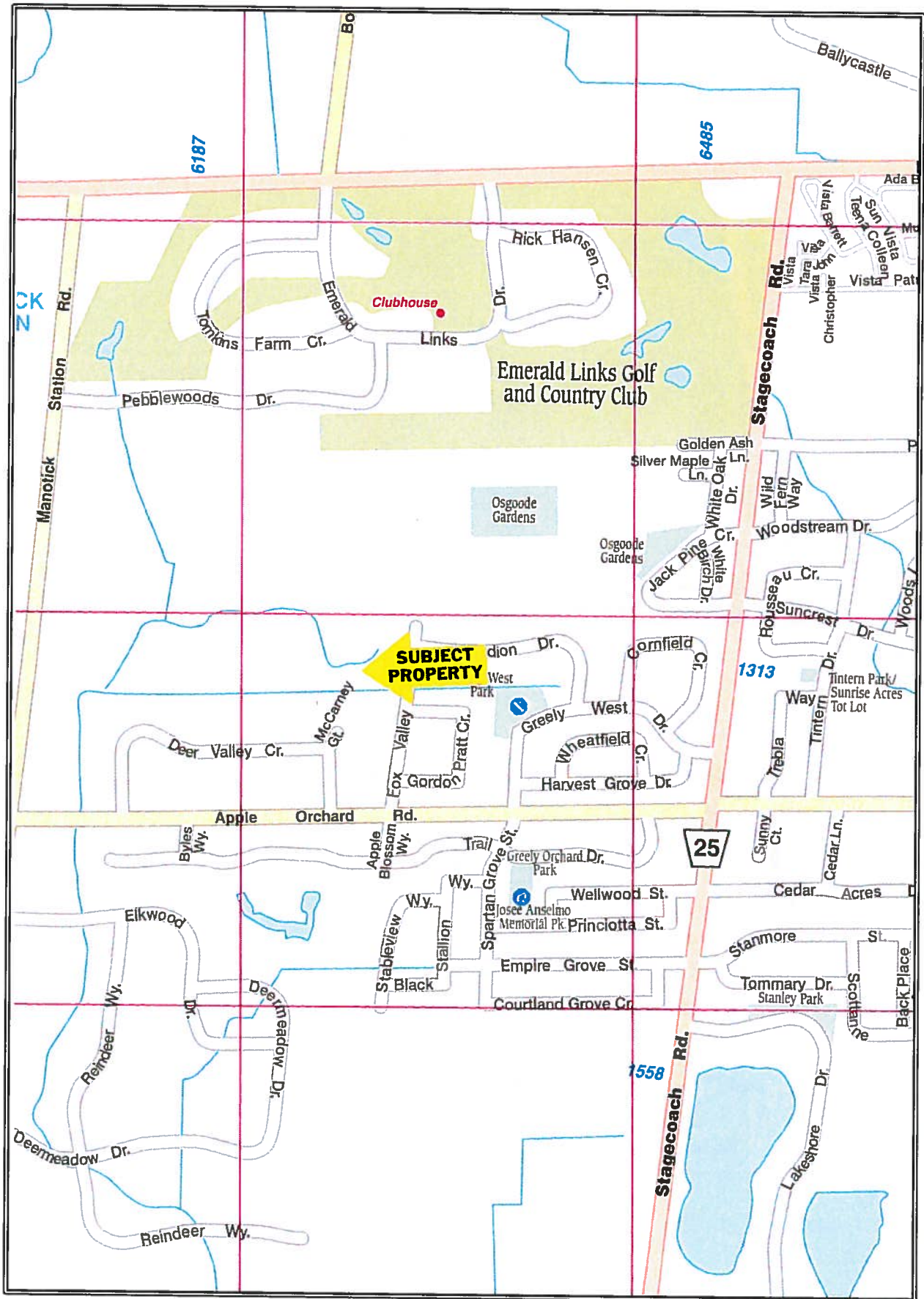
The larger parcel is legally described as Part of Lot 4, Concession 3, being Part 1 on Plan 4R-13570, in the former Township of Osgoode, now in the City of Ottawa. The larger parcel is identified as PIN 04318-0812 in the Ottawa Registry Office.

The foregoing legal description was extracted from GeoWarehouse (an on-line service providing access to land registry data and updated regularly from the POLARIS data base - the automated land records management system for the Province of Ontario). It is assumed to be correct, however, it should not be relied upon as accurate without first obtaining a qualified legal opinion. We have made no investigations into the title of the property. Further, any documents registered on title have not been read. This report has been prepared on the premise that the property is free and clear of all liens and encumbrances, unless otherwise indicated.

Ownership/Three Year Sales History

The larger parcel is currently registered to Ultimate Parks Inc. who acquired the property March 3, 1998. We have not been made aware of any further listings or agreements of purchase and sale concerning the property.

LOCATION MAP



NEIGHBOURHOOD DESCRIPTION

The larger parcel is located on the east side of Manotick Station Road, to the south of Mitch Owens Road, to the immediate west of the Village of Greely boundary, in the former Township of Osgoode, now in the south end of the City of Ottawa. The subject property is situated to the immediate east of the larger parcel. The former Township of Osgoode is essentially a rural community covering approximately 380 square kilometres. It is located approximately 25 kilometres to the south of downtown Ottawa. The property is also approximately 17 kilometers to the south of the Ottawa International Airport. A location map highlighting the subject property is provided opposite.

The main access routes serving this area include Mitch Owens Road, running in an east-west direction along the northern boundary of the former Township of Osgoode; and River Road, Albion Road, and Bank Street (Highway 31), each running in a north-south direction and leading to Ottawa's urban area. The larger parcel fronts onto Manotick Station Road, a north-south arterial commencing at Mitch Owens Road and extending towards the Village of Osgoode.

The primary industries in the neighbourhood belong to the agricultural sector, with some light manufacturing and small service businesses located in the area. Several estate residential subdivisions have been developed in the vicinity of the subject including Emerald Links to the north, Rideau Forest to the west and Sunset Lakes to the east. Additionally, Emerald Links Golf and Country Club is located just to the north of the subject lands.

