

**Attachment 2**  
**MAJOR TERMS: UNDERTAKING AGREEMENT ("UA")**  
**GEORGE BROWN COLLEGE**  
**November 23, 2016**

<b>PARTIES</b>	- Toronto Waterfront Revitalization Corporation ("Waterfront Toronto") - City of Toronto ("City")
<b>PROPERTY</b>	PIN 21384-0136 Block 3, Plan 66M-2476, City of Toronto ("Property")
<b>TIMING</b>	To be executed concurrently with Agreement of Purchase and Sale between the City, as vendor, and George Brown College of Applied Arts and Technology ("Development Partner") as purchaser ("Agreement of Purchase and Sale"), and Development Agreement between Waterfront Toronto and the Development Partner ("Development Agreement").
<b>PURPOSE</b>	To obtain Waterfront Toronto's direct undertakings to the City and to ensure the attainment of certain obligations by the Development Partner for the benefit of the City in connection with the development of the Property with Development Partner's project ("Proposed Development").
<b>OBLIGATIONS OF WATERFRONT TORONTO</b>	
<b>Environmental Obligations of Waterfront Toronto</b>	<p><b><u>Incorporating Development Agreement Obligations into Undertaking Agreement:</u></b></p> <p>Waterfront Toronto (WT), as revitalization lead of the City's waterfront, acknowledges that the City, as current and past owner of the Property, is relying upon WT to carry out all of its environmental obligations under the Development Agreement and to monitor, oversee and enforce all of the Development Partner's environmental obligations under the Development Agreement. WT will covenant directly with the City to ensure that the respective obligations of WT and the Development Partner under the environmental terms of the Development Agreement are carried out in accordance with the Development Agreement.</p> <p><b><u>Additional Major Terms of the Undertaking Agreement:</u></b></p> <p>In addition, the Undertaking Agreement will include the following:</p> <ul style="list-style-type: none"> <li>• WT will ensure that all investigations and other work necessary to complete a Risk Assessment/Risk Management ("RA/RM") Plan for the Property filed with the Ministry of the Environmental and Climate Change (MOECC) and the Record of Site Condition ("RSC") and the Certificate of Property Use ("CPU"), soil management plans and reporting documents, will be completed by a Qualified Person "QP" acceptable to the City.</li> </ul>

	<ul style="list-style-type: none"> <li>• WT will deliver reliance letters in a form satisfactory to the City addressed to the City and the City's peer reviewer for any environmental reporting undertaken on the Property.</li> <li>• If WT's investigations of the Property reveal the presence of coal tar in a free product state, Waterfront Toronto will include in the RA/RM assumptions regarding the possible migration of such coal tar and contingency measures to address such migration;</li> <li>• WT will not permit excavation activities unless the excavation, soil management and disposal is in compliance with the MOECC's most current <i>Management of Excess Soil – A Guide for Best Management Practices</i>, or any subsequent MOECC regulation dealing with excess soil;</li> <li>• WT will ensure that no above-grade construction commences on the Property without a valid filed RSC;</li> <li>• WT will oversee and monitor the Proposed Development, consult with the City on all matters that are required to be to the satisfaction of the City under the Development Agreement (including the selection of "Qualified Persons" and form and content of "Reliance Letters" ), and will keep the City informed and advised of all matters that could reasonably result in third party claims or material liability of the City in respect of the Property;</li> <li>• WT will ensure that the City is provided in a timely manner with copies of all environmental reports, correspondence, documents and filings required to demonstrate compliance with the RA/RM, RSC, CPU, so that the City has a complete paper trail of all documentation for so long as the MOECC requires monitoring of the Property;</li> <li>• WT will indemnify the City for its site investigations and remediation activities and for any failure to carry out its obligations to the City under the Undertaking Agreement;</li> <li>• WT will provide the insurer of the environmental insurance policy that includes the Property with all environmental documentation required by the insurer and seek the upgraded insurance coverage for remediated sites upon obtaining the RSC for the Property.</li> </ul>
<b>Child Care</b>	<p>Waterfront Toronto will ensure that the Development Agreement between it and the Development Partner will require the Development Partner to include, in the Proposed Development, a requirement to own, construct and operate a non-profit child care centre as will be specified in the Development Agreement. In the event the Development Partner does not own and operate the child care centre on a non-profit basis, Waterfront Toronto will enforce the above provisions in the Development Partner requiring it to operate the child care centre, failing which, Waterfront Toronto will agree with the City</p>

	<p>to take commercially reasonable action to recover the liquidated damages specified in the Development Agreement (which are also set out in Schedule A attached hereto) from the Development Partner. Waterfront Toronto will ensure that any liquidated damages recovered from the Development Partner, less any costs incurred by Waterfront Toronto in recovering such liquidated damages, are paid to the City.</p>
<b>Repurchase Option</b>	<p>Prior to exercising the repurchase option, WT will consult with the Waterfront Secretariat office of the City. If WT exercises the repurchase option, WT will handle all aspects of the repurchase transaction, including payment of the purchase prices, legal fees, closing costs, land transfer taxes, and registrations costs, and shall ensure that good and marketable title to the Property is provided with title in the name of the City or as City Council may direct.</p>
<b>Other Provisions</b>	<p>In the undertaking agreement, Waterfront Toronto will also agree:</p> <ul style="list-style-type: none"> <li>• To circulate all amendments under the Development Agreement for City comment on all matters that affect the City as owner or past owner of the Property;</li> <li>• To complete a satisfactory due diligence review of the Development Partner's ability to complete its obligations under the Sale Transaction Agreements and the Development Agreement;</li> <li>• To reinvest all amounts payable under the Agreement of Purchase and Sale in waterfront revitalization;</li> <li>• To track all amounts payable under the Agreement of Purchase and Sale and the City shall be credited with such amounts as the City's contribution to waterfront development;</li> <li>• To monitor the Development Partner's performance under the Development Agreement and the Sale Transaction Agreements and perform on behalf of the City any City obligations under such agreements that the City's Chief Corporate Officer may require, all at no cost to the City;</li> <li>• To pay on behalf of the City all costs, expenses, adjustments payable by the City under the Sale Transaction Agreements.</li> </ul>

## Schedule "A"

### Schedule of Liquidated Damages

<b>Date of Termination of Use</b>	<b>Amount of Payment</b>
1 <sup>st</sup> to 5 <sup>th</sup> years following Substantial Completion	100% of the Project Costs
6 <sup>th</sup> to 10 <sup>th</sup> years following Substantial Completion	90% of the Project Costs
11 <sup>th</sup> to 15 <sup>th</sup> years following Substantial Completion	80% of the Project Costs
16 <sup>th</sup> to 20 <sup>th</sup> years following Substantial Completion	70% of the Project Costs
21 <sup>st</sup> to 25 <sup>th</sup> years following Substantial Completion	60% of the Project Costs
26 <sup>th</sup> to 30 <sup>th</sup> years following Substantial Completion	50% of the Project Costs
31 <sup>st</sup> to 35 <sup>th</sup> years following Substantial Completion	40% of the Project Costs
36 <sup>th</sup> to 40 <sup>th</sup> years following Substantial Completion	30% of the Project Costs
41 <sup>st</sup> to 45 <sup>th</sup> years following Substantial Completion	20% of the Project Costs
46 <sup>th</sup> to 49 <sup>th</sup> years following Substantial Completion	10% of the Project Costs