

**CONSOLIDATED HCI HOLDINGS CORPORATION**

100 Strada Drive, Unit 3  
Woodbridge, Ontario L4L 5V7

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

TAKE NOTICE that a Special Meeting of Shareholders of **CONSOLIDATED HCI HOLDINGS CORPORATION** (the "**Corporation**") will be held in the Duncan Room, Novotel Hotel, 3 Park Home Avenue, Toronto, Ontario, on Friday, the 28th day of April, 2017, at the hour of 11:00 o'clock in the forenoon (Toronto time), for the following purposes:

1. To consider and, if deemed advisable, to pass a special resolution (the "**Sale Resolution**") to approve the sale by the Corporation of substantially all of its assets comprising its 50% interest in the real property located at 7700 Keele Street and the adjacent property located at 2267 Highway 7, both in Vaughan, Ontario, to a company controlled by insiders of the Corporation; and
2. To transact such other business as properly may be brought before the Meeting or any adjournment or adjournments thereof.

Holders of Class B Shares who are unable to attend the Meeting in person are requested to sign and return the enclosed form of proxy in the envelope provided for that purpose.

A management information circular (the "**Circular**") is enclosed herewith.

In order to become effective the Sale Resolution must be approved by: (i) 66 2/3% of the votes cast thereon, by Shareholders present in person or by proxy at the Meeting or any adjournment(s) thereof; and (ii) a majority of the votes cast thereon, by Shareholders present in person or by proxy at the Meeting or any adjournment(s) thereof, after excluding the Class B Shares beneficially owned or over which control or direction is exercised by persons whose votes may not be included in determining minority approval pursuant to *Multilateral Instrument 61-101 – Protection of Minority Securityholders in Special Transactions* and the rules of the Toronto Stock Exchange.

Registered Shareholders who dissent from the Sale Resolution, if implemented, will be entitled to be paid the fair value of their Class B Shares subject to strict compliance with Section 190 of the *Canada Business Corporations Act* (the "**Act**"). The right to dissent is described in the Circular. Failure to comply strictly with the requirements of Section 190 of the Act may result in the loss of any right of dissent.

Only Class B shareholders of record at the close of business on March 24, 2017 will receive a Notice of Meeting and be entitled to vote, in person or by proxy.

DATED at Toronto this 24th day of March, 2017.

By Order of the Board

(signed) John H. Craig  
Secretary

## CONSOLIDATED HCI HOLDINGS CORPORATION

### MANAGEMENT INFORMATION CIRCULAR

#### Solicitation of Proxies

This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of CONSOLIDATED HCI HOLDINGS CORPORATION (the “Corporation”) for use at a special meeting of shareholders of the Corporation (the “Meeting”) to be held at the time and place and for the purposes set forth in the attached Notice of Special Meeting of Shareholders. It is expected that the solicitation will be by mail primarily, but proxies may also be solicited personally by regular employees of the Corporation. The cost of such solicitation will be borne by the Corporation.

#### Appointment and Revocation of Proxies

##### Registered Shareholders

A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for him and on his behalf at the Meeting other than the persons designated in the enclosed form of proxy. Such right may be exercised by striking out the names of the persons designated in the enclosed form of proxy and by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Corporation or its transfer agent prior to the time of the Meeting or any adjournment thereof.

A shareholder who has given a proxy may revoke it at any time insofar as it has not been exercised. A proxy may be revoked, as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a body corporate by an officer or attorney thereof duly authorized, and deposited either with the Corporation or its transfer agent at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of such Meeting on the date of the Meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked. A proxy may also be revoked in any other manner permitted by law.

##### Non-Registered Holders

Only registered holders of Class B Shares or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases Class B Shares beneficially owned by a holder (a “Non-Registered Holder”) are registered either:

- (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators or self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a depository such as The Canadian Depository for Securities Limited (a “Depository”) of which the Intermediary is a participant.

In accordance with the requirements of Canadian securities law, the Corporation has distributed copies of the Notice of Special Meeting of Shareholders, this Circular and the form of proxy (collectively, the “Meeting Materials”) to Depositories and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with the Secretary of the Corporation c/o Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, as described above; or
- (b) more typically, be given a voting instruction form which must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form (which may in some cases permit the completion of the voting instruction form by telephone).

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the name of the Non-Registered Holder (or such other person) in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. ***In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.***

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a voting instruction form or a waiver of the right to receive Meeting Materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

#### **Voting Securities and Principal Holders Thereof**

On March 24, 2017, 20,575,866 Class B Shares of the Corporation were issued and outstanding. Each Class B Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting.

The Corporation has fixed March 24, 2017, as the record date for the purpose of determining holders of Class B Shares entitled to receive notice of the Meeting. In accordance with the provisions of the *Canada Business Corporations Act* (the “**Act**”), the Corporation has prepared a list of holders of Class B Shares at the close of business on the record date. Each holder of Class B Shares named in the list will be entitled to vote at the Meeting the Class B Shares shown opposite the shareholder’s name on the list with respect to those matters with respect to which the holders of Class B Shares are entitled to vote except to the extent that: (a) the shareholder has transferred any of such shares after the date on which the list was prepared; and (b) the transferee of those shares produces properly endorsed share certificates or otherwise establishes that such shareholder owns such shares and demands not later than 10 days before the Meeting that such shareholder’s name be included in the list before the Meeting, in which case the transferee is entitled to vote such Class B Shares at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, the only persons, firms or corporations who beneficially own, directly or indirectly, or exercise control over equity shares of the Corporation carrying more than 10% of the voting rights attached to all equity shares of the Corporation are as follows:

<u>Name and Address</u>	<u>Number of Class B Shares Held</u>	<u>Percentage of Class B Shares Issued</u>
Marc Muzzo 50 Confederation Parkway Concord, Ontario L4K 4T8	4,526,749.5	22%
Stanley Goldfarb 400 Bradwick Drive Suite 125 Concord, Ontario L4K 5V9	3,547,013.5	17.2%
Richard Gambin 26 Tangiers Road Downsview, Ontario M3J 2B2	2,985,232	14.5%
Rudolph Bratty 7501 Keele Street Suite 200 Vaughan, Ontario L4K 1Y2	2,449,777	11.9%
The families of Angelo De Gasperis and the late Alfredo De Gasperis 30 Floral Parkway Concord, Ontario L4K 4R1	2,436,014	11.8%

#### **Statement of Executive Compensation**

- (a) For the purposes of this statement “executive officer” of the Corporation means the President and Chief Executive Officer, the Chief Financial Officer, any Vice-President in charge of a principal business unit such as sales, finance or production and any officer of the Corporation or a subsidiary who performs a policy-making function in respect of the Corporation whether or not such officer is also a director of the Corporation or the subsidiary.
- (b) There were three executive officers of the Corporation (the “**named executive officers**”), Stanley Goldfarb, President and CEO, Arnold Resnick, CFO, and Marc Muzzo, Vice-President, for the Corporation’s most recently completed financial year and for the previous two years.
- (c) The named executive officers do not have contracts of employment and do not have any compensation plan or arrangement in respect of resignation, retirement, termination or change in control of the Corporation. However, consulting companies which two of the named executive officers controlled during the year are parties to the management contract described under “Report on Executive Compensation”.
- (d) The Corporation has not granted any options to purchase or acquire securities of the Corporation or any of its subsidiaries nor were there any freestanding stock appreciation rights made during the most recently completed financial year. There were no unexercised options to purchase or acquire securities of the Corporation or any of its subsidiaries nor were there any freestanding stock appreciation rights outstanding as of the most recently completed financial year end.
- (e) There are no pension plan benefits in place for any executive officers or directors of the Corporation and none of the executive officers or directors of the Corporation is indebted to the

Corporation or has been indebted to the Corporation at any time since the beginning of the most recently completed financial year of the Corporation.

### Summary Compensation Table

The following table contains information about the compensation paid to, or earned by, those who served during the year ended September 30, 2016 as the Corporation's Chief Executive Officer and the Corporation's Chief Financial Officer, and the Vice-President of the Corporation (collectively, the "**Named Executive Officers**") whose total salary and bonus exceeded \$150,000.

Name and Principal Position	Annual Compensation				Long-Term Compensation	All Other Compensation
	Year Ended September 30	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Options Granted (#)	
Stanley Goldfarb President and CEO	2016	Nil	Nil	(1)	Nil	Nil
	2015	Nil	Nil	(1)	Nil	Nil
	2014	Nil	Nil	(1)	Nil	Nil
Arnold Resnick CFO	2016	175,000	10,000	Nil	Nil	Nil
	2015	170,000	10,000	Nil	Nil	Nil
	2014	165,000	10,000	Nil	Nil	Nil
Marc Muzzo Vice-President	2016	Nil	Nil	(1)	Nil	Nil
	2015	Nil	Nil	(1)	Nil	Nil
	2014	Nil	Nil	(1)	Nil	Nil

(1) During the applicable years, under the terms of a management agreement between the Corporation and Circle M Consulting Limited Partnership and Logpin Investments Limited (the "**Consultants**"), the Consultants provided the services of Stanley Goldfarb and Marc Muzzo to the Corporation. The total fees payable during the applicable years were as follows: 2014: \$250,000; 2015: \$250,000; 2016: \$250,000. The management fee was based on 3% of the Corporation's pre-tax profits with a minimum fee of \$250,000.