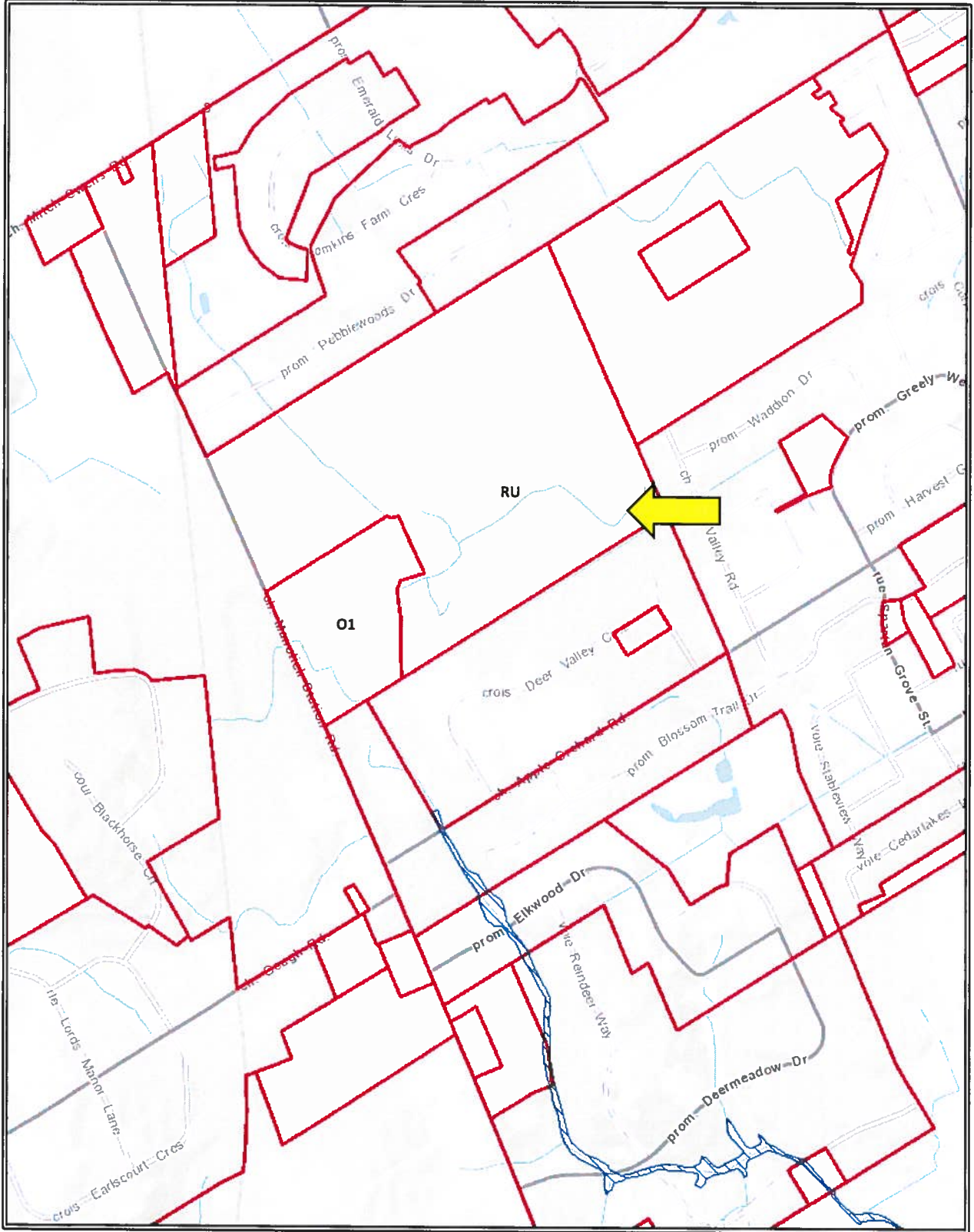
The immediate vicinity of the subject comprises mostly estate residential subdivisions and agricultural lands. The subject forms part of a larger parcel that is assumed to have been severed as at the effective date of appraisal. This larger parcel is improved with 19 fully irrigated ultimate sport fields. To the immediate south and east of the subject are established estate residential properties. To the immediate north of the subject is a vacant parcel of land that received Draft Plan Subdivision Approval in November 2012 from the City of Ottawa for its development with 43 residential estate lots. The road base and infrastructure appear to have been completed, however, the lots have not been severed or sold as at the effective date of appraisal.

In summary, the subject is located on the east side of Manotick Station Road, to the south of Mitch Owens Drive, and to the north of Apple Orchard Road, just to the west of the Village of Greely boundary, in the former Township of Osgoode, now in the south end of the City of Ottawa. The area is primarily rural with estate residential subdivisions.

SITE DATA

Location:	The larger parcel is situated on the east side of Manotick Station Road, to the south of Mitch Owens Drive, to the north of Apple Orchard Drive, and to the immediate west of the Village of Greely boundary, in the former Township of Osgoode, now in the south end of the City of Ottawa. The subject property is located to the immediate east and adjacent to the larger parcel.
Site Area:	68 acres +/- (as per the client)
Configuration	Irregular
Access:	Access to the larger parcel is available from two access points on the east side of Manotick Station Road.
Topography and Use:	The 68 acre subject site, assuming severed, is gently rolling and is in it's natural state. It is mostly wooded and accessed via walking paths throughout. The Grey's Creek Municipal Drain, a tributary of the Middle Castor River, flows from the north. A large irrigation pond was created on the western portion of the subject property.
Services and Utilities:	Greely is serviced by private, individual water supply and sanitary sewer systems. Utilities are limited to natural gas, telephone and hydro.
Environmental Concerns:	An environmental audit has not been conducted in conjunction with the preparation of this appraisal report. As such, our appraisal assumes that the site is free of environmental contaminates. However, it should be clearly understood that we are not qualified to detect, test for, investigate, or otherwise ascertain the existence of such substances. Therefore, we do not assume any responsibility for their existence or any costs associated with their removal.
Soils Condition:	No soil tests have been conducted in conjunction with the preparation of this report. However, it should be noted that in accordance with the City of Ottawa Official Plan Environmental Constraints mapping, the subject property has an Organic Soils overlay. In speaking with City of Ottawa staff, development on Organic Soils is not impossible, however, it could require extensive and potentially costly remediation.

