

Consolidated Financial Statements

North Portage Development Corporation

March 31, 2006



AUDITORS' REPORT

To the Shareholders of
North Portage Development Corporation

We have audited the consolidated balance sheet of **North Portage Development Corporation** as at March 31, 2006 and the consolidated statements of loss and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst + Young LLP

Winnipeg, Canada,
May 26, 2006.

Chartered Accountants

North Portage Development Corporation
 Incorporated under the laws of Manitoba

CONSOLIDATED BALANCE SHEET

As at March 31

	2006 \$	2005 \$
ASSETS		
Current		
Cash and cash equivalents	1,952,677	2,849,404
Accounts receivable	850,649	610,928
Inventory	8,927	11,152
Prepaid expenses	370,910	358,928
Current portion of loans receivable <i>[note 3]</i>	9,783	8,827
Total current assets	3,192,946	3,839,239
Loans receivable <i>[note 3]</i>	191,358	199,270
Property and equipment <i>[note 4]</i>	22,624,184	21,147,770
Investment in properties and infrastructure enhancements <i>[note 6]</i>	66,323,131	66,571,954
Deferred charges	362,500	412,500
	92,694,119	92,170,733
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	1,763,706	1,540,143
Accrual for unsettled land expropriation claims <i>[note 7]</i>	1,500,000	2,000,000
Loan payable <i>[note 1[c]]</i>	1,711,636	1,711,636
Current portion of obligations under capital lease <i>[note 11]</i>	256,312	—
Total current liabilities	5,231,654	5,251,779
Prepaid land rents	671,987	680,073
Obligations under capital lease <i>[note 11]</i>	1,100,876	—
Deferred contributions	26,463,114	26,503,859
Total liabilities	33,467,631	32,435,711
Commitments and contingent liabilities <i>[notes 12 and 13]</i>		
Shareholders' equity		
Share capital		
Authorized		
Unlimited number of common shares		
Issued		
3 common shares	3	3
Contributed surplus <i>[notes 1[a] and [b]]</i>	39,310,266	39,310,266
Donated land <i>[note 9]</i>	8,000,000	8,000,000
Retained earnings	11,916,219	12,424,753
Total shareholders' equity	59,226,488	59,735,022
	92,694,119	92,170,733

See accompanying notes

On behalf of the Board:

Director

Director



North Portage Development Corporation

**CONSOLIDATED STATEMENT OF LOSS AND
RETAINED EARNINGS**

Year ended March 31

	2006	2005
	\$	\$
REVENUE		
Rental	487,070	488,452
Parking	3,771,144	3,720,627
Theatre	828,255	839,099
Forks Market	1,716,494	1,537,262
Public amenities recoveries	178,606	158,147
Lease	1,657,506	1,648,107
Events	53,304	33,472
Sponsorship	204,717	223,500
Interest income	65,366	61,614
Miscellaneous	45,679	244,213
	9,008,141	8,954,493
EXPENSES		
Forks Market	1,614,021	1,634,415
General and administration	1,033,078	995,284
Marketing	255,878	250,518
Parking	1,722,789	1,828,131
Planning and development	297,381	361,725
Program and events	554,669	574,635
Public amenities	910,279	940,675
Rental	343,747	326,588
Sponsorship	96,897	95,860
Theatre	1,211,373	1,230,441
	8,040,112	8,238,272
Operating income	968,029	716,221
Depreciation and amortization <i>[note 10]</i>	(1,476,563)	(1,397,612)
Net loss for the year	(508,534)	(681,391)
Retained earnings, beginning of year	12,424,753	13,106,144
Retained earnings, end of year	11,916,219	12,424,753

