

Appendix “A”

Major Terms and Principles of a Legally Binding Letter of Intent (“**LOI**”) between Centennial College of Applied Arts and Technology (“**CC**”) and City of Toronto (the “**City**”) for the City’s Sublease to CC in 2 Separate Stages (“**Phase 1**” and “**Phase 2**”) or concurrently, of up to app. 6.76 acres of certain lands (the “**Subleased Premises**”) at the existing Guild Inn Site (the “**Guild Inn Site**”) owned by Toronto And Region Conservation Authority (“**TRCA**”) and currently leased by TRCA to the City (the “**Head Lease**”)

No.	Item	Description
1.	DEFINITIONS	<ul style="list-style-type: none"> <li data-bbox="760 562 1382 680">• “Bickford Residence” means the original Colonel Bickford residence as it was before purchased by Rosa Clark and modified with several additions over time. <li data-bbox="760 716 1382 867">• “Conference Centre” means a conference/business learning centre on the west side of the Bickford wing with a capacity of up to 500 persons, including 2 levels of below ground parking. <li data-bbox="760 903 1382 989">• “CC/Newco” means Centennial College until the LOI has been assigned by it to an approved Newco, and, thereafter, Newco. <li data-bbox="760 1024 1382 1176">• “Cultural Precinct” means that portion of the park that has cultural facilities and heritage artifacts on display including the Greek theatre, building 191 and any new related structures put in the park to support cultural activities <li data-bbox="760 1211 1382 1388">• “Cultural Precinct Plan” means the Guild Inn Re-use Strategy produced by Goldsmith Borgal and Company dated February 1, 2005 which is currently being updated by Philip Goldsmith, architect, in consultation with the parties and TRCA. <li data-bbox="760 1423 1382 1541">• “Institute” means CC’s existing “Institute of Culture and Heritage Management” which CC says is a vital component of CC’s “School of Hospitality and Tourism”. <li data-bbox="760 1577 1382 1663">• “1965 Tower” means the reinforced concrete hotel tower that was added as an addition to the east of the Bickford in 1965. <li data-bbox="760 1698 1382 1875">• “Newco” means a single purpose not-for-profit corporation to be incorporated and controlled by CC under the applicable policy directive of the Minister, Training, Colleges and Universities and approved of by TRCA and the Deputy City Manager and CFO of the City. At all times,

No.	Item	Description
		<p>Newco shall comply with the <i>Financial Administration Act of Ontario</i> and CC shall be its sole controlling and voting member.</p> <ul style="list-style-type: none"> • “Phase 1 Development Work” means all work and other deliverables to be completed by CC/Newco as described in Paragraph 13. • “Phase 2 Development Work” means all work and other deliverables to be completed by Newco or an approved Developer as described in Paragraph 14.
2.	SUBLANDLORD	City.
3.	SUBTENANT	An approved Newco to be established by CC before the Condition Satisfaction Date.
4.	OWNER/HEAD LANDLORD	TRCA.
5.	PROJECT	<p>As described in Appendix “C”. The entire Project may be completed either in 2 separate Phases as set out below, or concurrently:</p> <p>(a) Phase 1: CC/Newco carry out their Phase 1 Development Work described in Section 12 within 24 consecutive months of the Condition Satisfaction Date (the “Phase 1 Development Completion Date”); and</p> <p>(b) Phase 2: either Newco or a third party Developer selected by Newco and approved by TRCA/City will complete the Phase 2 Development Work within an ensuing consecutive 24 months (the “Phase 2 Development Completion Date”).</p> <p>In total, the Project completion time-frame will be 48 months after the Condition Satisfaction Date.</p>
6.	SUBLEASED PREMISES	<ul style="list-style-type: none"> • Subject to paragraphs 9 and 10, the Phase 1 Lands and the Phase 2 Lands will be sublet. • The Phase 1 and Phase 2 Lands will comprise app. 6.76 acres.
7.	PHASE 1 LANDS	The footprint of the current Bickford Residence and lands and existing structures immediately adjacent thereto comprising app. 1.69 acres and as identified in Appendix “B” , along with Other Land Rights.
8.	PHASE 2 LANDS	Balance of Subleased Premises.

No.	Item	Description
9.	CC/NEWCO'S PHASE 2 EXPANSION OPTION CONDITIONS	<p>CC/Newco may, in its discretion, decide to sub-sublet the Phase 2 Lands to an approved Developer but only:</p> <ul style="list-style-type: none"> (a) either on completion of or concurrent with all Phase 1 Development Work; (b) if not in default; and (c) provided CC/Newco have given the City/TRCA unconditioned notice to this effect at least 30 consecutive days prior to the Phase 1 Development Completion Date, or at least 30 consecutive days prior to the commencement of any Phase 2 Development Work. <p>If the Phase 2 Lands are not sub-sublet to an approved Developer and/or the Phase 2 Development Work is not completed by the Phase 2 Development Completion Date, the City/TRCA shall have the compensation-free right to take and use such area(s) of the Bickford Residence and Phase 1 Lands as they reasonably require (up to and including all of it) and to obtain other requisite easements/licences (including for support and access) to enable them or other person(s) to carry out any other possible development(s) of their choice at the Guild Inn Site that may thereafter include all or some of the Bickford Residence and Phase 1 Lands and facilities during the remaining Sublease Term (the "TRCA/City Phase 1 Retention Rights").</p> <p>Subject to: (i) the foregoing; (ii) there being no uncured default under CC's sub-sublease with Newco; and (iii) CC having entered into any necessary sublease with the City for CC's portion of the Bickford Residence if there is an uncured default under Newco's sublease with the City, CC shall be allowed to remain in possession of its sub-subleased portion of the Bickford Residence.</p>
10.	CITY OPTION TO TAKE BACK BICKFORD RESIDENCE	<p>If the Phase 2 Development Work is not satisfactorily completed in accordance with Approved Plans and other Sublease requirements by the Phase 2 Development Completion Date, then, unless otherwise agreed in writing, the City shall have the option given by written notice to Newco at any time during the ensuing 24 months (the "Option Period") to elect either:</p> <ul style="list-style-type: none"> (i) to cancel the Sublease of the Phase 1 and Phase 2 Lands and to obtain free and unencumbered title (legal and beneficial) of all improvements, fixtures (including trade fixtures)

