

SHAREHOLDER'S DIRECTION
from
TORONTO DISTRICT SCHOOL BOARD
to
TORONTO LANDS CORPORATION

Dated May 16, 2008

As Amended:

June 22, 2011

November 16, 2011

November 26, 2014

And as further amended and restated on November 28, 2018

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AMENDED AND RESTATED SHAREHOLDER'S DIRECTION

THIS AMENDED AND RESTATED SHAREHOLDER'S DIRECTION (the “**Direction**”) dated as of the 24th day of October, 2018,

FROM:

TORONTO DISTRICT SCHOOL BOARD

(hereinafter referred to as the “**TDSB**”)

OF THE FIRST PART

-to-

TORONTO LANDS CORPORATION

(hereinafter referred to as the “**TLC**”)

OF THE SECOND PART

RECITALS:

- A. The TDSB is a provider of public primary and secondary educational services and is the owner of real property located in and around the Province of Ontario, including the Real Estate Portfolio (as defined herein).
- B. The TLC is a wholly-owned subsidiary of the TDSB, incorporated under the *Business Corporations Act* (Ontario) (the “*OBCA*”).
- C. The TDSB wishes to direct the TLC to manage its Real Estate Interests (as defined herein) and Properties (as defined herein) in accordance with this Direction.
- D. The TLC and the TDSB will be considered to be a single employer for purposes of Section 1(4) of the *Labour Relations Act* (Ontario).

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions.

In this Direction unless the context otherwise requires:

“**Annual Budget**” means annual financial plan in a form consistent with industry best practices and will include an annual operating budget, annual capital and renewal budget and any other such information as may be required.

“**Acquisition**” means to acquire a property or interest, either by purchase, lease or land exchange.

“**Approved List**” means a list of law firms which has been approved by the General Counsel of the

TDSB and the TLC, from time to time.

“Auditor” means the auditor of the TLC from time to time, if applicable.

“Business Day” means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close in Toronto, Ontario.

“Director” means a director of the TLC.

“Director of Education” means the Director of Education of the TDSB or designated representative from time to time.

“Early Termination Clause” means any provision which gives the TDSB, as landlord under the applicable Lease, the right to terminate such Lease on notice to the Tenant.

“Education Act” means the *Education Act* (Ontario).

“Effective Date” means May 16, 2008.

“Executive Officer” means Chief Executive Officer of the TLC and an officer as defined by the OBCA.

“Financially Whole” means, when referring to the financial operating position of the TDSB Board, that any agreement should not negatively impact the TDSB or TLC financial position. Program benefits can be considered when determining financial benefits to the TDSB Board.

“Fiscal Year” means each 12 month period comprising a fiscal year of the TDSB (or, in respect of the initial Fiscal Year, the period commencing on the Effective Date and ending on August 31, 2008).

“Governmental Entity” means any (a) federal, provincial, municipal, local or other government, governmental or public department, court, commission, board, bureau, agency or instrumentality, (b) any subdivision or authority of any of the foregoing, or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

“Key Performance Indicators (KPI)” means a measurable value that demonstrates how effectively a company is achieving its key business objectives.

“Lease” means any lease agreement, offer to lease, license, parking agreement or other agreement granting any right to use any part of a Property but shall exclude any permits granted by the TDSB's Permitting Department.

“Major Contracts” means contracts with a term in excess of three (3) years or with a total value, over the life of the contract, of more than \$500,000, but excludes any Lease, and any amendment or renewal of any Leases, and listing, commission and sale agreements entered into in connection with the disposition of a Disposition Property in accordance with the provisions of this Direction.

“Multi-Year Strategic Plan” means the current Multi-Year Strategic Plan approved by the TDSB which sets direction and identifies system goals to support TDSB students and schools.

“Person” means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity.

“Property” or “Properties” means the interest of the TDSB in the operating and non-operating school sites including all buildings and improvements built thereon which are owned or leased by TDSB, including any space under lease in operating schools. All Disposition Properties, as defined in Section 5.4 , are also Properties for purposes of this Direction. Any Disposition Property which has been disposed of by TLC as agent for and on behalf of TDSB shall cease to be a “Property” for purposes of this Direction.

“Real Estate Interests” means the Real Estate Portfolio and the TDSB’s interest in land use and city planning, policy development, community planning and partnerships and all related matters thereto.