### Compensation of Directors

#### A. Standard Compensation Arrangements

Non-executive directors of the Corporation are entitled to be paid a director's fee of \$7,500 annually plus \$1,000 per directors' meeting attended and \$1,000 per committee meeting attended. Chairmen of Committees are paid an additional \$500 per meeting. The non-executive Chairman of the Board is paid an additional \$7,500 per annum.

#### B. Other Arrangements

None of the directors of the Corporation was compensated in his capacity as a director by the Corporation and its subsidiaries during the most recently completed financial year pursuant to any other arrangement or in lieu of any standard arrangement.

C. *Compensation for Services*

None of the directors of the Corporation was compensated by the Corporation during the most recently completed financial year for services as consultants or experts.

**Report on Executive Compensation**

The responsibilities for the determination of the level of compensation in respect of the Corporation's senior executive officers was assigned by the Board of Directors (the "**Board**") to the Audit and Compensation Committee which is comprised of three independent directors. It is the Committee's responsibility to provide recommendations to the Board for the compensation of such executive officers having regard to their performance, the performance of the Corporation and industry standards. The services of Stanley Goldfarb, the President and CEO, and Marc Muzzo, the Vice-President, are provided to the Corporation under a Management Agreement between the Corporation and the Consultants.

With regard to the year ending September 30, 2016, the Committee reviewed the terms of the Management Agreement having regard to the contemplated operations of the Corporation in the forthcoming year particularly the ongoing process undertaken by the Board to consider all options for the creation of shareholder value. With this in mind the Committee recommended and, with the agreement of the Consultants, the Management Agreement was renewed for the year ending September 30, 2016, to provide for a fee of 3% of pre-tax profits with a minimum fee of \$250,000. As the compensation payable under the Management Agreement is totally dependent on audited financial statements the Committee is confident that any risks associated with such compensation based on inaccurate information is adequately addressed.

For the year ending September 30, 2017, the terms of the Management Agreement provide for a fee of 3% of the Corporation's pre-tax profits with a minimum fee of \$250,000.

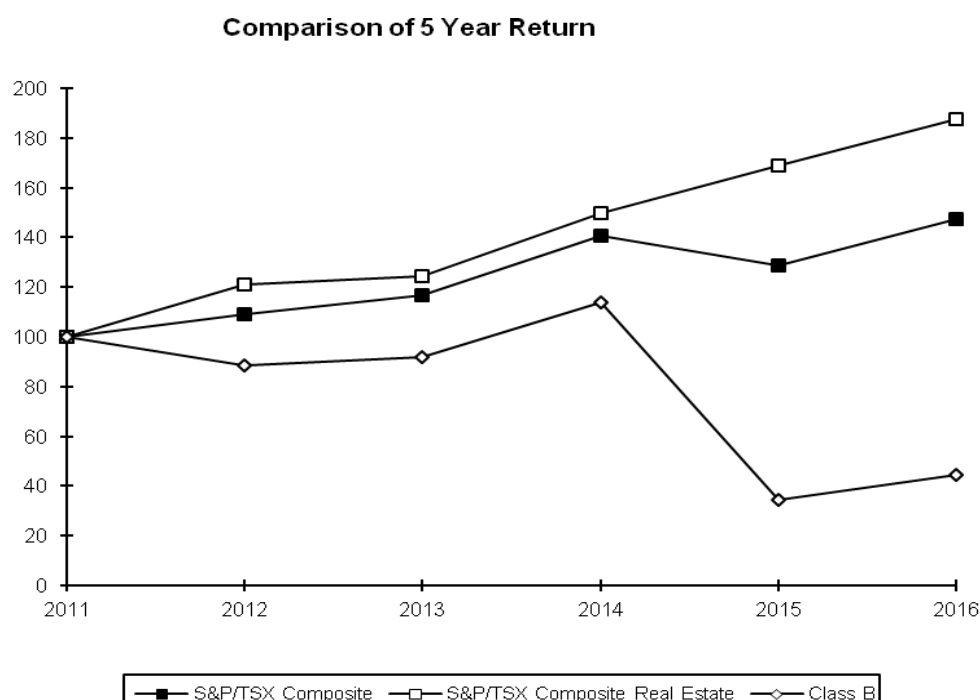
In recommending the compensation to be payable to the senior management under the Management Agreement the Audit and Compensation Committee considered a number of factors including: the historical arrangement between the Corporation and the Consultants and the reduced activity level of the Corporation following the sale of assets completed in 2007 and subsequently. They also considered the fact that management has historically been provided with no other compensation enhancements such as options, bonuses (with the exception of the one-time bonus paid for 2007) or similar compensation components usual in other public companies. No outside consultants were engaged to assist the Audit and Compensation Committee in determining the Compensation of Named Executive Officers for the year ended September 30, 2016 as the members of the Audit and Compensation Committee have years of experience in the real estate development industry and are familiar with comparable compensation arrangements in the industry.

Submitted on behalf of the Audit and Compensation Committee  
Rudolph P. Bratty Q.C.  
Chairman

## Assessments of Board Effectiveness

See “Corporate Governance and Nominating Committee”.

## Performance Graph of the Corporation



September 30	2011	2012	2013	2014	2015	2016
S&P/TSX Composite	100.00	109.17	116.94	140.77	128.97	147.30
S&P/TSX Composite Real Estate	100.00	121.02	124.53	149.74	168.96	187.35
Class B	100.00	88.61	92.08	113.86	34.65	44.55

## **Particulars of Special Business to be acted upon at the Meeting**

### **Background to the Sale Transaction**

The Corporation is seeking the approval of its shareholders to the Sale Resolution, which is a special resolution authorizing the sale of the Corporation's 50% interest (the “**50% Interest**”) in its remaining investment properties (the “**Sale Transaction**”) to Keele Seven Holdings Inc. (the “**Buyer**”).

### *Description of Corporation's Remaining Investment Properties*

The Corporation's real estate activities have consisted of residential and industrial land development building and rentals, commercial development and rentals and participation in two Toronto homebuilders. In 2007 and 2011 the Corporation sold substantially all of its investment property portfolio.

As at the date of this Circular, the Corporation's remaining investment properties consists of its 50% Interest in an approximate 200,000 square foot multi-tenanted rental building located at 7700 Keele Street in Vaughan, Ontario (the "**MTRB**"), acquired at a cost of \$4.6 million in 2005, and an adjacent approximate 1.25 acre development property acquired at a cost of \$0.8 million in 2010 (the "**DP**"). The MTRB and the DP (collectively, the "**Investment Properties**") are both managed by a company controlled by a co-investor (who holds a 5% interest therein).

The Corporation has been developing the building on the DP for mixed industrial-commercial-retail use and in 2014, the Corporation leased the DP to an international chain of fast food restaurants for 15 years, with two five-year renewal options.

As of September 30, 2015, the Corporation achieved an occupancy level of 71% in the MTRB. During the fourth quarter of 2016, the Corporation leased a further 15,949 square feet of vacant space in the MTRB for a term of five years with two five-year renewal options to a bath and kitchen showroom and 11,096 square feet of vacant space in the MTRB for a term of five years with one five-year renewal option to a clothing retailer, bringing the occupancy rate of the MTRB up to 85% at September 30, 2016.

During the third quarter of 2015, the Corporation leased 7,039 square feet of vacant space in the MTRB for a term of ten years with one five-year renewal option to a children's day care operation. This tenancy is expected to commence in the second quarter of 2017 on completion of the landlord's work and will bring the occupancy rate of the MTRB up to 89%. Subsequent to September 30, 2016, the remaining vacant space of the MTRB was leased, with the new tenancies expected to commence in the second quarter of 2017 on completion of the landlord's work, bringing the occupancy rate to 100%.

The Corporation is no longer seeking new development opportunities or the purchase of investment properties. As of September 30, 2013, the Corporation had completed and closed all of its remaining housing inventory and has no plans to continue with its house building operations. Other than the land addition to the MTRB referred to above (ie. the DP), no new land or building purchases were made from 2010 to 2016.