See accompanying notes

North Portage Development Corporation

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31

	2006	2005
	\$	\$
OPERATING ACTIVITIES		
Net loss for the year	(508,534)	(681,391)
Add charges (deduct credits) to operations not requiring a current cash payment (receipt)		
Depreciation and amortization [note 10]	1,476,563	1,397,612
Amortization of deferred charges	50,000	50,000
Prepaid land rent revenue	(8,086)	(8,087)
Contribution revenue	(101,000)	(164,605)
	<u>908,943</u>	<u>593,529</u>
Net change in non-cash working capital balances related to operations		
Accounts receivable	(240,677)	361,627
Inventory	2,225	(1,517)
Prepaid expenses	(11,982)	13,155
Accounts payable and accrued liabilities	324,863	(349,278)
Accrual for unsettled land expropriation	(500,000)	—
Cash provided by operating activities	<u>483,372</u>	<u>617,516</u>
INVESTING ACTIVITIES		
Additions to property and equipment	(4,608,355)	(1,990,186)
Repayment of loans receivable	7,912	26,321
Cash used in investing activities	<u>(4,600,443)</u>	<u>(1,963,865)</u>
FINANCING ACTIVITIES		
Receipt of deferred contributions	1,863,156	1,199,848
Proceeds from capital lease obligations	1,357,188	—
Cash provided by financing activities	<u>3,220,344</u>	<u>1,199,848</u>
Net decrease in cash during the year	(896,727)	(146,501)
Cash and cash equivalents, beginning of year	2,849,404	2,995,905
Cash and cash equivalents, end of year	<u>1,952,677</u>	<u>2,849,404</u>

See accompanying notes



North Portage Development Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

1. NATURE OF BUSINESS

The mission of North Portage Development Corporation [the "Corporation" or "NPDC"] is to act as a catalyst, encouraging activities for people in the downtown through public and private partnerships and to work to ensure financial self-sufficiency. The Corporation is responsible for the continuing renewal and stewardship of two sites in Winnipeg's downtown: the North Portage area and The Forks.

The merger of the operations of The Forks Renewal Corporation ["FRC"] and the North Portage Development Corporation in 1994, established one management structure to oversee development and operations at the two sites. Since the time of implementation of the Initial Concept and Financial Plans for the North Portage site (1984) and The Forks site (1987), the Corporation has carried out its mandate through a mixed use approach to renewal activities, resulting in a diverse mix of developments and uses to bring people downtown.

North Portage Theatre Corporation, ["NPTC"] a subsidiary of NPDC, owns and operates an Imax theatre within the Portage Place Retail Complex.

The Corporation is exempt from income tax.

[a] North Portage Development Corporation

NPDC is owned equally by the following shareholders: the Government of Canada, the Province of Manitoba and the City of Winnipeg. Funding provided by the shareholders, as noted below, was utilized to acquire capital assets.

	\$
The Government of Canada's Special Capital Recovery Projects Program	22,000,000
The Province of Manitoba	22,000,000
The City of Winnipeg	22,000,000
Winnipeg Core Area Initiative - Program 7	5,000,000
	<hr/> 71,000,000 <hr/>

North Portage Development Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

The funding has been allocated as follows:

	2006 \$	2005 \$
Deferred contributions	14,831,478	15,648,042
Amortization of deferred contributions recognized in income	17,403,950	16,587,386
Contributed surplus	37,052,933	37,052,933
Applied to operations	1,711,639	1,711,639
	71,000,000	71,000,000

[b] The Forks Renewal Corporation

FRC has received its funding from the following sources:

	2006 [cumulative] \$	2005 [cumulative] \$
Nature Conservancy	226,005	177,045
Winnipeg Core Area Initiative – I Program 8.2	657,000	657,000
Winnipeg Core Area Initiative – II Program 3	20,000,000	20,000,000
Program 5.7	5,000,000	5,000,000
The Canada-Manitoba Tourism Development Agreement	1,250,000	1,250,000
The Western Diversification Program	2,914,816	2,914,816
Equivalency contribution – Canada	4,000,000	4,000,000
Equivalency contribution – Province of Manitoba	5,000,000	5,000,000
Equivalency contribution – The City of Winnipeg	6,736,946	6,736,946
Winnipeg Core Initiative – Public Amenity	931,000	931,000
Canada – Manitoba Infrastructure Works Program	2,020,011	2,020,011
Province of Manitoba WDA Program 12 Riverbank Development	363,268	363,268
The City of Winnipeg WDA Program 12 Riverbank Development	159,764	159,764
The Canada – Manitoba Economic Development Partnership Program	598,527	598,527
The Forks Foundation Inc.	1,336,854	—
CentreVenture Development Corporation	334,847	—
The Winnipeg Foundation	142,494	—
	51,671,532	49,808,377



