

Frequently Asked Questions – Deposit Confirmation Procedure Order

On April 13, 2018, the Ontario Superior Court of Justice (the “**Court**”) issued a Deposit Confirmation Procedure Order (the “**Deposit Confirmation Procedure Order**”) in respect of Tarn Construction Corporation (“**Tarn Construction**”). Pursuant to the Deposit Confirmation Procedure Order, the Court approved and established a process for confirming deposits paid to Tarn Construction by purchasers of condominium units in the development project known as ‘The Kennedys’ (the “**Deposit Confirmation Procedure**”).

These Frequently Asked Questions should be read in conjunction with the Deposit Confirmation Procedure Order that is located on KPMG’s website at www.kpmg.com/ca/tarn (the “**Website**”). All capitalized terms have the same meaning given to them in the Deposit Confirmation Procedure Order unless otherwise defined.

1. What is the Deposit Confirmation Procedure?

The Deposit Confirmation Procedure is a Court approved process that allows KPMG to confirm the amounts of the Deposits made by Purchasers that have entered into an Agreement of Purchase and Sale (“**APS**”) with Tarn Construction to purchase a Proposed Unit at the contemplated residential condominium development located at 2035 Kennedy Road, Toronto, known as ‘The Kennedys’.

Deposit Statement (Deposits remitted up to and including March 31, 2018)

2. Who will receive a Deposit Statement from KPMG?

Any Purchaser that has entered into an APS with Tarn Construction based on the books and records of Tarn Construction and has made or should have made a Deposit under the terms of their APS will receive a Deposit Statement.

3. What will the Deposit Statement include?

The Deposit Statement will set out the Deposit paid by a Purchaser up to and including March 31, 2018 according to the books and records of Tarn Construction and the Deposit Trustee, Bennett Jones LLP, including deposit monies and monies for extras and upgrades.

4. When will Purchasers receive a Deposit Statement?

KPMG will send a Deposit Statement to all Purchasers based on the books and records of Tarn Construction and the Deposit Trustee by Friday April 20, 2018. The Deposit Statement will be mailed out to Purchasers from Toronto, Ontario

and Purchasers should expect to receive the Deposit Statement by the end of April, 2018.

5. **What should you do if you are a Purchaser and you did not receive a Deposit Statement?**

Deposit Statements are being mailed out to Purchasers by KPMG by April 20, 2018. If you are a Purchaser and you do not receive a Deposit Statement by April 30, 2018, you should contact KPMG by phone at 1-855-222-8083 or by email at tarn@kpmg.ca to request your Deposit Statement be resent to you.

6. **What is a Purchaser required to do if they agree with the Known Deposit amount set out in the Deposit Statement?**

If a Purchaser agrees with the Known Deposit amount set out in the Deposit Statement, then the Purchaser does not need to do anything. If KPMG has not heard from a Purchaser by May 15, 2018, then the amount of the Deposit on the Deposit Statement will be accepted as accurate for all purposes.

7. **What is a Purchaser required to do if they disagree with the Known Deposit amount set out in the Deposit Statement?**

If a Purchaser disagrees with the Known Deposit amount set out in the Deposit Statement, then the Purchaser must deliver a completed Notice of Dispute of Deposit Statement to KPMG by May 15, 2018. The Notice of Dispute of Deposit Statement will be mailed to Purchasers with the Deposit Statement and can also be found on the Website at www.kpmg.com/ca/tarn.

The Purchaser must provide reasons for disputing the Known Deposit as set out in the Deposit Statement, and must provide supporting documentation. The evidence and supporting documentation should include the description of and copies of agreement(s), including the APS and any other written agreement giving rise to the Deposit, proof of Deposit dates and amounts paid, which can be done with copies of cheques, bank statements, or other forms of proof from a financial institution to confirm that a Deposit was paid by the Purchaser to Tarn Construction.

8. **What is the Deposit Confirmation Bar Date in respect of Deposits set out in the Deposit Statement and what is the significance of that date?**

The Deposit Confirmation Bar Date in respect of Deposits set out in the Deposit Statement is 5:00 p.m. Eastern Standard time on May 15, 2018, or any later date ordered by the Court. Any Purchaser who does not agree with the Known Deposit set out in the Deposit Statement they receive must submit a completed Notice of Dispute of Deposit Statement to KPMG on or before this Deposit Confirmation Bar Date for their dispute to be considered by KPMG. The

amount of the Deposit contained in the Deposit Statement will be accepted on May 15, 2018 for all Purchasers that do not deliver a Notice of Dispute of Deposit Statement by the deadline. After May 15, 2018, Purchasers will be forever barred from disputing the amount of their Known Deposit and the amount set out in the Deposit Statement will be accepted as accurate for all purposes.

9. **Where can I find a copy of the Notice of Dispute of Deposit Statement?**

A copy of the Notice of Dispute of Deposit Statement was sent to you along with the Deposit Statement. The Notice of Dispute of Deposit Statement is attached as Schedule "C" to the Deposit Confirmation Procedure Order. A copy of the Notice of Dispute of Deposit Statement is also posted on the Website at www.kpmg.com/ca/tarn.

Amended and Restated Deposit Statement (Deposits remitted after March 31, 2018)

10. **What happens if a Purchaser pays a Deposit due and owing under their APS after March 31, 2018?**

The Deposit Trustee will hold Additional Deposits paid by Purchasers after March 31, 2018 in trust, and under the oversight of KPMG.

