

ELRL Series

www.elrlinfo.com

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Article 5

Ongoing Commitment

ELRL is Dedicated to Ensuring Elliot Lake is a Great Place to Live

There is little doubt that the events of 2012 has had a long lasting effect on the entire community. Our business just like many other businesses in Elliot Lake certainly saw a significant dip in activity, however, we had the discipline to stick with our investments in marketing and

property improvements. Today, we believe that we are back on track, but we have to continue to work hard as a community to get back to where we were in 2011.

To do our part we are committed to continuing our aggressive marketing

activities, continuing to invest in all of our properties, continuing to work with others to ensure Elliot Lake is a desirable place to live, all while never losing sight of our long term plans for growth.

Continue to Promote

We Can Never Stop the Marketing Machine

The first goal in each of our annual business plans for the past 24 years has been to gain more tenants than we lose. By the very nature of our industry, the community will lose residents, just as we lose tenants each year. We estimate the average annual loss of families in the community to be

approximately 400. It is our marketing efforts that help both us and the community to replenish those losses. Without our marketing outreach or other industry to attract residents, the community would rapidly decline in population, local businesses would suffer, many to the point of failure,

and housing prices would drop.

We spend approximately \$750,000 a year between outreach and sales staff, promoting Elliot Lake as a wonderful place to retire to.

Continue to Invest

Our Properties are 40 Years Old, We Must Continue to Invest in Them

In 2011 we hired Pinchin Ltd. to conduct an assessment of each of our multi-residential apartment buildings, the assessments looked at various elements of the properties and provided a long term plan for upgrading the properties and replacing elements that have or will reach the end of their useful life. Since these reports were received we have prioritized the work, have created a plan for implementing most of their recommendations and have been implementing our plan. Our total investment since 2011 to date has been \$16 million. This work was funded from investments, bank loans/mortgages, house sales and operating surpluses over the past 5 years.

Each year we prioritize our capital investments, ensuring that our funds are spent where needed and also ensuring that we are spending within our financial capabilities. We are pleased with the amount of work

completed so far, and we will continue to work through the recommended replacements and improvements.