With the sale of substantially all of its residential land inventory, industrial land holdings and all but two of its investment properties the Corporation has generated significant amounts of cash. This cash has largely been invested in term deposits and relatively short-term syndicated mortgage loans and was used to pay dividends. The Corporation declared a special dividend of \$1.50 per Class B Share to shareholders of record at the close of business on May 28, 2015 and the dividend was paid on June 28, 2015.

#### *Decision to Sell 50% Interest in the Investment Properties*

The Corporation has been in the process of winding down its real estate operations for several years.

In or about June 16, 2016, a decision was taken by the Board of Directors to engage Cushman & Wakefield Ltd. to canvas the market with a view to selling the 50% Interest in the Investment Properties.

On October 6, 2016, the Board of Directors received a report from representatives of Cushman & Wakefield Ltd. as to their progress with respect to a potential sale transaction for the 50% Interest in the Investment Properties. At that time, Cushman & Wakefield Ltd. reported on its marketing campaign, which included the identification of potential purchasers, worldwide distribution of marketing materials and the signing of confidentiality agreements by 22 potentially interested parties. However, Cushman & Wakefield Ltd. reported that notwithstanding its broad based efforts, it had only received three indicative non-binding offers, only one of which was determined to be credible, at a price of \$12.5 million for the Corporation's 50% Interest in the Investment Properties. This offer was in the form of a non-binding letter of intent and was highly conditional. In or about October 6, 2016, the Board of Directors made a determination not to pursue this offer. Within the past 24 months, the Corporation has not received any other written or oral offers for its 50% Interest in either of the Investment Properties.



In a meeting of the Board of Directors held on December 13, 2016, Mr. Goldfarb indicated to the Board that certain insiders of the Corporation might be interested in submitting an offer for the 50% Interest in the Investment Properties. The Board of Directors therefore decided to engage Cushman & Wakefield Ltd. ("**Cushman**") to prepare an updated valuation of the Investment Properties. Cushman had prepared valuations of the Investment Properties periodically since March, 2016 (as set forth below under the heading "Background to the Sale Transaction/Valuations") for IFRS reporting purposes and had assisted the Corporation with its efforts to market and sell the 50% Interest in the Investment Properties (which efforts had not been successful).

As the Board of Directors was familiar with Cushman, its independence and its qualifications, no other professional appraisers or valuers were approached nor interviewed and no competing service quotes were obtained. Cushman was not given any restrictions.

At a meeting of the Board of Directors held on February 7, 2017, the Board received draft copies of the valuations of the Investment Properties prepared by Cushman and at that time Mr. Goldfarb indicated that he anticipated that, through a corporate vehicle, an insider group, comprising persons holding, directly or indirectly, a total of 15,944,786 Class B Shares, representing 77.5% of the issued and outstanding Class B Shares (the "**Insider Group**") would be submitting an offer (the "**Insider Group Offer**") to the Corporation, using the price set out in the final valuations (*prorated* for the 50% Interest).

At that time, the Board of Directors formed an Independent Committee consisting of John H. Craig and John Daniels to consider any offers received from the Insider Group.

On February 13, 2017, the Independent Committee received final valuations of the Investment Properties from Cushman.

On February 20, 2017 the Independent Committee met to discuss the process to be followed in evaluating any offer received on the Investment Properties and engaging Cushman to provide a fairness opinion to the Independent Committee.

On March 21, 2017, an offer was received from the Buyer, which is a company controlled by the Insider Group.

On March 22, 2017, the Independent Committee met with Cushman to review the final valuations and to discuss the Insider Group Offer. At that time, Cushman also indicated its view as to the fairness of the Insider Group Offer. Subsequent to that meeting, the Independent Committee met again on March 22, 2017 to consider its recommendation to the Board of Directors.

On March 24, 2017, the Independent Committee met again with representatives of Cushman and received an oral opinion that the consideration to be received by the Corporation pursuant to the Insider Group Offer was fair and determined to recommend acceptance of the Insider Group Offer to the Board of Directors. No material contrary view was expressed by either member of the Independent Committee and there was no material disagreement among the members of the Independent Committee.

Subsequent to the meeting of the Board of Directors held on March 24, 2017, the Independent Committee received a written fairness opinion dated March 24, 2017 from Cushman (the "**Fairness Opinion**"). A copy of the Fairness Opinion with respect to the consideration to be received by the Corporation for the 50% Interest in the Investment Properties is attached as Schedule "A". Pursuant to the terms of its engagement letter with the Corporation, Cushman is to be paid a fixed fee for providing the Fairness Opinion. The Corporation has also agreed to indemnify Cushman against certain liabilities.

Upon completion of the Sale Transaction the material assets of the Corporation will consist of cash, term deposits and one small liquid security. It is the intention of the Corporation to distribute as much of the cash including the proceeds from the Sale Transaction and proceeds of the term deposits as it prudent having regard to the Corporation's ongoing expenses and liabilities. Given that the Corporation will have

no ongoing active business operations, management and the Board will be considering options as to the Corporation's future.

### *Valuations*

Cushman provided a certificate to the Corporation that confirmed that it has no present or prospective interest in the Investment Properties and has no personal interest or bias in the Corporation. Cushman prepared the Valuations (defined below) in conformity with the Canadian Uniform Standards of Professional Appraisal Practice and with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute of Canada. The Appraisal Institute of Canada has a mandatory Continuing Professional Development Program for designated members. Cameron McAlpine, the author of the Valuations on behalf of Cushman, has fulfilled the requirements of the program.

Cushman received the sum of \$271,500 for the Valuations and for the Fairness Opinion. Cushman's compensation was not contingent upon the reporting of a pre determined value or direction in value that favours the cause of the Corporation, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event. The Corporation has paid for the cost of both Valuations and the Fairness Opinion.

Caution should be exercised by shareholders in the evaluation and use of appraisal results. An appraisal similar to the Valuations is an opinion of current fair market value. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The Valuations are based on various assumptions of future expectations and while Cushman's forecasts for the Investment Properties are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. Cushman has confirmed to the Corporation that it is independent of the Corporation for the purposes of MI 61 101 (defined below). Cushman and its affiliates have no material financial interest in the Corporation or to the knowledge of the Corporation, the Insider Group. As a result, the Corporation has determined that Cushman is independent of the Corporation and the Insider Group for the purposes of MI 61 101.

There are no understandings, agreements or commitments between Cushman and the Corporation with respect to future business dealings. Cushman may in the future undertake assignments for the Corporation or the Insider Group.

### *Summary of Valuations of Investment Properties*

Cushman provided a valuation dated as of February 13, 2017 of the MTRB as at December 31, 2016, updating its opinion of the current market value on an all cash basis (the "**MTRB February 2017 Update Report**"). The MTRB February 2017 Update Report updates a narrative appraisal report dated April 27, 2016 (the "**MTRB Narrative Appraisal Report**") which provided an estimate of value as of March 31, 2016 and a detailed description of the physical, locational and income attributes of the MTRB along with investment and leasing market conditions. Cushman also provided an update report on November 1, 2016 (based on an effective date of September 30, 2016) (the "**MTRB November 2016 Update Report**"). The MTRB February 2017 Update Report, the MTRB Narrative Appraisal Report and the MTRB November 2016 Update Report are collectively referred to as the "**MTRB Valuation**".

Cushman provided a valuation dated as of February 13, 2017 of the DP as at December 31, 2016, updating its opinion of the current market value on an all cash basis (the "**DP February 2017 Update Report**"). The DP February 2017 Update Report updated a narrative appraisal report dated April 27, 2016 (the "**DP Narrative Appraisal Report**") which provided an estimate of value as of March 31, 2016 and a detailed description of the physical, locational and income attributes of the DP along with investment and leasing market conditions. Cushman also provided an update report on November 1, 2016 (based on an effective date of September 30, 2016) (the "**DP November 2016 Update Report**"). The DP February 1, 2017 Update Report, the DP Narrative Appraisal Report and the DP November 2016 Update Report are collectively referred to as the "**DP Valuation**".

Cushman canvassed many of the same issues in both the MTRB Valuation and the DP Valuation, collectively, the “**Valuations**”. These are more particularly described below. Readers are cautioned that set forth below is a summary of only certain provisions of the Valuations. Reference is made to the full copies thereof which have been filed under the Corporation’s issuer profile at [www.sedar.com](http://www.sedar.com). The MTRB Valuation and the DP Valuation are subject to the assumptions and limiting conditions contained in the MTRB Valuation and the DP Valuation, respectively.

### *Principles*

Cushman used the Canadian Uniform Standards of Professional Appraisal Practice (the Standards) adopted by the Appraisal Institute of Canada definition of “market value” as follows:

*“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 the 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 buyer and seller are typically motivated; both parties are well informed or well advised and acting in their own best interest; a reasonable time is allowed for exposure in the market; payment is made in cash in Canadian dollars or in terms of financial arrangements comparable thereto; and the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The term “property” refers to the land, buildings and all fixtures, furnishings and equipment which are incidental to the operation as retail and office facilities. Market value is based on a 100% interest in the applicable asset. The Appraisal excluded furnishings and equipment.

