

Attachment 1 – Terms and Conditions of Bayside Pilot Project Agreement (the "BPPA")

Summary

The Bayside Pilot Project Agreement documents the definitive proposal negotiated between the City, Hines Canada Management Company II ULC ("Hines") and its site developer, Tridel Corporation Inc., as directed by the Project Agreement between Hines and Waterfront Toronto and by Council for an integrated development containing affordable housing and market condominium units, together with retail and commercial space in the East Bayfront.

Parties	City of Toronto Site Developer 2398030 Ontario Limited (title holder of the Site Developer's land)
Property	Block 3 on Plan of Subdivision 66M-2514 (Attachment 7) R3/R4 on Concept Plan (Attachment 6) within Bayside district of East Bayfront. The City will retain a strata interest in the property, the majority of which will be transferred to the Site Developer for the development of the market condominiums, commercial and retail spaces.
Approved Project Budget	See Confidential Attachment (Attachment 5).
Term	June 15, 2014 (or date of execution by City) to the termination of the City Land Development Agreement between the City and Hines and each development agreement between Waterfront Toronto and a Site Developer (as defined in the City Land Development Agreement).
Termination Date	July 1, 2016 If construction has not commenced prior to this date, the BPPA is terminated. The Site Developer has the option to extend the Termination Date by a period of up to twelve months. Marketing of the residential condominiums is essential to the success of all components of the Pilot Project. A substantial number of condominiums must be sold before construction financing is available to the Site Developer.
Affordable Housing	Block 3 is designated as the affordable housing sites in substitution for A1 and A2 (further east and adjacent to the Parliament Street slip), subject to the terms of this agreement. If the BPPA is terminated, in accordance with its terms, the affordable housing reverts to A1 and A2 sites.

Design Principles	The affordable and condominium components will be designed, developed and constructed one with the other and share certain common facilities. Each component will have its own entrance, amenity space, elevators, corridors, etc., each for its exclusive uses.
Housing Provider	The Site Developer and Waterfront Toronto participated in the process by having representatives on the selection committee to select the non-profit housing provider.
Development Management Agreement	The City will enter into a Development Management Agreement with a nominee of Hines at the same time as executing the Bayside Pilot Project Agreement.
Reciprocal Agreement	The City will enter into a Reciprocal Agreement with the owners of all components of the building which will set out the management, maintenance, repair and replacement of the shared facilities and that will provide for the mutual easements necessary for the successful operation of the multi-use building.
Construction Contract	The City will concurrently enter into a construction contract with Deltera Contracting Inc., the construction arm of Tridel to construct the affordable housing component.
City Policies	The Site Developer will cause the construction contractor and all trades engaged by construction contractor to comply with City policies, including the Fair Wage Policy.
Apprenticeship	The Site Developer will work with the Toronto Building Trades Council's Hammer Heads Program to provide skill and employment based training within the construction industry by making apprenticeship opportunities available to youth living in high-risk environments.
Default Provisions	<p>In the event of a default by the City, the Site Developer has the option to:</p> <ul style="list-style-type: none"> a) request an amendment to the Agreement of Purchase and sale for the lands to include the property intended for the Bayside Non-Profit on the same terms and conditions, including consideration, as the balance of the property was transferred to the Site Developer; or b) request that the strata designated for the Bayside Non-Profit be transferred to it or a non-profit entity and it or the non-profit will enter into an agreement with the City to operate the affordable housing on terms and conditions satisfactory to the City, in perpetuity.

Attachment 2 – Terms and Conditions of Development Management Agreement

Summary

The City will retain a development manager to organize, coordinate, manage and administer the development activities of the Bayside Non-Profit.

Parties	City of Toronto ("Owner") Bayside Toronto Inc., as ("Manager")
Property	Block 3 on Plan of Subdivision 66M-2514 R3/R4 on Concept Plan attached as Attachment 6 within Bayside district of East Bayfront
Fee	See Confidential Attachment (Attachment 5)
Services	To organize, coordinate, manage and administer the development of the Bayside Non-Profit on behalf of the City in accordance with the provisions of the plans and specifications for the building, the construction contract and the Bayside Non-Profit budget. The Manager will supervise consultants, assist with schematic design drawings and use its commercially reasonable efforts to cause the Bayside Non-Profit to be completed by Deltera substantially in accordance with the approved plans, the project budget and within the timelines set out in the approved project schedule.

Attachment 3 – Terms and Conditions of the Construction Contract

Summary

The City will enter into a construction contract with Deltera Contracting Inc. for the construction of the Bayside Non-Profit, in accordance with the plans and specifications approved by the City. Deltera will simultaneously construct the market development that will make up the building.