11. **Who will receive an Amended and Restated Deposit Statement?**

Any Purchaser that pays an Additional Deposit to Tarn Construction or the Deposit Trustee under their APS after March 31, 2018 will receive an Amended and Restated Deposit Statement to acknowledge the Additional Deposit paid.

12. **What will the Amended and Restated Deposit Statement include?**

The Amended and Restated Deposit Statement will restate the Deposit set out in the Deposit Statement delivered to the Purchaser, and will set out the Additional Deposit paid by the Purchaser after March 31, 2018.

13. **When will a Purchaser receive an Amended and Restated Deposit Statement?**

KPMG will send the Amended and Restated Deposit Statement to any Purchaser that pays an Additional Deposit within (10) days after the Deposit Trustee receives the Additional Deposit.

14. **What is a Purchaser required to do if they agree with the Known Additional Deposit amount set out in the Amended and Restated Deposit Statement?**

If a Purchaser agrees with the Known Additional Deposit amount set out in the Amended and Restated Deposit Statement, then the Purchaser does not need to do anything. If KPMG has not heard from a Purchaser thirty (30) calendar days after the date set out on the Amended and Restated Deposit Statement, then the amount of the Additional Deposit on the Amended and Restated Deposit Statement will be accepted as accurate for all purposes.

15. **What is a Purchaser required to do if they disagree with the Known Additional Deposit amount set out in the Amended and Restated Deposit Statement?**

If a Purchaser disagrees with the Known Additional Deposit amount set out in the Amended and Restated Deposit Statement, then the Purchaser must deliver a completed Notice of Dispute of Amended and Restated Deposit Statement to KPMG within 30 days of the date of the Amended and Restated Deposit Statement. The Notice of Dispute of Amended and Restated Deposit Statement will be mailed to Purchasers with the Amended and Restated Deposit Statement and can also be found on the Website at www.kpmg.com/ca/tarn.

The Purchaser must provide reasons for disputing the Known Additional Deposit as set out in the Amended and Restated Deposit Statement, and must provide supporting documentation. The evidence and supporting documentation should include the description of and copies of agreement(s), including the APS and any other written agreement giving rise to the Additional Deposit, proof of Additional Deposit dates and amounts paid, which can be done with copies of cheques, bank statements, or other forms of proof from a financial institution to confirm that an Additional Deposit was paid by the Purchaser to Tarn Construction.

16. **What is the Deposit Confirmation Bar Date in respect of Additional Deposits set out in the Amended and Restated Deposit Statement and what is the significance of that date?**

The Deposit Confirmation Bar Date in respect of Additional Deposits set out in the Amended and Restated Deposit Statement is thirty (30) calendar days after the date of the Amended and Restated Deposit Statement, or any later date ordered by the Court. Any Purchaser who does not agree with the Known Additional Deposit set out in the Amended and Restated Deposit Statement they receive must submit a completed Notice of Dispute of Amended and Restated Deposit Statement to KPMG on or before this Deposit Confirmation Bar Date for their dispute to be considered by KPMG. The amount of the

Known Additional Deposit contained in the Amended and Restated Deposit Statement will be accepted for all Purchasers that do not deliver a Notice of Dispute of Deposit Statement by the Deposit Confirmation Bar Date. After this deadline, Purchasers will be forever barred from disputing the amount of their Known Additional Deposit and the amount set out in the Amended and Restated Deposit Statement will be accepted as accurate for all purposes.

17. **Where can I find a copy of the Notice of Dispute of Amended and Restated Deposit Statement?**

A copy of the Notice of Dispute of Amended and Restated Deposit Statement was sent to you along with the Amended and Restated Deposit Statement. The Notice of Dispute of Amended and Restated Deposit Statement is attached as Schedule "D" to the Deposit Confirmation Procedure Order. A copy of the Notice of Dispute of Amended and Restated Deposit Statement is also posted on the Website at www.kpmg.com/ca/tarn.

18. **Is a Purchaser required to submit a Notice of Dispute of Amended and Restated Deposit Statement in respect of the restated Known Deposit?**

No. If a Purchaser has already submitted a Notice of Dispute of Deposit Statement in respect of the Known Deposit, then the Purchaser is not required to resubmit a Notice of Dispute of Amended and Restated Deposit Statement in respect of the restated Known Deposit.

The Purchaser is only required to submit a Notice of Dispute of Amended and Restated Deposit Statement if they are disputing the Known Additional Deposit.

The Purchaser is required to follow the same process outlined above in respect of disputing Known Deposits.

Next Steps

19. **What happens after a Notice of Dispute of Deposit Statement and/or a Notice of Dispute of Amended and Restated Deposit Statement is submitted to KPMG?**

KPMG is in the process of determining the process for reviewing and determining disputed Deposits and/or Additional Deposits and it will seek a further Order of the Court to address this process on May 1, 2018. The Website will be updated to reflect this once the Court approves the review and determination procedure.

20. **Will KPMG be returning Deposits paid by Purchasers under the Deposit Confirmation Procedure?**

The Deposit Confirmation Procedure will allow KPMG to confirm the Deposits and to identify any Purchasers that dispute the amount of the Deposit they paid to Tarn Construction. The Successful Bidder has been selected under the Sale Process that has been run by KPMG and the Successful Bidder will not be assuming the APSs. As a result, on May 1, 2018, KPMG intends to seek Court authorization to terminate the APSs in accordance with their terms. KPMG will also be seeking an Order setting out the process to resolve any disputes relating to Deposits and, if authorized to terminate the APSs, to address the orderly return of Deposits to Purchasers in accordance with the terms of their APS. KPMG will provide a further update to you after the hearing on May 1, 2018 and such update will address timing for next steps.