



Restructuring • Insolvency • Consulting

December 20, 2017

SENT VIA MAIL

Dear Sirs/Mesdames:

**RE: DUCA Financial Services Credit Union Ltd. v. 2203284 Ontario Inc.
 Court File No. CV-17-11827-00CL (the "Receivership Proceeding")**

AND RE: The Connolly Project

On June 22, 2017, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") appointed msi Spergel Inc. as receiver (the "**Receiver**") of all the assets, undertakings and properties of 2203284 Ontario Inc. (the "**Debtor**"), including the lands municipally known as 98 James Street South, Hamilton, Ontario (the "**Lands**"), whereupon the Debtor was to develop the condominium project known as *The Connolly* (the "**Project**"). Additional information with respect to the receivership proceeding can be found at the Receiver's website at the following address:

<http://www.spergelcorporate.ca/active-files-list/2203284-ontario-inc/>

We write to you in connection with your agreement to purchase a condominium unit from the Debtor in relation to the Project (the "**Prebuild Agreement**").

During the summer and early fall of 2017, the Receiver conducted a marketing process with respect to the Lands and as a result of that process, the Receiver entered into a conditional agreement of purchase and sale for the Lands (the "**Transaction**"), subject to approval by the Court. Unfortunately the Receiver has recently learned that the Transaction will not be completed and the Receiver has just recommenced its efforts for the marketing the Lands.

The Receiver has confirmed that all deposits paid by unit purchasers pursuant to a Prebuild Agreement (the "**Deposits**") are held in trust with the law firm Schneider Ruggiero LLP. The Deposits will continue to be held there until the Receiver completes a sale of the Lands and determines whether or not the purchaser of the Lands will require an assignment of the existing Prebuild Agreements. We appreciate the difficulty that this uncertainty may cause you and we will keep you updated with further information as it arises.

If you have any questions or concerns, please do not hesitate to contact the Receiver attention: Frieda Kanaris at (416) 498 4309 or via email fkanaris@spergel.ca.

msi Spergel Inc.

Court-appointed Receiver of
2203284 Ontario Inc.,

Per:

Deborah Hornbostel, CPA, CA, CIRP, LIT, CFE
Senior Principal