ZONING MAP



LAND USE REGULATIONS

City of Ottawa's Official Plan Designations

In accordance with the City of Ottawa 20/20 Official Plan, the subject site is designated General Rural Area and is also subject to an Organic Soils overlay as identified in Appendix K - Environmental Constraints mapping of the Official Plan.

General Rural Area

The General Rural Area designation contains a variety of land uses, such as farms, rural housing, wood lots and forests, small industries, golf courses, and in many places, small clusters of residential and commercial development. The intent of this designation is to accommodate a variety of land uses that are appropriate for a rural location and a limited amount of residential development where such development will not preclude continued agricultural and non-residential uses.

Organic Soils

Unstable Soils or Bedrock (including Organic soils) could be unsafe for development and site alteration due to natural hazards. Unstable soils include organic soils.

- 1) The City of Ottawa will review applications for site plan, plan of subdivision, condominium and consent in areas designated as having unstable soils, or in other areas where there is evidence of unstable soils or unstable bedrock, using the following criteria:
 - a) There is sufficient soils and engineering information (obtained using established standards and procedures) to indicate that, although the site is identified as having unstable soils or unstable bedrock, it is in fact suitable or can be made suitable for development; and
 - b) Alterations to the site will not cause adverse environmental effects or aggravate the hazard elsewhere.
- 2) Where it is not possible to determine immediately whether a lot to be created by a plan of subdivision or severance lies in an area affected by unstable soils or unstable bedrock, the applicant will be required to provide sufficient information to establish to the City's satisfaction whether the policies of this subsection are met.

City of Ottawa Zoning By-law 2008-250

In accordance with the City of Ottawa Zoning By-law 2008-250, as amended, the subject property is zoned RU - Rural Countryside Zone. A zoning map highlighting the subject property is provided on the opposite page and relevant zoning excerpts are presented in the Appendix to this report.

The purpose of the Rural Countryside Zone is to accommodate agricultural, forestry, country residential lots created by severance and other land uses characteristic of Ottawa's countryside. It recognizes and permits this range of rural-based land uses which often have large lot or distance separation requirements. It regulates various types of development in manners that ensure compatibility with adjacent land uses and respect the rural context.

Permitted uses in the Rural Countryside Zone include a maximum of 10 guest bedrooms in a bed and breakfast; a maximum of 10 persons in a group home; a maximum of 10 persons in a retirement home (converted); an agricultural use; detached dwelling; equestrian establishment; home-based business; and a kennel. The minimum lot area for a lot created by severance is 1.98 acres and 24.71 acres for the retained lot. The bylaw also states that one lot severance only is permitted.

According to City of Ottawa staff, based on minimum zoning requirements, no approvals would be given to sever the subject property from the larger parcel as this would result in it being landlocked and having no road access.

Summary

In summary, in accordance with the Official Plan, the subject property is designated General Rural Area with an Organic Soils overlay. In accordance with the current zoning by-law, the property is zoned Rural Countryside Zone. As per City of Ottawa staff, despite the organic soils overlay on the subject property, development of the site may still be possible with extensive studies, approvals and costs. However, the City of Ottawa would not permit severance of the property as it would not meet the minimum lot requirements with respect to road frontage as outlined in the zoning by-law. A full discussion with City of Ottawa Officials would be required to determine the subject's development potential. This is beyond the scope of our appraisal.

HIGHEST AND BEST USE

Highest and Best Use may be defined as "that use from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value".

Interpretation of the foregoing includes a realization that the use must be physically possible, legal and/or probable, there is demand for the use, it is financially feasible hence profitable, and it yields the highest return to the land.

The larger parcel is located on the east side of Manotick Station Road, to the south of Mitch Owens Road, to the north of Apple Orchard Road, to the immediate west of the Village of Greely boundaries, in the south end of the City of Ottawa. The subject property is located to the immediate east of the larger parcel. The subject is assumed to be severed from the larger parcel and comprises a 68 acre site. The property is generally rolling and features an irrigation pond and stream that traverse the property.

The immediate vicinity of the subject comprises mostly estate residential subdivisions and agricultural lands. The subject forms part of a larger parcel that is assumed to have been severed as at the effective date of appraisal. This larger parcel to the west is improved with 19 fully irrigated ultimate sport fields. To the immediate south and east are established estate residential properties. To the immediate north of the subject is a vacant parcel of land that received Draft Plan Subdivision Approval in November 2012 for its development with 43 residential estate lots. The roads and infrastructure appear to have been completed, however, the lots have not been severed or sold as at the effective date of appraisal.

In accordance with the City of Ottawa Official Plan, the subject property is currently designated General Rural Area with an Organic Soils overlay. In accordance with the current zoning by-law, the property is zoned Rural Countryside Zone. As per City of Ottawa staff, despite the organic soils overlay on the subject property, development of the site may still be possible with extensive studies, approvals and costs. However, the City of Ottawa would not permit severance of the property as it would not meet the minimum lot requirements as outlined in the zoning by-law with respect to road frontage.

The subject property has a very good location within an area of estate residential lots. It is located outside of the Village of Greely boundaries, however, as is evident by the adjacent subdivisions, that subdivision development is permitted outside of these boundaries. Consideration has been given to the Organic Soils overlay which the City of Ottawa has identified as lands with potential development constraints.

In conclusion, it is our opinion that the Highest and Best Use of the subject site, assuming it has been severed and comprises a 68 acre site with access and frontage onto Manotick Station Road, is holding for future mid to long term development with an estate residential subdivision.