North Portage Development Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

The funding has been allocated as follows:

Deferred contributions	11,631,636	10,855,817
Amortization of deferred contributions recognized in income	22,055,056	20,967,720
Contributed surplus	2,257,333	2,257,333
Applied to operations	15,727,507	15,727,507
	51,671,532	49,808,377

During 2006, FRC received funding of \$48,960 in support of the construction of various components of the Prairie Garden, \$1,671,701 in support of various components of the Skate Board Park and \$142,494 in support of various components of the Peace Meeting Site.

[c] North Portage Theatre Corporation

NPTC includes the accounts of 3898211 Manitoba Ltd. Funding of NPTC was provided as follows:

	2006 \$	2005 \$
Repayable loan		
Manitoba Development Corporation	1,800,000	1,800,000
Contributions from shareholders		
North Portage Development Corporation	1,800,000	1,800,000
Destination Manitoba and the Canada-Manitoba (1985)		
Tourism Development Agreement	3,900,000	3,900,000
	7,500,000	7,500,000

The repayable loan is non-interest bearing until demand at which time it will bear interest at 10% per annum. The loan payable to the Manitoba Development Corporation is collateralized by a fixed and specific mortgage and charge on the theatre air rights and the equipment as well as a floating charge over the assets of NPTC. NPTC is required to make principal payments annually equal to 33 1/3% of net income of the Imax Theatre at Portage Place and film rental revenue. Cumulative repayments to date have been \$88,364. At March 31, 2006 no demand had been made.



North Portage Development Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

2. SIGNIFICANT ACCOUNTING POLICIES

[a] Basis of presentation

These financial statements consolidate the accounts of NPDC and its wholly-owned subsidiaries NPTC, FRC and 3898211 Manitoba Ltd. The consolidated entity including all of these subsidiaries referred to as the "Group".

[b] Cash and cash equivalents

Cash and cash equivalents is comprised of cash and short-term investments which are readily convertible to cash with maturities not exceeding 90 days.

[c] Capital assets

Capital assets are recorded at cost. Depreciation and amortization is calculated at the following rates based on the estimated useful lives of the assets:

Office equipment	Declining balance basis at 20% per year
Computers	Declining balance basis at 30% per year
Parking equipment	Declining balance basis at 30% per year
Rental buildings	Straight line basis over 10 to 20 years
Plaza and pavilion furniture and equipment	Declining balance basis at 20% - 30% per year
Leasehold improvements	Straight line basis over 10 years
3D projector - capital lease	Straight line basis over 10 years
Theatre equipment	Straight line basis over 5 to 10 years
The Forks site:	
Building	Straight line basis over 40 years
Parking structure	Straight line basis over 40 years
Roads and services	Straight line basis over 20 years
Parks and plaza	Straight line basis over 20 years
Tenant allowances and pre-opening costs	Straight line basis over 5 years
Furniture and equipment	Declining balance basis at 20% - 30% per year
Equipment under capital lease	Straight line basis over 5 years

North Portage Development Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

North Portage properties and infrastructure enhancements:

Site servicing costs and infrastructure enhancements	Straight line basis over 20 and 40 years
Land carrying costs and development projects	Straight line basis over 10 years

The Forks infrastructure enhancements:

Land carrying costs	Straight line basis over 10 years
Development projects	Straight line basis over 10 years
Site servicing	Straight line basis over 20 years
Infrastructure enhancements	Straight line basis over 10 - 20 years

[d] Deferred contributions

Contributions to acquire capital assets are deferred and amortized to income on the same basis as the related capital assets.