No.	Item	Description
		<p>and chattels on the Phase 1 Lands in return for payment by the City to CC/Newco of an amount equal to the actual demonstrated hard costs (i.e., in the ground) of the Phase 1 improvements, fixtures and chattels plus 10% plus the hard costs of the Phase 2 improvements expended prior to the Phase 1 Development Completion Date; or</p> <p>(ii) subject to the TRCA/City Phase 1 Retention Rights, to terminate CC/Newco's Phase 2 Option Expansion without compensation or liability of any kind and allow CC/Newco to continue its use and occupation of the Phase 1 Lands in accordance with the terms of the Sublease.</p> <p>Unless otherwise agreed in writing, this purchase transaction contemplated in sub-section (i) above shall be completed within 180 days of the City giving such notice.</p> <p>Without prejudicing any rights of the City/TRCA under the sublease or otherwise, CC/Newco agree that: (i) if there is an uncured default under the Newco's sublease at any time after Option Period: and/or (ii) if there is an uncured default under CC's sub-sublease with Newco for the Bickford Residence at any time during the term thereof, and the City elects to terminate the sublease in accordance with the terms thereof, no compensation of any kind, including reimbursement of Project construction costs, shall be made to CC or Newco and the sublease shall contain a complete release to this effect.</p>
11.	OTHER LAND RIGHTS & REFERENCE PLAN	<p>Appendix "B" is acknowledged to be a tentative plan of the Phase 1 and Phase 2 Lands which may change before the Condition Satisfaction Date during Sublease negotiations to reflect the final requirements of all parties and jurisdictional authorities.</p> <p>The written agreement of Newco, the City and TRCA will be needed regarding the final boundaries of the Subleased Premises and the number and location of all requisite regulatory limits and restrictions therein, valley lands, minimum access routes, parking areas and pedestrian walkways and other licences or easements, including those required by City/TRCA to access and maintain heritage monuments thereon/therein and access to the Scarborough Bluffs ("Other Land Rights").</p> <p>The City, in consultation with TRCA and CC/Newco, will prepare, at Newco's expense, a satisfactory reference plan of the Subleased Premises and Other Land Rights on or before Condition Satisfaction Date.</p>

No.	Item	Description
12.	CITY'S PHASE 1 DEVELOPMENT OBLIGATIONS	<p>The City will on or before the Condition Satisfaction Date:</p> <ul style="list-style-type: none"> • Demolish/remove 1965 Tower. • provide updated Cultural Precinct Plan to City Council for approval after prior consultation with CC and TRCA. • arrange for up-to-date market value appraisal of Subleased Premises as per Appendix "D", Section 2.
13.	CC/NEWCO'S PHASE 1 DEVELOPMENT WORK BY PHASE 1 DEVELOPMENT COMPLETION DATE	<ul style="list-style-type: none"> • Preparation and delivery to City and TRCA for review and approval, not to be unreasonably withheld, of: (i) a preliminary Operational Plan; (ii) a construction budget; (iii) draft construction schedule; and (iv) conceptual design drawings sufficient to make application for Site Plan and Heritage approvals, including traffic studies, access routes, services and Other Land Rights, if required. • CC/Newco demolish/remove all other buildings on Phase 1 Lands except for original Bickford Residence. • CC/Newco restore original Bickford Residence and provide adequate parking on the Phase 1 Lands, in accordance with plans and specifications to be approved by the City/TRCA ("Approved Plans") and other Sublease requirements. • If not in default, and subject to delivery of satisfactory performance security approved by TRCA and the City, CC/Newco, may at any time in their discretion and expense, construct the Conference Centre in accordance with Approved Plans and other Sublease Requirements.
14.	CC/NEWCO'S PHASE 2 DEVELOPMENT WORK BY PHASE 2 DEVELOPMENT COMPLETION DATE	<ul style="list-style-type: none"> • Newco submits the following to TRCA and City for approval based on Appendix "E" Criteria: <ul style="list-style-type: none"> (i) identity of proposed Developer and full disclosure of Developer's relationship with Newco as well as complete copies of related Project commitments, including Development Agreement, and proposed Performance Security to protect TRCA and City; (ii) written evidence of Developer having obtained sufficient financing commitments to achieve all Phase 2 Development Work;

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		<ul style="list-style-type: none"> (iii) Developer's completed business plan, subject to a mutually satisfactory confidentiality agreement, in form and substance satisfactory to the parties and their legal counsel; (iv) draft Project construction budget and schedule; (v) Developer's proposed conceptual design drawings sufficient to make application for Site Plan and Heritage approvals, including traffic studies, access routes and Other Land Rights, as required; and (vi) Project financing security requirements of any Developer Project lender. <ul style="list-style-type: none"> • Substantial Completion of 3.5 star commercial hotel with Conference Centre, restaurant(s)/café and spa facility. • Substantial Completion of Other Land Rights including pedestrian walkways and linkages, driveways and above-ground and underground parking in accordance with Approved Plans and other Sublease requirements
15.	USE	<ul style="list-style-type: none"> • <u>Phase 1</u>: office/administrative facilities/meeting rooms for Institute programming and possible Conference Centre and restaurant café. • <u>Phase 2</u>: in addition to Phase 1 use: (i) a 3.5 star commercial hotel with Conference Centre; (ii) restaurant(s)/café; and (iii) spa facility.
16.	CONDITION SATISFACTION DATE	<p>The date by which all Phase 1 LOI/Sublease Pre-Conditions described in Appendix "D" are satisfied, which date, unless otherwise agreed in writing by the parties and TRCA, will not be later than December 15, 2009. If significant progress is being made and more time is required, the City will consider CC's request for an extension to June 15, 2010, not to be unreasonably withheld. This date shall also be the commencement date of the Sublease.</p>
17.	SUBLEASE TERM	<p>From Condition Satisfaction Date until 11:59PM, August 31, 2083</p>
18.	BASE RENT	<p>Rent, in all cases, will be completely net and on a carefree basis to City and TRCA. The first 20 years will be at current FMV based on a new appraisal to be prepared at the City's expense before the Condition Satisfaction Date by an external consultant who is a designated member of the Appraisal Institute of Canada, which appraisal is to be approved of by TRCA. Rent for Phases 1 and 2 can be allocated from the total acreage of the Leased Premises. CC/Newco shall also have the right to</p>

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		<p>obtain an independent appraisal by a similar external appraiser. If the parties cannot agree, the Base Rent will be averaged out in accordance with Appendix "D", Section 2.</p> <ul style="list-style-type: none"> • 1st 3 years Base Rent to be deferred. Notwithstanding, the Subtenant is responsible for payment of all Additional Rent during this period. • Rent will be calculated from the Condition Satisfaction Date. • Rent reviews every 5th year during the Term based on prior annual CPI index increases. • Rent adjustments every 20 years based on market value appraisal. In no event, will rent be less than the rent for the last year of the previous term.
19.	ADDITIONAL RENT	CC is to be responsible for all additional rent, including applicable utilities, water and taxes as assessed and levied. Additional rent will begin on earlier of CC/Newco occupying the Phase 1 Lands or the Condition Satisfaction Date.
20.	GREEN DEVELOPMENT STANDARD	All Phase 1 and Phase 2 Development Work will be built in accordance with City's "Green Development Standards", as amended.
21.	DEVELOPMENT-RELATED CHARGES & FEES	CC/Newco to be responsible for Project Development Charges, Building Permit Fees and all other Project development related charges, as applicable.
22.	SITE PLAN & DEVELOPMENT PLAN APPROVALS	The City will enrol CC/Newco for participation in City Planning Division's current "STAR" programme approval process. Otherwise, CC/Newco acknowledge that, notwithstanding that the City may have signed the Sublease, the City's discretion with respect to the approval of planning, zoning and related matters in respect of the Project or any part, remains unfettered.
23.	OTHER MAJOR APPROVALS, REGULATIONS & PLANS	CC/Newco will comply with all Approved Plans and applicable laws, by-laws, approvals and regulatory requirements, including TRCA regulations. The Sublease will contain covenants from CC/Newco not to deviate from Approved Plans and specifications in a material way without written consent of the City/TRCA.

