

Montego Freeport Limited

Affiliate Company of Urban Development Corp.

November 2, 2011

Mr. Christopher Barnes
General Manager
The Gleaner Company Limited
7 North Street
Kingston

Dear Mr. Barnes,

Re: article published in Gleaner dated November 2, 2011, entitled "Montego Freeport to wind up operations after 45 years" by Avia Collinder

I refer to the matter at caption.

The article opens by stating that *"The responsibility for selling the company's last four parcels of land has been assigned to parent company Urban Development Company"*, this statement is completely false and as such the arguments on which the article is built are incorrect.

The responsibility for selling the company's remaining assets lies wholly with Montego Freeport Limited and not the Urban Development Corporation.

My statement in the annual report *"In an effort to ensure the company does not exist with no revenue stream to solely monitor the performance clauses contained in the sales agreements, the UDC has proposed to assume the contingent liability of the performance clauses"*, refers entirely to:

- 1) The expected income stream once all land has been sold
- 2) The performance clause contained in all MFL sales agreements

The statement does not, as suggested in your article, refer to the company's present financial status nor does it refer to an incorrect assertion that UDC has been assigned to sell MFL assets.

The facts, as is stated in the stock exchange notice, are, three resolutions were passed by the shareholders at the annual general meeting held in August 2011.

Two of the resolutions passed refer to the company delisting from the stock exchange and commencing winding up proceedings once all land under its ownership has been sold and the incorporated mandate achieved.

Montego Freeport Limited sells land for development purposes only and has a

MONTEGO FREEPORT SHOPPING CENTRE
P.O. BOX 303, MONTEGO BAY, JAMAICA, W.I.
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DIRECTORS: John Gourzong (Chairman), Barrington Baugh, Melissa Chang, Joy Douglas
Robert Russell, Methelina Scarlett-Jones, Dale Sinclair, Michael Subratie

performance clause incorporated in all sales agreements. This clause gives MFL the right to repurchase land sold, at the original selling price, should development not occur within a prescribed period. The third resolution passed refers to this clause. Through this resolution, the shareholders have given MFL permission to negotiate and enter into an agreement with the UDC to assume the contingent liability contained in MFL sales agreements. This agreement will facilitate the company ending operations once its revenue stream has ceased, by appointing UDC, as an agent to monitor and enforce, should it become necessary, the performance clause contained in the sales agreements.

This agreement would not refer to any one specific lot. It refers to all lots undeveloped at the time MFL is ready to wind up.

Presently the company is conducting normal operations and will continue to so do until all land has been sold.

It is important that reporters adequately understand issues prior to reporting on them. The potential fallout from such incorrect assertions could be far reaching.

We trust that the article will be amended, the statement retracted and the correct information noted.

Sincerely,



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John Gourzong
Chairman

Copy:	Tanique Brodber-Ventura	General Manager, MFL
	✓ Marlene McLean	Company Secretary, MFL
	Garfield Grandison	Editor-in-Chief, Gleaner
	Avia Collinder	Freelance writer, Gleaner
	Marlene Streete	General Manager, Jamaica Stock Exchange