

To The Estonian House in Toronto Ltd., Board of Directors

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The **Estonian House Board of Directors has found a partner, Tribute Communities, who is willing to enter into a joint partnership** with the Estonian House. They propose to develop a two storey community centre for the Estonian Community, on top of which sits a proposed 24 storey condominium tower.

Tribute, which has four projects underway in the City of Toronto, has presented an attractive proposal. Under the model they presented, the Estonian House will receive a new facility paid for by both the proceeds of lands sold and Estonian House's 50% share of anticipated profits. The board has asked the Estonian House's shareholders to endorse the project and vote to proceed with the Letter of Intent with Tribute.

On the surface, the deal sounds good. The board has found a seemingly capable partner, Tribute Communities, and has negotiated a deal that meets the objectives that the community voted on and endorsed at the last public consultation in 2012.

Yet for shareholders, this deal has caught them off guard and many left the meeting with more questions than answers. Paramount to the success of this project is that the process leading up to an informed decision is transparency and facile access by shareholders to pertinent information. At the meeting, many left unsure of what they would be voting on at the next AGM meeting. Shareholders must know what they are voting for. Some of these questions include:

- What exactly is in the letter of intent and what are our obligations?; Shareholders need to be provided with a summary of the LOI with key points explained. Our obligations should be well laid out.
- What is the plan and timeline to determine the scope and requirements of existing community tenants and Estonian House users for a new Estonian House (EM2)?

Furthermore, subsequent engagement of shareholders once the letter of intent has been signed was also unclear:

- Will shareholders have an opportunity to review and vote on the deal before the property is transferred to the partnership?;
- When does the property transfer from the Estonian House Shareholders to the partnership? Exactly what milestone must be met?; and
- How will decisions be made by the partners and will shareholders be included or have a say?

These are important questions for the shareholders, our community groups, and our volunteers, all of whom need more information in order to make an informed choice.

In addition to the above concerns, the current date for the shareholder vote, Tuesday January 27, also coincides with a significant cultural and community event. Around 400 Toronto community members and many shareholders will be out of the city on a Caribbean cruise. They deserve the opportunity to attend a vote.

Our community cannot proceed with the Letter of Intent without exploring all options and details of any proposal. The future of the Estonian House affects the entire future of our community in Toronto and should not be treated simply as a real estate transaction. We are proud of our heritage and the legacy of those who built our community and the Estonian House. It deserves a transparent, open and holistic discussion that takes into account the entire community.

We the undersigned, current and former active members of the Estonian Community in Toronto, ask that any vote on a joint venture be delayed until Feb 17 so that shareholders and community leaders may have appropriate time for consultation and due diligence with an aim to optimize Eesti Maja to give maximum benefit to the Estonian community.

We kindly request that the Board of Directors of The Estonian House Ltd. respond by Sunday, January 25, 2015.

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