



KPMG Inc.

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June 19, 2018

Sent by Email and Regular Mail

To: Purchaser of a condominium unit at “The Kennedys”,

Re: Development project at 2035 Kennedy Road (“The Kennedys”)

As you are aware, KPMG Inc. (“**KPMG**”) was appointed Court-appointed liquidator (in such capacity, the “**Liquidator**”) of Tarn Financial Corporation (“**Tarn Financial**”) pursuant to the Order (the “**Winding Up Order**”) of the Ontario Superior Court of Justice (the “**Court**”) dated September 15, 2017, which appointment was effective on September 25, 2017 pursuant to the Ontario *Business Corporations Act* for the purpose of winding up Tarn Financial and distributing its assets (the “**Winding Up Proceedings**”). Tarn owns and operates Tarn Construction Corporation (“**Tarn Construction**”), which was developing the condominium development project known as The Kennedys. The real property municipally known as 2035 Kennedy Road, Toronto that was being developed for The Kennedys was also owned by Tarn Financial (the “**Real Property**”). On April 13, 2018, the Court also granted a Receivership Order pursuant to the Ontario *Courts of Justice Act* appointing KPMG as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Tam Construction acquired for, or used in relation to a business carried on by Tam Construction (the “**Receivership Order**”).

A copy of the Winding Up Order, the Receivership Order and information pertaining to the Winding Up Proceedings including all other Orders referenced in this letter and previous letters to the Purchasers are posted on KPMG’s website at www.kpmg.com/ca/tarn (the “**Website**”).

We are writing to you with respect to the condominium unit(s) in The Kennedys that you purchased pursuant to an Agreement of Purchase and Sale (an “**APS**”) with the vendor, Tarn Construction. This letter is further to our letters to you dated April 17, 2018 and May 11, 2018 and our email to you on June 11, 2018 advising of the Receiver’s motion to address the return of Deposits to the Purchasers, copies of which are posted on the Website.

As set out in the letter to you dated May 11, 2018, the Court confirmed that the Receiver is entitled to terminate the APSs on behalf of Tarn Construction without damages, subject to further Order of the Court being granted to address the return of Deposits to the Purchasers prior to doing so. The Court confirmed that, other than a return of their Deposits, Purchasers cannot pursue any other claims or costs (see paragraph 22 of the Endorsement of Justice McEwen dated May 9, 2018 which can be found on the Website).

The Court granted the Deposit Return Procedure Order on June 14, 2018 to address the termination of Purchasers’ APSs and the return of Deposits. This letter is being sent to you pursuant to the Deposit Return Procedure Order to explain what you are required to do in order to get your Proven Deposits returned to you.



In order for you to receive a cheque in the amount of your Proven Deposits, you must execute the enclosed Release Agreement and fill out and execute the enclosed Certificate of Identity and attach copies of two pieces of current (and not expired) government issued identification (one which shall include a photo of the Purchaser and one which shall include the Purchaser's address as more particularly set out in the Certificate of Identity) and deliver these documents to the Receiver for review. Once the Receiver has reviewed your documentation and confirmed that the Release Agreement and Certificate of Identity have been properly filled out and executed, the Receiver will deliver a cheque to you in the amount of your Proven Deposits.

In order to facilitate the delivery of your executed Release Agreement and Certificate of Identity attaching copies of two pieces of government issued identification, the Receiver will be setting up a Proven Deposits return desk in the former condominium sales office located at the Delta Toronto East Hotel at 2035 Kennedy Road between the hours of 8:30 a.m. and 8:30 p.m. on Wednesday July 11, 2018 and on Saturday July 14, 2018. Purchasers may attend on these dates to deliver your executed Release Agreement and Certificate of Identity including copies of two pieces of government issued identification in person to the Receiver. The Receiver will then review your documentation to ensure it has been properly filled out and executed and once this has been confirmed will deliver a cheque to the Purchaser in the amount of the Purchaser's Proven Deposits.

If you cannot attend in person on one of the dates above, you may deliver your executed Release Agreement and Certificate of Identity attaching copies of two pieces of government issued identification by sending it by regular mail, courier, email or facsimile to the following:

KPMG Inc.,
in its capacity as court-appointed Receiver
of Tarn Construction Corporation
333 Bay Street, Suite 4600
Toronto, Ontario, M5H 2S5

Attention: Marcel Réthoré
Fax: 416-777-3364
E-mail: tarn@kpmg.ca

The Receiver will review the Purchaser's documentation received to ensure it has been properly filled out and executed and once this has been confirmed will deliver a cheque to the Purchaser in the amount of the Purchaser's Proven Deposits by regular mail.

To the extent that the APS is in the name of more than one Purchaser, each Purchaser named in the APS is required to deliver a Release Agreement and Certificate of Identity attaching copies of two pieces of government issued identification, both in a form satisfactory to the Receiver, prior to the Receiver terminating the Purchasers' APS and issuing a cheque in the name of the Purchasers in the amount of the Purchasers' Proven Deposits.



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You may obtain independent legal advice in connection with the matters described herein, including, without limitation, with respect to the enclosed Release Agreement. Please contact the Receiver directly at 1-855-222-8083 or at tarn@kpmg.ca if you have any questions or concerns.

Yours truly,

KPMG Inc., solely in its capacity as the Court-appointed Receiver
of Tarn Construction Corporation

cc: The Guarantee Company of North America
Tarion Warranty Corporation