To prepare the Valuations, Cushman interviewed management; considered changes to cash flow assumptions based on current market conditions and specific property characteristics; analysed available historical operating statements and a current budget pertaining to the DP; estimated the highest and best use of the MTRB and the DP; conducted market research into the local industrial and retail market; and examined market conditions and analysed their potential effect on the MTRB and the DP. The MTRB and the DP were originally inspected on April 9, 2016.

The Valuations reviewed investment characteristics including the strengths and weaknesses of the MTRB and the DP. These included location characteristics (among others, well located in Vaughan); physical characteristics (among others, that the MTRB is currently demised into a 15 tenant building and has good availability of parking and space for vehicle movement and that the DP is a newly constructed freestanding restaurant); income characteristics (among others, that long term leases are in place for about 24% of the rentable area and average contract rent is close to market for the MTRB and that there is a term lease with A&W Food Services of Canada Inc. with current rent that is close to market for the DP) and investment characteristics (among others, there are currently limited numbers of core retail investments available for sale but there are concerns that possible interest rate hikes may signal caution entering the investment market).

Cushman commented that given that the MTRB and the DP, are near Highway 400 and Highway 407, both such properties would be seen as occupying a good location for present use. For the MTRB the site area is 12.36 acres and is subject to a four year temporary easement over parts of the strip of land that extends along Highway 7. As this area is not currently improved, this does not appear to impair the functionality of the MTRB. For the DP the site area is 1.0715 acres and is subject to the same easement.

As part of the site description, Cushman reviewed expropriated areas; access; on site parking; the 2015 assessment; municipal services; topography and soil conditions; landscaping; paved surfaces; truck turning; vehicle movement; encumbrances; and municipal services. Cushman commented that the MTRB is a rectangular (more or less) shaped parcel that would be considered to have good characteristics for

industrial use. At a site coverage of about 37%, there is good room for parking and vehicle movement. Overall, the site characteristics would be well rated. Cushman commented that while the DP is somewhat long and narrow and has an irregular configuration, it appears to function well for the current use and has frontage and access to two high traffic arterials. The site characteristics would be well rated.

Cushman also reviewed land use controls including zoning and plans. The current use of the MTRB and the DP both appear to conform to existing land use controls. For the MTRB they are considered to be flexible as they permit a wide variety of light, industrial and some commercial uses, subject to certain restrictions. For the DP, existing land use controls are also considered to be flexible as they permit a wide commercial use, suitable for its corner position and proximity to the highway network.

Cushman reviewed building description including the building type; net rentable area; date of construction; building position; configuration; construction; interior; industrial; building condition and environmental matters. The MTRB was originally a single tenant facility that has been extensively renovated and adapted for multiple tenant use. The building benefits from clear heights of 16, 18 and 24 feet, which while somewhat low, is functional for the current tenants. The building is attractive in nature with precast panels along the Keele Street frontage. The MTRB also offers a variety of unit sizes as well as both industrial and flex/commercial type units and has a good level of parking. The physical characteristics of the MTRB would be well rated. The DP is a functional free standing restaurant building that is functional and attractive. While the design specifications are unique to the current tenant, its physical characteristics would be well rated.

Cushman reviewed the market analysis including an economic overview of Canada, Ontario and Toronto, including current trends; demographic characteristics; households; gross domestic product; employment and unemployment; and retail sales.

The principal of highest and best use of a property is fundamental to the concept of market value. Highest and best use is defined by the Appraisal Institute of Canada as follows:

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

To determine the highest and best use of the MTRB or the DP, a valuator typically evaluates the subject site under two scenarios; as if vacant land and as presently improved. In both cases, the property's highest and best use must meet the four criteria described above.

The pertinent physical factors affecting the highest and best use of the MTRB and the DP fall under two categories, site characteristics and location characteristics. The physical features and site configuration of both the MTRB and the DP would support a development and density as currently exists.

Legal factors influencing the highest and best use of the MTRB are primarily related to governmental restrictions in the form of official plan regulations and zoning by laws. The MTRB is currently designated as EM1. Land uses in the surrounding area are primarily comprised of single and multiple tenant industrial/commercial facilities. The MTRB supports a financially viable use with market level returns. A positive net income or acceptable rate of return would indicate that a use is financially feasible. It is reasonable to conclude that the current use would be maximally productive for the MTRB based upon surrounding area uses.

Legal factors influencing the highest and best use of the DP are primarily related to governmental restrictions in the form of official plan regulations and zoning by laws. The DP is currently designated as C6. Land uses in the surrounding area are primarily comprised of single and multiple tenant industrial/commercial facilities.

Cushman determined that the most appropriate manner in which to value the MTRB and the DP (among the "Income Method", the "Direct Comparison Method" and the "Cost Method") was the "Income Method" which tends to mirror the analytical process traditionally used when buying a property such as the MTRB or the DP. Two "Income Methods" are the "Direct Capitalization Method" and the "Discounted Cash Flow Method".

The "Direct Capitalization Method" is based on the conversion of current earnings into market value. Stabilized net operating income is capitalized with an overall rate which reflects all comparative investment characteristics of the asset. If the property is adequately and competitively financed, one may capitalize the pre-tax cash flow (after debt service) to estimate equity value and add back the current balance of outstanding financing to determine current market value.

The "Discounted Cash Flow Method" considers both projected earnings in each year of the investment horizon and the reversionary value of the asset. The property value equals the discounted value of future benefits. These benefits represent an annual cash flow (positive or negative) over a given period of time, plus the reversionary value of the property occurring in the year following the investment horizon.

The "Cost Method" involves estimating the replacement cost of new improvements located on the MTRB or the DP and estimating and deducting the accrued depreciation from the cost estimate and adding the land value.

Cushman placed the most reliance on the "Direct Capitalization Method" for both the Investment Properties, which is consistent with the actions of a typical purchaser. For support a "Discounted Cash Flow Method" analysis was also provided. The "Cost Method" was not used as it is not representative of the actions of typical purchasers.

#### *Valuation for Multi Tenanted Rental Building at 7700 Keele Street, Vaughan, Ontario*

The two methods of value indicated rounded results of \$26.0 million, "Discounted Cash Flow Method" (\$25,830,000) and "Direct Capitalization Method" (\$26,240,000). Cushman opined that if a 50% interest in the MTRB is offered for sale, given current market conditions, no discount to invest would be required and therefore a 50% interest in the MTRB would be valued at \$13.0 million.

Base rental revenue represents potential base revenue at full occupancy. The MRTB Valuation sets out the full rental roll and lease expiries with certain assumptions for vacant units. Cushman considered rollover assumptions; leasing costs; capital expenditures and structural reserve; yield selection; real estate investment surveys; and alternative investments. Leases with current tenants are completely net to the landlord and tenants are responsible for all repairs and maintenance excluding items of a structural nature. Tenants pay a management fee of 15% of operating costs. With the exception of the University of Toronto, all of the tenants are private companies assumed to have an acceptable covenant strength.

The market rent analysis of the MTRB is year one market rental rate for a five year lease at \$5.50 per square foot for conventional industrial units; \$9.50 per square foot for larger Keele Street facing units; \$11.50 for smaller or more specialized units; and \$25.00 per square foot for the Discount Car Rental office unit. The same rates have been selected for renewal transactions and all market rents have been inflated at 2.5% per annum, commencing in year 2. Expense reimbursement revenue is estimated at \$3.60 per square foot and operating expenses including realty taxes at \$3.74 per square foot, both subject to inflationary increase of 2.5% per annum.

IRR (Internal Rate of Return) pertains to discounted cash flow such that the present worth of annual cash flow and residual value are determined using an appropriate discount rate. Cushman concluded that IRR presented by comparable sales is in the range of 6.77% to 8.28%. The MTRB is an attractive multiple tenant facility that is well located in Vaughan, with a somewhat unusual configuration. The current rent is close to market levels and there are some long term leases in place. It is Cushman's opinion that an investor would require an IRR toward the middle of the comparable sale range of 7.25%.

The other rate to estimate value is Terminal Capitalization Rate (the “**TCR**”) which is applied against income in the final year of the investment horizon. These take into account the forecast of rental growth and capital costs throughout the investment horizon. Cushman deemed that the TCR of the MTRB should be 7.0%.

Based on an IRR of 7.25% and a TCR of 7.00% the current market value of the MTRB determined by the “Discounted Cash Flow Method” is \$25,830,000.