“Real Estate Portfolio” means all real property to which TDSB holds a legal interest.

“Regulation 444” means O.Reg.444/98 pursuant to the *Education Act* (Ontario).

“Routine Proceeding” means an action or other proceeding based on a claim or claims by the TDSB and/or TLC (i) which relates to the collection of rent under Leases or of other receivables and, (ii) in respect of which there is no expectation of a counter claim or other claim against the TDSB and/or TLC as a consequence of such action or other proceeding.

“Services” means, collectively, the management of Real Estate Interests and Properties (including negotiation of any Lease on behalf of TDSB as a tenant).

“Service Level Agreement” defines the protocol and operational roles and responsibilities between the TLC and TDSB in respect to the delivery of Services hereunder.

“TDSB Board” means the Board of Trustees of TDSB.

“Tenant” means a tenant under any Lease.

“TLC Board” means the Board of Directors of TLC.

“TLC Committee” means a committee of the TLC Board.

“Trustees” means trustees of the TDSB and may also be referred to herein where appropriate as the “TDSB Board”.

Section 1.2 Gender and Number

Any reference in this Direction to gender includes all genders and words importing the singular number only include the plural and vice versa.

Section 1.3 Currency

All references in this Direction to dollars, unless otherwise specifically indicated, are expressed in Canadian currency.

Section 1.4 Certain Phrases, etc.

In this Direction (i) the words “including” and “includes” mean “including (or includes) without limitation”, and (ii) the phrases “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”.

Section 1.5 Accounting Terms

All accounting terms not specifically defined in this Direction shall be interpreted in accordance with the CPA Canada Public Sector Accounting Handbook and Ministry of Education regulations, guidelines and policies for financial reporting.

Section 1.6 Statutes

Any reference in this Direction to a statute or regulations thereunder shall be deemed to be a reference to such statute or regulations as amended, re-enacted or replaced from time to time and reference to specific parts, paragraphs or sections thereof shall include all amendments, re-enactments or replacements, unless the express provisions hereof otherwise require.

Section 1.7 Incorporation of Schedules

Any Schedules attached to this Direction shall, for the purposes of this Direction, form an integral part of it. Schedules may be varied, amended, replaced, added to or deleted in whole or in part from time to time by the parties hereto executing revisions thereto and any such revision shall from the date of execution as aforesaid become all or part of the Schedule hereto, and thereafter incorporated in this Direction and binding upon the parties hereto.

Section 1.8 Articles and Sections

The expressions “Article” and “Section” followed by a number means and refers to the specified Article or Section of this Direction.

ARTICLE 2 INTRODUCTION

Section 2.1 Relationship between TDSB and TLC.

The TDSB, as the sole shareholder of the TLC, hereby directs, the TLC to provide the Services in accordance with this Direction.

Section 2.2 Purpose of this Direction.

This Direction:

- (a) establishes objectives and principles of governance for the TLC;
- (b) establishes the Services that the TLC will provide for the TDSB;
- (c) establishes provisions for the accountability of the TLC to the TDSB; and
- (d) constitutes, in part, a declaration by the TDSB pursuant to Section 108(3) of the

OBCA that restricts in part the powers of the directors of the TLC to manage or supervise the management of the business and affairs of the TLC.

ARTICLE 3

OBJECTIVES AND PRINCIPLES

Section 3.1 Shareholder Objectives

The TDSB's objectives in entering into this Direction with the TLC are to assist the TDSB in its delivery of a strong public education system and align TLC objectives with the TDSB Multi-Year Strategic Plan by:

- (a) maximizing monetary and non-monetary value to the TDSB through strategic management and facilitating the optimal use of its Real Estate Portfolio by reconfiguring, integrating, redeveloping and/or improving the quality or modernization of the facilities located on those lands;
- (b) representing TDSB's interest in a proactive, strategic manner, and responding to development applications, municipal and provincial initiatives, land use policies and legislation, land use planning and market trends and other matters that impact TDSB's Real Estate Portfolio and pupil accommodation needs;
- (c) ensuring TDSB's interests are accounted for in establishing and maintaining community joint ventures and third party partnerships related to its Real Estate Portfolio and community interests;
- (d) providing impartial, strategic, innovative, and proactive advice, and relying on specialized expertise;
- (f) mitigating financial risks to the TDSB in connection with the delivery of Services;
- (g) being accountable to TDSB for achieving projected results, including developing Key Performance Indicators to measure TLC's performance and complying with the provisions and intent of this Direction; and,
- (h) providing effective and timely communication with TDSB along with internal teams and external stakeholders.

