

February 29, 2024

To: Home buyers (“Home Buyers”) of the Jefferson Properties Limited Partnership and 2011836 Ontario Corp as it general partner

Re: Update No. 1 to Home Buyers

Albert Gelman Inc. was appointed by Court Order issued by the Ontario Superior Court of Justice (Commercial List) dated December 21, 2023 (the “**Appointment Order**”) as Receiver (“**Receiver**”) of Jefferson Properties Limited Partnership and 2011836 Ontario Corp. as its general partner (collectively, the “**Companies**”) including the real properties known municipally as 39, 53 and 67 Jefferson Side Road, Richmond Hill, Ontario (the “**Jefferson Properties**”). The name of the project being carried out on the Jefferson Properties is ‘Richmond Hill Grace’ and consists of 96 residential units in 9 blocks, being 60 units of stacked townhomes and 36 units of standard townhomes (the “**Project**”).

Copies of the Appointment Order and other materials filed in the receivership proceedings can be found on the Receiver’s case website at

<https://www.albertgelman.com/corporate-solutions/other-engagements/>

Project Update

The purpose of this notice is to provide homebuyers with an update on the Project.

As of the Appointment Order date, the Project was under active construction with an aggregate completion status of approximately 60%. Construction activities have continued during this interim period and the Project is advancing as of the date of this notice.

The Receiver, at present, has not taken any actions concerning the existing purchase agreements between the Companies and the homebuyers in connection with the Project. Moreover, the Receiver has not finalized any decision about how these agreements will be dealt with.

Deposits and Tarion Warranty Corporation– Freehold Townhouses

Immediately following the appointment of the Receiver, the Receiver discussed with the Companies’ representatives the status of the deposits paid by the homebuyers. The Receiver has been advised by these representatives that: (a) none of the deposits remain in the Companies’ bank accounts; and (b) a portion of the deposits were spent on direct and indirect project costs prior to the commencement of the receivership proceedings (although the Receiver has not undertaken a review of the Companies’ bank accounts at this time to trace the use of the deposit funds).

Tarion Warranty Corporation (“Tarion”) provides, among other things, home buyers with deposit protection in the event that the sale is not completed including if the builder has gone bankrupt, or the purchase agreement is fundamentally breached.

For agreements of purchase and sale entered into before January 1, 2018 for freehold townhomes, Tarion provides deposit protection up to a maximum of \$40,000. For agreements of purchase and sale entered into after January 1, 2018 for freehold townhomes, the deposit coverage is dependent on the purchase price of the new home, as reflected in the table below.

Sales Price	Deposit Coverage
\$600,000 or less	Up to \$60,000
Over \$600,000	10% of purchase price (to a maximum of \$100,000)

Deposits and Tarion Warranty Corporation – Condominium Units

Condominium unit deposits must be placed in trust under the provisions of the *Condominium Act*. If your purchase agreement is terminated by your builder, your deposit must be returned to you in full within 10 days. If your builder does not return your deposit, Tarion provides deposit protection of up to \$20,000.

Information about Tarion and its deposit protection coverage, including if and how to make a deposit claim, is available on Tarion's website at [Coverage & claims before you move in](#) or by contacting Tarion at 1-877-9-TARION (1-877-982-7466).

Tarion Delayed Occupancy Compensation

Tarion provides warranty coverage to new home and condominium owners in Ontario. In situations where the occupancy date is delayed purchasers may be eligible for compensation under Tarion's Delayed Occupancy Warranty.

Additional information about the delayed Tarion Warranty Compensation can be found here: <https://www.tarion.com/homeowners/freehold-contract-coverage-closing-dates-delays>

A representative from the current construction management team, Elevate Construction Management, will contact you to provide you with further information.

Should you have further inquiries regarding this notice, occupancy or closing, please contact us at info@richmondhillgrace.com

The Receiver will continue to provide further updates as warranted throughout this process.

Please note that this notice is being sent for informational purposes only and does not constitute legal advice from the Receiver or anyone else. Please seek independent legal advice upon receiving this notice.

Yours very truly,

**ALBERT GELMAN INC., solely in its
capacity as Receiver of the Companies
and not in its personal capacity**

Per:

**Dan Woo, CIRP, LIT
Managing Director (Prairies)**