The “Direct Capitalization Method” involves capitalizing a single year’s net operating income at full occupancy with an appropriate yield rate and making necessary adjustments to arrive at a final value. To convert net operating income stream to an estimate of capital value an appropriate capitalization rate must be derived from the market place and applied to the income stream or cash flow. Capitalization is the process of converting a series of anticipated future annual instalments of income into the present worth. The “Comparative Method” looks at the ratio between sale price and net operating income.

Cushman’s analysis of comparable transactions showed capitalization rates ranging from 5.61% to 7.66%. Cushman was of the view that, based on an overall capitalization rate (“**OCR**”) of 5.80% is appropriate for a benchmark, multiple tenant investment property. Given the physical and investment characteristics of the MTRB as compared to the benchmark buildings, Cushman deemed an appropriate OCR for the MTRB to be 6.75%, given its investment characteristics.

Cushman made a negative adjustment for the landlord’s work; added payments for rent collection for the rooftop area and signage income; deducted lost rent and recoveries from vacant units; and made negative adjustments for the loss of income for rent free periods.

Cushman opined that the current market value of the MTRB as of the effective valuation date based on the “Direct Capitalization Method” is \$26,240,000.

Using the “Direct Comparison Method” Cushman derived a value of \$22,600,000 (which was only used in the April, 2016 version of the MTRB Valuation), based on the principle of substitution which maintains that a prudent purchaser would not pay more for a property than the cost to purchase a suitable alternative property which exhibits similar physical characteristics. Within this method, the MTRB is compared to properties that have sold recently or are currently listed and are considered to be relatively similar to the MTRB. Typically a unit of comparison (ie sale price per square foot) is used to facilitate the analysis. In the case of properties similar to the MTRB, the sale price per square foot is the most commonly used unit of comparison. As the MTRB is an investment property the analysis is based on net operating income on a per square foot basis. Comparable sales are summarized in the Appraisal, indicating their comparability to the MTRB. The adjusted dollar value per square foot reflects a simple value adjustment of each comparable by its ratio of net operating income area to that of the MTRB. The adjusted values for comparables indicate a value range of \$113 to \$155 per square foot. Based on the MTRB’s physical and income characteristics, the MTRB’s unit value should fall within the indicated range. Based on a unit value of \$115, Cushman estimated the value of the MTRB using the “Direct Comparison Method” as \$22,600,000 (again, this was only used in the April 2016 version of the MTRB Valuation).

#### *Valuation for Development Property at, 2267 Highway 7, Vaughan, Ontario*

Cushman used two methods of value both of which indicated rounded results of \$2.5 million, being “Discounted Cash Flow Method” and “Direct Capitalization Method”. Cushman opined that if a 50% interest in the DP is offered for sale, given current market conditions no discount to invest would be required and a 50% interest in the DP would be valued at \$1,250,000.

The DP supports a financially viable use with market level returns. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Based upon surrounding area uses, it is reasonable to conclude that the current use would be maximally productive for the DP.

The DP is 1.0715 acres and the current zoning permits a wide variety of commercial uses. The highest and best use of the DP, if vacant, is for development of a facility similar to the DP and in conformity with zoning regulations.

The DP is improved with a single storey free standing restaurant. The improvements total 2,465 square feet and appear to be in conformity with the zoning bylaw. Their design specifications are consistent with the other buildings in the area and reflect optimum use. The highest and best use of the DP as improved is restaurant/commercial use as it adds value over and above the estimated land value if vacant.

Base rental revenue represents the potential base revenue as at full occupancy. The current leasing information, with the tenant, A&W Food Services of Canada Inc., commencing September 12, 2014 for 15 years is as follows; year 1 to 5 \$125,000 per annum; year 6 to 10 \$132,500 per annum; year 11 to 15 \$140,000 per annum, on a completely net to the landlord basis with an administration fee of 15% per annum. The tenant is responsible for all repairs and maintenance including structural. The landlord has agreed not to rent any space in the neighbouring property (ie. the MTRB) to competing restaurants.

Cushman estimated appropriate market rents for the DP, analyzing comparable lease transactions; recent leasing activity at the complex if any; and by interviewing leasing professionals in the GTA rental market.

Cushman estimated that appropriate market rent in year one for a five year lease was \$45.00 per square foot, inflated at 2.5% per annum commencing in year two. Expense reimbursement for the DP has been estimated at \$14.36 per square foot (including operating recoveries; administrative fee recovery and realty tax recovery) and operating costs (which include realty taxes) are estimated to be \$14.39 per square foot, subject to an inflationary increase of 2.5% per annum.

Cushman considered rollover assumptions; leasing costs; capital expenditures and structural reserve; yield selection; real estate investment surveys; and alternative investments.

Using the "Discounted Cash Flow Method" as described above, Cushman concluded that an IRR of 5.75% for the DP was appropriate, on the basis that there continues to be strong demand from potential investors for good quality assets displaying strong income characteristics. Cushman also concluded that a TCR of 5.5% was appropriate for the DP. Based on an IRR of 5.75% and a TCR of 5.5% the current market value of the DP using the "Discounted Cash Flow Method" is \$2,470,000.

The "Direct Capitalization Method" is also described above. Cushman's analysis of comparable transactions reflected capitalization rates ranging from 3.9% to 7.7%. Cushman was of the view that based on the length of the term and the strength of the tenant's covenant, an OCR toward the lower end of the range is required and as such deemed that an OCR of 5.0% for the DP is appropriate. Cushman opined that the current market value of the DP based on the "Direct Capitalization Method" is \$2,500,000.

Using the "Direct Comparison Method" Cushman derived a value for the DP of \$2,470,000, based on the principle of substitution which maintains that a prudent purchaser would not pay more for a property than the cost to purchase a suitable alternative property which exhibits similar physical characteristics, tenancy, location, etc. Within the approach the DP is compared to properties that have sold recently or are currently listed and are considered to be relatively similar to the DP.

Given the size of the DP Cushman placed more weight on the "Direct Capitalization Method"

#### *Prior Appraisals*

The only prior appraisal done within the past 24 months with respect to the Investment Properties is an appraisal done by Wagner, Andrews and Kovacs Ltd. on September 30, 2015 which was prepared to obtain an independent opinion of the Investment Properties' fair values for IFRS reporting purposes and

which set forth the following valuations for the Investment Properties: MTRB \$22.2 million; and DP \$2.3 million.

A copy of the prior valuations is available for inspection at the Corporation's offices located at 100 Strada Drive, Unit 3, Woodbridge, Ontario L4L 5V7. Additionally, the Corporation will send a copy of the prior valuations to any shareholder upon request for a nominal charge sufficient to cover printing and postage.

#### *Insider Group Offer*

The collective purchase price for the 50% Interest in the Investment Properties is \$14.25 million (\$13.0 million for the MTRB and \$1.25 million for the DP), to be satisfied in cash and by the assumption of 50% of the outstanding Mortgage (as hereinafter defined), excluding transaction costs, subject to typical closing costs and adjustments.

The offer provides that on closing the Corporation will assign to the Buyer, its 50% interest in: (i) the contracts that are applicable to the Investment Properties; (ii) leases entered into with respect to the Investment Properties; (iii) permitted encumbrances including 50% of the principle amount outstanding of an original \$9.5 million mortgage (50% of the principle amount outstanding as at closing will be approximately \$2.7 million) registered on June 11, 2009 in favour of Business Development Bank of Canada (the "**Mortgage**"); (iv) the co-owners agreement (the "**Co Owners Agreement**") between the Corporation's subsidiary that holds the 50% Interest in the Investment Properties being Tarshead Construction Ltd. (the "**Nominee**") and the Co-Tenants, being Turbo-Mac Limited as to an undivided 25% interest and KMSJ Inc. as to an undivided 25% interest.

The Investment Properties are being sold on an "as is where is" basis and only a number of standard representations and warranties are being made by the Corporation. The Buyer has acknowledged that from and after closing, the Investment Properties will continue to be managed by the property manager pursuant to the Co Owners Agreement and that the property manager is and will continue to be paid a fee of 5% of gross revenue for managing the Investment Properties. The offer contains standard conditions which include completion of due diligence with results to be satisfactory to the Buyer, and proof to the Buyer that the mortgagee has approved the transfer of the 50% Interest and the Mortgage assumption. The Buyer's due diligence investigations must be completed by the 15th day following the offer acceptance date (the "**Due Diligence Date**"), the offer acceptance date being March 24, 2017.

