



Smart!Centres

700 Applewood Crescent, Suite 100, Vaughan, ON, L4K 5X3

Telephone (905) 760-6200 Fax (905) 760-6202

September 10, 2008

Charles Wheeler
Deputy Chief Project Manager
Third Party, Planning and Property
Spadina Subway Extension Department
5160 Yonge Street, 11th Floor
Toronto, ON M2N 6L9

Dear Mr. Wheeler:

Re: EA Amendment for Revised Spadina Subway Alignment

We have been advised that, due to property constraints south of Highway 7, a revised subway alignment is necessary to implement the Toronto-York Spadina Subway Extension Project (TYSSE). Some background on the current alignment of the TYSSE project through the Highway 7 area would be helpful in understanding the need for a revised alignment and also the need for an amendment to the Environment Assessment.

When the Property Protection study for the Spadina Subway extension was initiated and ultimately included in the Vaughan Official Plan and reflected in the Environmental Assessment (EA) process, the alignment through Highway 7 was selected on the assumption that the subway extension beyond Steeles Avenue was 10-15 years into the future. The EA alignment selected through the Toromont property on the south side of Highway 7 was not sensitive to Toromont's existing operations as a fundamental assumption in the finalization of the alignment was that Toromont's operation would be relocated out of the Vaughan Corporate Centre prior to the construction of the subway to Highway 7. This led to a subway EA alignment that displaces an existing Toromont building as it was assumed this building would not exist at the time of subway construction.

With Provincial funding of the TYSSE project to Highway 7 now a reality, it is now certain that the construction of the subway through Toromont's property will predate Toromont's move to another site. Consequently, it is critical that the cut/cover construction of the subway now allow for the continued operation of Toromont's buildings/operations throughout the construction of the subway project.

TYSSE staff have identified an alternative alignment, which would allow Toromont's existing buildings to remain in operation during subway construction. This revised alignment shifts the subway to the west and results in the angle of the subway north of Highway 7 being on a slightly different north-south orientation than was envisioned in the EA.

SmartCentres supports this revised alignment for the subway, as it does not have any material impact on the development of SmartCentres property north of Highway 7, which is currently vacant. As a result, SmartCentres supports the necessary EA amendment to shift the subway alignment as proposed. We understand that the SmartCentres property will still be affected by the cut/cover construction of the station and the necessary mobilization sites for station construction and systems installation. The implementation of the project (including the necessary property acquisition) will be addressed by a comprehensive property agreement that will be negotiated between the parties.

Sincerely



Paula Bustard
Senior Land Development Manager
SmartCentres

Copy to: B. Johnston, Johnston Donald Associates Inc.
T. Park, City of Toronto
I. Amelina, City of Toronto
B. Crowe, The Regional Municipality of York
D. Clark, York Region Rapid Transit
C. Bastedo, Toronto Transit Commission, Spadina Subway Extension
A. Bertolo, Toronto Transit Commission, Spadina Subway Extension
D. Amm, Toronto Transit Commission, Spadina Subway Extension



TORONTO TRANSIT COMMISSION



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GENERAL SECRETARY

June 23, 2008

Mr. David Wetherald
Vice President, Human Resources and Legal
Toromont Industries Ltd.
3131 Highway 7 West
P.O. Box 5511
Concord, ON L4K 1B7

Dear Mr. Wetherald:

Re: Letter of June 13, 2008 Regarding EA Amendment

Thank you for your letter supporting an EA amendment for the westerly shift of the TYSSE subway alignment through your property.

We expect to initiate the EA amendment process in September 2008 and will keep you advised of the process at that time.

We have assigned a property negotiator to the Toromont property file; Bob Johnston of Johnston, Donald Associates Inc. will be in touch in the near future to initiate more detailed discussions.

