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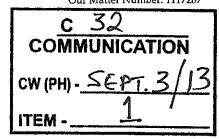
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Heather A. Wilson Director, Legal and Real Estate City of Vaughan 2141 Major MacKenzie Drive Vaughan, ON L6A 1T1

Dear Ms. Wilson:

Michael Watts Direct Dial: 416.862.6605 MWatts@osler.com Our Matter Number: 1117287



Vaughan Health Campus of Care

As you know, I am the solicitor for the Vaughan Health Campus of Care. I understand that the matter of the use of the Hospital Precinct lands will be considered by council this evening. As you know, the City of Vaughan (the "City") and my client are still party to a Contribution Agreement which governs the use of the portion of lands which are not required for hospital purposes. The Contribution Agreement has never been terminated and is still in effect. It contemplates that the hospital will occupy a maximum of 40 acres of land and that the remainder will be developed for health care related uses, in cooperation with the Vaughan Health Campus of Care.

I understand that the City may have received correspondence from Mackenzie Health suggesting that the Ministry of Health and Long Term Care (MOHLTC) may require 50 acres instead of 40 acres for use as a hospital. My client objects to this for at least 3 immediate reasons:

- 1. Turning 50 acres over to McKenzie Health would be a breach of the Contribution Agreement, subjecting the City and Mackenzie Health to damages;
- 2. In the 9 years that my client was dealing with the MOHLTC to obtain its approval for a hospital, the MOHLTC advised my client that 40 acres was more than sufficient area for a Vaughan hospital. If 40 acres is no longer sufficient, then I would suggest that the City should receive verification from the MOHLTC. The MOHLTC should be required to state this for the record with a complete explanation as to why, and how other hospitals (even larger than the one projected for Vaughan) have or are being built on much less land, rather than accepting Mackenzie Health's word for it; and
- 3. My client, at the request of the City, Mackenzie Health and the MOHLTC, gave an irrevocable direction that 40 acres could be used for hospital purposes. It did not give a direction for 50 acres.

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For all of these reasons, my client objects to the request made by Mr. Stationwala and it urges council to refuse the request forthwith.

Please govern yourselves accordingly.

Yours very truly,

Michael Watts

Partner MW:klt

c: VHCC Board of Directors