Within two business days of the offer acceptance date, the Buyer must pay an initial deposit to the Corporation's solicitors equal to 5% of the purchase price, to be held in trust pending closing and to be credited against the purchase price. Within a further period of two business days after the Buyer is satisfied with its due diligence investigations, the Buyer must pay a further sum equal to 10% of the purchase price, to also be held in trust pending closing and to be credited against the purchase price. The remainder of the purchase price which is payable in cash and by the assumption of 50% of the outstanding principal amount and interest under the Mortgage is due and payable on closing. Standard adjustments are to be made as of the closing date. The Corporation will be responsible for all expenses and be entitled to all revenue prior to the closing date and the Buyer will be responsible for all expenses and be entitled to all revenue for the period from and after the closing date. Percentage rent and current expense and operating cost recoveries from tenants are to be adjusted between the parties subsequent to closing upon receipt of information from the tenants and in accordance with the requirements of the leases for individual tenants. Tenant inducements, leasing commissions and rent free periods outstanding at the closing date shall be the responsibility of and assumed by the Buyer and there shall be no adjustment in favour of the Buyer.

The offer contains a release from the Buyer in respect of the Corporation with respect to any and all claims relating to the Investment Properties including without limitation, past, present or future environmental conditions of the Investment Properties.

A condition in favour of the Buyer is that on or before the Due Diligence Date, the Buyer shall have obtained from the mortgagee, at its own sole cost and expense, a written approval that it accepts the



transfer of the 50% Interest to the Buyer which involves the assumption of the Corporation's 50% interest in the Mortgage and that the mortgagee will release the Corporation as well as the Nominee from all liability under the Mortgage from and after the closing date.

### **Approval Requirements**

Affiliated companies of the Insider Group are shareholders in the Buyer. Marc Muzzo, Stanley Goldfarb, Richard Gambin, Rudolph Bratty and the families of Angelo De Gasperis and the late Alfredo De Gasperis are shareholders of the Corporation, each holding more than 10% of the outstanding Class B Shares. Rudolph Bratty, Richard Gambin, Stanley Goldfarb and Marc Muzzo are also directors of the Corporation. As a result, Marc Muzzo, Stanley Goldfarb, Richard Gambin, Rudolph Bratty and the families of Angelo De Gasperis and the late Alfredo De Gasperis and their respective affiliates are "related parties" of the Corporation for the purposes of applicable securities laws.

In order to become effective, the Sale Resolution must be approved by 66  $\frac{2}{3}$ % of the votes cast thereon, by shareholders present in person or by proxy at the Meeting or any adjournment(s) thereof, pursuant to the provisions of the Act. Completion of the Sale Transaction also requires the prior acceptance of the Toronto Stock Exchange.

The Corporation is a reporting issuer under applicable securities legislation of the provinces of British Columbia, Alberta, Ontario and Quebec and is, among other things, subject to applicable securities laws, including Multilateral Instrument 61 101 promulgated by the Canadian Securities Administrators ("**MI 61 101**").

MI 61 101 is intended to regulate certain transactions to ensure the protection and fair treatment of securityholders by requiring enhanced disclosure, approval by a majority of securityholders (excluding interested or related parties) and in certain cases, independent valuations. The Sale Transaction constitutes a "related party transaction" under MI 61 101 because it is a transaction in which the Corporation will sell all or substantially all of its assets, being the 50% Interest in the Investment Properties, to a related party of the Corporation.

MI 61 101 provides that, unless an exemption is available, a reporting issuer proposing to carry out certain related party transactions is required to obtain a formal valuation of the assets from a qualified independent valuator and to provide the holders of the affected securities with a summary of such valuation. The Corporation is required to obtain a formal valuation under MI 61 101 in connection with the Sale Transaction and in such regard, has obtained the Valuations. Reference is made to the heading "Background to the Sale Transaction/Valuations".

As the Sale Transaction constitutes a "related party transaction", MI 61 101 additionally requires that such transaction be approved by a majority of the minority Shareholders. In determining minority approval for a related party transaction, the Corporation is required to exclude the votes attached to Class B Shares that, to the knowledge of the Corporation or any "interested party" or their respective directors or senior officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised by "interested parties" and their "related parties" and "joint actors" (all as defined in MI 61 101).

At the Meeting, the Class B Shares held by the Insider Group and their respective related parties and any joint actors will not be entitled to vote their 15,944,786 Class B Shares, representing approximately 77.5% of the issued and outstanding Class B Shares as at the date of this Circular, in respect of the MI 61 101 requirements and the Exchange requirements with respect to the Sale Resolution; however, the Insider Group and their respective related parties and any joint actors will be entitled to vote with respect to the Act's requirements with respect to the Sale Transaction (ie. their votes will count for the purposes of the required 66  $\frac{2}{3}$ % approval for the Sale Transaction). Management and the directors are not aware of any other Class B Shares that will be excluded from voting in respect of the Sale Resolution.

Given that the Sale Transaction constitutes a “related party transaction”, such transaction was reviewed and considered by those directors who are independent of the Insider Group for the purposes of MI 61 101.

In addition to the requirements of MI 61 101, the Corporation is subject to Part V (Section 501(c)) of the Exchange Company Manual (the “**Exchange Rules**”), which requires approval by the Exchange for a transaction with a related party which does not involve an issuance of listed securities before the Corporation may proceed with the Sale Transaction.

Additionally, where the consideration received by the insider or other related party exceeds 2% of the issuer’s market capitalization, the Exchange will require that the proposed transaction be approved by the board on the recommendation of the directors who are unrelated to the transaction and the value of the consideration be established in an independent report, unless the consideration appears to be commercially unreasonable, as determined by the Exchange. In addition, if the consideration for the sale of the 50% Interest in the Investment Properties to be received by the insider or other related party exceeds 10% of the market capitalization of the issuer, the Exchange will require that the transaction be approved by the issuer’s security holders other than the insider or other related party. As the total consideration under the Sale Transaction exceeds 10% of the Corporation’s market capitalization, the Sale Transaction also requires approval by disinterested shareholders under the Exchange Rules.

At the Meeting, disinterested shareholders will be asked to consider and, if deemed advisable, to pass, with or without amendment, the Sale Resolution approving the Sale Transaction. A copy of the Sale Resolution is attached hereto as Schedule “B”.

### ***Approval of the Sale Transaction***

After considering a number of factors, the Independent Directors approved the Sale Transaction on March 24, 2017.

In arriving at its decision, the Independent Committee considered, among other things, the following factors:

- (a) the Valuations and the fact the price being offered for the 50% Interest in the Investment Properties was a price based on value set forth in the Valuations and subject only to minimal conditions;
- (b) the Co-Tenants, as a result of their familiarity with the Insider Group, have determined to waive the buy-sell provision relating to the joint tenancy arrangement, thus ensuring that the Corporation is able to sell the 50% Interest in the Investment Properties without the risk of having to purchase the Co-Tenants’ interest at the same price;
- (c) that the extensive marketing process had been conducted for an extended period of time without achieving an offer at the price offered by the Insider Group;
- (d) that the sale of the 50% Interest in the Investment Properties is consistent with the Corporation’s strategy of winding down its real estate operations and distributing the proceeds to its shareholders;
- (e) the requirements under Section 5.6 of MI 61 101 to obtain approval of the Sale Transaction from a majority of the votes cast by disinterested shareholders, voting together, in person or by proxy at the Meeting or any adjournments thereof;
- (f) requirements under the Exchange Rules to obtain approval of the Sale Transaction from a majority of the votes cast by the disinterested shareholders, voting together, in person or by proxy at the Meeting or any adjournments thereof; and
- (g) the receipt of the Fairness Opinion of Cushman.

The foregoing discussion of the information and factors considered by the Independent Directors is not, and is not intended to be, exhaustive.

The Independent Directors have unanimously resolved that the Sale Transaction is on commercially reasonable terms and in the best interests of the Corporation, and have unanimously approved the Sale Transaction. The Independent Directors unanimously recommend that Shareholders vote in favour of the Sale Resolution.

At a meeting with the Board of Directors held on March 24, 2017 the Board accepted the recommendation of the Independent Committee for the reasons enunciated by the Independent Committee in making the recommendation to the Board. Interested directors declared their interest and refrained from voting.

The members of the Board who were entitled to vote determined that the Corporation would accept the Insider Group Offer and sell the 50% Interest in the Investment Properties on the terms set out in the Insider Group Offer, subject to obtaining regulatory approval and the requisite approval of the shareholders of the Corporation.

The Board recommends that Shareholders, including disinterested shareholders vote **FOR** the Sale Resolution approving the sale of the 50% Interest in the Investment Properties. Subject to the satisfaction of various conditions, the Corporation intends to complete the Sale Transaction.

## **Risk Factors**

**There are certain risks inherent in the Sale Transaction. Shareholders should carefully consider, in light of their own financial circumstances, the risk factors before making a decision to vote in connection with the Sale Transaction.** The risks described herein are not the only risks facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially and adversely affect its business.

### *Possible failure to complete the Sale Transaction*

The Corporation expects to complete the Sale Transaction on or about June 30, 2017. The Sale Transaction is subject to customary closing conditions. It is possible that the closing of the Sale Transaction may be delayed, or may not occur at all, as a result of a number of factors.

