



Restructuring • Insolvency • Consulting

July 6, 2018

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**").

On May 16, 2018 the Court granted an Order in the receivership proceeding approving, among other things, the sale of the Lands to Hue Developments & Investments Canada Inc. ("**Hue**"), (the "**Transaction**"). The closing of the transaction has been delayed and is now expected to close by September 6, 2018.

The Receiver will, subject to further order of the court, forthwith commence a Court approved deposit claims procedure process to address the recovery of deposits paid by purchasers to the Debtor under valid and enforceable Prebuild Agreements upon the closing of the Transaction. We anticipate that a deposit claims package will be sent to you within ten days of the closing of the Transaction. As a result of the delayed closing of the Transaction, the deadline for submitting a completed claim to the Receiver is expected to be extended. We will be writing further to you about this.

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

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