Section 3.2 Principles Governing the TLC.

To guide decision-making and strengthen accountability to TDSB's fiduciary responsibilities in the stewardship of its Real Estate Portfolio, the TLC will conduct its affairs in a manner consistent with the following principles:

- (a) that TDSB lands are to be preserved as public assets to the maximum extent possible;
- (b) that TDSB's delivery of a strong public education system in the future includes continuous modernization of TDSB schools;
- (c) that maximizing TDSB land value extends beyond financial value and is to include community and social value;

- (d) that TDSB must be kept Financially Whole when developing local and sustainable public service programs on TDSB Real Estate Portfolio which supports the partnerships and community hub model;
- (e) that TLC advocate for appropriate land use planning and provide for educational facilities which are sustainable and provide a secure and healthy physical environment for learning and teaching in communities throughout the City of Toronto;
- (f) that TLC be guided by the TDSB Multi-Year Strategic Plan and other applicable TDSB Plans, policies and procedures;
- (g) that TLC achieve the objectives of the TDSB, while protecting the interests of the TDSB;
- (h) that TLC conduct its affairs in a transparent and public spirited way, recognizing that, in many cases, the Real Estate Interests within the Real Estate Portfolio are important to the communities in which they are located; and,
- (i) that TLC work with communities, local politicians and stakeholder organizations to ensure they have a meaningful opportunity to comment on and participate in significant projects, initiatives or other matters being undertaken by the TLC.

The TLC will be responsible for determining the appropriate balance among the foregoing principles and causing the TLC to conduct its affairs in accordance with same, and will be accountable to the TDSB for how this balance is achieved.

ARTICLE 4

OPERATION AND CONTROL OF THE TLC

Section 4.1 TLC Board.

Subject to any matters requiring approval of the TDSB pursuant to this Direction or any other restrictions set out herein, the TLC Board will supervise the management of the business and affairs of the TLC and carry out the following specific matters:

- (a) develop and approve the Strategic Plans and the Annual Plan consistent with the provisions of this Direction and the TDSB Multi-Year Strategic Plan for approval by the TDSB Board;
- (b) evaluate its strategic direction and ensure alignment with TDSB;
- (c) set and approve the annual TLC Budget and recommend approval by the TDSB Board in accordance with the TDSB annual budget cycle;
- (d) adhere to applicable TDSB policies and procedures and develop TLC policies and procedures (subject to TDSB Board and staff approval) consistent with the provisions of this Direction, the *Education Act*, and all other relevant legislation;
- (e) negotiate and execute, on behalf of the TDSB, all business and operational affairs which are necessary or desirable in order to permit the TLC to carry out the Services as defined and identified in this Direction, save and except for those items which are or relate to Transactions Requiring Consent, in which case prior approval of the TDSB will be required

pursuant to the terms hereof;

- (f) manage and direct all TLC human resource and employee-relations matters in accordance with TDSB Employee Services policies, procedures, terms and conditions of employment and/or any collective agreements. The TLC shall consult with the TDSB concerning employees covered by all applicable collective agreements and terms and conditions of employment in order to ensure their consistent application between the TLC and the TDSB. Any exceptions to TDSB policies require TDSB Board approval. Any exceptions to TDSB procedures, and TDSB terms and conditions of employment require Director of Education approval.
- (g) establish the TLC Board committee structure, as well as associated terms of reference for each committee. The terms of reference will include, among other things, a requirement that each Committee have at least one TDSB Trustee Director as a member;
- (h) ensure that the TLC operates in a manner consistent with applicable industry best practices; and
- (i) evaluate its performance every three to five years.

The Executive Officer, TLC, will be responsible and held accountable to achieve the objectives and goals of the TLC Board.

Section 4.2 Composition of the TLC Board.

The TLC Board will be composed of ten (10) Directors. Of these, four (4) will be Trustees and six (6) will be individuals who are not Trustees ("Citizens"). The Director of Education or any person designated by the Director of Education, and the TDSB Board Chair, shall be entitled to attend all TLC Board meetings and to receive all notices of such meetings and all reports and other correspondence which are distributed to members of the TLC Board.

