

April 7, 2014

Richard Ubbens, Acting General Manager,
Parks, Forestry and Recreation,
City of Toronto

Gary H Brewer, Vice-President Finance & Administration
York University
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Building Address: 74 York Blvd.
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Re: Upgrade to Toronto Track and Field Centre (TTFC) at York University & High Performance Centre

Dear Sirs:

The following sets out the history and general description of a proposal for a project ("**the Project**") that has been discussed between TO2015, Sport Canada ("**Canada**"), Athletics Canada, York University and the City of Toronto to enhance the Toronto Track and Field Centre ("**TTFC**") by adding an extension to the existing facility and to build a high performance centre ("**Proposed Enhancements**"). The parties agree that more detailed due diligence and further discussion are required before reaching a final definitive agreement ("**Definitive Agreement**"). This letter will be presented to the Toronto City Council for information purposes only. The parties acknowledge that notwithstanding its wording, neither the letter as a whole nor any of its parts taken separately are, or ever have been, intended to be nor does it not constitute a legally binding agreement and only the Definitive Agreement shall be enforceable.

Hosting the 2015 Pan American and Parapan American Games ("**the Games**") in Toronto will benefit sport at all levels. Across the Toronto region, new facilities are being constructed and existing ones are being improved. These projects will provide an opportunity for greater sport participation at the community level as well as new opportunities for high performance sport development at the provincial, national and international levels.

The CIBC Pan Am / Parapan Am Athletics Stadium and the TTFC located at York University are two such facilities that are being developed for the Games and are being funded through contributions from Canada, York University and the City of Toronto.

In order to augment the legacy condition of the TTFC beyond the original scope of upgrades agreed to by Canada and the City of Toronto, Canada has agreed to increase its financial commitment, subject to certain conditions, to expand the TTFC. This additional contribution would allow for an expansion of the facility to allow for significantly enhanced programming for our national team track program administered by Athletics Canada. The resulting combination of the TTFC and Proposed Enhancements will provide a world class daily training environment for our most talented track athletes while at the same time continuing to provide opportunities for local and university level athletes to train and compete. The Proposed Enhancements will include an extension to the existing indoor straightaway and a new dedicated high performance centre. The high performance centre will include strength and conditioning space, recovery and regeneration space, change rooms, office space, a therapy room and a lounge.

Canada has requested that TO2015 manage the Project. TO2015 shall have no financial obligation of any kind whatsoever related to the Project.

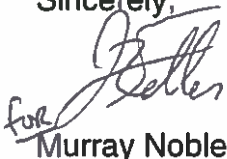
Canada's funding commitment set out below is subject to the following conditions:

1. The completion and execution of a Definitive Agreement between TO2015, City of Toronto and York University with detailed terms and conditions for the Project. The Definitive Agreement shall be executed no later than June 15, 2014 to allow for award of the construction contract in late June.
2. Approval to proceed from the City of Toronto and York University based on the following principles:
 - a) Canada shall solely fund the capital improvements to the Proposed Enhancements up to five million (\$5,000,000.00) dollars based on satisfactory results from the construction tender process with appropriate contingency built into the five million (\$5,000,000.00) dollars to cover any cost overruns;
 - b) Athletics Canada shall fund the operating costs for the high performance centre;
 - c) City of Toronto and York University shall have no responsibility for cost overruns, save and except cost overruns resulting from actions, omissions, negligence, delay or some other event, willful or otherwise caused by the City of Toronto or York University or by any third party for whom they are responsible in law;
 - d) York University shall retain ownership of the lands;
 - e) City of Toronto shall own the building extension but sublease the high performance centre to Athletics Canada at a nominal fee;

- f) City of Toronto and York University will support TO2015's efforts to deliver the Project, including but not limited to: amendments to any lease agreements as required, approvals of authorities with jurisdiction, access for construction and temporary fire route; and
 - g) TO2015 will work with York University and the City of Toronto to minimize disruptions to the existing TTFC operations.
3. Receipt of all required approvals to proceed with the Project.
 4. Satisfactory results from the construction tender process as determined in TO2015's sole discretion.
 5. Satisfactory amendments to the Pan American Games Toronto Tracks Project Facility Agreement between the Toronto Organizing Committee for the 2015 Pan American and Parapan American Games, Ontario Infrastructure and Lands Corporation, and the City of Toronto, dated October 10, 2012, if required, resulting from undertaking the Project.
 6. Each party will bear its own expenses and costs with regard to all negotiations and activities relating to the Definitive Agreement.
 7. The parties agree, subject to any requirements of law and the purposes set out herein, to keep all information exchanged confidential.
 8. No party named herein shall make a claim against, nor be liable to the other for any damages, including without limitation, any consequential, special, incidental or punitive damages or lost profits, suffered by it because of any negotiations or any performance or failure to perform any obligations, or for the termination of negotiations prior to completion of the Definitive Agreement. This provision shall not apply to any breach of obligations related to confidentiality.

Should any of the parties set out herein have any concerns or questions with respect to the content of this letter, please do not hesitate to contact me.

Sincerely,



Murray Noble

Murray Noble
Senior Vice President, Infrastructure



TO2015TM

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cc. Elaine Harvey, Sport Canada
Rob Guy, Athletics Canada
Bud Purves, York University Development Corporation