



October 11, 2024

To: Counterparties (“Home Buyers”) to unit purchase agreements with Vandyk-Uptowns Limited (the “Company”)

Re: Update No. 6 to Unit Buyers

THIS NOTICE SUMMARIZES CERTAIN KEY TERMS OF THE MOTION RECORD AND RECEIVER’S FIFTH REPORT TO COURT DATED OCTOBER 7, 2024 AND IS QUALIFIED IN ALL RESPECTS BY THE FULL CONTENTS OF SUCH MATERIALS.

Pursuant to an order issued by the Ontario Superior Court of Justice (the “Court”) on November 14, 2023, as most recently amended on September 25, 2025 (the “Second Amended and Restated Receivership Order”), KSV Restructuring Inc. was appointed receiver and manager (the “Receiver”) of certain property, assets and undertaking of the Company, including the real property located at 10302 Heart Lake Rd., Brampton (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/vandyk>.

Uptowns Project Update

The purpose of this notice is to provide Home Buyers with an update regarding the Company’s real estate development project (the “Uptowns Project”).

The Receiver, after discussions with key stakeholders, has determined that the Uptowns Project should be completed during the receivership proceedings in order to maximize the potential benefits to stakeholders, including secured lenders and existing pre-sale Home Buyers.

On September 25, 2024, the Court granted the Second Amended and Restated Receivership Order, among other things:

- authorizing the Receiver to retain ELM Forward (“Elm”) as the construction manager to complete the Uptowns Project; and
- authorizing the Receiver to borrow funds to start construction of the Uptowns Project, up to an aggregate principal amount of \$60,000,000, pursuant to a commitment letter dated September 18, 2024, between the Receiver and KingSett Mortgage Corporation (“KingSett”).

Amendments to Home Buyer Agreements of Purchase and Sale

As detailed in Section 4 of the Fifth Report to Court of the Receiver dated October 7, 2024 (the “Fifth Report”), the Receiver is currently unable to borrow the remaining funds necessary to complete construction of the Uptowns Project (approximately \$120,550,000 in additional financing is required). This is because the existing agreements of purchase and sale with Home Buyers (each, a “Pre-Sale APS”) have near-term termination dates and the purchase price under a significant number of Pre-Sale APSs is significantly below market value (based on existing purchase prices, the Uptowns Project is projected to have a significant deficit). Each of these factors preclude the Receiver from being able to secure the additional financing required to complete the Uptowns Project.

Home Buyers are encouraged to read the Fifth Report of the Receiver (Section 4 in particular) which can be found at this link: [Fifth Report of the Receiver](#)

In order to address these issues regarding the Pre-Sale APSs, on October 7, 2024, the Receiver served a motion which will be heard on October 15, 2024, seeking the Court's authorization to, among other things, negotiate and execute an amendment to each Pre-Sale APS (the "APS Amendments"), to:

- extend the termination dates; and
- in certain cases where the purchase prices are significantly below market, increase the purchase price up to a Court-approved amount. ***In the Receiver's view, the proposed price increases will still keep prices below current market prices and retain value for Home Buyers.***

If approved by the Court, the Receiver, with the assistance of Elm, will be contacting each affected Home Buyer with respect to the APS Amendments. Please note that the Receiver and/or Elm will contact you directly once the APS Amendment is prepared and all necessary information regarding your particular unit is finalized. We kindly request that you refrain from contacting the Receiver regarding the APS Amendments until such time.

Terminations of Pre-Sale APSs and Deposits

Pursuant to the motion filed by the Receiver on October 7, 2024, the Receiver is also seeking the ability to terminate and disclaim any Pre-Sale APSs for which an APS Amendment has not been executed prior to the earlier of:

- (i) the date that is thirty (30) days after a draft APS Amendment is sent to the Home Buyer, or such later date as determined by the Receiver in its sole discretion; and
- (ii) a Home Buyer advising the Receiver that it is not prepared to execute the APS Amendment.

In the event that a Pre-Sale APS is terminated on the basis of such authority, the Receiver understands that the Home Buyer will be entitled to a full refund of the deposit paid in connection with the Pre-Sale APS. The Receiver understands that the Home Buyers' deposits are insured by Tarion Warranty Corporation and excess condominium deposit insurance provided to the Company by Trisura Guarantee Insurance Company.

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The Receiver will provide further updates as soon as possible.

Yours truly,



**KSV RESTRUCTURING INC.
SOLELY IN ITS CAPACITY AS RECEIVER
AND NOT IN ITS PERSONAL OR ANY OTHER CAPACITY**