Section 4.3 Appointment of TLC Board Members.

- (a) The four (4) TLC Board positions to be occupied by Trustees will be appointed by the TDSB.
- (b) The six (6) TLC Board positions to be occupied by Citizens will be nominated by an approved TLC committee, approved by the TLC Board, and ratified by the TDSB. In selecting nominees to fill these positions, the TLC Committee will consider expertise of candidates in areas related to the TLC Services to be provided.
- (c) The Chair of the TLC Board will be appointed by the TDSB from the Citizen Directors of the TLC Board.
- (d) Directors of the TLC Board who are Trustees shall serve for a term ending on the earlier of the date which is two (2) years after their appointment and the end of their term of office as Trustees. Directors of the TLC Board who are Citizens shall serve for a term of three (3) years and may be appointed for a second three (3) year term. No Director of the TLC may serve more than two (2) consecutive terms unless authorized by the Trustees of TDSB. The Citizen and Trustee Director terms of office will be staggered to ensure continuity.

- (e) To be eligible to be a Director of the TLC, an individual must not be disqualified from being a director under the OBCA, and shall be a resident Canadian as defined in the OBCA.
- (f) If a Director of the TLC ceases to be a Director for any reason, the TDSB will fill the vacancy created thereby as soon as reasonably possible.

Section 4.4 Remuneration.

The remuneration of the Directors of the TLC will be as determined by the TDSB from time to time. The TLC will reimburse Directors for all reasonable and allowable expenses in accordance with TDSB and TLC expense policies and procedures. In the event of a conflict between TDSB and TLC policies, the TDSB policies shall prevail.

Section 4.5 Removal of Directors

A Director may be removed from the TLC Board in accordance with the OBCA. The reasons for such removal may include, but are not restricted to:

- (a) breach of the Director's obligations under the OBCA;
- (b) conflict of interest that cannot be resolved in any other manner satisfactory to the TLC Board;
- (c) engagement in activities that are deemed by the TLC Board to have an adverse impact on the duties of such Director as a TLC Board member;
- (d) absence from three consecutive meetings of the TLC Board without obtaining approval of the TLC Board;
- (e) ceasing to meet the eligibility criteria of a TLC Board member as described herein; and
- (f) any removal of a Director by the TDSB pursuant to Section 122 of the OBCA.

Section 4.6 Conflict of Interest

The Directors and officers of the TLC will strictly abide by the requirements of the OBCA and the *Municipal Conflict of Interest Act*, and all other applicable statutes or requirements of law in respect of conflicts of interest, as well as any related TDSB or TLC policy or procedure, including any requirements in respect of disclosure and abstention from voting. In the event of a conflict between TDSB and TLC policies, the TDSB policies shall prevail.

Section 4.7 Confidentiality

The Directors and officers of the TLC will ensure that no confidential information of the TDSB is disclosed or otherwise made available to any Person, except to the extent that:

- (a) disclosure to the TDSB or TLC or their employees or agents is necessary for the performance of any of their duties and obligations under this Direction or is otherwise required by the TDSB;

- (b) disclosure is required in the course of judicial proceedings or pursuant to law; or the confidential information becomes part of the public domain (other than through unauthorized disclosure by any party),

and the TLC will abide by all terms of all applicable statutes and requirements of law pertaining to privacy and access to information.

Section 4.8 Shareholder Matters

- (1) Authorizations of the TDSB generally.

The following will apply to any authorizations or decisions that the TDSB must provide:

- (a) where TDSB authorizations or decisions are required, the TLC will give reasonable advance notice in writing of the need for such authorization and will provide such information as is reasonably necessary for the TDSB to make an informed decision;
 - (b) where TDSB authorizations or decisions are required, such authorizations or decisions shall be made by way of written Board resolution, or by the Director of Education if approval or decision making authority has been delegated to the Director of Education by written TDSB Board resolution; and
 - (c) the TLC shall be entitled to rely upon any direction, approval or authorization provided by the Director of Education from time to time on these specific matters.
- (2) Where TDSB Authorization Required Under OBCA.

