

Before the property was taken over by the Trustees appointed by Conference, sixty-nine leases had been sold and agreements had been issued by the former owners agreeing to issue these leases when the purchase price of the leases had been paid in full. Some of these lease-holders have paid the purchase price of their lease in full and have received their leases covering a period of ninety-nine years without further liability except to pay a rental equal to the annual tax charge of the Municipality of Surrey. Upon the agreements for leases there is still outstanding and owing to the Association \$17,418.00.

The Association now owe, therefore:

Mortgage to John Horner, with interest approximately..	\$8,700 00
To Mrs. Taylor, mortgage, principal and interest.....	11,300 00
Taxes.....	325 00
Debt at Royal Bank.....	1,150 00
Sundry accounts	300 00
	\$21,775 00

Against these liabilities the Association has accruing on these leases as above stated \$17,418.00, and there is still unsold about two hundred lots, besides the two parks. This does not include the lots held by the original owners in settlement of their claim.

It has been impossible to recover the sale price of the leases from the present holders without entering into suit and it is felt by the Trustees that to commence legal actions against this large number of lease-holders would be fatal to the whole proposal. The Trustees further believe that no part of the leasehold money can be recovered during the next year. The mortgage to John Horner is past due; interest on Mrs. Taylor's mortgage is more than one year in arrears and foreclosure proceedings are likely to be started by her solicitors. Unless some complete reorganization of the proposal is effected the property will most likely be foreclosed before another meeting of Conference.

The following Trustees and other persons are each parties to a bond guaranteeing the mortgage to Mrs. Taylor, each person being separately liable in the sum of \$2,000.00, namely:

Rev. R. Newton Powell, C. L. Lightfoot,	Rev. Dr. S. S. Osterhont,
Rev. R. F. Stillman. George Deering,	Norman G. Cull,
Charles E. Reid. E. W. Leeson,	Rev. A. M. Sanford, D.D.
	William J. Hogg.

Unless a readjustment takes place these parties will undoubtedly be sued upon their several covenants to pay.

The Trustees are of the opinion that if the matter is allowed to proceed further in the name of the Conference, and if the lease-