No.	Item	Description
24.	DECLARATION OF SURPLUS AS TO SUBLEASED PREMISES	Subject to Council approval, the City will proceed expeditiously to complete publication of any required public notice. Any necessary adjustments based on the completed reference plan described in paragraph 11 will subsequently be made, if required.
25.	ASSIGNMENT RIGHTS	<p>There are two possible scenarios where an assignment might arise and are to be complied with by CC at its expense. The first scenario might occur between the signing of the LOI and the Sublease; the second, is the period subsequent thereto (i.e. during the term of the Phase 1 Sublease):</p> <p>(a) <u>First Scenario</u>: CC will not transfer or assign the LOI to Newco without first obtaining the written consent of City and TRCA, which consent may be unreasonably or arbitrarily withheld, until completion of all the matters and conditions described in Appendix “E” or written waiver thereof by the City and TRCA, all in form and substance to the reasonable satisfaction of TRCA and the City; and</p> <p>(b) <u>Second Scenario</u>: Although there will be permitted exceptions (including criteria) for leasehold mortgages, affiliates and for any approved Developer, no other assignment or sublet will be permitted by Newco without the prior written consent of the City, not to be unreasonably withheld and, in any event, no release will be provided to the Assignor.</p>
26.	NEWCO’S SUBLET RIGHTS TO DEVELOPER FOR PHASE 2 DEVELOPMENT WORK	There will be provision for a sub-sublease in favour of any third party Developer selected by Newco to construct the Phase 2 Development Work, provided the City and TRCA shall have first approved such Developer, based on the criteria set forth in Appendix “F”.
27.	NEWCO’S SUBLET RIGHTS TO HOTEL OPERATOR	There will be provision for a sub-sublease in favour of an “Initial Operator” of the 3.5 star commercial hotel and spa on the Phase 2 Lands other than an approved “Newco” based on the criteria set forth in Appendix “G” having been met. Criteria for a subsequent change in Hotel Operator will be addressed during Sublease negotiations prior to the Condition Satisfaction Date.
28.	CROSS-DEFAULTS	An uncured default/non-performance under any sub-sublease between an approved Newco and CC and/or any approved Developer or Hotel Operator shall constitute default under the Sublease. Conversely, subject to the terms of any Multi-Party Agreement below described, an uncured default/non-performance under the Sublease shall constitute default under any such sub-sublease(s).

No.	Item	Description
		<p>Notwithstanding the foregoing cross-defaults and subject to the provisions of any Multi-Party Agreement below described, it is agreed that CC shall be allowed to remain in possession of its sub-subleased portion of the Bickford Residence if the City elects to terminate Newco's sublease due to an uncured default if:</p> <ul style="list-style-type: none"> (i) CC is not in default of its obligations under its sub-sublease with Newco; and (ii) CC enters into a direct replacement sublease with the City for CC's sub-subleased portion of the Bickford Residence on terms and conditions mutually satisfactory to the parties, acting reasonably, and in form satisfactory to their legal counsel and TRCA's legal counsel. <p>The foregoing rights of the parties will be made subject to the terms and conditions of any multi-party subordination/priority of security interests/non-disturbance/shared-use and operating agreement(s) to be entered into between Newco, any approved Developer/Hotel Operator and its/their lender(s), the City and TRCA, as the case may be, in form and substance satisfactory to these parties and their legal counsel, all acting reasonably (the "Multi-Party Agreement").</p>
29.	<p>PERFORMANCE SECURITY FOR PROJECT & ADDITIONAL COLLATERAL SECURITY FOR CITY/TRCA</p>	<p>The Sublease shall contain a covenant on the part of CC/Newco to require any general contractor/builder of the Project or any part to provide:</p> <ul style="list-style-type: none"> (1) a Bid Bond in the minimum amount of 10% of the overall Project contract price. (2) Performance and Labour and Materials Bonds, each in the minimum amount of 50% of the overall Project contract price and the correction of any deficiencies. <p>with the City and TRCA to be named in the bonds as obligees on terms and conditions acceptable to the City and TRCA.</p> <p>CC/Newco and any approved Developer shall also provide, in favour of TRCA/City and as security for any liability, damages or expense that TRCA/City may incur arising from any construction lien or other liens or orders for the payment of money filed or made against the Subleased Premises and for completion of the Project in accordance with Approved Plans and other Sublease requirements, a \$5M Completion Bond or Letter of Credit to ensure the absence and removal of any construction</p>

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		<p>lien claim, and the satisfactory completion of all Project work in accordance with the Sublease requirements, or, at the sole option of TRCA and the City, the demolition thereof and restoration of the Subleased Premises to a satisfactory park-like condition. During the Condition Satisfaction Date period, the City, in consultation with Newco and TRCA, acting reasonably, will give consideration to the staging, nature and amount of this security, including whether a lesser amount would then be satisfactory.</p> <p>On or before the Condition Satisfaction Date and at all times during the Term, CC agrees to create, reserve, set aside and deposit in a segregated, interest performance-bearing endowment trust fund managed by CC, and to be approved by the City Treasurer, a principal protected capital amount of not less than One Million Dollars (\$1,000,000.00) designated for the sole, benefit, security, use and enjoyment of the City in case of an uncured default under the LOI/Sublease (the “\$1M Protected Capital Fund”). While remaining details will be finalized during sublease negotiations, the parties agree that this fund and its management shall reflect the following additional characteristics: (i) it will always be a minimum \$1M principal protected capital fund; (ii) the interest growth thereon will accrue to the benefit of this fund, subject only to a reasonable administration fee charged by CC from time to time; (iii) CC will, at its expense, provide the City with post-audited reports annually that are reasonably satisfactory to the City Treasurer; (iv) without prejudice to any other remedy available to the City, such amount, together with interest earned thereon, may be drawn down, used, applied and dispersed by the City, in its discretion, without hindrance, objection, dispute of any kind whatever to rectify or reimburse the City for any losses, liabilities or expenses in the event of an uncured event of default under the Sublease upon the written certificate to this effect of either the Chief Corporate Officer or Treasurer of the City. The City’s rights to the foregoing performance security shall in all circumstances take precedence over any rights, document or security interest of CC/Newco and any approved Developer/Hotel Operator or their lenders/financiers, and the Sublease shall contain satisfactory subordination and postponement provisions to this effect in favour of the City</p>
30.	SITE SECURITY DURING PROJECT DEMOLITION/ CONSTRUCTION	Prior to commencement of any Project work including stabilization, CC/Newco shall take out and keep in force, until completion of the Project, the fencing of

