



Restructuring • Insolvency • Consulting

September 10, 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 again and is now expected to close by October 4, 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 will also be extended. We will be writing further to you about this after the completion of the Transaction.

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

msi Spergel inc. Licensed Insolvency Trustees 505 Consumers Road, Suite 200, Toronto, ON M2J 4V8 • Tel 416 497 1660 • Fax 416 494 7199

• Barrie 705 722 5090 • Hamilton 905 527 2227 • Mississauga 905 602 4143 • Oshawa 905 721 8251 • Toronto-Central 416 778 8813
• Brampton 905 874 4905 • London 519 902 2772 • Peterborough 705 748 3333 • Scarborough 416 642 1363 • Saskatchewan 306 341 1660