[e] Donated land

Donated land is recorded at fair market value as approved by the Board of Directors of FRC in 1989.

[f] Land rents

Land rents for land leases that are considered to be operating leases are recognized in income as earned. Land rents received in advance are recorded as prepaid land rents and are recognized in income over the term of the related lease of 75 to 99 years.

[g] Deferred charges

Deferred charges relate to a prepayment of rent for a 10 year lease of a building for redevelopment purposes. The deferred charges are being amortized over 10 years.

North Portage Development Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

[h] Leases

Leases are classified as either capital or operating. Leases which transfer substantially all the benefits and risks of ownership of the property to the Group are accounted for as capital leases. Capital lease obligations reflect the present value of future lease payments, discounted at the appropriate interest rate. All other leases are accounted for as operating leases whereby rental payments are expensed as incurred.

[i] Financial instruments

Financial instruments include cash and cash equivalents, accounts receivable, loans receivable, accounts payable and accrued liabilities, loans payable and obligations under capital lease. It is management's opinion that the Group is not exposed to significant interest, currency or credit risks arising from these financial instruments. The book value of the Group's financial assets and liabilities approximates their fair value.

[j] Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ from these estimates.

3. LOANS RECEIVABLE

	2006 \$	2005 \$
Loan receivable due July 1, 2028, with interest at 6.5%, repayable in quarterly instalments of \$2,500 collateralized by equipment	125,381	127,968
Loan receivable due July 1, 2012, with interest at 6.5%, repayable in monthly instalments of \$1,148 collateralized by equipment	75,760	80,129
	201,141	208,097
Less current portion	9,783	8,827
	191,358	199,270

North Portage Development Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

4. PROPERTY AND EQUIPMENT

	2006			2005		
	Cost \$	Accumulated depreciation and amortization \$	Net book value \$	Cost \$	Accumulated depreciation and amortization \$	Net book value \$
The Forks site <i>[note 5]</i>	32,286,126	14,099,318	18,186,808	31,782,517	12,884,775	18,897,742
3D projector	1,375,781	34,394	1,341,387	—	—	—
Theatre equipment	75,527	1,888	73,639	—	—	—
Box office Theatre	7,660	255	7,405	—	—	—
facilities	3,200,000	3,199,999	1	3,200,000	3,199,999	1
Projection equipment	—	—	—	104,510	104,510	—
Fixtures and signage	90,763	90,763	—	90,763	90,763	—
Rental buildings	2,680,967	435,157	2,245,810	1,677,284	245,138	1,432,146
Parking equipment	2,111,796	1,812,696	299,100	1,982,360	1,712,079	270,281
Office equipment	241,567	152,372	89,195	240,638	130,209	110,429
Plaza and pavilion furniture and equipment	552,210	363,792	188,418	639,681	419,457	220,224
Leasehold improve- ments	292,898	157,529	135,369	292,898	138,858	154,040
Computers	409,978	352,926	57,052	394,812	331,905	62,907
	43,325,273	20,701,089	22,624,184	40,405,463	19,257,693	21,147,770

In December 2006, NPTC entered into a capital lease with Imax Corporation for a 3D projection unit to replace the previous theatre equipment.