### *Valuations*

The Corporation retained Cushman to provide independent estimates of the market value in respect of the Investment Properties. Caution should be exercised in the evaluation and use of appraisal results, which are estimates of market value at a specific point in time. In general, appraisals such as the Valuations represent only the analysis and opinion of qualified experts as of the effective date of such appraisals and are not a guarantee of present or future value. There is no assurance that the assumptions employed in determining the appraised values of the Investment Properties are correct as of the date of this Circular. As prices in the real estate market fluctuate over time in response to numerous factors, the fair market value of the Investment Properties shown on the Valuations may be an unreliable indication of their current market value.

### *Listing*

Following completion of the Sale Transaction, it is anticipated that the Corporation will be unable to satisfy the continued listing requirements of the Exchange and the Class B Shares will be delisted and no liquid market will exist for the Class B Shares.

## **Dissenting Holders' Rights under the Sale Transaction and Exercise Thereof**

Registered Shareholders may exercise dissent rights in accordance with Section 190 of the Act, with respect to Class B Shares in connection with the Sale Transaction, if implemented. The notice of dissent contemplated by Section 190 of the Act must be received by the Chief Financial Officer at the Corporation's offices located at 100 Strada Drive, Unit 3, Woodbridge, Ontario L4L 5V7 by 5:00 p.m. (Toronto time) on the date that is at least two Business Days prior to the date of the Meeting or any date to which the Meeting may be postponed or adjourned, and such notice of dissent must strictly comply with the requirements of Section 190 of the Act.

A registered Shareholder may exercise dissent rights with respect to the Class B Shares in connection with the Sale Transaction and in the manner set forth in Section 190 of the Act. A copy of Section 190 of the Act is attached as Schedule "C".

In order to duly and validly exercise dissent rights, a dissenting shareholder must, among other things:

- (a) send a written objection to the Sale Resolution pursuant to Section 190(5) of the Act;
- (b) not vote in favour of the Sale Resolution;
- (c) not withdraw their written objection;
- (d) respond to the Corporation c/o 100 Strada Drive, Unit 3, Woodbridge, Ontario L4L 5V7 within 20 days of learning that the Sale Resolution was adopted or receiving a notice of resolution sent to the dissenting shareholder by the Corporation pursuant to section 190(6) of the Act, whichever may occur first, where such response is in the form of a demand for payment pursuant to the requirements of subsection 190(7) of the Act; and
- (e) send the dissenting shareholder's share certificates, if any, representing all of the Class B Shares of the dissenting shareholder to the Corporation c/o 100 Strada Drive, Unit 3, Woodbridge, Ontario L4L 5V7 within 30 days after sending the demand for payment under section 190(7) of the Act.

In connection with the dissent rights, the Corporation may respond to a dissenting shareholder in compliance with the Act, and in the process of exercising dissent rights, a dissenting shareholder may receive an offer to pay from the Corporation pursuant to subsection 190(12) of the Act, in which case the dissenting shareholder may accept such offer.

Dissenting shareholders who duly and validly exercise their dissent rights and who:

- (a) are ultimately entitled to be paid fair value for their Class B Shares, shall be deemed to have transferred their Class B Shares to the Corporation (free and clear of any encumbrances) as of the effective time, and will not be entitled to any other payment or consideration, including any payment that would be payable under the Sale Transaction in respect of such Class B Shares had such dissenting shareholders not exercised their dissent rights; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Class B Shares, shall be deemed to have participated in the Sale Transaction on the same basis as any non-dissenting shareholder.

From and after the effective time, provided that the Sale Transaction is completed, in no case shall the Corporation or any other Person be required to recognize a dissenting shareholder as a holder of Class B Shares in respect of which dissent rights have been validly exercised and the names of the dissenting shareholders shall be deleted from the register of holders of Class B Shares.

### **Interest of Insiders in Material Transactions**

Reference is made to the heading "Sale Transaction".

### **Additional Information**

Additional information relating to the Corporation concerning the Corporation and its operations is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Corporation is provided in its comparative financial statements and MD&A for the Corporation's most recently completed financial year and interim quarters. Copies of this information are available on SEDAR or by contacting the Corporation at its offices located at 100 Strada Drive, Unit 3, Woodbridge, Ontario, L4L 5V7.

### **General**

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Special Meeting of Shareholders. However, if any other matters which are not now known to Management should properly come before the Meeting, the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the person voting the proxy.

### **Directors' Approval**

The contents and the sending of this Circular to shareholders of the Corporation have been approved by the Board.

DATED: March 24, 2017.

(signed) John H. Craig  
Secretary

Schedule "A"  
Fairness Opinion



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March 24, 2017

The Special Committee of the Board of Directors  
Consolidated HCI Holdings Corporation  
100 Strada Drive, Unit 3  
Woodbridge, Ontario L4L 5V7

To the Special Committee:

Cushman & Wakefield Ltd. ("**Cushman**" or "**we**") understands that Consolidated HCI Holdings Corporation (the "**Corporation**") has been presented with an Offer to Purchase (the "**Offer**") for the disposition (the "**Transaction**") of the Corporation's 50% interest in each of the properties municipally known as 7700 Keele Street and 2267 Highway 7, Vaughan Ontario (collectively, the "**Properties**"). The purchaser is identified as Keele Seven Holdings Inc. (the "**Purchaser**"), and the total proposed purchase price is \$14,250,000.00 (the "**Purchase Price**") for the said 50% interest in the Properties.

Cushman further understands that the terms of the Offer, and related matters, will be more fully described in a management information circular (the "**Circular**") of the Corporation which will be mailed to shareholders ("**Shareholders**") of the Corporation in connection with a special meeting (the "**Meeting**") at which Shareholders will be asked to consider, and pass if deemed advisable, a special resolution (the "**Sale Resolution**") approving the transaction.

Cushman understands that the Transaction constitutes a "related party transaction" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**"). Cushman further understands that a special committee of the independent directors (the "**Special Committee**") of the Board has been formed to, among other things, evaluate the Offer and make recommendations to the Board with respect to the Offer.

Cushman understands that in order to become effective, the Sale Resolution must be approved by: (i) 66 2/3% of the votes cast thereon, by Shareholders present in person or by proxy at the Meeting or any adjournment(s) thereof; and (ii) a majority of the votes cast thereon, by Shareholders present in person or by proxy at the Meeting or any adjournment(s) thereof, after excluding the Class B Shares of the Corporation beneficially owned or over which control or direction is exercised by persons whose votes may not be included in determining minority approval pursuant to MI 61-101 and the rules of the Toronto Stock Exchange.

#### Engagement

By agreement dated March 24, 2017, (the "**Engagement Agreement**"), the Special Committee retained Cushman as advisor to the Special Committee to assist it in evaluating the terms of the Offer and to provide an opinion (the "**Cushman Fairness Opinion**" or the "**Opinion**") as to the fairness, from a market point of view, of the consideration to be received by the Corporation under

the Offer. The terms of the Engagement Agreement provide that Cushman is to be paid a fixed fee for its services under the Engagement Agreement. The compensation to Cushman under the Engagement Agreement does not depend, in whole or in part, on the conclusions reached in the Opinion or the successful outcome of the Transaction. As required under MI 61-101, the Opinion and the Valuations (as defined below), respectively, were prepared under the supervision of the Special Committee and our fees are to be paid by the Corporation. In addition, the Corporation agreed to indemnify Cushman in respect of certain liabilities that might arise out of the Engagement Agreement.

#### **Credentials of Cushman & Wakefield Ltd.**

Cushman provides quality advisory, valuation, research and brokerage services to an extensive network of North American and International corporate and private clients. Cushman has provided advisory and brokerage services for real estate assets similar to the Properties, in the subject market (Vaughan) and other markets throughout the Greater Toronto Area. The professionals involved in the preparation of the Cushman Fairness Opinion include the Brokers/Sales Representatives that are familiar with the Properties and the local real estate market, and were previously engaged through a listing agreement (the "Listing") to market the Properties for sale. The Cushman Fairness Opinion expressed herein represents the opinion of Cushman and the form and content thereof have been approved for delivery by Cushman's management.

#### **Independence of Cushman & Wakefield**

Neither Cushman nor any of its affiliated entities is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of the Corporation or the Purchaser, or any of their respective associates or affiliates (collectively the "Interested Parties"). With the exception of the Listing and the previous appraisals completed by Cushman's Valuation and Advisory group for the Corporation set out in the Circular (the "Valuations"), Cushman has not acted and is not currently acting as an advisor to the Purchaser or the Corporation, or any other Interested Party, in connection with any matter, other than acting as advisor to the Special Committee hereunder. For clarity, Cushman did provide Brokerage Services to the Corporation for the potential disposition of the Properties as outlined in the Listing which expired on November 30, 2016, in accordance with its terms. Since the expiry of the Listing, Cushman has ceased to provide brokerage services to the Corporation.