Sincerely,

Charles Wheeler
Deputy Chief Project Manager
Third Party, Planning and Property
Spadina Subway Extension Department

70-45-4
1126541

Copy to: B. Johnston, Johnston Donald Associates Inc.
T. Park, City of Toronto
I. Amelina, City of Toronto
B. Crowe, Regional Municipality of York
P. Roberts, Regional Municipality of York
D. Clark, York Region Rapid Transit



RECYCLED PAPER

Copy to: A. Bertolo
D. Amm
C. Bastedo
File Ref: 3-9.EXP-70

June 23, 2008

Mr. David Wetherald
Vice President, Human Resources and Legal
Toromont Industries Ltd.
3131 Highway 7 West
P.O. Box 5511
Concord, ON L4K 1B7

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Sincerely,

**ORIGINAL SIGNED BY
CHARLES WHEELER**

Charles Wheeler
Deputy Chief Project Manager
Third Party, Planning and Property
Spadina Subway Extension Department

70-45-4
1126541

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TOROMONT

Toromont Industries Ltd.
3131 Highway #7 West, Bldg. B
P.O. Box 5511
Concord, Ontario L4K 1B7
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**CALL FOR
ACTION**

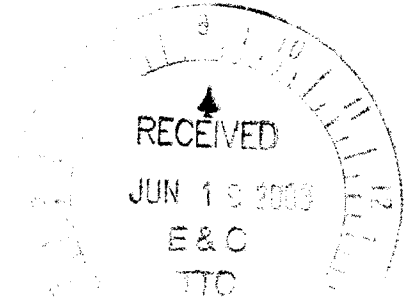
3-9 EXP-70

1126412

David C. Wetherald
VP, Human Resources and Legal
Direct 416-667-5773
dwetherald@toromont.com

June 13, 2008

Charles Wheeler
Deputy Chief Project Manager
Third Party, Planning and Property
Spadina Subway Extension Department
5160 Yonge Street, 11th Floor
Toronto, ON M2N 6L9



Dear Mr. Wheeler:

Re: EA Amendment for Revised Spadina Subway Alignment

As you are aware over the past 12 months, we have been working cooperatively with York Region and TYSSE staff with respect to how to minimize the construction impacts of the project on Toromont's operations. Some background on the current alignment of the Spadina Subway through the Toromont property would be helpful in understanding the need for a revised alignment and also the need for an amendment to the Environment Assessment.

When the Property Protection study for the Spadina Subway extension was initiated and ultimately included in the Vaughan Official Plan and reflected in the Environmental Assessment (EA) process, the alignment through Toromont's property was selected on the assumption that the subway extension beyond Steeles Ave. was 10-15 years into the future. The EA alignment selected through Toromont's property was not sensitive to Toromont's existing operations as a fundamental assumption in the finalization of the alignment was that Toromont's operation would be relocated out of the Vaughan Corporate Centre prior to the construction of the subway to Highway 7. This led to a subway EA alignment that displaces Toromont's Building "C" as it was assumed this building would not exist at the time of subway construction.

With Provincial funding of the TYSSE project to Highway 7 now a reality, it is now certain that the construction of the subway through Toromont's property will predate Toromont's move to another site. Consequently, it is critical that the cut/cover construction of the subway now allow for the continued operation of Building "C" throughout the construction of the subway project.

TYSSE staff have identified an alternative alignment which would allow Building "C" to remain in operation during subway construction. This revised alignment shifts the subway to the west and results in the east face of the subway wall being approximately 4 metres away from the west face of Building "C" (see Attachment 1).

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Mr. Charles Wheeler
June 13, 2008
Page 2

Toromont supports this revised alignment for the subway as it will help to minimize the impacts on Toromont's existing operations during subway construction. As a result, Toromont supports the necessary EA amendment to shift the subway alignment to the west. We understand that Toromont's operations will still be affected by the cut/cover construction of the station and a TBM extraction shaft (at a location still to be determined). As well, we note that the TYSSE project has committed to not using Toromont's property as a construction mobilization site for the launch of the tunnel boring machines (TBM's). It is our understanding that the launch of TBM's will be on property located south of Toromont's existing operations.

We appreciate TYSSE staff's efforts to minimize the impacts of subway construction on Toromont's operations and look forward to resolving the remaining construction issues in due course.

Sincerely,

Toromont Industries Ltd.



D. Wetherald
VP, Human Resources and Legal

Copy to: B. Johnston, Johnston Donald Associates Inc.
T. Park, City of Toronto
I. Amelina, City of Toronto
B. Crowe, The Regional Municipality of York
D. Clark, York Region Rapid Transit
C. Bastedo, Toronto Transit Commission, Spadina Subway Extension
A. Bertolo, Toronto Transit Commission, Spadina Subway Extension
D. Amm, Toronto Transit Commission, Spadina Subway Extension

Toromont Industries Ltd.

