

Attachment 2 – Major Terms of Agreement of Purchase of Sale

Bayside – Agreement of Purchase & Sale Term Sheet (Schedule to the Land Development Agreement)

August 11, 2010

<i>Vendor</i>	City of Toronto
<i>Purchaser</i>	Site Developer
<i>Lands</i>	Sites R1, R2, R3, R4, R5, R6 and R7 on Figure 1 are the proposed Residential Sites within the Bayside Lands.
<i>Current Status of Lands</i>	Vacant Land
<i>Timing</i>	The Agreement of Purchase and Sale (APS) will be signed upon receipt of a "Sale Certificate" from WT confirming the identity of the Site, the name of the Site Developer, the estimated purchase price and the closing date for each Site.
<i>Purchase Price</i>	The Purchase Price will be the greater of the Minimum Purchase Price and the Revenue Share formulas more particularly described in the Confidential Attachment.
<i>Timing of Payment of Purchase Price</i>	The Purchase Price shall be payable on the earlier of (i) ninety days after registration of a condominium plan; (ii) nine months after initial occupancy of any part of the proposed development; and (iii) receipt by the Purchaser of the first proceeds of any sale after repayment of the construction lender. If none of the events outlined above have occurred within five (5) years of the applicable Closing Date, then the Purchase Price shall be payable on the 5 th anniversary of the Closing Date.
<i>Direction of Proceeds</i>	Under the Land Development Agreement (LDA), the Vendor will provide each Site Developer with an irrevocable direction to pay all amounts under the APS to Waterfront Toronto or as Waterfront Toronto may direct.
<i>Purchase Price Security</i>	The APS to provide that the Purchaser will, on Closing, provide Waterfront Toronto with a registrable charge equal to 150% of WT's estimate of the Purchase Price as security. The security will be subordinate to construction financing.
<i>Closing Date</i>	It is intended that the closing date would be just prior to construction start, which date will be included in the "Sale Certificate" discussed under the "Timing" heading of this term sheet.
<i>"As-is" Environmental</i>	<p>The land will be sold "as is, where is" with no representations or warranties by the Vendor as to its environmental condition. The Purchaser will release the Vendor from any claim regarding the environmental quality of the Site</p> <p>The Purchaser will indemnify the Vendor against any claims arising out of the Purchaser's activities on the Site or the activities of any person on the Site at the invitation or request of the Purchaser, including in respect of any environmental investigations or remediation undertaken by the Purchaser. This will be the exclusive indemnity for environmental matters.</p> <p>The Purchaser shall provide such covenants as required under the <i>Environmental</i></p>

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	<i>Protection Act</i> and related regulations for the Vendor to benefit from the liability protection available to vendors with respect to post-closing Records of Site Condition.
<i>Permitted Encumbrances</i>	The Purchaser will take title to the Lands subject to Permitted Encumbrances as outlined in the APS, including all easements necessary for the City of Toronto to protect its municipal services within the lands, including municipal services.
<i>Applicable Laws</i>	The Purchaser shall comply with all municipal, provincial and federal applicable laws, including City of Toronto by-laws, official plan, zoning and any s or restrictions registered on title to the lands.
<i>Development Agreement</i>	The Purchaser will enter into a Development Agreement with Waterfront Toronto for the Site, and agrees with the Vendor either to comply with the Development Agreement covenants that are to the benefit of the Vendor, or to include such specific covenants in the APS.
<i>Assignment and Subletting</i>	The Purchaser may not sell, assign, transfer or encumber any interest in the APS except to an affiliate without the Vendor's consent, not to be unreasonably withheld. The Purchaser will not be permitted to resell the Lands for a profit without developing (i.e. no-flipping).
<i>Ancillary Agreements</i>	<p>The Purchaser will have the right to access the Site(s) prior to closing to conduct geotechnical and other required testing subject to entering into a license agreement with the Vendor.</p> <p>The parties may enter into any other licenses, easements, encroachments, closings or other agreements necessary to implement the development of the Site(s).</p>
<i>Pre-Development Applications</i>	The Vendor shall provide consent, solely in the Vendor's capacity as land owner of the Bayside Lands, for pre-development applications by the Purchaser that are not otherwise required to be submitted by Waterfront Toronto under the Project Agreement, provided Waterfront Toronto has approved such application, the Purchaser indemnifies the Vendor in respect of such applications, and on condition that such consent shall not fetter the Vendor's planning and municipal rights and obligations.

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