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		<p>the entire construction site portion thereof from the public and adequate security will need to be provided by Newco, which will be acceptable to Newco, the City and TRCA as outlined in the Sublease. The foregoing shall apply to any demolition to be undertaken by the City. Neither TRCA nor the City shall have any responsibility for security after the Condition Satisfaction Date.</p>
31.	<p>LABOUR & EMPLOYMENT ISSUES</p>	<p>In terms of Project operations, the Sublease will clearly stipulate the non-involvement of TRCA and the City and their respective staff members in the operations of the Project.</p> <p>CC acknowledges that a satisfactory summary of those Labour and Employment matters at the Guild Inn site and a chronological description of the total Guild Inn Site's governance and management was prepared by City staff and accepted by CC. CC represents and agrees that it obtained independent legal advice on these issues as set out below and is assuming full responsibility for the same.</p> <p>In terms of all Project demolition and construction matters:</p> <ul style="list-style-type: none"> (a) CC/Newco shall adhere to and comply with The City of Toronto's "<i>Fair Wage</i>" and "<i>Labour Trades Contractual Obligations in the Construction Industry</i>" policies during demolition and until completion of all hotel project construction. CC/Newco agree that they will provide the City and TRCA upon request, and as a condition precedent to any assignment completion to Newco, with a satisfactory release and indemnity relating to these issues. In form and content satisfactory to the City Solicitor and TRCA's legal counsel; (b) CC/Newco will, during the Condition Satisfaction period and before finalization of the Sublease negotiations, provide the City and TRCA upon request with a complete list of all unions, including construction trades, that hold certificates and/or have collective bargaining relationship with CC/Newco and any of its subsidiaries and/or related companies; (c) the City will not provide any release and/or indemnity to the CC/Newco (as applicable) regarding any labour or employment issues; and (d) Sub-sections (a), (b) and (c) shall equally apply to any approved Developer and/or Hotel Operator.

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32.	INSURANCE	Prior to commencement of any Project work including stabilization and demolition, CC/Newco shall effect and keep in force, until completion of all such work and during the Sublease Term, the City's standard insurance requirements in favour of the City and TRCA as previously delivered to CC's lawyer and accepted by CC. Such basic requirements are to be reviewed before the Condition Satisfaction Date during Sublease negotiations to determine if any additional coverages and/or specific acceptable deductibles, need be stipulated by the City.
33.	LOAN AGREEMENT RE GUILD INN ARTIFACTS	The negotiation and entering into of a mutually satisfactory loan agreement will be a condition precedent to any Sublease.
34.	NAME	The project will, from the outset and continuously throughout the Sublease Term, be called "The Guild Inn", which name will not be changed without the prior written consent of the City (which may be arbitrarily or unreasonably withheld). Should an approved Developer or Hotel Operator, as the case may be, be part of a national chain with a nationally utilized brand or banner considered acceptable to the Chief Corporate Officer and TRCA, acting reasonably, it is always open to Newco (i.e., the Subtenant) to apply to the City for permission for such developer or operator to market such brand or banner in conjunction with an acceptable licence of the use of "at the Guild" or "at the Guild Inn" or other mutually agreed-upon designation on terms and conditions acceptable to the parties including any interest and concerns of the Heritage Preservation Board, and in form acceptable to the City Solicitor.
35.	CITY CAPITAL INVESTMENT IN ADJACENT PARK	There can be no binding commitment imposed on future City Councils in this regard. However, subject to approval by City Council and TRCA, City staff's recommendation is to the effect that Council approval be given for total cultural capital project funding associated with the Cultural Precinct portions of the Adjacent Park, estimated at \$4.1M. The parties will endeavour to establish a satisfactory schedule or time-table for its expenditure before the Condition Satisfaction Date. Implementation of this funding shall be tied to certain milestones being achieved by Newco (including substantial completion of the Phase 2 Development Work), the terms and scheduling of which are to be mutually agreed-upon before the Condition Satisfaction Date as part of any Sublease terms.
36.	ADJACENT PARK	The City represents that the park area adjacent to the Subleased Premises has, for the past 13 years,

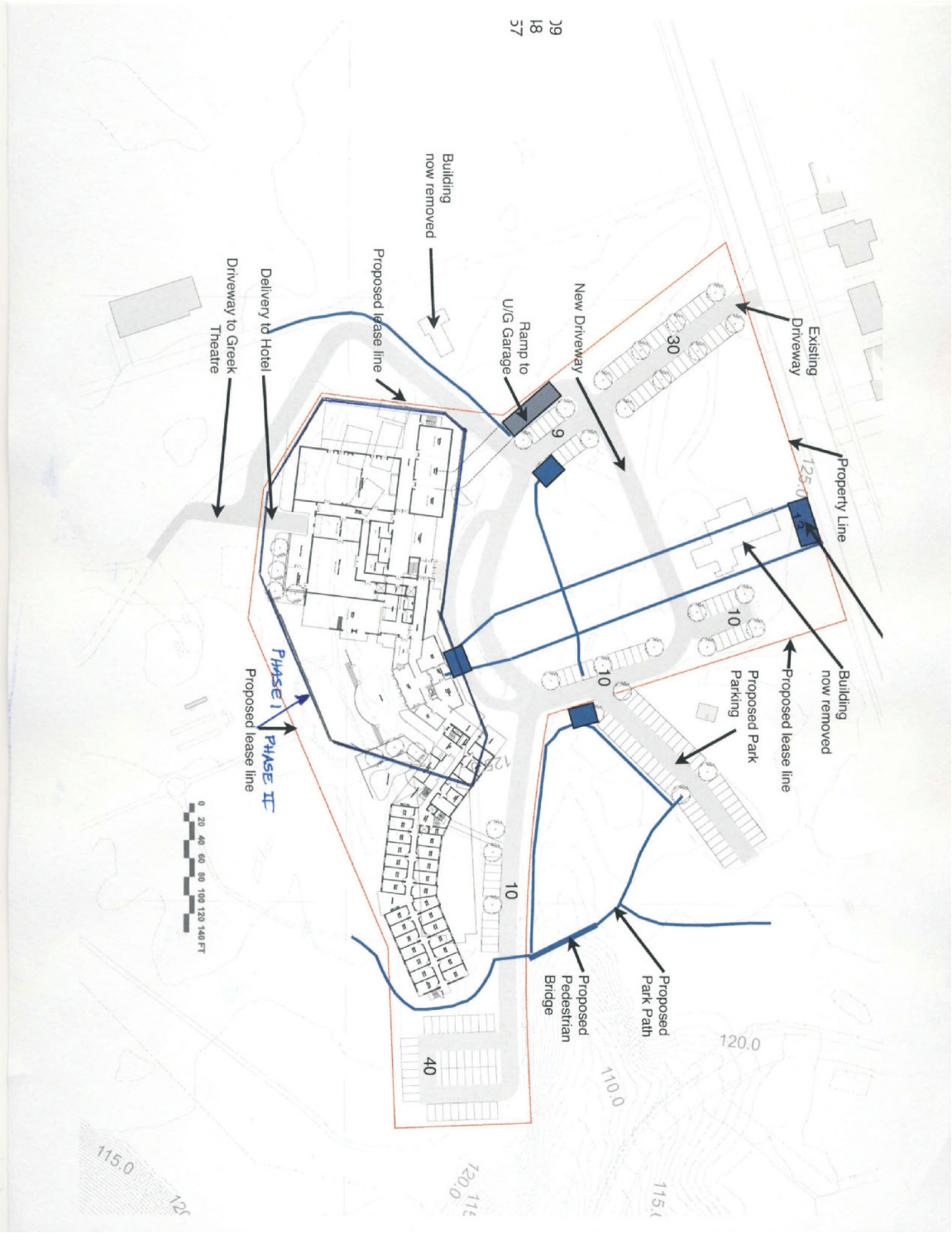
No.	Item	Description
		<p>been designated at the City's highest standard of "Garden or Destination Park". CC agrees that no commitment for a specific future maintenance standard is made by the City or TRCA.</p> <p>There are to be no special limitations or use provisions in favour of CC/Newco regarding their use of the Adjacent Park. Notwithstanding, the City agrees to consult with CC/Newco regarding requests for preferential permit allocation which may be granted by the City in accordance with the then applicable fees, terms and conditions of its permit process. A mutually satisfactory protocol will be established before the Condition Satisfaction Date that governs use and fees for use of the Adjacent Park for matters such as wedding photography and other special events.</p>
37.	NO CASINO	No casino operation will be permitted on the Subleased Premises.
38.	CATERING AND OTHER RIGHTS LIMITED TO SUBLEASED PREMISES	<p>Any approved Newco, Developer or Hotel Operator to agree that should the City run a competitive process for event catering in or including the Adjacent Park, they will not be precluded from participating. Subject to this, these parties agree that their entitlement to offer goods and/or services in the Subleased Premises does not extend to the Adjacent Park.</p> <p>During the sublease negotiations, the parties will negotiate the details of: (i) CC/Newco/any approved Developer/Hotel Operator's right of first refusal to operate any future permanent coffee shop/café facility within the Cultural Precinct (but not any event); and (ii) the concept of any "operational resource group" made up of stakeholders at the entire Guild Inn Site whose function will be to establish event and maintenance protocols.</p>
39.	INDEMNITY	CC/Newco to indemnify TRCA/City from all claims and expenses relating to the use and occupation of the Subleased Lands by any approved Newco/Developer/Hotel Operator and their workers and authorized agents, including any breach of the Sublease, any Development Agreement or hotel operating agreement, construction lien claims or any other obligations relating to the Subleased Premises, unless caused by the gross negligence or willful misconduct of TRCA/City and their authorized agents.
40.	EVENTS OF SUBLEASE TERMINATION/DEFAULT	As per Appendix "H"

