

NOTICE OF PROPOSED SETTLEMENT OF THE 3650/3640 KINGSTON ROAD EXPLOSION CLASS ACTION

This Notice may affect your rights. Please read carefully.

PURPOSE OF THIS NOTICE

This class action concerns the explosion and fire at 3650/3640 Kingston Road, in Toronto, Ontario ("3650 Kingston Road") on March 19, 2009.

This notice is directed to Class Members who are those persons, excluding Deltera Construction Limited ("defendant") and its officers, directors, servants or agents, who on March 19, 2009:

- (i) rented a condominium, apartment, townhouse or other utilizable space at 3650 Kingston Road (a "Unit"); or
- (ii) ordinarily resided in a Unit; or
- (iii) was present in a Unit but was not ordinarily resident in that Unit; or
- (iv) owned or had an interest in property located in or on a Unit; or
- (v) owned some or all of the Units.

The parties in the class action have reached a proposed settlement subject to the approval of the court. The defendant will pay \$5,550,000 (which may be topped up to \$6,000,000 by the defendant under certain conditions) ("Settlement Amount") in full and final settlement of all claims, including Class Counsel fees, disbursements, taxes, and administration costs, in return for a release and a dismissal of the class action. The defendant does not admit wrongdoing or liability. This settlement is a compromise of disputed claims.

SUMMARY OF THE SETTLEMENT TERMS

The following compensation funds will be available to Class Members:

\$1,600,000 fund for INCONVENIENCE and LOST USE: each Class Member who ordinarily resided in a Unit and was displaced can claim \$1,500 per month of displacement up to a maximum of \$4,500 per Class Member;

\$300,000 fund for UNINSURED LIVING EXPENSES: each Class Member can claim for uninsured living expenses incurred when they were displaced from living in their Units;

\$300,000 fund for REDUCTION IN VALUE OF UNITS: each Class Member who owned a Unit can claim from between \$400 to \$1,600, depending on their Unit size;

\$200,000 fund for LOST INCOME and LOST RENTAL INCOME: each Class Member may claim for lost income, and each Class Member who owned a Unit may claim for lost rental income;

\$50,000 fund for INSURANCE DEDUCTIBLES: each Class Member can claim to be reimbursed for their insurance deductibles;

\$550,000 fund for INSURANCE COMPANIES: each subrogated insurer will be partially compensated for the money they spent fixing damage to the Units and other expenses associated with the explosion;

\$50,000 fund for the MINISTRY of HEALTH & LONG-TERM CARE to be partially compensated for the health care services provided to Class Members as a result of the explosion;

\$450,000 PERSONAL INJURY FUND which may be topped up to a maximum \$950,000 by the defendant: each Class Member who sustained physical or psychiatric injuries as a result of the explosion can make a claim under the following categories:

AMOUNT	TYPE OF PHYSICAL INJURY	LEVEL OF PROOF
\$500	Minor physical injuries such as sprains, cuts bruises	No medical records required.
\$2,500 + medical expenses & costs of medical records not covered by insurance	Musculo-skeletal (soft tissue) injuries	Injuries must be documented with contemporaneous medical records.
\$25,000 + medical expenses & costs of medical records not covered by insurance	Orthopedic injuries such as broken bones, sprains, fractures which are healed with no ongoing impairment	Injuries must be documented with contemporaneous medical records.
\$50,000 + all pecuniary damages not covered by insurance or such amount assessed by the Arbitrator	Permanent serious impairment of an important bodily function	Injuries must be documented with contemporaneous medical records with a letter from a specialist