It is our further opinion that the Highest and Best Use of the subject site, assuming it comprises a 68 acre landlocked parcel, is its future development with an estate residential subdivision in conjunction with the adjacent lands to the north. It should be noted that Draft Plan of Subdivision on the lands to the

north has been approved and developing the subject in conjunction with these lands would require immediate action/discussions with this adjacent land owner with no guarantee that this may be possible.

VALUATION

There are six methods that can be used to estimate the value of land. These are the Direct Comparison Approach, the Abstract Method, the Extraction Method, the Subdivision Development Method, the Land Residual Technique and the Ground Rent Capitalization Method. Of these different methods, it is accepted that the Direct Comparison Approach is the most reliable and direct method of estimating land value, given sufficient market data.

The Direct Comparison Approach has been chosen because sites such as the subject are exchanged in the market. It was found that sales of comparable sites were available to serve as a value test. In the Direct Comparison Approach to valuing a site, sales of similar sites are analyzed and compared to the subject site. The sale prices of these parcels are then adjusted for any differences and applied in the valuation of the site under appraisal.

As per the request of the client, we are to provide our opinion of value assuming the subject parcel has been severed from the larger parcel and comprises a 68 acre site with frontage and access onto Manotick Station Road. Additionally, we have been asked to provide our opinion of value as if the subject comprises a 68 acre landlocked parcel. As noted earlier, the City of Ottawa would not permit a severance of a property that would result in it being landlocked. However, for the purpose of this appraisal and for the client's knowledge, we have provided this estimated value assuming it is landlocked, but potentially developable with the adjacent property to the north.

i) Valuation of 68 Acre Site Assuming Severed with Frontage and Access onto Manotick Station Road

The sales that were analyzed are presented in the addendum to the report and are summarized in the following chart below with respect to location, date of sale, size and price per acre of site area:

Sale No.	Location	Date of Sale	Site Area (Acre)	Consideration	Zoning	Price Per Acre
1	1626 Old Prescott Road	May/15	146.62 acres	\$4,212,100	DR1, V1D, V1I [610r] & V2D[611r]	\$28,730
2	4700 Farmers Way	Feb/15	179.636 acres	\$2,520,230	RU[799r]-h	\$14,030
3	2307 Carsonby Road West	Apr/14	85.69 acres	\$895,700	AG5	\$10,453
4	6274 Rideau Valley Drive North	Apr/14	127.58 acres	\$1,175,000	AG4	\$9,210
5	1240 Old Prescott Road	Oct/12	46.96 acres	\$1,200,000	DR	\$25,554
Sub.	1295 Manotick Station Road		68 acres		RU	

The foregoing sales range in price from \$9,210 to \$28,728 per acre of site area with three of the sales at or below \$14,030 per acre and two of the sales between \$25,554 and \$28,730 per acre.

Sale #1, Old Prescott Road, represents a very recent transaction of a much larger sized parcel that is located on the west side of Old Prescott Road, to the south of Parkway Road, to the east of the subject. The property was zoned Village Residential and Development Reserve and is situated in the Rural Area of the Official Plan. At the time of sale, there was a draft plan approval on a proposed residential subdivision application from 2011. Subsequent to the sale, the application was reactivated and is proposed to be developed with 34 estate residential lots. While an upward adjustment to the rate per acre is considered to be warranted for the comparable's much larger size relative to the subject, an overall downward adjustment has been applied for the comparable's short term development horizon and superior soil condition.

Sale #2, Farmers Way, is a recent sale of a larger sized property that is located on the west side of Farmers Way, to the south of Piperville Road, in the former City of Gloucester, to the east of the subject. The property is zoned Rural Countryside and is outside of the urban boundary in accordance with the Official Plan. There is a holding overlay on the zoning restricting residential development until the Official Plan becomes more supportive of new residential. A small portion of the site had a flood plain overlay. The property forms part of a land assembly with adjacent lands that were acquired by the same purchaser in November 2014. The comparable comprises a much larger site relative to the subject for which an upward adjustment to the rate per acre is considered to be warranted. However, given the purchaser's motivation to acquire the site for assembly purposes and the site's superior soils condition, a more than offsetting downward adjustment to the rate per acre is considered to be necessary.

Sale #3, Carsonby Road West, is the sale of a slightly larger sized property that is located on the northeast corner of Fourth Line Road and Carsonby Road West, with additional frontage on Third Line Road, just to the north of the Village of North Gower. The property is zoned for agricultural uses and is located outside the urban boundary. The property was purchased for farming purposes. The subject property is considered to have a more desirable location in the Greely neighbourhood for which an upward adjustment to the rate per acre has been applied. However, an offsetting downward adjustment is necessary for the subject's inferior soils condition relative to the comparable.

Sale #4, Rideau Valley Drive North, is a sale of a much larger sized parcel of land that is located on the northwest corner of Rideau Valley Drive North and Phelan Road East, approximately six kilometres to the south of the Village of Manotick. The property is zoned for agricultural uses and is outside of the urban boundary in accordance with the Official Plan. Given the comparable's larger size, a downward adjustment to the rate per acre has been applied. While an offsetting upward adjustment is necessary for the subject's superior location.

Sale #5, Old Prescott Road, is a much older sale of a slightly smaller sized parcel that is located on the west side of Old Prescott Road, to the north of Parkway Road, within the Village of Greely boundary. The property was zoned Development Reserve, however, the property was purchased for future estate residential development. Subsequent to the purchase, a Plan of Subdivision application was submitted to the City of Ottawa for development of the site with 45 estate residential lots. While consideration has been given to the passage of time since the date of sale, an overall downward adjustment to the rate per acre is considered to be warranted for the comparable's short term development horizon, its superior soil conditions and for its smaller size.