No.	Item	Description
41.	NON-DEROGATION FROM RIGHTS & OBLIGATIONS OF CITY AS MUNICIPALITY & TRCA AS A CONSERVATION AUTHORITY	Nothing in the LOI, Sublease or any other Project related agreement shall derogate from, interfere with, or fetter the normal exercise of discretion by the various departments and officials of the City or TRCA of all of its/their powers, rights and obligations as a municipality or regulator (whether discretionary or mandatory) or impose any obligations on the City in its role as a municipality or on TRCA as a regulator. The City and TRCA shall not be prevented or prejudiced in carrying out its/their statutory powers, rights or responsibilities, including the City's planning rights and responsibilities.
42.	GENERAL	<ul style="list-style-type: none"> • <i>Project Communications:</i> CC to obtain City's prior written approval of any press releases or other public information announcements concerning the Subleased Premises, and vice versa. The City shall will endeavour to provide CC with notice regarding any City press releases or other public information announcements or communications with respect to the Adjacent Park. • <i>Erosion to Scarborough Bluffs:</i> Newco to be responsible for compliance with all TRCA's regulatory requirements and the Sublease will provide a complete release of TRCA and the City from CC/Newco, any approved Developer/Hotel Operator, any tenant, concessionaire, licensee or other occupant of all or any part of the Subleased Premises in respect of any damage in respect of erosion of the Scarborough Bluffs howsoever caused, save and except for gross misconduct or gross negligence of TRCA and/or the City.. • <i>Disclaimer:</i> CC and the City expressly disclaim any intention to create a partnership, joint venture or joint enterprise between themselves or between either one of them and TRCA. Nothing shall be deemed to constitute any of them as partners, joint venturers or principal and agent in any way for any purpose. Neither party shall represent or hold itself out to be an agent of the other. Neither party shall have any authority to act for or to assume any obligation or responsibility on behalf of the other party. • <i>Changes:</i> None to LOI or Sublease except by written agreement between CC and the City and approved of by TRCA. • <i>Non-Registration:</i> CC not to register the LOI or notice thereof or a caution, certificate of pending

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		<p>litigation, or any other document providing evidence of the LOI against title to the Guild Inn site or any part.</p> <ul style="list-style-type: none"><li data-bbox="760 373 1395 548">• <i>Force Majeure</i>: The details of a mutually satisfactory clause to this effect, including strikes, lock-outs, slowdowns or any other action arising from a labour dispute, and a health epidemic, are to be established during sublease negotiations.

Appendix "B"

Phase 1 & Phase 2 Leased Lines



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Appendix "C" **Project Description**

The Project will be situated to avoid significant impacts to the site's cultural heritage and natural landscape. All building elements will be arranged to take maximum advantage of existing views, axial alignments and approaches preserving the memory of the original Inn. Special attention shall be devoted to ensuring a high quality and innovative development in harmony with the historic character of the total site its waterfront location and its rustic natural setting.

CC and its development partners are committed to the design principles established and expressed in the "Guild Inn Re-use Strategy" prepared by Goldsmith Borgal and Company dated February 1, 2005 which is currently being updated by Phil Goldsmith to adapt to the CC Proposal.

Phase 1 Project Concept

Phase 1 consists of a total renovation of the original Bickford residence absent the 1941 conference room addition to the east, minus the 1934, 1947, 1955 and 1963 additions to the west.

The renovation will be sympathetic to the original arts and craft detailing that had largely been abandoned in subsequent renovations. Since very little of the original fabric remains on the main floor except for the main staircase, the rooms on the main floor should be reconfigured somewhat to make the space more functional for its adaptive re-use.

This phase may also include the "Conference Centre" in substantial accordance with CC's proposal as outlined by Philip Goldsmith's conceptual plans dated March 23, 2009 and as approved by the City/TRCA. If this option is not included in Phase 1, the remaining small outbuildings shall be cleared by CC at its expense and the land used for interim parking.

Phase 2 Project Concept

This phase may include the above mentioned Conference Centre if it has not already been built and will include up to 120 rooms in a new hotel configuration on the east side of the Bickford wing. The hotel will include 3 ½ star service facilities including a spa.

Together this ensemble of new structures will support the Institute by facilitating international conferences associated with this program and others being hosted by CC.

Appendix "D"
Phase 1 LOI/Sublease Pre-Conditions

The LOI/Sublease is conditional on the following conditions being met by the Condition Satisfaction Date or such other date as is specifically set out below. If this does not happen and no other agreement is made between the parties and consented to by TRCA, the party named as having the right to do so may terminate the agreement. If no party is named, either party can terminate.

1. Letter of Intent

By **August 31, 2009**, CC and the City shall execute a mutually satisfactory letter of intent ("LOI") substantially on the terms and conditions described in the attached term sheet, subject to such further revisions and other terms and conditions as may be satisfactory to the City's Deputy City Manager and Chief Financial Officer, in consultation with the General Manager of Economic Development, Culture and Tourism ("General Manager"), CC and TRCA, and in a form acceptable to legal counsel for the parties and TRCA.