North Portage Development Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

5. THE FORKS SITE

	2006			2005		
	Cost \$	Accumulated depreciation \$	Net book value \$	Cost \$	Accumulated depreciation \$	Net book value \$
Land	120,694	—	120,694	119,944	—	119,944
Building	7,593,710	3,046,684	4,547,026	7,500,313	2,857,108	4,643,205
Roads and services	7,050,734	4,955,132	2,095,602	7,046,727	4,622,887	2,423,840
Parks and plaza	8,932,919	2,835,463	6,097,456	8,880,954	2,383,941	6,497,013
Parking structure	5,002,682	372,778	4,629,904	5,002,837	247,720	4,755,117
Furniture and equipment	665,863	512,233	153,630	662,437	483,422	179,015
Equipment under capital lease	283,275	—	283,275	—	—	—
Tenant allowances and pre-opening costs	2,636,249	2,377,028	259,221	2,569,305	2,289,697	279,608
	32,286,126	14,099,318	18,186,808	31,782,517	12,884,775	18,897,742

6. INVESTMENT IN PROPERTIES AND INFRASTRUCTURE
ENHANCEMENTS

	2006 \$	2005 \$
North Portage Properties and infrastructure enhancements <i>[note 7]</i>	52,017,859	53,243,914
The Forks infrastructure enhancements <i>[note 8]</i>	6,374,490	5,397,258
The Forks donated land <i>[note 9]</i>	7,930,782	7,930,782
	66,323,131	66,571,954



North Portage Development Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

7. NORTH PORTAGE PROPERTIES AND INFRASTRUCTURE ENHANCEMENTS

	2006			2005		
	Cost \$	Accumulated amortization \$	Net book value \$	Cost \$	Accumulated amortization \$	Net book value \$
Land assembly and demolition	34,401,388	—	34,401,388	34,450,077	—	34,450,077
Land carrying costs	572,244	572,244	—	572,244	572,244	—
Site servicing	6,609,999	6,333,457	276,542	6,529,999	6,030,957	499,042
Development projects	1,843,915	1,792,975	50,940	1,843,914	1,762,949	80,965
Infrastructure enhance- ments	31,993,622	14,704,633	17,288,989	31,993,622	13,779,792	18,213,830
	75,421,168	23,403,309	52,017,859	75,389,856	22,145,942	53,243,914

Certain properties within the boundary defined for redevelopment have been expropriated by the Province of Manitoba pursuant to the Corporation's Unanimous Shareholders' Agreement. The Province of Manitoba, as the expropriating authority, has made advances and final settlements with the owners and tenants of certain expropriated properties as compensation for the acquisition of land and has incurred various related costs to date amounting to \$32,901,388. During the year, one of the claims was settled reducing the accrual from \$2,000,000 to \$1,500,000. These amounts are included in land assembly and demolition costs.



North Portage Development Corporation**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2006

8. FORKS INFRASTRUCTURE ENHANCEMENTS

	2006			2005		
	Cost \$	Accumulated depreciation \$	Net book value \$	Cost \$	Accumulated depreciation \$	Net book value \$
Clearing and relocation, net	2,257,333	—	2,257,333	2,257,333	—	2,257,333
Land carrying costs	1,771,315	1,769,206	2,109	1,771,316	1,768,973	2,343
Site servicing	5,330,378	3,618,580	1,711,798	5,247,894	3,354,845	1,893,049
Development projects	586,745	575,941	10,804	586,745	573,907	12,838
Infrastructure enhance- ments	5,374,694	2,982,248	2,392,446	4,030,956	2,799,261	1,231,695
	15,320,465	8,945,975	6,374,490	13,894,244	8,496,986	5,397,258

9. FORKS DONATED LAND

FRC acquired title and possession to 55.9 acres of land donated by the Government of Canada, the Province of Manitoba and the City of Winnipeg as follows:

From Canada	From Winnipeg	From Core Area Initiative	Total
49.6 acres	3.3 acres	3.0 acres	55.9 acres

These lands were acquired pursuant to the Land Exchange Agreement. Donated land is recorded at fair market value as approved by the Board of Directors on June 5, 1989.

During the 1992/93 fiscal year, 3.8 acres of Pioneer Blvd. and The Forks Market Road were dedicated as public rights-of-way to the City of Winnipeg. During 2003, 0.5 acres of donated land was transferred to the City of Winnipeg.

The remaining lands under the FRC's ownership total 51.6 acres.



