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October 13, 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 the “**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**”), 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.

This letter is further to our letter to you dated October 11, 2017 advising of the Winding Up Proceedings. A copy of our October 11, 2017 letter is attached. We have received a number of inquiries as a result of our October 11, 2017 letter and the following is intended to respond to the inquiries received.

The Agreement of Purchase and Sale (each an “**APS**”) that you have entered into remains in full force and effect. Failure to comply with your obligations under the APS may lead to you being noted in default.

All payments due by you as a purchaser under the APS should continue to be made in accordance with the terms of your APS. To the extent that you have not provided post-dated cheques with respect to your deposit payments, future payments should be directed as follows:

Bennett Jones LLP C/O Tarn Financial Corporation
2035 Kennedy Road
Toronto, ON
M1T 3G2

As indicated in the October 11, 2017 letter, all deposits received to date are being held in trust. These funds are currently held with Bennett Jones LLP and will continue to be held in trust in accordance with your APS and be under the oversight of KPMG. Future deposits received under the APS will also be held in trust and be under the oversight of KPMG.

The Development Project has been placed on hold at this time. KPMG is in the process of determining the appropriate sale process to market the assets of the business and this sale process will be approved by the Court prior to KPMG commencing it. At this time, KPMG does not anticipate work continuing with respect to the Development Project during the sale process.

KPMG is the only party that is authorized to deal with the Development Project pursuant to the Order. Should you wish to discuss this matter further, all inquiries should be directed to KPMG’s voicemail box at (416) 649-7623 or (1-855) 222-8083 or at tarn@kpmg.ca. A representative of KPMG will endeavour to respond to your inquiry within 48 hours.

Yours truly,

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