2. Appraisal

On or before **August 31, 2009**, the City shall arrange for an appraisal of the Subleased Premises, including separate valuations for the Phase 1 and Phase 2 Lands, to be prepared by an external consultant who is a designated member of the Appraisal Institute of Canada at City's expense, naming CC as an intended user, and provide such appraisal along with the fair market value rental rate for Phase 1 and Phase 2 to CC for approval. If CC is not satisfied with the appraisal and fair market rental rate presented by the City, CC shall be entitled to arrange for its own independent appraisal by a similar external consultant at its expense naming the City as an intended user, and provide such appraisal along with its proposed fair market value rental rates to the City for approval by **September 30, 2009**. If the parties are unable to agree upon a fair market value rental rate by **October 15, 2009** then, the respective appraisers for the CC and the City shall appoint an independent third appraiser similarly qualified to perform a further appraisal whose expenses shall be paid equally by the parties and shall name the City and CC as intended users. The parties agree to accept an average of the two (2) closest evaluations to create the rental rate in the event of any disagreement.

3. Documentation

Following approval of the terms and conditions of the LOI by City Council, CC's Board of Governors and TRCA as described above, the City, CC and TRCA, as applicable, will work diligently and in good faith in the negotiation and preparation of the Project Sublease and related documentation including: (i) any agreement to amend and re-state or replace the existing Head Lease between TRCA and the City and/or their existing October 11, 1972 operating agreement, as required; (ii) to remove any related notices of lease or assignment from registered title; (iii) an applicable Heritage Easement Agreement, if required; (iv) site plan and details; (v) plans and specifications of any proposed construction or development needed to satisfy all requirements of TRCA, including Ontario Regulation 166; (vi) the loan agreement for the Guild Inn Artifacts; and (vii) the Other Land Rights.

4. Other Inducements

The City and CC will have negotiated and settled in the Sublease all inducements that the City may be prepared to offer CC during the Sublease Term.

5. TRCA and Ministers' Approvals

All requisite approvals of the Project Sublease and other Project related documentation shall have been obtained from TRCA (in its capacity as landowner and statutory regulator) and from its approving Minister as contemplated in the Conservation Authorities Act, Section 21, if required, all in form and substance satisfactory to the parties and TRCA and their legal counsel.

6. Sublease

CC and the City shall have negotiated and entered into a mutually satisfactory Sublease based on the terms and conditions set out in the attached term sheet and any LOI in a form acceptable to the City Solicitor and legal counsel for the CC and TRCA. Without limiting other terms and conditions that may be in the Sublease and subject to the Multi-Party Agreement, the Sublease will contain provisions to the effect that before a mutually agreeable date, CC/any approved Newco/Developer will enter into binding contracts with an architect and general contractor for the Project on terms and conditions satisfactory to the City/TRCA including an acknowledgement that such contracts can be assigned to the City/TRCA upon an uncured default, and that in such event, the City/TRCA may assume all the rights and obligations of CC/any approved Newco/Developer thereunder and to do so without interference and without payment of any penalty, charge or fee by the City/TRCA.

7. Archaeological Condition

If, in the reasonable opinion of either party, there are significantly prohibitive archaeological impediments (cultural, heritage, financial, operational or otherwise), either party shall be entitled to terminate the LOI and related negotiations and vacate the deal by giving written notice to the other on or before **August 15, 2009**, and neither party shall have any claims against the other for such abandonment. If such notice is not given within this timeframe, CC/Newco accept the Subleased Premises "as-is" with no City/TRCA liability whatever.

8. Environmental Remediation

On or before **August 15, 2009** and only after receipt from CC/Newco of an executed non-disclosure agreement, in form satisfactory to the City Solicitor, the City shall arrange for a Phase I and a Phase 2 Environmental Site Assessment (the "**Phase I and Phase 2 ESA**") to be prepared by a qualified person at the City's expense, and delivered to CC/Newco:

- (i) if any remediation work required for the Subleased Premises set out in the Phase I and Phase 2 ESA is, in the reasonable opinion of either party, considered to be prohibitively expensive, either party in its discretion shall be entitled to terminate the LOI and related negotiations and vacate the deal by giving written notice to the other within **21 consecutive days**, calculated from the day the City gives the Phase I ESA to CC (the "**Environmental Notice Period**"), and in such event, neither party shall have any claims against the other in respect of the Project. If such notice is not given within this timeframe, CC/Newco accepts the Subleased Premises "as-is" with no City/TRCA liability whatever, subject only to any Section 8(ii) remediation agreed to by the City.
- (ii) if the remediation work required for the Subleased Premises set out in the Phase I and Phase 2 ESA is, in the reasonable opinion of CC/Newco and the City, for a reasonable amount acceptable to them, the parties will negotiate a satisfactory arrangement for payment of the remediation expenses and the nature, timing and extent of completion of the remediation works. If CC/Newco and the City cannot come to such an agreement within the Environmental Notice Period, either party may terminate the LOI and related negotiations and vacate the deal by providing written notice to the other party within such period, and, in such event, neither party shall have any claims whatever against the other in respect of the Project. If such notice is not given within this timeframe, CC/Newco shall be deemed to accept the Subleased Premises "as-is" with no City/TRCA liability whatever.

9. Copies of All Reports

The City/TRCA/CC/Newco/any approved Developer shall be named as intended users and will share copies of any environmental, archaeological, historical or other investigation report(s) and related documentation that they obtain in relation to the Subleased Premises, and such parties shall have compensation-free rights to use such documentation provided they agree to sign a commercially reasonable non-disclosure agreement.

10. Grant/Fund-raising

CC shall have provided the City and TRCA with a satisfactory certificate of a senior officer of CC, in form acceptable to legal counsel for CC and the City, confirming that: (i) CC has obtained and set aside the \$1M Protected Capital Fund upon the terms and characteristics as described in Appendix "A", Paragraph 29; and (ii) that CC has obtained sufficient grant/fund-raising commitments (i.e., public, private lending, private capital donations or otherwise) to enable CC/Newco to finance construction of all Phase 1 Development Work on terms and conditions satisfactory to CC and its legal counsel.

11. Newco

If CC opts to assign the LOI to Newco, CC shall, at its own expense and as one of the pre-conditions to any approved assignment, satisfy all the criteria set out in Appendix "E". Any such assignment request shall be given in writing on or before **October 15, 2009**. CC represents that Newco will always be legally and beneficially controlled by it during the Term of the Sublease.

12. Cultural Precinct Plan

The City will have obtained approval of its Cultural Precinct Plan from City Council on terms and conditions satisfactory to its General Manager and TRCA after consultation with CC.

13. Loan Artifact Agreement

The City and CC will have entered into a loan agreement in respect of any Guild Inn Artifacts in, on or about the Subleased Premises on terms and conditions satisfactory to them and TRCA, and in a form acceptable to their legal counsel.

