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October 11, 2017

To Buyer of a unit at the Kennedys,

**Re: Development Project at 2035 Kennedy Road (the “Kennedys”)**

As you may be aware, the Ontario Superior Court of Justice granted an Order dated September 15, 2017 pursuant to the *Business Corporations Act*, R.S.O. appointing KPMG Inc. (“**KPMG**” or “**Liquidator**”) as liquidator of Tarn Financial Corporation (“**Tarn**”) effective September 25, 2017 for the purpose of winding up Tarn (the “**Order**”) and distributing its assets (the “**Winding Up Proceedings**”). Tarn owns and operates Tarn Construction Corporation (“**Tarn Construction**” and the “**Vendor**”), which is developing the Kennedys (the “**Development Project**”). The real property municipally known as 2035 Kennedy Road, Toronto that is being developed for the Kennedys is also owned by Tarn. A copy of the Order and information pertaining to the Winding Up Proceedings will be posted on KPMG’s website, which can be found at [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn).

The winding up proceeding is a legal process whereby the Liquidator is the statutory representative for the purposes of winding up the corporation, which includes the sale of the assets of the business and the distribution of the proceeds. As a result of the Order, KPMG is empowered and authorized, but is not obligated, to act in respect of the assets, property and undertaking of Tarn and through Tarn, for Tarn Construction.

We have undertaken an initial review with counsel for Tarn and Tarn Construction and confirm that all amounts that KPMG has been advised have been paid by you in respect of your deposit funds to the Vendor under the Agreement of Purchase and Sale (each an “**APS**”) continue to be held in trust. These funds will remain in trust and be under the oversight of KPMG. We confirm that deposits will continue to be received in trust in accordance with your APS.

Given the pending sale of the assets, KPMG has temporarily ceased processing individual requests for an assignment of an APS until KPMG has determined the appropriate sale process to market the assets, which will be approved by the Court prior to KPMG commencing such a process. In addition, KPMG has ceased all activities relating to the construction of the Development Project while it determines the sale process that it intends to seek to market the assets.

Should you wish to discuss this matter further, please contact KPMG at (416) 649-7623 or (1-855) 222-8083 or at [tarn@kpmg.ca](mailto:tarn@kpmg.ca).

Yours truly,

**KPMG Inc.**  
**Solely in its capacity as Liquidator of**  
**Tarn Financial Corporation**