North Portage Development Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

10. DEPRECIATION AND AMORTIZATION

Included in depreciation and amortization is the following:

	2006 \$	2005 \$
Depreciation of capital assets	(3,380,464)	(3,290,633)
Amortization of deferred contributions	1,903,901	1,893,021
	<u>(1,476,563)</u>	<u>(1,397,612)</u>

11. Capital lease obligations

Under the terms of a capital lease dated December 22, 2005, lease payments are payable to Imax Corporation for the use of the 3D projector. The obligation is denominated in US dollars and has an assumed interest rate of 5.75%.

In fiscal 2006, FRC entered into a capital lease contract to purchase \$283,275 in equipment. The obligation is repayable in blended monthly payments of \$5,433 per month and at an interest rate of 5.87% per annum.

Interest relating to capital lease obligations has been recorded in Forks Market expenses in the amount of \$2,500 and in Theatre expenses in the amount of \$15,486.

The payment terms are as follows:

	3D Projector \$	Forks Market equipment \$	Total \$
2007	262,970	65,195	328,165
2008	291,611	65,195	356,806
2009	320,251	65,195	385,446
2010	62,488	65,195	127,683
2011	62,488	48,721	111,209
Thereafter to 2016	296,818	—	296,818
	<u>1,296,626</u>	<u>309,501</u>	<u>1,606,127</u>
Less amounts representing interest	(208,936)	(40,003)	(248,939)
	<u>1,087,690</u>	<u>269,498</u>	<u>1,357,188</u>
Less current principal portion of obligation	(204,652)	(51,660)	(256,312)
	<u>883,038</u>	<u>217,838</u>	<u>1,100,876</u>

North Portage Development Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

12. COMMITMENTS

[a] Office computer facility

NPDC has leased land to 2700760 Manitoba Limited ["2700760"] for the development of an office and computer facility which, in turn has been leased to ISM Information Systems Management Manitoba Corporation ["ISM"].

NPDC has the option, within 105 days after the 15th anniversary of the opening date of March 1, 1993, to sell the land to 2700760 for a price of \$2.3 million.

2700760 has the option to purchase the land on the twelfth and fifteenth anniversaries of the opening date for a price which is the greater of \$2.3 million and the fair market value at those times. In addition, ISM has the option to purchase the land and improvements from 2700760.

[b] Equipment Maintenance Agreement - 3D Projector

Under the terms of an agreement dated December 22, 2005, a maintenance fee is payable to Imax Corporation. The commitment is denominated in U.S. dollars. The payment terms are as follows:

	\$
2007	—
2008	62,800
2009	48,300
2010	48,300
2011	48,300
Thereafter to 2016	241,500
	<hr/> 449,200

13. CONTINGENT LIABILITY

A statement of claim for unspecified damages was filed against FRC for an alleged breach of contract. FRC has filed a statement of defence. No liability has been recorded as the outcome is undeterminable at this time.

North Portage Development Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

14. SPONSORSHIP

FRC has levered in-kind contributions [non-cash contributions] from suppliers to offset the direct cost of carrying out its business operations. As part of FRC's sponsorship agreements with suppliers, in exchange for recognition benefits, FRC has received goods and services to cover the following costs:

	2006	2005
	\$	\$
Spiritfest concert series	—	34,760
Media promotions	348,620	145,965
Suppliers	—	11,500
Total in-kind contributions	348,620	192,225

No amount has been recorded in these financial statements for in-kind contributions.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

16. SUBSEQUENT EVENTS

[a] One Canada Centre

NPDC has leased land to Investors Syndicate Property Corporation ["Investors"]. NPDC had the option in 2006 to sell the land to Investors at a price of \$6 million. In May of 2006, NPDC exercised its option to sell the land to Investors.

[b] 340 Vaughan Street

Subsequent to year end, NPDC has signed a letter of intent to sell their rental building located at 340 Vaughan Street for net proceeds of approximately \$800,000.