In the event of non-fulfilment of the foregoing conditions, neither party shall have any further obligation to negotiate with the other and may terminate the LOI/Sublease, as applicable. In such event, each party agrees for and on behalf of itself, its successors and permitted assigns, that it shall have no claim of any kind against the other for any costs, expenses, debts, losses or liabilities incurred by the other party to the date of termination, and releases the other party, its successors and permitted assigns, from such claims.

Appendix “E”
Newco Criteria to be Provided by CC and Approved by TRCA and City

As a condition of any assignment by CC to Newco, CC shall, at its own expense, provide the following information and materials to TRCA and the City for review and approval, all of which shall be in form and substance satisfactory to them and their legal counsel, acting reasonably:

1. full written disclosure of all of Newco's principals, controlling interests, owners (legal or beneficial), officers, directors and all possible investors, lenders and financiers (collectively and individually called the “**Members**”).
2. a corporate and officer profile on each Member and key consultant of Newco (other than members of CC's Development Team) as of the date of CC's assignment approval request, that would be involved in the Project or any material part including consent of these individuals to a Criminal Records Application search and disclosure of relevant personal information and details of projects that each Member has been involved with or participated in, all of which, subject to law, will be held confidential.
3. a list of every jurisdiction in which Newco is qualified to carry on business; contemplates undertaking business operations; has property or leases property or has material account debtors.
4. a senior officer of CC or CC's legal counsel has confirmed that Newco is a corporation duly incorporated, organized and existing as a corporation without share capital under the Ontario Corporations Act, and has the necessary corporate power and authority to own all its property and to enter into and complete its obligations under the sublease and other Project agreements.
5. CC or its legal counsel has confirmed that Newco is not a party to any injunction, court order or judgment, rule or regulation, which materially and adversely affects the operations, prospects, assets or condition, financial or otherwise, of Newco, and that there is not then pending against Newco, any litigation, action, suit or other proceeding (pending or threatened) of a material nature by or before any court, agency or other jurisdictional authority against it or against or affecting any of the properties or assets of Newco (whether owned legally or beneficially) such that if the same were adversely determined, it could be reasonably expected to materially and adversely affect the operations, properties or assets, or the condition, financial or otherwise, of Newco.
6. particulars of any major joint venture agreements involving Newco and a third party that would affect this Project.
7. particulars of any current management, service, consulting or other similar type of contracts impacting the re-development or operation of the Project other than contracts in respect of CC's existing Project Development Team.
8. notice to and written acknowledgements from Newco and all its Members, that satisfactory Newco/developer/subtenant level performance security in respect of the Phase 1 and Phase 2 work will be required by the City and/or TRCA as a term of any Sublease or sub-sublease, together with copies of such written acknowledgements.
9. on or before the Condition Satisfaction Date, if applicable, CC or Newco shall have provided the City and TRCA with written evidence that CC or Newco have obtained binding financing commitments sufficient to pay for the entire costs, direct and indirect, of all Phase 1 Development Work, on terms and conditions satisfactory to CC, TRCA and the City and their legal counsel.

10. such further information as TRCA and City may reasonably require, including Newco's constating documents and any agreement regarding voting shares between CC and Newco.
11. TRCA and the City shall have delivered to CC and Newco, their written approval of Newco's Project performance security and of Newco, not to be unreasonably withheld, having regard to the foregoing criteria and Appendix "A", Section 30, as well as Newco's financial covenant, demonstrated ability to complete the Project, its equity investment being entirely funded and committed to the Phase 1 Development Work, and the reputation and general character of its Members, all in a form acceptable to the City Solicitor and TRCA's legal counsel, acting reasonably.

Approval of TRCA and the City to any proposed assignment shall not be effective unless Newco has first entered into an agreement directly with TRCA and the City, in form and content satisfactory to the City Solicitor and TRCA's legal counsel, agreeing to assume all of the obligations of CC in the LOI.

Appendix "F"
Developer Criteria to be Provided by CC/Newco and Approved by TRCA and City

As a condition of any sub-sublease by CC or Newco to a third party Developer and provided CC/Newco shall not be in default under the LOI/Sublease, CC/Newco shall, at its/their own expense, provide the following information and materials to TRCA and the City for their review and approval, all of which shall be in form and substance satisfactory to them and their legal counsel, acting reasonably, which shall be given or denied within sixty (60) consecutive days following their receipt of all requisite documentation as set out below (the "**Decision Date**"):

1. all of the information and criteria set out in Appendix "E", Paragraphs 1, 2, 3 and 6, in respect of any proposed Newco shall be provided and met in so far as applicable to any proposed Developer, save and except, as noted below.
2. a senior officer of CC or Newco's legal counsel or the proposed Developer's legal counsel has provided a complete copy of the proposed Developer's constating documents and confirmed that the proposed Developer is a corporation duly incorporated, organized and existing as a corporation with share capital under the Ontario Corporations Act, and has the necessary corporate power and authority to own all its property and to enter into and complete its obligations under the sublease and other Project agreements.
3. a senior officer of the proposed Developer or its legal counsel has confirmed that the proposed Developer is not a party to any injunction, court order or judgment, rule or regulation, which materially and adversely affects the operations, prospects, assets or condition, financial or otherwise, of the proposed Developer, and that there is not then pending against the proposed Developer, any litigation, action, suit or other proceeding (pending or threatened) of a material nature by or before any court, agency or other jurisdictional authority against it or against or affecting any of the properties or assets of the proposed Developer (whether owned legally or beneficially) such that if the same were adversely determined, it could be reasonably expected to materially and adversely affect the operations, properties or assets, or the condition, financial or otherwise, of the proposed Developer.
4. CC/Newco has provided notice to and obtained written acknowledgements from the proposed Developer and its Members, that satisfactory Newco/developer/sub-subtenant level performance security in respect of the Phase Development Work, including the Conference Centre if not completed in Phase 1, as provided in the Sublease will be required by the City/TRCA as a term of any sub-sublease, together with copies of such written acknowledgements.
5. CC/Newco shall have provided the City and TRCA with evidence that CC/Newco or the Developer has obtained binding financing commitments or proof of its own financial resources sufficient to pay for the entire costs of the Phase 2 Development Work on terms and conditions satisfactory to TRCA/ City and their legal counsel.
6. To the extent applicable and subject to any mutually satisfactory confidentiality agreement to be entered into between any approved Developer, TRCA and the City, Newco shall first provide TRCA and the City with a complete copy of the relevant provisions of all franchise and operating agreement(s) that would affect the Project.
7. On or before the Decision Date, TRCA/City shall have delivered to CC/Newco, either their written approval or denial of the proposed Developer, having regard to the foregoing criteria and the proposed Developer's financial covenant, demonstrated ability to

complete the Project, performance security in favour of TRCA/City, development agreement with Newco, its equity investment being entirely funded and committed to the Phase 2 Development Work, and the reputation and general character of its Members.

Approval of TRCA/City to any proposed Developer shall not be effective unless any approved Developer has first entered into an agreement directly with TRCA and the City, in form and content satisfactory to the City Solicitor and TRCA's legal counsel, agreeing to assume all of the obligations of CC/Newco in the Sublease as they pertain to the Phase 2 Lands and to operate consistently with the terms of the Sublease so as not to cause a breach or default of any of the terms of such agreements, full particulars of the extent of this commitment to be set out in the Sublease.

