

SETTLEMENT NOTICE

NOTICE OF SETTLEMENT TO PORT OF NEWCASTLE HOMEOWNERS

SETTLEMENT OF THE PORT OF NEWCASTLE HOMEOWNERS' CLASS ACTION

Read this notice carefully as it may affect your rights

THE CLASS PROCEEDING

This notice is directed to all individuals who are or were purchasers of freehold homes from the Kaitlin Group Limited and/or 1138337 Ontario Inc. within a residential community known as the Port of Newcastle, located in Newcastle, Ontario, who may have claims as described in the Statement of Claim issued on or about December 17, 2007 in Toronto as action number 07-CV-345642 CP.

THE CLASS AND SETTLEMENT

On December 15th, 2008, Justice Perell of the Ontario Superior Court of Justice certified the action Haddad v. The Kaitlin Group Ltd. et al, file 07-CV-345642 CP (the "Class Action") as a class proceeding and appointed Jean-Marc Haddad and Robert Phippard as representative plaintiffs of the Class defined as follows:

All persons purchasing freehold homes directly from the Defendants, The Kaitlin Group Ltd. and/or 1138337 Ontario Inc., within a residential community known as the Port of Newcastle, located in Newcastle, in the Municipality of Clarington, in the Region of Durham, Ontario (the "Subdivision") on or before October 5, 2007, excluding, for clarity, condominium purchasers within the Subdivision and purchasers of homes and/or properties on adjacent land developed by Kylemore Homes Ltd. and/or Kylemore Communities (West Village) Ltd. and/or Kylemore By The Lake Ltd. and/or another related company operating under the name of Kylemore Communities.

On November 27, 2017, the Ontario Superior Court of Justice approved a settlement whereby Class Members will be eligible to receive a pro-rated distribution of the net Settlement Amount determined in accordance with a Settlement Agreement approved by the Court. In addition, Class Members who have not transferred or exchanged their memberships or opted out of the Class will continue to be entitled to a free lifetime membership ("Free Membership") to the Admiral's Walk Clubhouse and will be entitled to one free transfer of the Free Membership upon the sale of their home

The total amount to be distributed, net of approved legal fees, taxes and disbursements is \$101,355.00 ("Net Settlement Amount"). The exact amount to be paid to individual, eligible Class Members will depend on the number of Claim Forms received by Class Counsel as described below.

CLAIM FORM

To apply for a pro-rated distribution of the Net Settlement Amount and Free Membership, please complete and return the attached Claim Form to the attention of Thomson, Rogers ("Class Counsel") at the address identified at the end of the Notice. To be eligible for a pro rata distribution of the Net Settlement Amount and Free Membership, Class Members' claim forms must be received by Class Counsel or before **March 31, 2018**.

Class Members will need to attach to your Claim Form a copy of your Agreement of Purchase and Sale (or some other similar documentation, to the satisfaction of Class Counsel, evidencing purchase and sale of a home in the subject Subdivision) between you and the Defendants, or either of them.

OTHER INFORMATION

If you did not opt-out of the class proceeding before May 29, 2009 and if you fail to return a claim form by March 31, 2018, you will be forever barred from advancing any claim against these Defendants, regarding this action.

You will not receive any further Notice regarding this Class Proceeding. This Notice and any other relevant information will also be available at www.thomsonrogers.com.

Please send your completed claim form to the following address by email, fax or direct mail:

Thomson, Rogers
Class Action Department
Suite 3100
390 Bay Street
Toronto, Ontario
M5H 1W2
Tel: (416) 868-3100
Fax: (416) 868-3134
Toll Free: (888) 223-0448
sbirman@thomsonrogers.com

NOTE: If one or more persons purchased a property together, as tenants in common, joint tenants or otherwise, those persons are only entitled to share one pro rata share per property purchased and one Free Membership

for the home, and residents as per the Membership Plan and By-Laws. Payment will be made to joint purchasers, jointly. Questions for counsel should be directed by email, fax or telephone to:

Stephen Birman
Thomson, Rogers
Barristers and Solicitors
390 Bay Street, Suite 3100
Toronto, Ontario
M5H 1W2
Toll free: 1-888-223-0448
Fax: 416-868-3134
sbirman@thomsonrogers.com

INTERPRETATION

This notice is a summary of terms of the Settlement Agreement. If there is any conflict between the provisions of this notice and the terms of the Settlement Agreement the Settlement Agreement shall prevail. The Settlement Agreement may be reviewed at the website: www.thomsonrogers.com under the headings "Class Actions" and "Port of Newcastle Residents."

This notice was approved by Justice Morgan of the Ontario Superior Court of Justice.