July 4, 2014

DELIVERED

PRIVATE AND CONFIDENTIAL

WITHOUT PREJUDICE

Legal Services
Planning & Administrative Tribunal Law
City of Toronto
26th Floor, Metro Hall
55 John Street
Toronto ON M5V 3C6

Attention: Mr. Stephen Bradley

Dear Mr. Bradley:

RE: Nos. 625, 629 and 637 Yonge Street and 1, 3, 5, 7 and 9 Isabella Street
- Ontario Municipal Board Appeal
- Without Prejudice Settlement Offer

Further to the series of discussions that have taken place with respect to this matter, as a means of settling the appeal currently before the Ontario Municipal Board, on behalf of my client, I would offer the following settlement terms:

1. The agreed-upon built form would be as per the modified sketch (copy enclosed) which reflects the deletion of the cross-hatched area as shown on the North Elevation, being the removal of space from the 16th to 27th floors on the Yonge Street side.

2. In order to achieve the density contained in my client’s last settlement concept proposal dated March, 2014, the north (Isabella) side yard setback for the proposed tower would be reduced from 1.5 metres to 1.15 metres.

3. The Section 37 requirements would be for $2 million dollars.

4. The 10% three-bedroom requirement would read as follows:

"At least ten percent (10%) of the total number of dwelling units to be constructed on the lot shall contain family sized units of two bedrooms plus den and three or more bedrooms in compliance with the provisions of the Ontario Building Code, subject to a requirement that these family sized units will be a minimum size of 900 square feet."

5385372_J4A7DBOS&
5. Parking will be provided in accordance with the enclosed chart being an excerpt from the statistics table found on the drawings submitted in March, 2014.

The City and the applicants would agree:

i. To support a settlement on the above basis at the Ontario Municipal Board; and

ii. Any other details respecting a rezoning application would either be resolved to the satisfaction of the Chief Planner or, if not resolved, would be determined by the Board on the understanding that the other settlement terms would remain binding, regardless of the decision of the Board on these issues.

If further support of our without prejudice settlement offer, we will prepare Minutes of Settlement in the form enclosed, which will incorporate the Terms of the Settlement set out above as Appendix “1” and the settled form of the Draft Zoning By-law Amendment as Appendix “2”.

Therefore, on the basis of this without prejudice settlement offer, would you kindly proceed to seek instructions of City Council at its meeting being held on July 6 and 9, 2014. As you know, we have an Ontario Municipal Board prehearing date set for July 24, 2014 at which time we are expected to report to the Board on the status of this matter.

Should you require any further information, kindly contact me at your earliest convenience.

Yours very truly,

Dentons Canada LLP

Patrick J. Devine

PJD/mp
Enclosures
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<th>THREE BEDROOM UNITS/FLOOR</th>
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ONTARIO MUNICIPAL BOARD

RML 9 Isabella Street Limited and RML 625 Yonge Street Limited have appealed to the Ontario Municipal Board under subsection 34(11) of the Planning Act, R.S.O. 1990, c. P.13, as amended, from Council's refusal or neglect to enact a proposed amendment to Zoning By-law No. 428-86 of the former City of Toronto to rezone lands municipally known in A.D. 2013 as 625, 629 and 637 Yonge Street and 1, 3, 5, 7 and 9 Isabella Street.

OMB File No. PL130718

MINUTES OF SETTLEMENT

BETWEEN:

RML 9 ISABELLA STREET LIMITED AND RML 625 YONGE STREET LIMITED

(Collectively, the “Applicants”)

AND

CITY OF TORONTO

(the “City”)

WHEREAS:

A. The Applicants have appealed to the Board its Zoning Application (as herein defined) to permit the development of the subject lands.

B. The Applicants and the City have now reached an agreement to settle the issues between them resulting in joint support for the Revised Development (as defined herein), subject to certain conditions:

C. The Applicant and the City therefore wish to enter into these Minutes of Settlement.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements hereinafter expressed and the sum of TWO Dollars ($2.00) of lawful money of Canada now paid by each Party to the other (the receipt and sufficiency of which is hereby acknowledged by each Party), the Parties hereby covenant and agree to and with each other as follows:

SECTION 1

DEFINITIONS

1.1 “Applicants” mean RML 9 Isabella Street Limited and RML 625 Yonge Street Limited.

1.2 “Applicants’ Appeal” means the Applicants’ appeal to the Board of the Zoning Application.
"Board" means the Ontario Municipal Board.

"Board Hearing" means the hearing before the Board of the Applicants' Appeal.

"Chief Planner" means the Chief Planner and Executive Director of the City and shall include his or her designates.

"City Council" means the council of the City.

"City" means the City of Toronto.

"City of Toronto Act" means the *City of Toronto Act, 2006*, S.O. 2006, c. 11, Sch. A, as amended, superseded or replaced from time to time.

"Parties" means each of the Applicants and the City and "Party" means any one of them.