The TLC will not, without the authorization of the TDSB, enter into any transaction or take any action that requires shareholder approval pursuant to the OBCA, including without limitation, the following actions:

- (a) apply to make changes to the articles of incorporation of the TLC;
- (b) amalgamate, apply to continue as a body corporate under the laws of another jurisdiction, merge, consolidate or effect a reorganization as defined in the OBCA, or approve or effect any plan of arrangement, in each case whether statutory or otherwise;
- (c) take or institute proceedings for any winding up, arrangement or legal reorganization or dissolution;
- (d) create new classes of shares or reorganize, consolidate, subdivide or otherwise change its outstanding securities;
- (e) dispose of, by conveyance, transfer, lease, sale and leaseback, or other transaction, all or substantially all of its assets or undertaking;
- (f) change the Auditor; or
- (g) make any change to the number of Directors comprising the TLC Board.

(3) Other Matters Requiring TDSB Authorization.

Without the authorization of the TDSB, the TLC will not:

- (a) appoint new Directors to fill vacant positions on the TLC Board;
- (b) pass or amend any by-laws
 - (A) with respect to the composition or number of Directors or the term of Directors; or
 - (B) that are inconsistent with this Direction;
- (c) alter the remuneration of the Executive Officer beyond the Executive Compensation provided to an Associate Director of Education; or
- (d) enter into, or agree to enter into, any agreements that constitute a Transactions Requiring Consent referred to in Section 6.1.

Section 4.9 Other Legislation

In the event any provision of this Shareholder Direction/any other direction of the TDSB conflicts with applicable legislation and/or regulation, the latter shall prevail.

Section 4.10 Communication between TLC and the Shareholder

The TLC will ensure that there is effective and consistent communication between the TDSB and the TLC through the following means:

(1) Board to Board

- (a) TLC reports will be submitted to the TDSB through its Planning and Priorities Committee (or its successor committee), or to an appropriate Committee as determined by the TDSB Chair and/or Director of Education; and
- (b) TLC Board will report quarterly to the TDSB Board highlighting key activities and achievements.

(2) Executive Officer –Director of Education

The Director of Education may provide advice, direction and guidance, in accordance with Board resolution, on matters of significance to TDSB. The Executive Officer and Director of Education will collaborate and have open discussions and regular communication.

(3) TDSB – TLC Executive Committee

An executive committee consisting of the Chair, TDSB, Chair, TLC, Director of Education, and Executive Officer will be established to facilitate communication and collaboration.

(4) Strategic Plan

The TLC will develop its long-term plan ("TLC Strategic Plan") in accordance with the TDSB's Multi-Year Strategic Plan and its long-term programming requirements, to be submitted to the TDSB Board for approval. The TLC Strategic Plan will be updated to include changing objectives and priorities of the TDSB during the period covered by the TLC Strategic Plan or whenever the TDSB updates its strategic plan. Reporting of the TLC Strategic Plan will be within three months of the approval of TDSB's Multi-Year Plan. The TLC will review the TLC Strategic Plan every four years.

(5) Annual Plan

The TLC will submit its Annual Plan to the TDSB Board for approval. The Annual Plan will satisfactorily support all operations under the TLC's direction and will be in alignment with TDSB's budget cycle for the next Fiscal Year. A finalized Annual Plan will be adopted not later than thirty (30) days before the beginning of the Fiscal Year to which it relates (such finalized plan being hereinafter referred to as the "Annual Plan"). The TLC will also report annually on its results and achievements set out in the previous year's Annual Plan, including financial and key performance targets.

ARTICLE 5 PROVISION OF SERVICES

Section 5.1 Appointment of TLC as Agent and Advisor

Subject to the terms and conditions herein, and any subsequent services as required by the TDSB, the TDSB hereby appoints the TLC and the TLC hereby accepts such appointment, as the TDSB's agent and authorizes the TLC to exercise such powers as may be necessary or appropriate for the performance of the TLC's obligations of providing or procuring the Services.

For those matters for which TLC is not Agent, TLC will act as Advisor to consult and provide recommendations as appropriate to the TDSB.