The foregoing sales range in price from \$9,210 to \$28,730 per acre of site area with three of the sales at or below \$14,030 per acre and two of the sales between \$25,554 and \$28,730 per acre. Based on our analysis of the above sales, it is our opinion that the 68 acre subject property, assuming it is severed from the larger parcel and has frontage and access onto Manotick Station Road, warrants a market value of **\$10,000 per acre**. Therefore, the market value of the fee simple interest in the subject property, as at June 16, 2015, is estimated as follows:

$$68 \text{ acres @ } \$10,000 \text{ per acre} = \$680,000$$

Rounded to:

SIX HUNDRED AND EIGHTY THOUSAND DOLLARS
(\$680,000)

ii) Valuation of 68 Acre Site Assuming Landlocked

While the foregoing analysis and adjustments provide a good indication of the rate per acre for the subject property, assuming it comprises a severed 68 acre parcel of land with frontage and access onto Manotick Station Road, we have also considered the value of the property assuming it is landlocked and potentially developable with the adjacent property to the north. As noted earlier, the City of Ottawa would not permit a severance of a property that would result in the property being landlocked. However, for the purpose of this appraisal and for the client's knowledge, we have provided this estimate of value.

Our office has completed extensive studies on the valuation of landlocked parcels. Our studies indicate that typical landlocked parcels warrant discounts between 22% and 72% to the market value depending on many variables including the market demand for land and the land's future development potential with adjacent properties.

The subject property abuts several established estate residential subdivisions with no connecting road network. The only development potential of the subject property would be its consolidation with the adjoining parcel to the north. However, these lands have already received Draft Plan of Subdivision approval for its development with 43 estate residential lots. The road base and infrastructure appear to have been completed with no connectivity to the subject lands. Should there be any potential for the subject lands to be developed with these adjoining lands, immediate discussions with the land owner would be necessary with no guarantee this would be possible.

Given the foregoing, and the very limited purchase pool for the subject lands, a 50% discount to the estimated market value of the subject property is considered to be reasonable. Therefore, the estimated market value of the fee simple interest the 68 acre subject property assuming is comprises a landlocked parcel, as at June 16, 2015, is calculated as follows:

$$68 \text{ acres @ } \$10,000/\text{acre} \times 50\% = \$340,000$$

Rounded to:

THREE HUNDRED AND FORTY THOUSAND DOLLARS
(\$340,000)

ASSUMPTIONS AND LIMITING CONDITIONS

The legal description of the subject property is assumed to be correct.

In order to arrive at a supportable opinion of value, it was found necessary to utilize both documented and hearsay evidence of the marketplace. A concerted effort has been made to verify the accuracy of the information contained herein. Accordingly, the information is believed to be reliable and correct, and has been gathered according to procedures which are recognized by the Appraisal Institute of Canada.

We assume no responsibility for matters legal in character, nor do we render any opinion as to the title which is assumed to be good.

Sketches, drawings, diagrams, photographs, etc. presented in this report are included for the sole purpose of illustration. No legal survey or soil test concerning the subject property has been provided. Accordingly, no responsibility is assumed concerning these matters or other technical or engineering techniques which would be required to discover any inherent or hidden condition of the subject property.

The property rights appraised exclude mineral rights, if any.

We are not aware of the content of any environmental reports, studies, or other investigations or soil surveys which may have been carried out on the property and which may have indicated the existence or possibility of contamination. In undertaking this assignment, we have been instructed to assume that no actual or potential contaminative uses have ever been carried out on the property. Further, we have not carried out any investigation into the past or present uses of either the subject property or of any adjacent properties to establish whether there is any potential for contamination from any uses on any sites adjacent to the subject and therefor assume that none exists. Should it be subsequently established that contamination exists either on the subject property or is affected from contamination on any adjacent property, this might alter or reduce this estimate or opinion of value.

It is assumed that the real estate complies in all material respects with all restrictive covenants affecting the site and has been built, in all material respects, in compliance with all requirements of law, including all zoning, land classification, building, planning, fire and health by-laws, rules, regulations, orders and codes of all federal, provincial, regional and municipal governmental authorities having jurisdiction with respect thereto.

It is assumed that there are no work orders or other notices of violation of law outstanding with respect to the real estate and that there is no requirement of law preventing occupancy of the real estate as described in this report. It is further assumed that the property is free and clear of any liens or restrictive title covenants, unless specifically stated in the body.

The agreed upon compensation for services rendered in preparing this report does not include a fee for court preparation or court appearance. Should a court appearance be required in connection with this report, additional fees will have to be agreed upon.

ULTIMATE PARKS INC. may use it in deliberations affecting the subject property only, and in so doing, the report should not be extracted, but used in its entirety.

This report is valid only to the **ULTIMATE PARKS INC.** and all liability to any other party or parties is specifically excluded.

It is assumed there are no charges against the subject property which have a bearing on the market value, except for those, if any noted in the report and/or addenda.

This report has been prepared for the exclusive use of the **ULTIMATE PARKS INC.** Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication, in whole or in part, nor may it be used for any purpose by any other than the recipient, without the written consent and approval of this firm.

Neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public through advertising media, public relations media, news media, sales media or other public means of communication without the prior written consent and approval of this firm.

This report or any part thereof shall not be quoted or referred to in any report or financial statement of the recipient or in any documents filed with any governmental agency without the prior written consent and approval of this firm as to the purpose, form and content of such reference.

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

CERTIFICATION

Re: Appraisal Report on a 68 Acre Site Located at 1295 Manotick Station Road, in the City of Ottawa (formerly in the Township of Osgoode)

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

- ◆ the statements of fact contained in this report are true and correct;
- ◆ the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- ◆ I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
- ◆ I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- ◆ my engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the client;
- ◆ my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards;
- ◆ I have the knowledge and experience to complete the assignment competently;
- ◆ no one provided significant professional assistance to the person(s) signing this report;
- ◆ as of the date of this report, the undersigned has fulfilled the requirements of The Appraisal Institute of Canada Continuing Professional Development Program for designated members;
- ◆ Tania McDonald completed an inspection of the subject property on June 16, 2015;
- ◆ based upon the data, analyses and conclusions contained herein, it is our opinion that the market value of the fee simple interest in the 68 acre subject property, assuming it has been severed from the larger parcel and has frontage and access onto Manotick Station Road, as at June 16, 2015, is **\$680,000**. It is our further opinion that the market value of the fee simple interest in the 68 acre subject property assuming it comprises a landlocked parcel, as at June 16, 2015, is **\$340,000**.