Appendix "G"
Initial Phase 2 Hotel Operator Criteria

Any proposed initial hotel operator other than an approved Newco/Developer will be subject to approval of TRCA and City Council, acting reasonably withheld and is conditional on the following conditions precedent having been met by CC/Newco, in form and substance satisfactory to TRCA/City and their legal counsel:

1. any proposal shall cover the entire interest of Newco/Developer in the Phase 2 Lands and be at the expense of Newco, the Developer or the Hotel Operator, as applicable.
2. both TRCA/City shall be given not less than 60 consecutive days notice of the proposed Initial Operator and Newco shall provide each of them with such information as these parties may reasonably require to determine whether or not its consent should be given.
3. any proposed operator must have a demonstrated ability in the hotel industry with a style of operations, with financial capability and reputation acceptable to the City acting reasonably and which can align itself as a brand hotel which exploits and enhances the unique character of the site, it being acknowledged that limited service operations or large chain hotels, would not be considered an appropriate operator of this premium site.
4. any proposed operator must agree in writing with the City to occupy and continuously use the hotel site for the purposes and upon the terms and conditions set out in the sublease.
5. CC/Newco (as applicable) will require any proposed operator and/or property manager to operate consistently with the terms of the sub-sublease and related Project documentation so as not to cause a breach or default of any of the terms of such agreements. Full particulars of the extent of this commitment are to be identified before the Condition Satisfaction Date during the Sublease negotiations stage.
6. CC/Newco will require any proposed operator and/or property manager to have such liability and other insurance consistent with the Sublease obligations save and except as the Chief Financial Officer of the City and TRCA (as applicable) upon review of the relevant operating contract(s), may agree to waive or reduce.
7. With respect to the Environmental Coverage as set out in the City's standard insurance requirements, CC/Newco agree that the City reserves its right to require CC (or any Newco, as applicable) to take out any appropriate Environmental Insurance to be determined by the Deputy City Manager and Chief Financial Officer of the City or other City designate in its/their reasonable discretion, in consultation with CC or Newco (as applicable), based on the findings of the site assessment(s) to be carried out by Windmill or Newco (as applicable) at its expense and shared with the City upon request.
8. any proposed operator shall carry such liability and other insurance adding the City and TRCA as additional insureds, including severability or other terms as may be required by the City and TRCA, acting reasonably and in accordance with industry standards, including the City's standard minimum insurance requirements.
9. CC/Newco shall not be in material default under the Sublease or any Project document and shall remain liable thereunder and not be released from performing any of its/their terms.
10. to the extent applicable and subject to any mutually satisfactory confidentiality agreement to be entered into between any Hotel Operator, TRCA and the City, CC/Newco shall first provide TRCA and the City with a complete copy of the relevant provisions of all franchise and operating agreement(s) that would affect the Project.

11. all parties, including TRCA, shall have entered into such agreements as are considered necessary or desirable to give effect thereto, all upon terms and conditions entirely satisfactory to them in a form acceptable to respective legal counsel.

Appendix "H"

Termination/Events Of Default

The following is a non-exhaustive list of major events of default under the LOI/Sublease, as applicable:

1. non-payment of rent when such payment is due. If the failure to pay rent is not remedied within five (5) consecutive days by CC/Newco, the City may terminate the Sublease.
2. if either party fails to provide information or perform its obligations under the LOI within the time periods stipulated, the other may give notice to the non-performing party of such failure and, if the non-performing party fails to rectify the situation within ten (10) consecutive days following receipt of such notice, the party giving notice may terminate the LOI.
3. if any representation, warranty or information made or supplied by any party to the other proves to have been untrue or misleading in any material respect as of the date on which it was made, the party to whom such representation, warranty or information was provided may, at its option, within ten (10) consecutive days following receipt of such notice, may terminate the LOI/Sublease.
4. if CC ceases to be accredited by the Ministry of Training, Colleges and Universities or if Newco/Developer/Hotel Operator shall voluntarily cease carrying on its activities, the City may terminate the LOI/Sublease.
5. if CC/Newco undergoes any change of control to which the City/TRCA have not consented to in writing or attempt to make an assignment otherwise and in accordance with the terms of the Sublease, the City may terminate the LOI/Sublease.
6. if CC/Newco is in default under any approved development agreement or other relevant project-related documentation, the City may terminate the LOI/Sublease.
7. if, in the reasonable opinion of the City's Chief Corporate Officer or TRCA, there is any significant deviation from or termination of Approved Plans, Project construction budget, Project construction schedule or approved contracts or other agreements affecting the Project which are significant to the construction, development, and operation of the Project or any part, including the agreement(s) to be entered into between CC/Newco/Developer/Hotel Operator with the architect and general contractor for the design, construction and completion of the Project, the City may terminate the LOI/Sublease.
8. if any insurance policy or performance security which CC/Newco/Developer/Hotel Operator is required to maintain pursuant to the LOI/Sublease is cancelled or not renewed or dishonoured or proves to be ineffective, and where CC/Newco/Developer/Hotel Operator, as applicable, has not replaced such security to the reasonable satisfaction of the City/TRCA, the City may terminate the LOI/Sublease.
9. if CC or Newco/Developer/Hotel Operator shall become insolvent or unable to pay debts as they become due; file a petition in bankruptcy or voluntary petition seeking re-organization or effect a plan or other arrangement with creditors; make an assignment for the benefit of creditors under the *Bankruptcy Act (Canada)* or any other insolvent debtors' legislation; apply for or consent to the appointment of any receiver or trustee for it or of all or any substantial part of its property and assets; or voluntarily liquidates or winds-up or suffers itself to be liquidated or wound up, the City may terminate the LOI/Sublease.

10. if any involuntary petition seeking the adjudication of any approved Newco/ Developer/Hotel Operator as bankrupt or insolvent is not removed within thirty (30) consecutive days and satisfactory evidence of the same given to the City Solicitor, the City may terminate the LOI/Sublease.
11. if an order of any court or other authority appointing any receiver or trustee of CC or any approved Newco/Developer/Hotel Operator or for all or any substantial portion of its/their property and assets is made, the City may terminate the LOI/Sublease.
12. if a writ of execution, judgement or writ of attachment or any other similar process which may, in the reasonable opinion of the City, materially impair the ability of CC or any approved Newco/Developer/Hotel Operator to perform its/their obligations under the LOI/Sublease documentation be made, given or issued against CC or Newco/Developer/Hotel Operator, as the case may be, in respect of its/their property and assets, and such petition, order, writ or judgement is not vacated or stayed within fifteen (15) days after its date, the City may terminate the LOI/Sublease and any sub-sublease.
13. if a material adverse change occurs in the financial condition of CC or any approved Newco/Developer/Hotel Operator which would, in the reasonable opinion of the City, detrimentally affect the ability of CC or any approved Newco/Developer/Hotel Operator to meet its/their obligations to the City/TRCA, the City may terminate the LOI/Sublease and any sub-sublease.