Section 5.2 Project Management and Consulting Services

The TLC will provide such additional consulting and/or project management services (the "Project Management and Consulting Services") as may be requested from time to time by the TDSB. The Project Management and Consulting Services may include, by way of example, supervision of capital projects, redevelopment of properties owned by the TDSB, or representation of the TDSB in joint venture opportunities with other public or private sector entities. These services may be provided by the TLC as agents for and on behalf of the TDSB or in the capacity of consultants. These services may relate to one or more of the Properties, but may also relate to other properties, whether or not owned by the TDSB, which are not Properties for the purposes of this Direction.

The scope of such services shall be determined by the TDSB after discussions between the TDSB and the TLC. Such discussion shall take into consideration the resources available to the TLC, the demands on those resources in providing the other Services under this Direction, and the impact on the Annual Budget.

Section 5.3 Notice of Legal Proceedings

The TLC shall promptly give notice to the General Counsel of the TDSB of any statement of claim, legal proceeding, or other legal documents which provide notice of, originate, or continue any proceeding which has an impact upon the value of any Property or which establishes, claims or alleges liability of the TDSB and/or the TLC.

If it is not an insured claim under the TDSB's or TLC insurance policies, the TLC shall retain counsel for the purpose of defending any action or other proceeding provided that (i) the estimated cost of legal fees is contained in the current Annual Plan and (ii) the action or other proceeding is a "Routine Proceeding". The TLC shall not commence any legal action or other proceeding until it has received the written approval of the General Counsel of the TDSB.

Section 5.4 Disposition Properties

The TDSB will, from time to time, identify Properties which it has determined should be disposed of, and will, after having declared such Properties to be surplus by way of a resolution pursuant to Section 194(3) of the *Education Act*, notify the TLC that such determination has been made via a formal communication from the Executive Officer, Governance and Board Services, on behalf of the Chair of the TDSB. Properties identified in any such notice are referred to herein as "Disposition Properties". The TLC will provide such assistance as the TDSB may request to enable it to make such determination, including providing economic and statistical data, as well as market valuations and projections relating to specific Properties.

(a) Compliance with Regulation 444

The notice provided by the TDSB to the TLC pursuant to Section 5.4 will specify whether the Disposition Property has been the subject of a proposal pursuant to the procedure specified in Regulation 444 (a "Reg 444 Proposal"), and if it has, the outside date by which the TDSB is permitted to sell such Disposition Property to a third party without issuing another Reg 444 Proposal (the "Outside Sale Date"). If a Reg 444 Proposal has not been issued for such Disposition Property, or if it has been issued but the Outside Sale Date is not, in the TLC's opinion, sufficiently distant to permit the TLC to properly dispose of the Disposition Property before such Outside Sale Date, then, in either case, the TLC will issue or cause to be issued a Reg 444 Proposal for such Disposition Property.

If, as a result of a Reg 444 Proposal, a Disposition Property is to be sold to one of the bodies specified in Regulation 444, then the TLC will be responsible to negotiate, resolve, execute and deliver, as agent for and on behalf of the TDSB, such agreements and other instruments as may be necessary or desirable to sell and convey such Disposition Property and to complete all related transactions pursuant to the *Education Act* and other applicable legal requirements.

(b) Disposition Parameters

Where appropriate, the TDSB will specify disposition parameters, (the "Disposition Parameters") specific to each Disposition Property at the time of surplus declaration. Such parameters will be adhered to in the disposition of the Disposition Property to a third party purchaser (other than a

named purchaser pursuant to Regulation 444). Once the Disposition Property is declared surplus and transferred to the TLC, the TLC must comply with all regulatory disposition parameters and is authorized to negotiate and execute all agreements necessary to conclude the disposition. In disposing of a surplus property through the open market process, TLC will advance TDSB's commitment to strong and vibrant communities.

(c) Limitations on Disposition

The TLC shall not sell, transfer or otherwise dispose of any interest in any of the Properties (other than Leases as provided in this Direction) or enter into any agreement or option which would oblige the TLC or the TDSB to do so, unless the procedure outlined in this Article is followed or the approval of the TDSB has otherwise been provided.