STIKEMAN ELLIOTT

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Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com

Calvin Lantz
Direct: (416) 869-56689
Email: clantz@stikeman.com

VIA EMAIL

June 23, 2008
File No.: 062598-1015

Toronto Transit Commission
1900 Yonge Street
Toronto, ON
M4S 1Z2

Attention: Mr. Charles Wheeler
Deputy Chief Project Manager

Dear Sirs:

**Re: Re: 274835 Canada Inc. Part of Lots 4 & 5, Concession 5,
formerly Geographic Township of Vaughan, now City of
Vaughan, Regional Municipality of York (the "Lands") and
Toronto-York Spadina Subway Extension Project**

We act for 274835 Canada Inc. and have been requested to respond to your letter of May 27, 2008. We understand that TTC has secured an alternative site for a tunnel mobilization site and is prepared to provide a release of its interest to our client on condition our client supports the revised subway alignment which is set out in your letter of February 27, 2008. We note that the subway realignment will require an EA amendment and again you are seeking our client's support for the initiation of the process in connection with it.

In principle, our client has no objection to the revised subway alignment set out in your letter of February 27, 2008 and is willing to provide support and co-operate with you. However, in exchange for its support and co-operation, it would like you to release any interest in its Lands, which would include not only the lands where the tunnel mobilization site was to be located, but the remainder of its Lands except those that are necessary for the revised subway realignment and its construction. Our client still has

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undeveloped Lands and it does not want to be hindered or delayed as a result of its agreeing to provide its support.

Also, our client understands the requirement for an EA amendment, but it must be able to develop its Lands before the amendment is approved and its approval and the process of completing it cannot be allowed to delay or hinder our client's development. Therefore, our client will need you, the City of Vaughan and the Regional Municipality of York to provide it with this assurance.

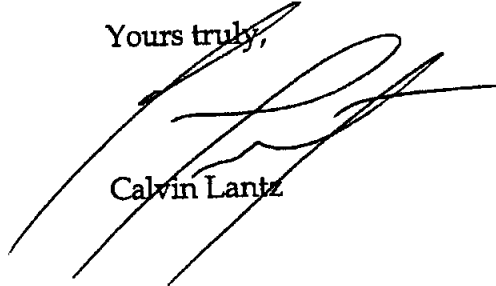
From your communiqué enclosed with your letter of June 5, 2008 to our client, we note that the City of Toronto, the TTC and the Regional Municipality of York have received provincial and federal commitments in principle for funding of the subway extension from Downsview Station to the Vaughan Corporate Centre and that once the necessary funding agreements are in place, design and construction will commence. We note that the TTC will be the overall project manager.

You should be aware that on July 10, 2000, our client entered into an Option Agreement with the City of Vaughan wherein it agreed to give the City an option to acquire certain lands for the subway extension on the terms and conditions set out therein. Our client expects that the City will honour the terms of the Option Agreement notwithstanding and the revised subway alignment will not prejudice its rights under the agreement. In the Option Agreement the route of the proposed subway extension is set out and in the circumstances the Option Agreement needs to be amended to show the revised subway alignment. The Option Agreement entitles our client to compensation for the land that will be used for the subway extension and the City has agreed to be responsible for certain of our client's costs in connection with the cost of surveying and preparation of closing documents. In the circumstances, now that the route of the subway is being changed, and our client will be dealing with you as project manager, there are and will be additional costs in connection with the realignment over and above those contemplated and we assume that either the TTC or the City will be responsible for our client's additional costs.

As you can appreciate the timing of development of our client's Lands is very important and this realignment may potentially impact on that in ways that our client had not previously foreseen. We suggest a meeting to discuss the foregoing would be best among our client, you, the City and the Region in order to reach a mutually satisfactory understanding regarding our client's future development plans for the Lands and the construction of the subway extension in its revised alignment.

We look forward to hearing from you at your earliest convenience.

Yours truly,

A handwritten signature in black ink, appearing to read 'CL', is written over the typed name 'Calvin Lantz'.

Calvin Lantz

CL/fa