"Planning Act" means the *Planning Act, R.S.O. 1990*, c. P.13, as amended.

"Section 37 Agreement" means an agreement pursuant to Section 37(3) of the *Planning Act*, in a form satisfactory to the City Solicitor, to secure the Section 37 facilities, services and matters.

"Settlement" means the settlement authorized by Item 122 adopted by City Council at its meeting held on July 8 and 9, 2014.

"Site" means the lands which are the subject of the Applicant's Appeal.

"Revised Development" means the proposed re-development of the Site in accordance with the terms set out in Appendix "I" attached to these Minutes of Settlement.

"Zoning Application" means the application by the Applicants for an amendment to Zoning By-law No. 438-86 of the former City of Toronto to rezone lands municipally known in A.D. 2013 as 625, 629 and 637 Yonge Street and 1, 3, 5, 7 and 9 Isabella Street.

**SECTION 2**

**COVENANTS**

**Covenants of the Parties**

*To jointly support the settlement*

2.1 The Parties each agree,

(a) from this day forward, to jointly support the Settlement at the Board Hearing of the Applicants' Appeal that would allow for its resolution upon the terms and conditions set out in these Minutes of Settlement, and

(b) to that end, either Party may file these Minutes of Settlement at the Board Hearing.
Settlement

2.2 The Parties each agree to request the Board to approve a zoning by-law to permit the Revised Development in accordance with the Settlement, generally in the form described in Appendix "2" to these Minutes of Settlement.

Order to be withheld

2.3 The Parties also agree to request the Board to withhold its order approving the zoning by-law until the Board is advised by legal counsel for the City that,

(a) the final form of the zoning by-law is acceptable to the City Solicitor, and

(b) the Applicants have entered into the associated Section 37 Agreement.

Parties shall work in good faith to resolve outstanding issues

2.4 The Parties shall work in good faith to finalize the matters set forth in these Minutes of Settlement, if required.

Development to be in conformity with Zoning By-law

2.5 The Applicants agree that,

no alterations to heights and building envelopes without the consent of the City

(a) the Applicants shall not file applications, without the consent of the City Council or the Chief Planner, for rezoning or minor variances pursuant to Sections 34 and 45 of the Planning Act, which would alter the heights and building envelopes set out in the Settlement, but

issues arising during construction of the Revised Development

(b) the Parties acknowledge that, subject to subsection (a), the Applicants may file applications, without the consent of the City, to address such other issues as may arise during construction of the Revised Development, and

not to apply in event of consolidation with abutting lands

(c) shall not preclude the Applicants from applying for a rezoning or minor variance application in the event the site is consolidated with the abutting lands.

GENERAL PROVISIONS

Enurement

2.6 The Parties agree that the covenants, rights, duties, provisos, conditions and obligations herein contained shall enure to the benefit of and be binding upon each of the Parties and each of their respective successors and assigns.
Costs

*Parties waive and release each other*

2.7 Each Party waives any claim for costs against the other arising in any way from those matters settled by these Minutes of Settlement.

*Jurisdiction of Council not fettered*

2.8 The Applicants acknowledge that none of the provisions of these Minutes of Settlement is intended to operate, nor shall have the effect of operating in any way to fetter City Council in the exercise of any of its legislative or quasi-judicial powers, or to oppose any rezoning or minor variance applications as may be filed by the Applicant or its successors pursuant to Sections 34 and 45 of the Planning Act.

*Registered Owner to Sign Section 37 Agreement*

2.9 The Applicants will also ensure that the registered owner of the Site will enter into the Section 37 Agreement and that it will procure and provide to the City any release, discharge, quit claim, or postponement of any interest as necessary to ensure that the Agreement shall have priority over any interest other than such permitted encumbrances as the City Solicitor may accept.

IN WITNESS WHEREOF the Parties have executed these Minutes of Settlement by the hands of their proper signing officers, or by the hands of their legal counsel in the subject Board hearing of these matters, duly authorized in that behalf.

DATED at ____________, this ______ day of __________________, 2014.

RML 9 ISABELLA STREET LIMITED

________________________
Name:
Title:

________________________
Name:
Title:

I/We have authority to bind the Corporation.

RML 625 YONGE STREET LIMITED

- 4 -
PL11277

Name:
Title:

(c/o)

Name:
Title:

I/We have authority to bind the Corporation.

DATED at ________________, this ______ day of __________________, 2014.

CITY OF TORONTO

Name: Stephen M. Bradley
Solicitor for the City of Toronto

Authorized by ? adopted by City Council at its meeting held on July 8 and 9, 2014.
Appendix "1" To Minutes of Settlement
The Terms of Settlement

[NTD – here insert terms of settlement as set out in Settlement Offer]
Appendix "2" To Minutes of Settlement
Draft Zoning By-law

[NTD – here insert draft of proposed zoning by-law as established after discussions between the Parties and the review of the plans by Buildings Staff]