



## Restructuring • Insolvency • Consulting

March 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 February 12, 2018 the Receiver entered into an agreement of purchase and sale with Hue Developments & Investments Canada Inc. ("**Hue**") for the Lands (the "**Transaction**"), subject to approval by the Court. The Receiver will be attending at Court to seek approval of the Transaction and anticipates completion of the Transaction by the end of May, 2018.

A condition of the Transaction requires that the Receiver terminate all of the Prebuild Agreements prior to or upon the closing of the Transaction. If the Transaction is approved by the Court and subsequently completed, the Debtor will no longer have any ownership interest in the Lands, and as a result, the Project also, and will therefore not be in a position to satisfy its obligations to purchasers with valid and enforceable Prebuild Agreements. If the foregoing takes place, the Receiver will forthwith commence a claims procedure process to address the recovery of deposits paid by purchasers to the Debtor under valid and enforceable Prebuild Agreements.

Hue has advised that the existing purchasers can contact Michael St. Jean of St. Jean Realty in Hamilton for more information via email at [michael@stjeanhomes.com](mailto:michael@stjeanhomes.com).

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](mailto:fkanaris@spergel.ca).

### msi Spergel Inc.

Court-appointed Receiver of  
2203284 Ontario Inc.,

Per:

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