ARTICLE 6 PROVISION OF SERVICES GENERALLY

Section 6.1 Transactions Requiring Consent

Notwithstanding the authority granted to the TLC under this Direction, there are certain transactions and agreements in respect of which the prior written approval of TDSB will be required. These are referred to herein as “**Transactions Requiring Consent**” and include the following:

- (a) Leases, or renewals or amendments of Leases which
 - (i) a current TDSB policy does not already apply;
 - (ii) do not adhere to the current Annual Plan; or
 - (iii) do not contain the Early Termination Clause;
- (b) Contracts or agreements of any sort which
 - (i) a current TDSB policy does not already apply;
 - (ii) do not adhere to the current Annual Plan; or
 - (iii) are Major Contracts; and
- (c) such other types and categories of transactions and agreements which require the approval of the TDSB under the terms of this Direction, applicable TDSB policy and procedure, including but not limited to leases in accordance with TDSB procedure relating to delegating of signing and approval authority, or which the TDSB may identify by notice in writing to the TLC from time to time.

Section 6.2 Standard of Care

The parties hereto acknowledge and agree that the standard of care to be exercised by the TLC in providing the Services pursuant to this Direction shall be the standard of care that a reasonably skillful and prudent owner of properties similar to the Properties would apply in administering such

assets.

Section 6.3 Best Practices

The TLC Board shall, as part of their duties hereunder, develop and implement policies and procedures which are reflective of the principles and objectives set out in this Direction and of applicable best practices in the industry, in various areas, including but not limited to:

- (a) conflict of interest by Directors; and
- (b) competitive bidding or tendering processes designed to procure optimal pricing, in a transparent and efficient manner, for all transactions in which TLC is engaged, including leasing of Properties, sale of Disposition Properties, and procurement of goods and services used or consumed by TLC;

Section 6.4 Service Level Agreement

TDSB staff in discussion with TLC staff shall develop an updated Service Level Agreement. The Service Level Agreement will be relied upon to delineate actual service levels relating to certain functions including but not limited to: finance, facilities, human resources, IT, payroll and benefits.

Section 6.5 Limitations Re Contributions

The TLC is not permitted to:

- (a) make any donations or contributions to any charity or charitable organization, whether registered or otherwise, other than to the TDSB; and
- (b) make any contributions to or endorse any political party, candidate, or campaign.

Section 6.6 Execution and Delivery of Instruments; Power of Attorney

Subject to Section 6.1, the TDSB hereby authorizes the TLC to execute and deliver, in its capacity as agent for and on behalf of the TDSB, all contracts, Leases, amending and extension agreements, deeds, transfers, assignments, certificates, declarations, directions, authorizations and other instruments as may be necessary or desirable, in the opinion of the TLC, from time to time to permit the TLC to provide the Services and carry out its duties as contemplated under this Direction. The TDSB will execute and deliver to the TLC from time to time as the TLC may request, any confirmation of the foregoing authorization, and of the agency relationship established hereby, and any power of attorney, in each case as the TLC may determine to be advisable.

Section 6.7 Agency Relationship; Cost and Expenses

Every action taken by the TLC in providing the Services under the provisions of this Direction shall be done as an agent of the TDSB with the authority to bind the TDSB, subject to Section 6.1 except as otherwise provided herein. Except as specifically provided herein to the contrary, all obligations and expenses incurred in providing the Services pursuant to and in accordance with the provisions of this Direction shall be for the account, on behalf, and at the expense of the TDSB.

Section 6.8 Employees

All employees of the TLC (excluding employees of the TDSB seconded to the TLC) will be employees solely of the TLC and will not be employees of the TDSB. TLC will manage, direct and execute all human resources and employee relations matters with employee remuneration to be reflected in the TLC Annual Plan.

The TDSB will provide for TLC staff the opportunity to enroll in all TDSB plans subject to provider approval.

Section 6.9 Mutual Release

Each of the TLC and the TDSB irrevocably releases and forever discharges the other and, where applicable, each of their respective directors, officers, trustees, agents and employees (collectively the "Releasees") from all actions, causes of action, suits, debts, covenants, liabilities, damages, demands and all other claims which either party ever had, now has, or may hereafter have against the Releasees for any causes whatsoever (collectively "Claims"). Each of the TLC and the TDSB further agrees not to commence any action, proceeding, suit or claim (including any cross-claim, counterclaim, third party action or application) which respect to any Claims or against any Person who may claim contribution or indemnity against the Releasees.

