



DEVELOPMENTS

SENT BY: Email, Registered Mail

October 29, 2019

Dear Sir or Madam:

Re: 33 Developments Inc. sale to
1001 Queen Street East, Unit [REDACTED], Toronto

Our File No.:

It is with tremendous disappointment that we deliver this letter informing you that we are cancelling the project at 1001 Queen Street East. This cancellation is the product of several issues that have conspired against us resulting in a project that is no longer viable. These issues include continued delays on the part of the City who failed to meet a single deadline through our various submissions and re-submissions for approvals required, net new regulatory requirements that did not exist at the time the project was initially sold, unforeseen cost increases and finally the inability to secure financing on terms that would provide a reasonable comfort level that the project could remain solvent after including the fees and charges associated with the financing offered. We have worked pro-actively from the very beginning to bring forth a project that met the cities objectives as well as those of the neighbourhood. We knew a unique project such as this one, at this scale, would be challenging and so sought the advice of City Council, City Planning, the BIA, and professional consultants up front on how we could deliver a project that was aligned with the Cities goals so that it would not get caught up in lengthy approval process we saw other projects requiring. We were led to believe in those initial consultations that there was an expedited path forward based on the project we had proposed but instead of being expedited the timelines continued to increase. We have worked tirelessly to explore all possible options to save the project but, having exhausted all options, and are left with no other choice but to formally cancel the project. This is not a decision that was taken lightly. A better description would be to categorize it as a forced action, for if there was an actual choice to be had we would be choosing to complete the project. It is, and always has been our sincerest desire and intention to complete this project. We are devastated that this is the final outcome. With no other options available we regretfully send this letter together with a release and termination for your full deposits back.

Please contact our lawyers by email or phone at:

[REDACTED]

They will provide you with your deposits back once they receive the standard form of release and termination. They will also answer any of your questions and provide you with further details should you request any.

It should be noted that pursuant to the Condominium Act, 1998, as amended, interest on deposits is paid at an interest rate set by the Bank of Canada less 2%. As the Bank of Canada interest rate has been less than 2% since you entered

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into the Agreement of Purchase and Sale, no interest will be payable on your deposits. Furthermore, we are also relying on the early termination provisions pursuant to your agreement of purchase and sale and the amendments thereto.

Once again, we are very disappointed in how things have transpired and offer our sincerest apologies for not being able to deliver the project we all wished to see completed.

Sincerest Regards,



Michael Kuipers | Partner



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