AMOUNT	TYPE OF PSYCHIATRIC INJURY	LEVEL OF PROOF
\$500	Anxiety, fearfulness, nightmares, emotional distress or temporary exacerbation of another physical or emotional issue	No medical records required.
\$2,500 + medical expenses & costs of medical records not covered by insurance	Psychiatric disorder with resolution of symptoms within 90 days	Letter from doctor, psychologist or psychiatrist required.
\$10,000 + medical expenses & costs of medical records not covered by insurance	Psychiatric disorder with resolution of symptoms between 91 days and 1 year	Contemporaneous medical records and a letter from psychiatrist or psychologist required.
\$15,000 + medical expenses & costs of medical records not covered by insurance	Psychiatric disorder with symptoms that exceed 1 year and resolution of symptoms by December 31, 2012	Contemporaneous medical records and a letter from psychiatrist or psychologist required.
\$25,000 + medical expenses & costs of medical records not covered by insurance	Psychiatric disorder with no resolution of symptoms	Contemporaneous medical records and a letter from psychiatrist or psychologist required.
\$50,000 + all pecuniary damages not covered by insurance or such amount assessed by the Arbitrator	Chronic psychiatric disorder with a level of impairment that impedes useful functioning	Contemporaneous medical records, letter from a psychologist or psychiatrist & medical records evidencing medical treatment since explosion consistent with this diagnosis.

The charts above are a summary of the disorders and proof is required. The Class Members will bear their own costs of medical records and doctors' notes, if required.

All claims for compensation must be accompanied by supporting documentation and must be approved by the Administrator. In some cases, disputes about compensation will be settled by the Arbitrator.

In the event that there are excess funds available after all claims are paid in full, the excess funds will be paid to Toronto Standard Condominium Corporation No. 1806. In the event that there are insufficient funds to pay the claims, the awards will be reduced *pro rata*.

ADMINISTRATION COSTS & CLASS COUNSEL FEES

The costs of the Administrator and Arbitrator will be paid from the Settlement amount, and will not exceed \$425,000. The court must approve all payments to the Administrator and Arbitrator.

Class Counsel will be paid \$1,575,000 from the Settlement Amount for their fees, disbursements and taxes thereon. The court must approve all payments to Class Counsel.

THE APPROVAL HEARING

At the Approval Hearing, the court will be asked to approve the proposed settlement. The Approval Hearing will be held on Friday July 26, 2013 at 10:00 am ET at Osgoode Hall, 130 Queen St. W., Toronto, courtroom 5. Class Members who do not oppose the proposed settlement do not need to appear at the Approval Hearing or take any other action at this time to indicate their intention to participate in the proposed settlement.

If the court approves the settlement, there will be a further detailed notice to the Class Members which will provide instructions about making a claim for compensation.

OBJECTIONS TO THE PROPOSED SETTLEMENT

Class Members' objections to the proposed settlement must be submitted no later than 5:00 pm ET on July 24, 2013. At the Approval Hearing, the judge will consider Class Members' objections to the proposed settlement. Class Members who object, may, but are not required to attend the Approval Hearing. Written objections may be sent to by mail, fax or email to:

mail: Kingston Road Class Action
Attention: Sarkis Isaac, Howie & Partners
3063 Walker Road
Windsor ON N8W 3R4
fax: 519.250.1929
email: classaction@howieandpartners.com

Written objections must include the following information:

- (a) the Class Member's name, address, telephone number and email address; and
- (b) a brief statement of the nature and reasons for the objection; and
- (c) confirmation that the objector is a Class Member or their relationship to a Class Member; and
- (d) whether the objector intends to appear at the Approval Hearing in person or whether they will be represented by counsel.

TOWN HALL MEETING TO ANSWER QUESTIONS

Lawyers from Sutts, Strosberg LLP and Falconer Charney LLP will be at a town hall meeting to explain the settlement to you and to answer your questions. This is your chance to speak to Class Counsel and to better understand the proposed settlement:

WHEN: Wednesday, July 3, 2013 at 7:00 pm
WHERE: Scarborough Village Community Centre
3600 Kingston Road

Any questions regarding this notice or the proposed settlement should be directed to:

Sharon Strosberg
SUTTS, STROSBURG LLP
600-251 Goyeau Street
Windsor ON N9A 6V4
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INTERPRETATION

This Notice has been approved by the court and is a summary of some of the terms of the proposed settlement. If there is a conflict between the provisions of this Notice and the terms of the settlement agreement, the settlement agreement prevails. The complete settlement agreement can be found at www.kingstonroadclassaction.com