

From: Bob Langlois <blanglois@aec-international.com>
To: "jpennac@toronto.ca" <jpennac@toronto.ca>
CC: "rcondon@toronto.ca" <rcondon@toronto.ca>, "mwilliams@toronto.ca" <m...>
Date: 05/19/2011 12:25 PM
Subject: TIEG Agreement, Apollo

Mr. Joseph Pennachetti
City Manager, City of Toronto
11th Floor, East
100 Queen Street West
Toronto Ontario
M5H 2N2
Canada

Sent Via Email: jpennac@toronto.ca

Dear Joe,

As a follow up to our discussion I am pleased to provide the following background in respect of the TIEG Agreement for the property and to clarify the necessary steps required in order to complete the Agreement.

1. The agreement as drafted and forwarded to the property owner denotes an assessed value and classification that is all IT (Industrial Taxable) and carrying a value of 37,024,750 and an ensuing base tax of \$795,476.49. (See Schedule F)

2. We understand from direct discussions with the Owner's property tax counsel that Minutes of Settlement have been exchanged between the Owner and MPAC's legal counsel, Conway Davis Gryski, to amend the 2008 CVA, lowering the value and creating an RT component which reflects and recognizes the state, use and condition of the subject lands for the time period in question.

The owner's legal counsel has advised that the signed Minutes of Settlement are expected upon the return of the lawyer (away on vacation) on or about June 6th, 2011.

At such time, we would expect that the base year assessment, classification and cva taxes for the subject property would be re-set by the Revenue Division of the City of Toronto and the agreement would be amended to reflect the appropriate cva level of tax.

As discussed on May 18th, it is important for Apollo to 'get this right' and ensure that all parties, City, Owner and Apollo, execute this agreement with the appropriate details properly addressed.

More particularly, the figures relied upon to calculate the incremental tax must be reflective of the pre-development state of the subject property which is the intention of the program.

Next Step

As we are scheduled to meet again on June 1st, 2011 we would appreciate it if the Economic Development Team and Revenue Services Division could coordinate accessing the terms of the Minutes of Settlement from MPAC's legal counsel in order that the base year taxes could be re-set, the agreement amended accordingly and thus enable Apollo and the Owner to sign off on the TIEG Agreement.

Thank you for your kind and courtesy assistance in this matter.

Regards,