



September 27, 2024

To: Elevate Tower A condo unit purchasers ("Tower A Condo Buyers") with 1776411 Ontario Ltd. and 1333 Weber Street Kitchener LP (together, the "Partnership")

Re: Update No. 2 to Condo Buyers

The purpose of this notice is to provide Tower A Condo Buyers with an update regarding the Partnership's condominium project that was marketed under the name "Elevate" (the "**Project**"), and the status of their pre-sale unit purchase agreements (the "**Purchase Agreements**").

As we previously advised in our letter to you dated October 25, 2023 (copy enclosed), pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated October 12, 2023 (the "**Receivership Order**"), KSV Restructuring Inc. was appointed receiver (the "**Receiver**"), of the property, assets and undertaking of the Partnership, including the real property located at 1333 Weber Street, Kitchener.

The application to appoint the Receiver was made by Genesis Mortgage Investment Corp. ("**GMIC**"), which is a first mortgage secured creditor of the Partnership. A copy of the Receivership Order and other materials filed in the receivership proceedings can be found on the Receiver's case website (the "**Website**") at <https://www.ksvadvisory.com/experience/case/1776411ontario>.

Sale Process Update

Pursuant to an Order dated December 12, 2023, the Court approved a sale process for the Project, including the retention of CBRE Limited as listing agent.

For the reasons that are set out in the Receiver's second report to Court dated September 27, 2024 (the "**Second Report**", a copy of which is posted on the Website), the Receiver will be seeking Court approval at 11:00 am on October 8, 2024, of an agreement of purchase and sale for the Project and certain related assets (the "**Transaction**"), made between the Receiver, as vendor, and a purchase group consisting of GMIC, Elm Acquisitions Corp. and Dorr Capital Corporation (collectively, the "**Purchasers**").

If approved by the Court, the Transaction is scheduled to close on or before October 30, 2024.

The hearing on October 8, 2024, will proceed virtually. The Zoom link for the hearing is as follows:

<https://ca01web.zoom.us/j/64172244590?pwd=OHg5VkFZNIRHb3FPdFcxaVY4dnRRZz09%20%27>

Treatment of Tower A Pre-Sale Purchase Agreements

The Purchasers have presented a plan to the Receiver regarding their approach to the Tower A Pre-Sale Purchase Agreements. A copy of the Tower A Plan is provided as Schedule "A" and is subject to Court approval. The Purchasers will correspond with the Tower A Condo Buyers if the Plan is approved and following closing of the Transaction.

Return of Condo Buyer Deposits

At the hearing on October 8, 2024, the Receiver will also be seeking Court approval of a deposit return protocol (the “**DRP**”) that will allow Tower A Condo Buyers to make claims for the return of the deposits that they paid pursuant to the Purchase Agreements (the “**Deposits**”), if their Purchase Agreements are terminated. The DRP, a copy of which will be posted on the Website before October 8, 2024, will set out in detail the steps that Condo Buyers will need to take in order to claim the return of the Deposits if their Purchase Agreements are terminated.

* * *

The Receiver will provide further updates as soon as possible.

Should you have any questions with respect to the above, please contact Ben Luder (437-889-9995 or bluder@ksvadvisory.com).

Yours truly,

A handwritten signature in blue ink that reads "KSV Restructuring Inc.".

KSV RESTRUCTURING INC.

**SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF
1776411 ONTARIO LTD. AND 1333 WEBER STREET KITCHENER LP
AND NOT IN ITS PERSONAL CAPACITY**

**ksv restructuring inc.**

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October 25, 2023

To: Condo unit purchasers (“Condo Buyers”) of the 1333 Weber Street Project known as “Elevate”

Re: Update No. 1 to Condo Buyers

Pursuant to an order (the “Receivership Order”) issued by the Ontario Superior Court of Justice on October 12, 2023, KSV Restructuring Inc. was appointed receiver and manager (the “Receiver”) of the property, assets and undertaking of 1776411 Ontario Ltd. and 1333 Weber Street Kitchener LP (together, the “Partnership”), including the real property located at 1333 Weber Street, Kitchener (the “Real Property”).

Copies of the Receivership Order and other materials filed in the receivership proceeding can be found on the Receiver’s case website at <https://www.ksvadvisory.com/experience/case/1776411ontario>.

Project Status

The purpose of this notice is to provide Condo Buyers with information regarding the Partnership and the condominium project it was marketing under the name “Elevate”.

The Receiver understands that construction of the first phase of the four-phase project is approximately 80% complete, while construction on the remaining phases is early stage. The Receiver is currently reviewing the status of the project and discussing next steps with the lenders that have advanced over \$60 million to date. At present, no action has been taken by the Receiver with respect to the project completion or any purchase agreements between the Partnership and the Condo Buyers.

Deposits

As no action has been taken by the Receiver with respect to any purchase agreements between the Partnership and the Condo Buyers, the purchase agreements remain in full force and effect. In the event that the purchase agreements are terminated by the Receiver, you will be notified of the termination and you will be provided with detailed information regarding the steps that you may take in order to recover your deposits, which would include information regarding the deposit protection provided by Tarion Warranty Corporation of up to \$20,000 and excess condominium deposit insurance provided to the Partnership by Westmount Guarantee Services Inc. There are no steps that you need to take in this regard at this time.

* * *

The Receiver will provide further updates as soon as possible.

Should you have any questions with respect to the above, please contact Ben Luder (437-889-9995 or bluder@ksvadvisory.com).

Yours truly,

KSV Restructuring Inc.

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Schedule “A”

SCHEDULE "B"

Tower A Sales Plan

1. All existing Tower A purchasers will be offered to keep their units with a 24% purchase price increase.
2. Within the 4 month period following Closing, and in accordance with the new financing requirements, existing Tower A purchasers will be approached in stages so that at most 40 existing purchase agreements are terminated at any time.
3. Where an existing Tower A purchaser accepts the increased purchase price, he/she will be required to enter into a new agreement of purchase and sale, old purchase agreement will be cancelled with old deposits assigned and directed to the new owner in satisfaction of the new deposits pursuant to the terms of the new agreement of purchase and sale.
4. The new agreement of purchase and sale will include new dates, condominium documents, budgets, etc. and will not include any upgrades, incentives, promotions, etc. that may have been included or added to the old purchase agreement entered with the previous ownership group. Statutory rescission periods shall apply to all new agreements of purchase and sale.
5. If an existing Tower A purchaser does not agree to pay the increased purchase price, its agreement will be disclaimed pursuant to the Approval and Vesting Order (without the need to return to Court) and re-marketed, first to purchasers in Tower B and Tower C and then to the public.
6. Existing Tower B and C purchasers will have a right of first refusal to disclaimed Tower A units at the same price they contracted to pay for the equivalent unit in Tower B or Tower C, based on availability, provided that the purchase price increase for any such Tower A unit will not be more than 24% of the original purchase price.
7. Incentives of \$5,000-15,000 may be offered to unit purchasers, based on market standards, in each case at the discretion of the new owner.
8. If, for any unit, the Tower A, B and C purchasers have refused their offers then the unit will be re-marketed to the public