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December 20, 2024

To: Unit buyers (“Unit Buyers”) of La Pue International Inc. (the “Company”) re 5528 Ferry Street

Re: Update #4 to Unit Buyers

As previously advised, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) dated October 19, 2023 (the “**Receivership Order**”), KSV Restructuring Inc. (“**KSV**”) was appointed receiver (the “**Receiver**”) of all of the assets, undertakings and properties of the Company, including the real property municipally known as 5528 Ferry Street, Niagara Falls, Ontario (the “**Real Property**”). A copy of the Receivership Order and other court materials filed in the receivership proceeding to date can be found on the Receiver’s case website (the “**Case Website**”) at <https://www.ksvadvisory.com/experience/case/lapue>.

In the Receiver’s previous Notice to Unit Buyers dated October 28, 2024, a copy of which is available [here](#), the Receiver advised that a sale transaction for the Real Property to 100835091 Ontario Inc. (the “**Purchaser**”) failed to close and, accordingly, the Purchaser’s deposits were forfeited to the Receiver. The Receiver also advised that the Real Property would be relisted and the sale process for the Real Property would recommence.

Sale Process Update

The purpose of this notice is to provide Unit Buyers with an update concerning the sale of the Real Property.

In November 2024, the Purchaser re-engaged with the Receiver and expressed its interest in reinstating the previous agreement of purchase and sale (the “**Purchase Agreement**”) between the Purchaser and the Receiver. As consideration for the re-instatement, the Purchaser provided the Receiver with a further deposit representing approximately 9% of the proposed purchase price (the “**Third Deposit**”). The Third Deposit has been received by the Receiver and will be forfeited if the transaction does not close as a consequence of the Purchaser’s default or failure to close.

The Receiver will bring a motion on January 6, 2025 for an order, among other things, approving the reinstated sale transaction for the Real Property. If the sale is approved, the transaction is scheduled to close in early January 2025. The Receiver’s motion materials served in support of the December 18, 2024 motion can be found here: [Motion Record of the Receiver dated December 11, 2024](#).

The principal of the Company, Pawel Fugiel, has advised that he intends to oppose the proposed sale transaction and seek either: (i) the approval of his bid; or (ii) a redemption of MarshallZehr Group Inc.’s mortgage. Mr. Fugiel’s motion materials can be accessed here: [Responding Motion Record](#).

Unit Buyers

Pursuant to the terms of the Purchase Agreement, each of the condominium agreements of purchase and sale between the Company and Unit Buyers is to be assumed by the Purchaser. Notwithstanding the foregoing, under the Purchase Agreement, the Purchaser has 90 days following closing to obtain a vendor and builder license from the Home Construction Regulatory Authority (the “**HCRA**”). If HCRA approval is not obtained within 90 days after closing, the Purchaser will terminate the Unit Buyers’ agreements of purchase and sale, and the Unit Buyers’ deposits will be returned. The Receiver understands that the Unit Buyers’ deposits are insured by Tarion Warranty Corporation and excess condominium deposit insurance provided to the Company by Sovereign General Insurance Company.

There are no steps that you need to take in this regard at this time.

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The Receiver will provide further updates as soon as possible.

Yours truly,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
LA PUE INTERNATIONAL INC.
AND NOT IN ITS PERSONAL CAPACITY**