



Peacock Circus International Inc.

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From: Oxana Miroshnichenko

Appendix "A"

To: Kathryn Reed-Garrett

Dear Kathryn,

Our company is very happy to work with the administration of the CNE and personally with you. We are new people in the CNE Ground and we always have a lot of questions and unsolved problems, but we always get your help and support. Thanks a lot for co-operation and understanding.

Now the preparation period for the tour of the Great Moscow State Circus is going on. This tour will include the time of the Annual CNE. Everything was Okay unless the information about SARS spread all over the world. Unfortunately, last Monday (June 2, 2003) we got an official letter from the Great Moscow State Circus, that they don't want to risk so much and to come to Toronto at this time. You understand that our Company can't stop the tour because big money was spent already plus the tour is actually the only family event in Toronto this summer.

That's why we continued negotiations with the Moscow Circus. The request is that we promised to double the deposit for the programme (and we did it immediately) and we promised to increase actors' salary by 50%.

In addition, we have already paid for the cargo, two-way tickets, accommodations, advertising, etc.

And it so happened that we actually out of budget at this time.

You know, that the ticket money we will be able to get only after the shows will start.

We apologize for this awkward situation. We would like to ask you understand us and to wait the \$20,000.00 deposit to the CNE for the Queen Elizabeth Building.

We will try to give it in the nearest future. But really we will try to provide you with \$10,000.00 till the end of June, and the rest \$10,000.00 till the end of July.

Again, we apologize for this situation. But it doesn't depend on us. It happened because of the situation in the city.

We hope that the Board of Directors will understand our position and help us to overcome today's difficulties.

Thank you for support and help.

Sincerely

Oxana Miroshnichenko

