

NEWSLETTER No. 2

Dated: (January 10, 2005)

Under The Class Proceeding Act of Ontario.

TO: Purchasers of a condominium development known as The Residence at Beauclaire, York Region Standard condominium Corporation No. 974, 745 New Westminster, Thornhill ("YRSCC No. 974").

We are pleased to advise you that we have now issued the Statement of Claim in this matter and served it upon the Defendants. The Defendants have retained counsel.

A scheduling conference was held before Mr. Justice Cullity on December 17th, 2004.

At the scheduling conference, Defendants' counsel indicated that they intended to serve a Demand for Particulars with respect to the allegations in the Statement of Claim. Mr. Justice Cullity required the Demand for Particulars be served by December 31st, 2004. (A Demand for Particulars is a legal document in which the opposing counsel asks for further details of what is disclosed in the Statement of Claim). The Demand was served by the deadline of December 31st. We have now served our response.

At the scheduling conference, Defendants' counsel also indicated that likely he would be trying to bring a Rule 21 motion to strike all or part of the Statement of Claim. This is a motion designed to strike the claim on the basis that "it discloses no cause of action". It will be our position that (a) this motion should fail, and (b) it should be heard at the same time as the certification motion.

Justice Cullity required us to respond to the Demand for Particulars by January 14th, 2005, (we responded on January 7th, 2005). We will reconvene before Justice Cullity at 8:30 a.m. on February 8th, 2005. At which time hopefully, we will set a case timetable including a date for the hearing of the certification motion.

Once the timetable is set we shall serve a motion for certification of the Class Proceedings. The parties will exchange affidavits in advance of the motion, as well as conduct cross-examinations. Once this is done, a hearing will be held before a Judge of the Ontario Superior Court of Justice, to determine if this matter is to be certified as a Class Proceeding.

This process will likely take several months and we shall continue to keep you advised of further developments.

You can also access information on the file and newsletters by visiting our website at:
www.landymarr.com.

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