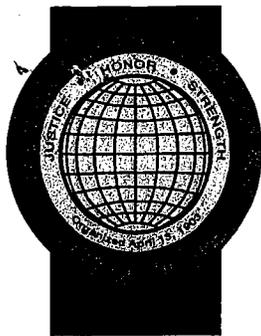


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LABORERS' INTERNATIONAL UNION OF NORTH AMERICA

CENTRAL & EASTERN CANADA REGIONAL OFFICE
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Hand Delivered

May 8, 2006

Re. Lister Block

TERENCE M. O'SULLIVAN
General President

Mr. Bob Bratina
Councillor - Ward 2
City of Hamilton
71 Main Street West
Hamilton, ON
L8P 4Y5

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General Secretary-Treasurer

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MICHAEL S. BEARSE
General Counsel

Dear Mr. Bratina:

In 1998, the Labourers' International Union of North America (LIUNA), invested in a number of projects in downtown Hamilton with the intent to provide a good investment return to our organization and to revive small quadrants of the downtown that were in desperate need of economic renewal.

The Lister Block is the only project that is still not completed from our 1998 vision.

We have complete confidence that in spite of the delays and problems associated with this infamous project that finally we have a project that the City and LIUNA will be proud of, and one that will have a profound economic impact on an area that is in desperate need of economic and social renewal. In recent years the Lister Block has become a symbol of decay and but it can become a symbol of renewal.

In 1923, the original Lister Block was destroyed by fire and a new Lister Block was rebuilt that had no similarities to the original. The building served as a center for business for several decades until it fell into disrepair and was sold.

In 1998, LIUNA purchased the Lister and a number of adjacent properties from Metrus Developments, who had lost over \$6 million on the property. Metrus felt that their project may have been too ambitious and expensive for a downtown in decline. LIUNA however had a vision to restore the street scape from James Street North around to King William into a magnificent street scape that most of us in our generations have not seen. In fact in my fifty years, born and raised in Hamilton, I have not seen the facade of the Thomas Building, as an example, exposed from the steel cladding. The Lister and adjacent properties were never considered First Class, Grade A office facilities, and have been run down for decades.

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Strong, Proud, United

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In the late 1990's, LIUNA's attempt to build the federal building at the Lister Block failed due to a far too expensive proposal bid for the Federal Building. The high expense was borne out of excessive costs associated with the restoration of the facade. Subsequently, a new project was designed together with a new consortium (Kittling Ridge) and the group was plagued by numerous issues including a lawsuit by Yale Properties on the relocation of the Hamilton Farmer's Market.

Presently LIUNA has partnered with the HighRise Group, a highly regarded and reputable developer and contractor of the aforementioned Federal Building. In the attached report, you will see that our group has a winning project for the Lister Block and for downtown renewal.

DELAYS

Our consortium is prepared to move forward immediately on the redevelopment of the Lister Block. However, we have suffered significant delays because of LACAC, and in fact I believe that certain individuals within LACAC have been working against this project in an attempt to stop it. We have been unfairly criticized and furthermore, at the risk of sounding controversial, I feel that certain individuals associated with LACAC are working on behalf of the interests of other developers.

I have also been inundated with criticism within LIUNA that projects in Hamilton suffer from unnecessary complications and delays. LIUNA has projects underway in numerous municipalities across Canada including Windsor, Markham, Toronto, Ottawa and parts of Atlantic Canada. All of these projects have been well received, and are not suffering from the same level of delay and controversy as the Lister. While the Lister has issues unique from other projects, the bottom line remains the same ... redevelopment and growth not stagnation and decay.

The other significant complication is that we have numerous tenants who will bring additional value into downtown Hamilton, tenants have lost faith in the project due to the delays. Some of these have chosen to relocate in Burlington as an alternative and others, tired of waiting for the project's inception, let alone completion, and have not firmed up leases due to their lack of confidence in the project's success.

As an additional complication we have been inundated with the usual negative press association with anyone trying to do anything in Hamilton.

Nonetheless, LIUNA is still committed to investing in Hamilton and in particular in seeing the Lister Block project to fruition.

THE PROJECT

LIUNA and the Hi-Rise Group have a winning solution, and a project for the Lister Block and adjacent properties that will reignite economic development and renewal within a much depressed area of our downtown.

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There are rumours being spread by individuals opposing the Lister Block redevelopment that this project is nothing but a cheap imitation of the Lister. Nothing could be further from the truth. Over a year ago when we made the announcement to rebuild the Lister Block we presented an artist's conception showing a rebuilt Lister Block facade with adjoining glass structures which together would encapsulate a state of the art office complex. Since that time, we have improved our project. The adjacent glass structures have been replaced with rebuilding the existing street scape on James Street and King William. At the time we were unaware that the Thomas Building had exceptional historical significance. Therefore we will dismantle the Thomas Building, reuse the stone work and ornamental stone surrounds on the windows, and whatever else we can reuse and re-erect the Thomas Building next to the Lister Block.

On King William, our intentions are to reconstruct the Victorian redbrick building reusing as many of the architectural components originally used on the building. Finally, the Lister Block will be dismantled and the *facade* of the building will be re-erected exactly as it was in 1923. The terra cotta moldings that are in significant disrepair will be reconstructed by glazed pre-cast materials that will virtually be undetectable from the existing terra cotta. The copper spandrels under the windows will be reused. It is our intent to reuse whatever we can and that will be determined by the condition and structural integrity of the product.

Essentially the Lister Block will look exactly like it did in 1923 or arguably better! The facade and the street scape, that only a few living individuals could remember, will look like the street scape circa 1923. Furthermore, the interior arcade, which was previously never discussed, will now be reconstructed with the same details as the original arcade. We envisage the street scape to be vibrant with awnings and outdoor cafes sprawling down King William. This truly will be an exciting project that will bring new tenants and jobs into the downtown core. It will help the existing retailers within the area, improve the image of the city and turn the Lister Block into a symbol of renewal and hope for downtown redevelopment.

No other development group would have hung in so long and through such an arduous project/process like LIUNA has. Our commitment to Hamilton is clear and unequivocal. Our investment in the airport, the \$40 Million we have placed into our long-term care facilities built in Hamilton, Liuna Station, the LIUNA Hamilton Association housing projects and numerous other projects that we have been a part of for almost fifty years re-affirm not only our track record but our commitment to this great city.

I invite you to carefully review the attached report that was prepared by architect John Mokrycke and I would be pleased to sit with you at your convenience to further discuss this exciting project of which we need your full support.

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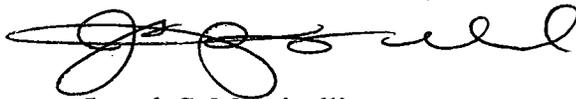
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It is my understanding that on June 6th 2006 council will finally vote on moving forward with this project. I suspect that LACAC due to a number of issues will oppose the project and I ask you to vote in favour of the Lister as a symbol of your commitment, not only to reviving the street scape adjacent to the Lister Block, but also to downtown renewal and to an economic development expansion that will truly reshape a significant part of the downtown and renew a sense of pride and ownership in the downtown core.

I know that together we can build a better city and community that we can all be proud of.

With kind regards, I remain

Sincerely,

A handwritten signature in black ink, appearing to read 'Joseph S. Mancinelli', written in a cursive style.

Joseph S. Mancinelli
International Vice President
and Central & Eastern Canada
Regional Manager

encl.

cc: Mayor Larry DiIanni, City of Hamilton
cc: All Councillors, City of Hamilton
cc: Warren Green, Hi-Rise Group