

IEC Project Update on Sale of Broadview Land Assembly

IEC Update #77

July 28, 2020

The process leading to the sale of the Estonian House in Toronto has been continuing despite the pandemic. The sale is the next step in the development of the new International Estonian Centre (IEC), for which planning has also continued these past months. When built, IEC will be a vibrant gathering place for all Estonians to share our culture and achievements - and new home for the largest Estonian community in Canada. The IEC project has two major components; the development of the new Centre on Madison Avenue next to Tartu College; and the sale of the Estonian House (EH) property, being sold with the three adjacent Estonian Foundation of Canada (EFC) properties. Despite challenges, we have made substantial progress toward reaching our collective goals.

Some months ago, shortly after the onset of the COVID outbreak, the Purchase Agreement with Revera was terminated. The terms were satisfactory to the Vendors, Estonian House and Estonian Foundation of Canada. A confidentiality obligation binding both Revera and the Vendors restricts either party from discussing those terms. EH and EFC were very pleased that soon after, they were able to conclude a new Purchase Agreement with DK Acquisitions Inc, a subsidiary of a very credible and experienced local development group.

Closing for the sale of the properties is now expected in September at which point the leaseback of the four properties will begin. This means that EH and EFC will become tenants of the new owner and most activities and tenants will be able to continue to operate at these properties until mid 2022. Much will also depend on the state of the pandemic as to how and when Estonian House will be able to re-open. Further details will be ready to share with the community following closing as is normal in these kinds of transactions.

Both Estonian House and Estonian Foundation of Canada believe the terms of the new Purchase are favourable. For Estonian House, the new agreement realizes the objectives of their sale which include creating a new centre for the community. It also achieves the goals agreed to in the EH shareholder resolution in 2017. Following closing, Estonian House will start the process to facilitate a structured transition to the new centre.

For EFC, the new agreement realizes the objectives of their sale, which required a fair return on EFC's investment in real estate. EFC's purchase many years ago of the three properties adjacent to EH was also a strategic investment as selling all four properties together would increase the development footprint for a buyer. This outcome further benefits the community and EFC's mission to support Estonian cultural and heritage programs and initiatives across Canada.

As the community prepares to enter an exciting next phase in building the new centre, we will also be entering a period of transition. Every effort will be made to ensure as seamless a transition as possible - and it will be a collective effort. All four supporting organizations, Estonian House in Toronto Ltd, Estonian Foundation of Canada, Northern Birch Credit Union Limited and Tartu College remain champions of the new centre. However, this next phase will also be a time to engage more members of our community in the path forward - despite the pandemic. Further updates on how the new centre has been progressing and anticipated construction dates will also be shared after closing.

Let's stay connected...

- **Facebook:** Estonian Centre (@EestiKeskus)
- **Eesti Elu:** Look for our articles in the Eesti Elu print edition, as well as on eestielu.com. All articles are also available on our website estoniancentre.ca.
- **Sign-up** for the email newsletter on estoniancentre.ca (bottom of our home page).