Section 6.10 Indemnification of Directors and Officers

TDSB will indemnify:

- i) Any director or officer of the TLC;
- ii) Any former director or officer of the TLC;
- iii) Any individual who acts or acted at the TLC's request as a director or officer of a body corporate of which the TLC is or was a shareholder or creditor; and
- iv) Their respective heirs and legal representatives;

to the fullest extent that such Persons may be indemnified by the TLC pursuant to the OBCA. TDSB may execute agreements in favour of any of the foregoing Persons evidencing the terms of this indemnity. Nothing in this Section limits the right of any Person entitled to indemnity to claim indemnity apart from the provisions of this Section.

ARTICLE 7 ASSIGNMENT; DELEGATION; RENEWAL

Section 7.1 Assignment by TLC; Delegation of Duties

- (a) The TLC shall not assign its interest in this Direction without the prior written consent of the TDSB. The TLC shall, at all times during the term and any renewal term under this Direction, be a wholly-owned subsidiary of the TDSB.
- (b) The TLC shall be entitled to enter into arrangements with one or more other asset managers,

advisors, professionals, consultants or other Persons for the provision of services and/or to delegate some or all of its duties and authorities under this Direction, provided the cost of same is in accordance with the current Annual Plan.

- (c) To the extent that any of the Services to be provided by the TLC hereunder are required by law to be provided by a Person with any license, permit, or authorization from any Governmental Authority, and where the TLC does not possess such license, permit or authorization, it is the intention of the TDSB and the TLC that the TLC will arrange to have such Services provided by a Person who does possess such license, permit, or authorization.

Section 7.2 Automatic Renewal

The term of this Direction shall commence on the Effective Date and shall expire on the fifth (5th) anniversary thereof, provided, however, if this Direction has not been terminated by not less than twelve (12) months' written notice from the TDSB on or before such fifth (5th) anniversary, then this Direction shall be automatically renewed for successive two (2) year periods, until terminated by the TDSB on not less than twelve (12) months written notice.

ARTICLE 8 GENERAL

Section 8.1 Notices.

All notices which may or are required to be given herein or pursuant to this Direction shall be in writing and shall be given personally by serving the same upon any officer of the party to be served or by transmitting same by facsimile or by delivering same by courier:

- (1) To the Toronto District School Board (TDSB) at:

5050 Yonge Street
Toronto, Ontario
M2N 5N8

Attention: Director of Education

Fax No.: (416) 393-8973

- (2) To the Toronto Lands Corporation at:

201 – 60 St. Clair Ave. East
Toronto, Ontario
M4T 1N5

Attention: Executive Officer

Fax No.: (416) 393-9928

or such other addresses as the Parties may advise by notice in writing and any such notice shall be deemed to have been received and effectively served, if sent by courier, the second Business Day following the day on which it is sent and if served personally or sent by facsimile, on the day of

delivery (or if such is not a Business Day, on the first Business Day following), provided that, if notice is given by way of fax, notice will be deemed to be ineffective for purposes of this Direction unless the original is delivered by courier within three (3) Business Days afterward.

Section 8.2 Governing Law

This Direction shall be governed, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 8.3 Counterparts

This Direction may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together shall be deemed to constitute one and the same instrument.

Section 8.4 Amendments

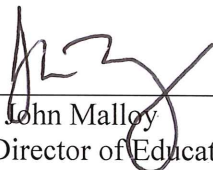
This Direction may be amended solely at the discretion of the TDSB. The TDSB will provide written notice to the TLC not less than thirty (30) days prior to making any amendment to this Direction.

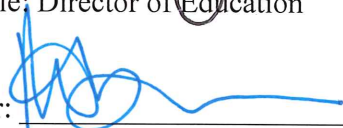
Section 8.5 Negation of Partnership or Joint Venture

Nothing in this Direction shall constitute or be construed to constitute or create a partnership, joint venture, or lease between the TDSB and the TLC.

Dated at Toronto this 8th day of, February 2019, as amended and restated.

TORONTO DISTRICT SCHOOL BOARD

Per: 
Name: John Malloy
Title: Director of Education

Per: 
Name: Robin Pilkey
Title: Chair, TDSB

The TLC acknowledges the content of this Direction and agrees to be bound by its provisions.

Dated at Toronto this 8th day of February 2019, as amended and restated.

TORONTO LANDS CORPORATION

Per: 
Name: Daryl Sage
Title: Executive Officer

Per: 
Name: David Crombie
Title: Chair