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June 2, 2006

Ms. Barb Cribbett, CMA  
Treasurer  
Town of Markham  
101 Town Centre Blvd  
Markham, ON L3W 9W3

Dear Barb:

As you know, the current contract between the Town of Markham and KPMG to provide external audit services under RFP No. 149-R-01 expires with the completion of the fiscal 2005 audits.

We believe that we have developed a strong working relationship with you and your staff over the period of our tenure as the Town's auditors and would be pleased to continue to serve your organization in this capacity.

Over the tenure of our appointment, we have been proud to provide quality service to the Town. We have staffed our audit team with professionals who have developed a strong understanding of your business. We are also proud of the relationships that we have developed with personnel at the Town which we believe is important not only from an audit perspective but also in assisting the Town in other matters as required from time to time.

You have asked for a quote for the provision of external audit services through the fiscal 2006 period. We sincerely appreciate the opportunity to continue to be of service to the Town. The table below provides our fee quote as well as the comparative amount for 2001 (the year in which we were first appointed as auditors for the Town).

<i>Entity</i>	<i>2001 fee quote</i>	<i>2006 fee quote</i>
The Town of Markham	\$60,000	\$75,000
Town of Markham Trust Funds	\$1,000	\$1,800
Markham Public Library Board	\$6,000	\$8,500
Old Markham Village B.I.A.	\$1,100	\$1,800
Unionville B.I.A.	\$1,000	\$1,800
Markham District Energy <sup>1</sup>		\$8,500 <sup>2</sup>
Markham Enterprises Corporation	\$26,000 <sup>3</sup>	\$15,000 <sup>4</sup>
The Varley –McKay Art Foundation of Markham	\$2,800	\$3,500
Don Cousens Charitable Fund <sup>5</sup>		Pro Bono

The increases in fees are reflective of the change in scope of the applicable organizations in addition to the increased audit requirements since the date of our appointment. Should you wish to discuss the amounts presented in the table above, please feel free to give me a call.

Yours very truly,



Kevin M. Travers, CA  
Associate Partner  
(416) 228-7004

<sup>1</sup> Not specifically referred to in 2001 fee quote.

<sup>2</sup> Does not include preparation of CRA filings.

<sup>3</sup> The 2001 quote for MEC included the audit of Markham Hydro Distribution Inc.

<sup>4</sup> Does not include preparation of CRA filings.

<sup>5</sup> Not specifically referred to in 2001 fee quote.