



January 31, 2013

SENT VIA ELECTRONIC MAIL

City Manager's Office
City of Toronto
100 Queen Street West
Toronto, Ontario
M5H 2N2

Attention: Mr. Joseph Pennachetti

Dear Sirs:

Re: Toronto Mega Casino

Over the last few months, the Downtown West JV (being Allied Properties REIT, Rio Can REIT and Diamond Corp.) has been working to complete its acquisition of approximately 8 acres of land commonly known as the Globe and Mail lands, bounded by Front Street West, Wellington Street West and Spadina Avenue. The Downtown West JV is proposing to revitalize the currently underutilized site with the development of an integrated, truly mixed use project on the lands containing office, retail and residential uses.

The commitment of the Downtown West JV to this project with an investment in Toronto's downtown of over a billion dollars will create a myriad of public benefits for the City. Economic benefits include new employment uses, levies, fees and taxes. Improvements in the general area and the downtown will arise from the revitalization of this site creating enhancements to the public realm and to the vibrancy and livability of the City.

Toronto has consistently ranked highly in terms of its livability, and this City is especially recognized for its vibrant, safe and livable downtown. This is a unique attribute that sets Toronto apart from many North American cities.

At this time the Downtown West JV wishes to express its concern over the prospect of locating a mega style casino in the City's Downtown. Clearly, the media and reports indicate that the question of the mega casino location is a divisive issue in this City. We are aware that there are studies suggesting a casino will bring benefits to the City, but understand that such benefits will accrue regardless of the location. While we have not examined the case for a mega casino at locations outside of Downtown, we note that there are studies showing the potential harm that such a facility could bring to Downtown. In our view, the risk of the potential negative impacts from developing a mega casino in the Downtown outweighs the potential benefits.

Through the leadership of City Councils, now and in the past, a framework has been established in Toronto that has attracted substantial investment in the downtown. We firmly believe that this investment will continue without the necessity of taking a risk on this issue and potentially jeopardizing the success of our downtown.

We trust you will give this matter careful consideration.

Yours truly,

RIOCAN REAL ESTATE INVESTMENT TRUST



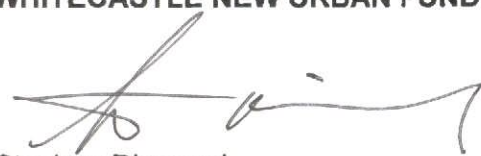
Edward Sonshine, O. Ont., Q.C.
Chief Executive Officer

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST



Michael Emory
President and Chief Executive Officer

WHITECASTLE NEW URBAN FUND II



Stephen Diamond
President, Diamond Corp.