Cushman does not have a material financial interest in the completion of the Transaction and the fees to be paid to Cushman in connection with its engagement do not give Cushman any financial incentive in respect of the conclusions reached in the Fairness Opinion or in the outcome of the Transaction.

Cushman may in the future, in the ordinary course of its business, perform advisory or brokerage services to the Corporation, the Purchaser, or any other Interested Party.

#### **Scope of Review**

In connection with our Opinion, we have reviewed, relied upon or carried out, among other things, the following:

1. The final Offer outlining the terms of the Transaction;
2. Inspection of the Properties, including the interior of the buildings;
3. Leases for the Properties made available to Cushman;

4. The Co-Tenancy Agreement dated February 17, 2005, relating to the Properties;
5. Environmental reports for the Properties made available to Cushman;
6. Cash flows from the Properties made available to Cushman;
7. Operating statements for the Properties made available to Cushman;
8. Site plans and surveys for the Properties made available to Cushman;
9. Zoning of official plan documents for the Properties;
10. Title documents;
11. Terms of the existing mortgage with the Business Development Banks of Canada;
12. Discussions with the property manager for the Properties;
13. Discussions with the co-owners of the Properties;
14. Appraisals for the Properties completed by Cushman's Valuation and Advisory department, dated March 31, 2016, and updated on September 30, 2016, and further updated on December 31, 2016;
15. The Argus financial model used by Cushman's Valuation and Advisory department;
16. Marketed the Properties for sale, as per the Listing dated June 2016, which expired on November 30, 2016;
17. Delivered a property highlights memorandum to approximately 6,000 prospective purchasers from Cushman's database;
18. Published sale ads in the Globe and Mail in 2016 on July 14<sup>th</sup> and July 19<sup>th</sup>;
19. Participated in numerous discussions with potential buyers with respect to the Properties during the term of the Listing;
20. Received 22 confidentiality agreements from qualified Purchasers, all of whom were given access to a data room containing detailed information about the Properties during the term of the Listing; and
21. During the term of the Listing, received three offers in total, none of which were satisfactory to the Corporation.

#### **Assumptions and Limitations**

The Cushman Fairness Opinion is subject to the assumptions, explanations and limitations set forth below.

Cushman's Opinion should not be construed as a formal valuation or appraisal of either of the Properties. Cushman has relied upon, and has assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by Cushman, and our Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to nor have we attempted to verify independently the



accuracy, completeness or fairness of presentation of any such information, data, advice, opinions or representations.

With respect to historical financial data, operating and financial forecasts and budgets provided to us concerning the Properties and the Transaction and relied upon in our analyses, we have assumed (subject to the exercise of our professional judgment) that they have been reasonably prepared reflecting the most reasonable assumptions, estimates and judgments of management.

We have assumed that all of the representations and warranties contained in the Offer are correct as of the date hereof and that the proposed Transaction will be completed substantially in accordance with its terms and all applicable laws, and that the Circular will disclose all material facts relating to the Transaction and will satisfy all applicable legal requirements.

The Corporation has represented to us, in a certificate of two senior officers of the Corporation dated the date hereof, among other things, that the information, data and other material (financial or otherwise) provided to us by the Corporation or its affiliates or its or their representatives (collectively, the "Information") are complete, true and correct at the date the Information was provided to us and that, since the date on which the Information was provided to us, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Corporation or any of its affiliates and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion.

We are not legal, tax or accounting experts and we express no opinion concerning legal, tax or accounting matters with respect to the Transaction.

This Opinion has been provided to the members of the Special Committee for the exclusive use in considering the Transaction and may not be published, used for any other purpose or relied upon by any other person other than the Special Committee and the Board without the express written consent of Cushman. Our Opinion does not address the relative merits of the Transaction for Shareholders as compared to other business strategies or transactions that might be available to the Corporation or the underlying business decision to effect the Transaction. Our Opinion is not to be construed as a recommendation to any Shareholder to vote in favour of or against the Transaction.

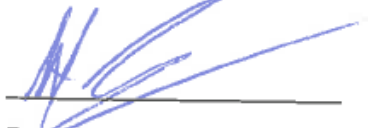
This Opinion is given as at the date hereof and Cushman disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to Cushman's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, Cushman, reserves the right to change, modify or withdraw the Opinion.

### Opinion

Based upon and subject to the foregoing and such other matters we considered relevant, Cushman is of the opinion that, as at the date hereof, the consideration which the Corporation will receive pursuant to the Offer with respect to the sale of its 50% interest in the Properties is fair from a financial point of view.

Yours very truly,

Cushman & Wakefield Ltd.



Per: Stefan Teague, Executive Managing Director

**Schedule "B"**  
**Sale Resolution**

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the sale by the Corporation of substantially all of its assets comprising its 50% interest in its investment properties located at 7700 Keele Street and the adjacent property located at 2267 Highway 7, both in Vaughan, Ontario to a company controlled by insiders of the Corporation as more particularly described in the Corporation's management information circular dated March 24, 2017, on substantially the terms set forth therein is hereby authorized and approved; and
2. notwithstanding that this special resolution has been duly passed by the shareholders of the Corporation, the board of directors of the Corporation are hereby authorized and empowered, without further notice to or approval of the shareholders of the Corporation to modify, amend or terminate the Sale Transaction or to not proceed with the Sale Transaction.

**Schedule “C”**  
**Canada Business Corporations Act, Section 190**

**Right to dissent**

**190 (1)** Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

**(2)** A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

**If one class of shares**

**(2.1)** The right to dissent described in subsection (2) applies even if there is only one class of shares.

**Payment for shares**

**(3)** In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

**No partial dissent**

**(4)** A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

**Objection**

**(5)** A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

**Notice of resolution**

**(6)** The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

### **Demand for payment**

**(7)** A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

### **Share certificate**

**(8)** A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

### **Forfeiture**

**(9)** A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

### **Endorsing certificate**

**(10)** A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

### **Suspension of rights**

**(11)** On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

### **Offer to pay**

**(12)** A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

### **Same terms**

**(13)** Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

### **Payment**

**(14)** Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

### **Corporation may apply to court**

**(15)** Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

### **Shareholder application to court**

**(16)** If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

### **Venue**

**(17)** An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

### **No security for costs**

**(18)** A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

### **Parties**

**(19)** On an application to a court under subsection (15) or (16),

- (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
- (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

### **Powers of court**

**(20)** On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

### **Appraisers**

**(21)** A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

### **Final order**

**(22)** The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

### **Interest**

**(23)** A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

### **Notice that subsection (26) applies**

**(24)** If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

### **Effect where subsection (26) applies**

**(25)** If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

- (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

### **Limitation**

**(26)** A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

**Schedule "D"**  
Consent of Cushman & Wakefield Ltd.



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*Consent Pursuant to Multilateral Instrument No. 61 101*

We refer to:

- (i) The appraisal dated as of February 13, 2017, which we prepared for Consolidated HCI Holdings Corporation for the property located at 2267 Highway 7, Vaughan, Ontario, as at December 31, 2016, updating a narrative appraisal report dated April 27, 2016 (the "**MTRB Narrative Appraisal Report**") which provided an estimate of value as of March 31, 2016 and updating a report dated November 1, 2016 (based on an effective date of September 30, 2016).
- (ii) The appraisal dated as of February 13, 2017 which we prepared for Consolidated HCI Holdings Corporation for the property located at 7700 Keele Street, Vaughan, Ontario, as at December 31, 2016, updating a narrative appraisal report dated April 27, 2016 (the "**MTRB Narrative Appraisal Report**") which provided an estimate of value as of March 31, 2016 and updating a report dated November 1, 2016 (based on an effective date of September 30, 2016).
- (iii) The fairness opinion of our firm dated March 24, 2017 which we prepared for Consolidated HCI Holdings Corporation in connection with its intended sale of its 50% interest in the two properties referred to in (i) and (ii) above (the "**Fairness Opinion**").

We consent to the filing of the Valuations and the Fairness Opinion with the securities regulatory authority. We also consent to the inclusion of a summary of the Valuations in (i) and (ii) above and the inclusion of the Fairness Opinion in the management information circular of Consolidated HCI Holdings Inc. dated March 24, 2017, in respect of a meeting to be held on April 28, 2017 at which shareholders will be asked to approve, without or without variation, the sale of the full 50% interest in the two properties.

Yours truly,

**CUSHMAN & WAKEFIELD LTD.**

A handwritten signature in black ink, appearing to read "Stefan Teague", written over a horizontal line.

Per: Stefan Teague, Executive Managing Director