

ATTACHMENT 2 (FEBRUARY 21, 2017)
MAJOR TERMS - UNDERTAKING AGREEMENT
WATERFRONT INNOVATION CENTRE

EX23.7

Parties	- Toronto Waterfront Revitalization Corporation (“Waterfront Toronto”) - City of Toronto (“City”)
Property	PIN 21384-0134, being Block 1, Plan 66M-2476 (“ Block 1 ”), and is municipally addressed as 125 Queens Quay East, Toronto, Ontario and PIN 21384-0135, being Block 2, Plan 66M-2476 (“ Block 2 ”), and is municipally addressed as 155 Queens Quay East, Toronto (“Property”)
Timing	To be executed concurrently with Ground Lease between the City, as Lessor, and Menkes Waterfront Holdings Inc. (“Site Developer”) as Lessee (“Ground Lease”), and Development Agreement between Waterfront Toronto and the Site Developer (“Development Agreement”).
Purpose	To obtain Waterfront Toronto's direct undertakings to the City and to ensure the attainment of certain obligations by the Site Developer for the benefit of the City in connection with the development of the Property with Site Developer’s project (“Proposed Development”).
OBLIGATIONS OF WATERFRONT TORONTO	
Environmental Obligations of Waterfront Toronto	<p><u>Incorporating Development Agreement Obligations into Undertaking Agreement:</u> Waterfront Toronto, as revitalization lead of the City's waterfront, acknowledges that the City, as current owner and lessor of the Property, is relying upon Waterfront Toronto to carry out all of its environmental obligations under the Development Agreement and to monitor, oversee and enforce all of the Site Developer's environmental obligations under the Development Agreement. Waterfront Toronto will covenant directly with the City to ensure that the respective obligations of Waterfront Toronto and the Site Developer under the environmental terms of the Development Agreement are carried out in accordance with the Development Agreement.</p> <p><u>Additional Major Terms of the Undertaking Agreement:</u> In addition, the Undertaking Agreement will include the following:</p> <ul style="list-style-type: none"> • Waterfront Toronto will ensure that all investigations and other work necessary to complete a Risk Assessment ("RA") for the Property accepted by the Ministry of the Environmental and Climate Change (MOECC) and shall have a Record of Site Condition (“RSC”) filed on MOECC’s Environmental Site Registry, and a Certificate of Property Use ("CPU") registered on title to the Property and arrange for the registration of a Certificate of Requirement on title to the Property. Waterfront Toronto advises that: <ul style="list-style-type: none"> ○ the RA No. 0325-9E8JC9 for Block 1 has been accepted by the MOECC on June 1, 2015 and the CPU related thereto was issued as CPU # 7000-9X5N8Y on July 31, 2015 by the MOECC. The RSC for Block 1 was filed on the Environmental Site Registry of the MOECC as #221631 on April 19, 2016 and a Certificate of Requirement was registered against Block 1 on April 28, 2016 as

ATTACHMENT 2 (FEBRUARY 21, 2017)
MAJOR TERMS - UNDERTAKING AGREEMENT
WATERFRONT INNOVATION CENTRE

	<p>Instrument Number AT4205040; and</p> <ul style="list-style-type: none"> ○ the RA No. 0420-9E8LFC for Block 2 has been accepted by the MOECC on April 27, 2015 and the CPU related thereto was issued as CPU # 7861-9W7HEQ on June 18, 2015 by the MOECC. The RSC for the Block 2 was filed on the Environmental Site Registry of the MOECC as #221632 on April 19, 2016 and a Certificate of Requirement was registered against Block 2 on April 28, 2016 as Instrument Number AT4205041. <ul style="list-style-type: none"> ● Waterfront Toronto 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; ● If Waterfront Toronto'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; ● Waterfront Toronto 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; ● Waterfront Toronto will ensure that no above-grade construction commences on the Property without a valid filed RSC; ● Waterfront Toronto 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; ● Waterfront Toronto will ensure that the City is provided in a timely manner with copies of all environmental reports, correspondence, documents, filings, site plans and “as built” drawings required to demonstrate compliance with the RA/RM, RSC, CPU, so that the City has a complete file of all documentation for so long as the MOECC requires monitoring of the Property; ● Waterfront Toronto 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; ● Waterfront Toronto 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.
<p>Dockwall Infrastructure Obligations of Waterfront Toronto</p>	<p>Waterfront Toronto acknowledges the existence of supportive infrastructure for the dockwall below grade on Block 1. Waterfront Toronto acknowledges and agrees that it will complete the design and construction of new dockwall infrastructure outside the Property to render the existing dockwall infrastructure redundant, all in accordance with the City’s standards, at</p>

ATTACHMENT 2 (FEBRUARY 21, 2017)
MAJOR TERMS - UNDERTAKING AGREEMENT
WATERFRONT INNOVATION CENTRE

	<p>Waterfront Toronto's cost ("Dockwall Work").</p> <p>Waterfront Toronto shall monitor and report on the dockwall infrastructure and shall require the Site Developer to do the same so that there is no interference with the infrastructure in general, as outlined in the Development Agreement. Waterfront Toronto acknowledges and agrees to restore all surrounding City land affected by the Dockwall Work, on terms and conditions deemed appropriate by the City.</p> <p>Waterfront Toronto will monitor, oversee and enforce all of the environmental obligations under the existing RA or CPU for Canada's Sugar Beach when reconstruction occurs in accordance with the Development Agreement.</p>
<p>Toronto Hydro Equipment and Easement Obligations of Waterfront Toronto</p>	<p>Waterfront Toronto will enter into an agreement with Toronto Hydro regarding the relocation of the existing Toronto Hydro equipment from Sugar Beach to a room in the building to be located on Block 2 of the Property as outlined in the Development Agreement.</p> <p>Waterfront Toronto acknowledges the existence of an easement that relates to the Toronto Hydro equipment on Sugar Beach. Waterfront Toronto shall ensure the easement is released and a new easement is registered on the Property to access, maintain, repair and replace hydro equipment within the said building for nominal consideration and other terms satisfactory to the City.</p>
<p>Other Provisions</p>	<p>In the undertaking agreement, Waterfront Toronto will also agree:</p> <ul style="list-style-type: none"> • To circulate all amendments under the Development Agreement for City comment on all matters that affect the City as owner and lessor of the Property; • To complete a satisfactory due diligence review of the Site Developer's financial capacity and its ability to complete its obligations under the Ground Lease and the Development Agreement; • To reinvest all amounts payable under the Ground Lease in waterfront revitalization; • To track all amounts payable under the Ground Lease and the City shall be credited with such amounts as the City's contribution to waterfront development; • To monitor the Site Developer's performance under the Development Agreement and the Ground Lease and perform on behalf of the City any City obligations under such Ground Lease that the City's Chief Corporate Officer may require, all at no cost to the City; • To pay on behalf of the City all costs, expenses, adjustments payable by the City under the Ground Lease. • To consult with the City if the Site Developer requests a twelve (12) month extension of the Sunset Date as set out in the Development Agreement.