Dated: July 16, 2015

JUTEAU JOHNSON COMBA INC



Tania J. McDonald, B.A., AACI, P.App.

APPENDIX A
ZONING EXCERPTS

RU - Rural Countryside Zone (Sec. 227-228)

Purpose of the Zone

The purpose of the RU – Rural Countryside Zone is to:

- (1) accommodate agricultural, forestry, country residential lots created by severance and other land uses characteristic of Ottawa's countryside, in areas designated as **General Rural Area, Rural Natural Features and Greenbelt Rural** in the Official Plan;*
- (2) recognize and permit this range of rural-based land uses which often have large lot or distance separation requirements; and*
- (3) regulate various types of development in manners that ensure compatibility with adjacent land uses and respect the rural context.*

227. In the RU Zone:

Permitted Uses

- (1) The following uses are permitted subject to the following:
 - (a) the provisions of subsection 227(2) to (5);
 - (b) a maximum of 10 guest bedrooms is permitted in a bed and breakfast
 - (c) a maximum of 10 persons are permitted in a group home,
 - (d) a maximum of 10 persons are permitted in a retirement home, converted
 - agricultural use**, *see Part 2, Section 62*
 - animal care establishment**
 - animal hospital**
 - artist studio**
 - bed and breakfast**, *see Part 5, Section 121*
 - cemetery**
 - detached dwelling**
 - equestrian establishment**
 - environmental preserve and educational area**
 - forestry operation**
 - group home**, *see Part 5, Section 125*
 - home-based business**, *see Part 5, Sections 127 and 128*
 - home-based day care**, *see Part 5, Section 129*
 - kennel**, *see Part 3, Section 84*
 - retirement home, converted**, *see Part 5, Section 122*
 - secondary dwelling unit**, *see Part 5, Section 133*

Zone Provisions

- (2) In the RU Zone, development must comply with the provisions of Table 227:

TABLE 227 - RU ZONE PROVISIONS

I ZONING MECHANISMS	PROVISIONS		
	II AGRICULTURAL USE, EQUESTRIAN ESTABLISHMENT	III KENNEL	IV OTHER USES
(a) Minimum lot width (m)	60	see Part 3, Section 84	50
(b) Minimum lot area (ha)	2		0.8, see ss. 227(6) (By-law 2008-457)
(c) Minimum front yard setback (m)	10	6 for a farm produce outlet with a floor area of 28m ² or less	10
(d) Minimum corner side yard setback (m)	10		10
(e) Minimum rear yard setback (m)	10		10
(f) Minimum interior side yard setback (m)	5		5
(g) Maximum height (m) -principal building	12		12
(h) Maximum lot coverage (%)	20		20
(i) Minimum distance separation		see Part 2, Section 62	see Part 2, Section 62

- (3) For other applicable provisions, see Part 2- General Provisions, Part 3- Specific Use Provisions and Part 4- Parking, Queuing and Loading Provisions.

- (4) Despite subsection 227(2), an agricultural use limited to a stable and the keeping of horses may also be permitted as an accessory use to a detached dwelling on a lot of 0.8 ha or larger in area. (By-law 2012-349)

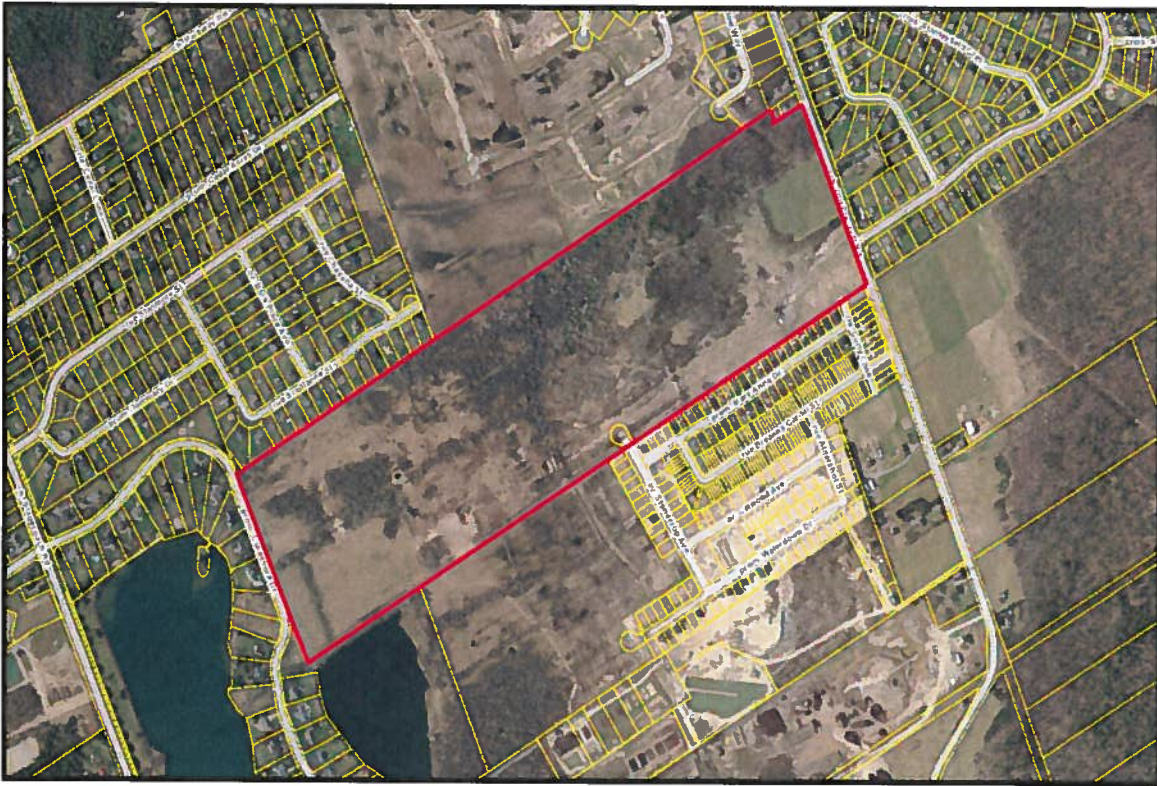
- (5) The minimum lot area and minimum lot width for a detached dwelling indicated in Table 227, Column IV - Other Uses, applies only to a detached dwelling on an existing lot or a lot created by a consent application as per requirements of the Official Plan. The Rural Residential - RR zone is to be used for detached dwellings on lots in subdivisions. (By-law 2009-18)

