

I should like to take this opportunity to point out at this time that as a result of the condominium development being on leased land, Harbourfront Corporation has become obligated to maintain the refurbished building in perpetuity so as to support the four storeys of residential condominium units constructed on top of it. As it was understood that the very valuable waterfront assets would not be sold on a freehold basis, Harbourfront developed the site through the sale of air rights and long-term leases. Condominium arrangements of this sort must involve a contingent liability such as the obligation mentioned above. Harbourfront is of the opinion that the value of the Crown's continued ownership of the freehold in question far exceeds the liability which it has accepted and we share those views.

Yours truly,

(Original signed by)

J.A.H. Mackay

(Original signed by)

F. Mayboom