Parties	City of Toronto ("Owner") Deltera Contracting Inc. (the "Contractor")
Property	Block 3 on Plan of Subdivision 66M-2514 R3/R4 on Concept Plan attached as Attachment 6 within Bayside district of East Bayfront
Form of Contract	CCDC2 Stipulated Price Contract (2008) subject to amendments agreed to by the parties and reflected in Supplemental Conditions
Fee	See Confidential Attachment (Attachment 5) The Cost of Construction has been fixed until July 1, 2016.
Price Adjustments	The Fixed Price may only be adjusted in the following circumstances: <ul style="list-style-type: none">(a) a change order or change directive (as defined in the CCDC2) is issued by the City in respect of a change initiated by the City. If such change impacts the areas shared with other owners of the building, or the City's share of costs for the shared areas, the change order will reflect the same.(b) an event of <i>force majeure</i> results in additional costs being incurred in respect of the Affordable Housing Component.(c) a change of laws (being a change in building code or other legislation having force of law) applicable to the Affordable Housing Component or the shared areas results in additional costs being incurred in respect of the Affordable Housing Component; and
Schedule	A construction schedule will be delivered.

**Affordable Housing
Component Turnover**

The Construction Contract will contain provisions relating to the turnover of the Bayside Non-Profit, including the following:

- a) a right to inspect prior to turnover
- b) a right to hold back for deficiencies
- c) a provision for training on building systems

Warranty

Other than extended warranties that will be provided in accordance with the construction contract, the Contractor will provide a two year warranty for the Bayside Non-Profit.

Bonding

A cost benefit analysis has resulted in the decision not to require the Contractor to be bonded for any part of the construction. The reputation of the owner of the site developer outweighs the cost to bond.

Risk Allocation

The Risk Allocations of the CCDC2 will be amended to include the City's requirements for insurance.

Model Suite

The Contractor will, as soon as practicable, build a sample suite intended to demonstrate the level of finish for inspection by the City and the non-profit housing provider.

Attachment 4 – Terms and Conditions of the Lease to the Non-Profit Housing Provider

Summary

The City will enter into a lease with the non-profit housing provider approximately sixty days prior to completion of the Bayside Non-Profit. The lease will be substantially in the form of lease entered into by other non-profit housing providers with the City.

Parties	City of Toronto ("Landlord") Toronto Artscape Inc. ("Tenant")
Property	Part of Block 3 on Plan of Subdivision 66M-2514 R3/R4 on Concept Plan attached as Attachment 6 within Bayside district of East Bayfront.
Term	Fifty years less a day
Use	The Tenant shall only use the Property as affordable rental housing accommodation and ancillary uses.
Rent	The basic rent shall be the current market rent for the highest and best use of the Property. However, provided the Tenant is not in default of any provisions of the lease and/or the Contribution Agreement, the Landlord shall waive the basic market rent, such below market rent constituting a grant within the meaning of the <i>City of Toronto Act</i> , but which grant is in the best interests of the City.
Additional Rent	The Tenant accepts the property "as is" and will be responsible for all costs associated with the maintenance and repair of the building. The lease is a completely carefree net lease to the Landlord and the Tenant shall pay all charges, impositions, costs and expenses of every nature and kind whatsoever relating to the Property including, without limitation, the cost of utilities, insurance and all taxes. The Tenant shall be obliged to maintain a capital reserve fund.
Reciprocal Agreement	The Tenant shall be responsible for and assume all obligations under the Reciprocal Agreement to be entered into with the co- owners of the building.
Default	If the Tenant is in default of the Lease and/or the Contribution Agreement and fails to rectify any default within a specified time,

in addition to imposing market rent, as set out above, the Landlord shall have access to the remedies as set out in the lease including and not limited to, re-entry, reletting and/or termination and enforcing of market rent.

Assignment

The Tenant shall not assign all or part of the Property without obtaining prior written consent of the Landlord, which consent shall not be unreasonably or arbitrarily withheld or delayed.

Attachment 5 – See Confidential Attachment

Attachment 6 – Concept Plan



PLAT OF SUBDIVISION OF PART OF LOTS 23, 24 AND 25 REGISTERED PLAN 694-E CITY OF TORONTO

LOT 24
REGISTERED PLAN 694-E
9,640.00 SQ. FT.

LOT 25
REGISTERED PLAN 694-E
9,640.00 SQ. FT.

BLOCK 2
REGISTERED PLAN 694-E
19,280.00 SQ. FT.

BLOCK 3
REGISTERED PLAN 694-E
19,280.00 SQ. FT.

LEGEND

1. LOT 24, 9,640.00 SQ. FT.
2. LOT 25, 9,640.00 SQ. FT.
3. BLOCK 2, 19,280.00 SQ. FT.
4. BLOCK 3, 19,280.00 SQ. FT.

CERTIFICATE OF SURVEY

I, the undersigned, being a duly qualified and licensed Surveyor for the Province of Ontario, do hereby certify that the foregoing is a true and correct copy of the original plan of subdivision as filed in the Office of the Registrar of the City of Toronto, and that the same is in accordance with the provisions of the Survey Act, R.S.O. 1990, c. S.5, and the Regulations made thereunder.

TABLE OF AREAS

Lot or Block	Area (Sq. Ft.)	Area (Acres)
Lot 24	9,640.00	0.22
Lot 25	9,640.00	0.22
Block 2	19,280.00	0.44
Block 3	19,280.00	0.44

Attachment 8 – Design Elevation