- (6) The minimum lot area for a lot created by a consent application – severance process – is guided by Official Plan policy that requires a minimum lot area of 0.8 hectares for the severed lot and 10.0 hectares for the retained lot. One lot severance only is permitted. (By-law 2008-457)

APPENDIX B

COMPARABLE SALES

Comparable Land Sale #1



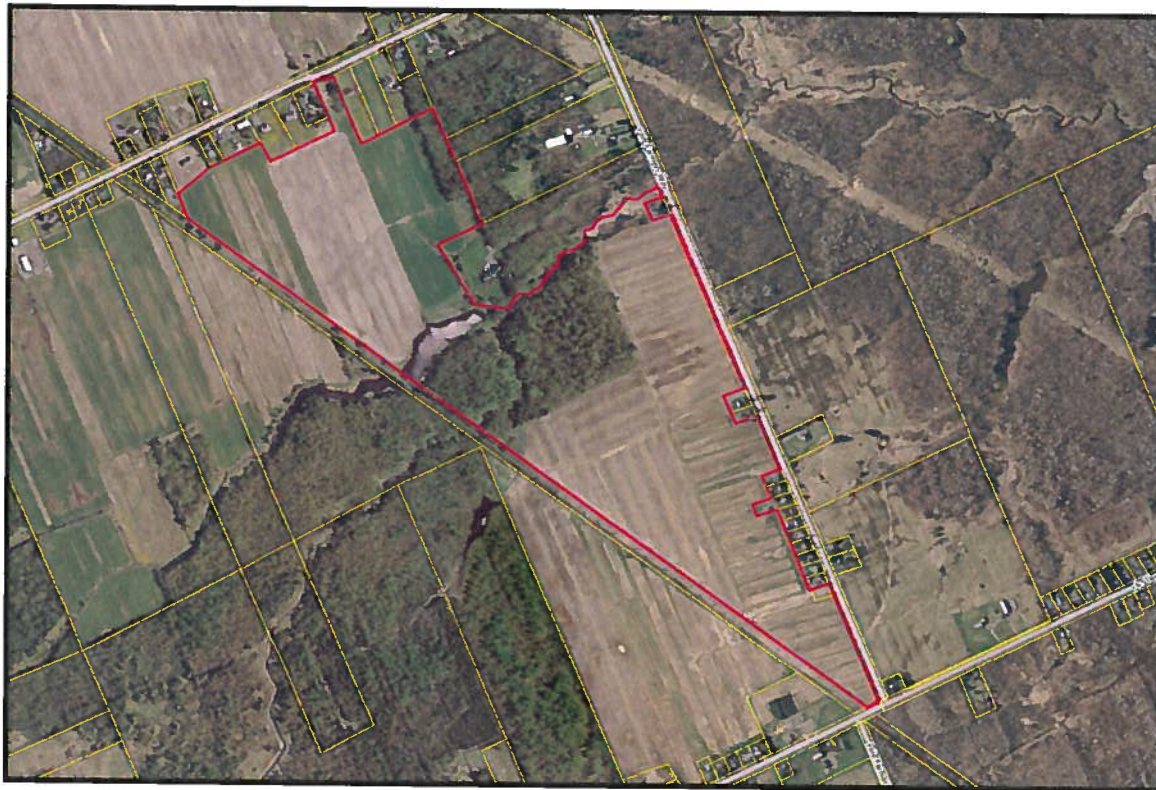
1626 OLD PRESCOTT ROAD, OSGOODE

Vendor:	Ruth Maureen Watson and John Paul Anthony Cadieux
Purchaser:	Lakeland Meadows Ltd.
Registration Date:	May 13, 2015
Consideration:	\$ 100 - Cash <u>4,212,000</u> - VTB (3.5% due on demand) \$4,212,100 - Total
PINs:	04319-2838 and 04319-2839
Legal Description:	i) Part of Lot 8, Concession 4, being Part 1 on Plan 4R-28006, in the former Township of Osgoode, now in the City of Ottawa. ii) Part of Lot 8, Concession 4, being Parts 1 to 3 on Plan 4R-27511, Save and Except Parts 1 and 2 on Plan 4R-28006, and subject to an Easement over Part 2 on Plan 4R-27511, in the former Township of Osgoode, now in the City of Ottawa.
Zoning:	DR1 - Development Reserve, V1D - Village Residential First Density, V1I[610r] - Village Residential First Density and V2D[611r] - Village Residential Second Density
Site Area:	146.61 acres (as per GeoWarehouse)
Price Per Acre:	\$28,730

Remarks

The property is located on the west side of Old Prescott Road, to the south of Parkway Road, in the Greely neighbourhood, in the south end of the City of Ottawa. At the time of sale, there was a draft approval on a subdivision application put forth to the City of Ottawa from 2011. Subsequent to the sale, the subdivision application had be reactivated and is proposed for 34 estate residential lots to be located in the area that is zoned VID backing onto Lakeshore Drive.

