

CC17.1a - Confidential Schedule A - made public on April 6, 2016

AIRD & BERLIS LLP

Barristers and Solicitors

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March 23, 2016

Our File No: 113374

BY E-MAIL

Ms. Kelly Matsumoto and Ms. Abbie Moscovich
Legal Services
City of Toronto
26th Floor, Metro Hall
55 John Street
Toronto, ON M5V 3C6

Dear Mesdames:

**Re: WITHOUT PREJUDICE SETTLEMENT OFFER – SUPPLEMENTAL OFFER
840 and 860 Dupont Street, City of Toronto
OMB Case Nos: PL141134, PL140860, PL150838, and MM160005**

As you are aware, we are the solicitors for Sobeys Capital Incorporated ("Sobeys"), the owner of the property municipally known as 840 and 860 Dupont Street, in the City of Toronto ("Site").

We are writing further to our letters of February 26, 2016 and February 29, 2016 and our email of March 1, 2016 wherein we enclosed the terms of our client's without prejudice settlement offer respecting its appeals related to the Site.

As per staff's request, our client has considered whether a reduction in the overall height of the proposed development can be achieved. We are pleased to advise that as a result of this review, our client has reduced the overall height of the building (including mechanical penthouse) from 41.27 metres to 40.5 metres. In accordance with the attached elevation drawings, you will note that the overall height of the building (to the top of the mechanical penthouse) is 39.77 metres (refer to Drawing 5.05). However, as is standard practice, our client is requesting that the zoning by-law height map allow for some flexibility as the final design for the mechanical elements has not been finalized. Accordingly, we request that the maximum permitted height to the mechanical penthouse be 40.5 metres.

The height of the proposed building (to the top of the 9th storey excluding the mechanical penthouse) remains at 36.5 metres. The proposed floor to ceiling heights of the retail floors (levels 1 and 2) are consistent with standard practice and reflect our client's retail requirements. With the exception of floors 3 and 9, the proposed floor to ceiling height for the residential component of the building is 3 metres. Level 3 requires a 3.5 metre floor to ceiling height in order to accommodate a substantial transfer slab between the residential and retail uses. This height is also intended to facilitate a higher floor to ceiling height as required for the indoor residential amenity space. Floor 9 also requires a 3.5 metre floor

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to ceiling height to accommodate a drop ceiling for roof drains and certain acoustical ceiling elements as between this level and the mechanical uses above.

Together with the enclosed revised drawings, we have enclosed a proposed height schedule which depicts the proposed building heights. Our client is prepared to use the attached height schedule as a basis for the site specific zoning by-law amendment height map. You will observe that the mechanical penthouse comprises less than 15% of the overall 9th storey roof area and has been designed so that the narrowest point of the mechanical space fronts onto Dupont Street. The mechanical penthouse is also proposed to be situated on the roof in a manner that will provide a setback from Dupont and Shaw Streets and from the property to the west. Accordingly, it is our respectful position that there will be very little impact, if at all, from the mechanical penthouse from the adjacent properties and public right-of-ways.

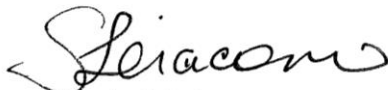
Finally, we note that our client's proposed heights, as revised, are proportionally consistent with the heights which were recently approved by the Board, with the support of the City, for the RioCan Holdings Inc. development at 740 Dupont Street.

We have enclosed a revised set of architectural drawings dated March 23, 2016 which reflect the above-referenced revisions to the overall height. The enclosed architectural drawings supersede the drawings previously circulated with our client's without prejudice offer. All other terms of our client's settlement offer continue to apply, as amended.

We trust the enclosed is satisfactory. Should you require further information, please do not hesitate to contact the undersigned.

Yours truly,

AIRD & BERLIS LLP



Sidonia J. Loiacono

SJL

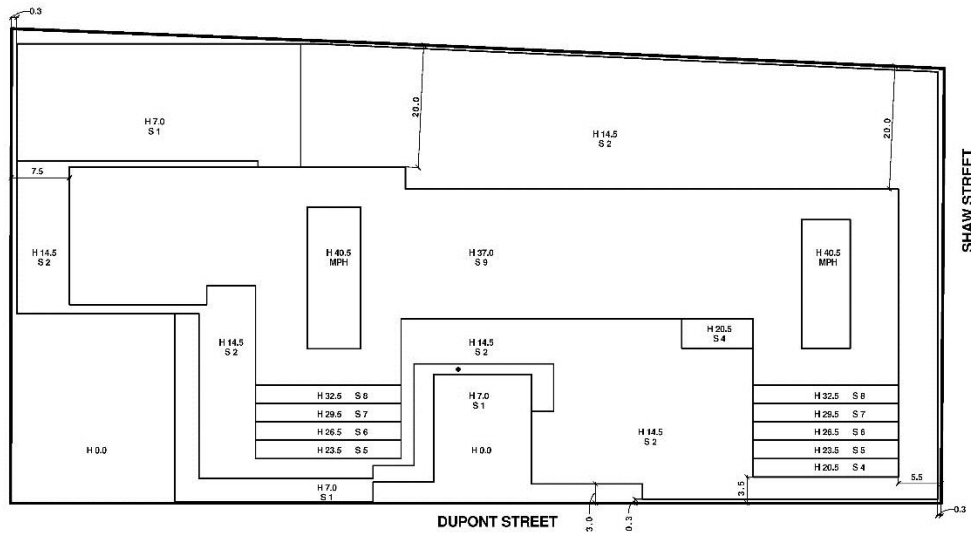
Encl.

cc. Clients
Bousfields Inc.

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AIRD & BERLIS LLP

CC17.1a - Confidential Schedule B - made public on April 6, 2016



WITHOUT
PREJUDICE
AND
CONFIDENTIAL

TWO WINGS
WITH PARK
ON DUPONT

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Sobeys Developments
Limited Partnership

DUPONT STREET &
SHAW STREET

HEIGHT SCHEDULE

