

ROUGE RESIDENCE DEVELOPMENT FEE CLASS ACTION
NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL

PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.

A review of the records of the Remington Group Inc., Rouge Residences I Inc., and Rouge Residences II Inc., (collectively, "TRG", or the "Defendants") indicates that because you purchased a condominium from TRG and allegedly paid excess development charge and/or other fees at closing, you are a Class Member in this class proceeding.

1. Summary

By order of the Ontario Superior Court of Justice, dated, March 6, 2013 this action was certified as a class proceeding and the agreement to settle the Plaintiff's claim ("Settlement Agreement") has been approved. This settlement was found by the court to be fair and reasonable and in the best interest of the Class.

This action alleged that the Defendants charged an increased development and/or other charges to purchasers of residential properties in the development known as Rouge Residences I and II at the time of closing.

Under the approved Settlement Agreement, the Defendants will pay \$578,000.00 in trust to a settlement fund, to be distributed among the class in accordance with the provisions of the Settlement Agreement. A complete copy of the Settlement Agreement may be viewed at www.reolaw.ca.

The purpose of this notice is to summarize the settlement, describe your rights as a class member to participate in the settlement and to advise Class Members how to opt-out (be excluded) from this settlement.

The law firm of **Roy Elliott O'Connor LLP ("REO")** acts for the Representative Plaintiff on behalf of the Class Members. Should you have any questions about this class action or wish to receive information about this class action, you should contact REO at the address or telephone number below.

This notice provides only a very brief summary of the Settlement Agreement. In case of a conflict between this notice and the settlement agreement, the terms of the Settlement Agreement prevail.

As this action has been certified as a class proceeding and the Settlement Agreement has been approved by the court, you will be bound by the terms of the Settlement Agreement unless you decide to exclude yourself by opting-out of the settlement. If you opt-out you will not be paid any portion of the Settlement Funds. The opt-out procedure is described below in section 4.

2. Who Is Included In The Settlement?

You do not have to do anything to participate in this action and be included in this Settlement. Under Ontario law Class Members are automatically included in a class action once certified unless they choose to opt-out of the proceeding.

The class definition in this action is as follows:

“All individuals, corporations or partnerships who or which purchased condominium units from the Defendants or any of one of them, in the condominium projects known as Rouge Residences I and II and who allegedly were charged by and paid to the Defendants, or any one of them, an increased development and/or other charge above what the Defendants were themselves charged, but not including the Individuals Who Paid Into Escrow and the the Small Claims Court Claimants (as those terms are defined in the Settlement Agreement)”.

3. Financial Consequences to You

Compensation Payable to Class Members – Under the terms of this settlement, the Defendants have agreed to pay \$578,000.00 in trust to a settlement fund, to be distributed as follows:

- a) **Class Members** – The sum of \$400,875.00 shall be divided among the Class Members, save except for the Previously Releasing Class Members (Class Members who executed a release in favour of the Defendants at or about the time of closing for which good and sufficient consideration was received) who will be paid in accordance with paragraph (b), on a pro-rata basis determined by the amount of overpayment of development and/or other charge recorded as having been paid to the Defendants;

The amount to be received by class members that did not sign a release will depend on the number class members that participate in the settlement by not opting out. Based on current calculation, if no opt-outs are received, class members who paid \$3000 will recover approximately \$1,978.27 less legal fees, which are to be approved by the court. At a contingency rate of 25% that would result in a net recovery of \$1,483.70. By way of further example, for individuals that paid \$7,680.59, they would receive a gross amount of \$5,064.75 less legal fees for a net amount of \$3,798.56.

These amounts may go up depending on the number of class members participating in the settlement.

- b) **Previously Releasing Class Members** – The sum of \$32,625 shall be divided equally among these individuals resulting in a net payment of \$225.00 per class member;
- c) **Costs & Administration** – The sum of approximately \$144,500.00 plus disbursements shall be paid to Class Counsel as a contribution towards its fees, disbursements and/or taxes.

Please see the enclosed letter that sets out how much compensation, if any, you are entitled to receive under this settlement.

Legal Fees & Disbursements – Class Members are not personally responsible for legal fees and disbursements of counsel to Samir Sa'd or Class Counsel after settlement. Pursuant to the Settlement Agreement and as approved by the Court, legal fees and disbursements of \$144,500.00 plus disbursements will be deducted from the settlement fund prior to distribution of the funds to Class Members.

4. Opting-Out

DO NOTHING IF YOU WISH TO REMAIN A CLASS MEMBER IN THIS PROCEEDING!

The Settlement is dependent on a threshold number class members participating. Based on the current thresholds in the Settlement Agreement, if more than 10 class members who are to be paid their *pro rata* share of the settlement fund opt out, or more than 15 class members who signed a release opt-out, the Settlement Agreement will be void and of no effect for all class members. These thresholds are subject to the defendant agreeing to higher figures.

Class Members may opt-out of this proceeding if they do not wish to participate in the settlement and do not wish to receive the payment described above. If you choose to opt-out of this class you will be confirming that you do not wish to participate in the settlement of this class action. You will be excluded from the settlement and you will not be entitled to receive any benefits under the Settlement Agreement.

Any Class Member that opts out of this settlement and wishes to advance a claim against the Defendants with respect to the alleged increased development and/or other charges will have to bring their own separate proceeding at their own cost.

To opt-out of this settlement, complete the enclosed opt-out coupon (or letter that sets out the same information) and return it to Roy Elliott O'Connor LLP mail within 30 days of the date of the enclosed letter at the following address:

Roy Elliott O'Connor LLP
2300-200 Front Street West
Toronto, Ontario M5V 3K2
Attention: Rouge Residence Settlement

By order of the court, to be excluded from this settlement, all opt-out coupons or letters must be sent no later than 30 days after the date of mailing of this notice to the Class Member.

5. Where Can I Obtain Further Information?

PLEASE DO NOT CALL OR CONTACT THE COURT ABOUT THIS CLASS ACTION.

For more information about the settlement or for requests for further information, please contact Class Counsel at:

Roy Elliott O'Connor LLP
2300-200 Front Street West
Toronto, Ontario M5V 3K2
Attention: Rouge Residence Settlement

Tel: 416-362-1989
Fax: 416-362-6204
Email: info@reolaw.ca

THIS NOTICE WAS APPROVED BY THE ONTARIO SUPERIOR COURT OF JUSTICE

OPT-OUT COUPON

Sa'd v. Rouge Residences, et al.
Court File No.: CV-11-434778

To: **Rouge Residence Settlement**
Roy Elliott O'Connor LLP
200 Front Street W, Suite 2300
Toronto ON M5V 3K2

Tel: 416-362-1989
Fax: 416-362-6204
Email: info@reolaw.ca

I confirm that I ***do not*** wish to participate in and I do not want to receive money from the settlement of the class action lawsuit *Sa'd v. Rouge Residence, et al.*

I confirm that I have chosen to opt-out of this class. I understand that Class Counsel may contact me to confirm that I have in fact intended to opt-out of this class proceeding. Subject to that I will receive no further communications from REO regarding this class action.

I understand and confirm that, after I opt-out, if I subsequently decide to rejoin this class action, I may only do so with permission of the Court.

Name [please print]: _____

Mailing Address: _____

City: _____ Province: _____

Postal Code: _____

Telephone: _____

Email: _____

Date: _____

Signature: _____

Note: To opt out of this settlement, this coupon, or a signed and dated letter containing the same information as that above, must be completed and received at Roy Elliott O'Connor 30 days from the mailing of this notice.