Comparable Land Sale #2



4700 FARMERS WAY, GLOUCESTER

Vendor:	482634 Ontario Ltd.
Purchaser:	Anderson Fairlawn Inc.
Registration Date:	February 20, 2015
Consideration:	\$2,520,230
PINs:	04325-0579 and 04325-0241
Legal Description:	Part of Lots 11, 12 and 13, Concession 8, Ottawa Front, Gloucester, being Parts 2, 4 and 7 on Plan 5R-12245, save and except Part 1 on Plan 4R-8794, Parts 1 to 6 on Plan 4R-16748 and Part 1 on Plan 4R-28564, City of Ottawa
Zoning:	RU[799r]-h (Rural Countryside)
Site Area:	179.636 acres (as per GeoWarehouse)
Price Per Acre:	\$14,030

Remarks

The property is located on the west side of Farmers Way to the south of Piperville Road, in the former City of Gloucester, now in the rural east end of the City of Ottawa. The property is outside the urban boundary and is designated by the Official Plan as General Rural Area and Rural Natural Features Area. The holding designation in regard to the Rural Countryside zoning represents a hold on residential development until the City of Ottawa Official Plan becomes more supportive for new residential. A minor portion of the site is subject to a flood plain. This sale is a part of a land assembly. Other land to the west and north was transferred between the same vendor and purchaser in November 2014.

Comparable Land Sale #3



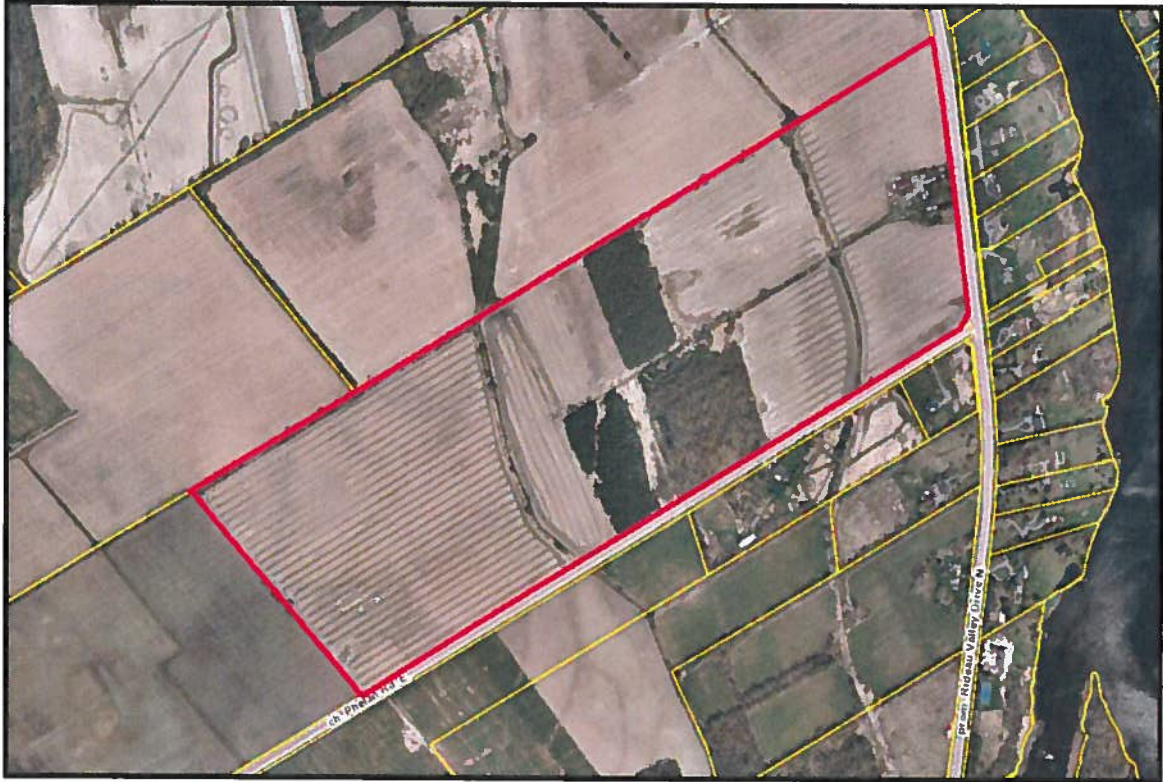
2307 CARSONBY ROAD WEST, RIDEAU

Vendor:	James Milburn Lillico
Purchaser:	Gowerdale Farms Ltd.
Registration Date:	April 11, 2014
Consideration:	\$895,700
PIN:	03900-0358
Legal Description:	Part of Lot 10, Concession 3 North Gower, as in Instrument Number NS-80699, save and except Parts 1, 2, 3 and 4 on 4R-27729, Ottawa
Zoning:	AG5 – Agricultural Zone
Site Area:	85.69 acres (as per Geowarehouse)
Price Per Acre:	\$10,453

Remarks

The property is located on the northeast corner of Fourth Line Road and Carsonby Road West, with additional frontage on Third Line Road, in the North Gower neighbourhood, in the south end of the City of Ottawa. The property was purchased for farming uses.

Comparable Land Sale #4



6274 RIDEAU VALLEY DRIVE NORTH, RIDEAU

Vendor:	Helen Scobie and John Scobie
Purchaser:	2383942 Ontario Inc.
Registration Date:	April 23, 2014
Consideration:	\$1,175,000
PIN:	03909-0162
Legal Description:	Part of Lot 15, Concession Broken Front, North Gower, as in Instrument No NG-10162, Except Parts 28 & 29 on Plan 5R-264 and Parts 1 and 2 on Plan 4R-27728, City of Ottawa.
Zoning:	AG4 – Agricultural Zone
Site Area:	127.58 acres (as per Geowarehouse)
Price Per Acre:	\$9,210

Remarks

The property is located on the northwest corner of Rideau Valley Drive North and Phelan Road East, in the former Rideau Township, in the south end of the City of Ottawa. It is unimproved vacant land. The land is not located within the urban boundary.