Growth, Value, Results
Letter from the Chair, and President & CEO

On behalf of Build Toronto and its Board of Directors, we are excited to share this abbreviated Build Toronto Annual Report for 2009. It is pursuant to the requirements of the Shareholder Direction and provides audited financial statements, details from our strategic plan, organizational development, and key milestones from our first 6 months in operation.

Build Toronto is the product of a “call to action” for the City to leverage the value of its real estate holdings through sales, development and leasing, following recommendations of two ground-breaking reports: the Blueprint for Fiscal Stability and Economic Prosperity, and the Agenda for Prosperity. This was not only vision for ‘what’ we are today, but also for ‘how’ we would deliver to the benefit of our City – the cooperation among industry, labour, educators and orders of government to enhance competitiveness and stimulate sustained economic growth for the benefit of all.

True to our roots, we have been busy acquiring and evaluating City realty assets and putting in place agreements for the transfer to Build Toronto of hundreds of millions in assets. We currently have several major projects underway in the pre-development phase, with more projects to be announced shortly. With this pipeline firmly in place, 2011 will prove to be a transformational year for Build Toronto.

Thank you for your support over the last many months and we look forward to working with you in delivering exceptional value back to the City of Toronto.

Sincerely,

MAYOR DAVID MILLER
Chair

J. LORNE BRAITHWAITE
President & Chief Executive Officer
Toronto Skyline
Report to the
Chief Financial Officer
Mandate

City of Toronto-owned, Build Toronto’s mission is to provide entrepreneurial development expertise to the City of Toronto to unlock the value of real estate holdings with a view to enhancing the economic competitiveness of Toronto and furthering the City’s policy objectives of building strong neighbourhoods and environmental stewardship. Build Toronto is a development company with a city-building mandate that over time:

+ Creates a financial dividend for the City;
+ Undertakes catalytic development opportunities;
+ Undertakes development that attracts and retains employment in the City; and
+ Assists in the creation of liveable neighbourhoods.

Unlocking the value of real estate holdings means both developing surplus lands and enhancing the use of properties used for City operations that have development potential. More specifically, the real estate holdings to be developed are generally underutilized and surplus to the needs of City programs. In some cases, sites have an existing program use that must be accommodated, but have capacity for additional development, and therein lies the opportunity that defines that portion of Build Toronto’s mandate.
The Shareholder Direction includes a set of specific objectives for Build Toronto, including:

+ Building in an environmentally responsible manner and demonstrating leadership in environmentally sustainable development; and
+ Maintaining standards for architecture, design and public open space with the intent of promoting urban design innovation and excellence that meets or exceeds the expectations of the community.

In addition to the Shareholder Direction, City of Toronto Council has given specific direction on how Build Toronto relates to the City of Toronto’s Real Estate Services Division and how it is to assist in the delivery of affordable housing for the City.

Build Toronto will manage its real estate portfolio in a financially prudent manner, ensuring that a reasonable return on investment is achieved and development risks are managed appropriately.
The 2009 Audited Financial Statements are attached in the Appendix.

Planned spending for the 2009 start-up year was just over $2.4 million. Actual expenditures for the fiscal year were $4.6 million, which included a $2.3 million financing cost for the acquisition of debt associated with the refinancing of the Toronto Waterfront Studios Inc. (TWSI) transaction (see Results section on pg. 14). This financing cost will be fully amortized through the repayment of loans by TWSI. Excluding the TWSI financing cost noted above, the expenditures for 2009 were approximately $2.3 million.

The Corporation received an unqualified audit opinion without any management letter related to internal control issues within the scope of the audit. The Corporation has recommended to the Shareholder the appointment of PricewaterhouseCoopers for the audit of the 2010 fiscal year.
2009 Results

The focus for Build Toronto in 2009 was the establishment of the organization, putting in place the staff and business infrastructure necessary for future success.

As a start-up organization that commenced active operation in mid year 2009, Build Toronto had as its first priority the development of a five-year strategic plan. The strategic plan was approved by the Board of Directors in March 2010. Build Toronto also completed the transfer of a 20% interest in TWSI, together with 100% of the lands associated with TWSI’s operations, from the Toronto Port Lands Company (“TPLC”). Finally, Build Toronto successfully completed the refinancing of a $30 million loan to TWSI and started negotiation of a long-term loan from Infrastructure Ontario (“IO”).

Management worked with the City of Toronto to ensure that appropriate regulations are in place to allow for the proper conduct of business and enable Build Toronto to fulfill its mandate. A number of successes in this regard have been achieved; however, there continues to be a need for amended regulations (see Requests of the Shareholder).
Key results

Strategic Plan 2010 – 2014

The Build Toronto Strategic Plan 2010 – 2014 Summary is attached in the Appendix. The plan sets out the business context for Build Toronto and identifies three key strategies for the organization:

1. Building revenues through development of properties transferred from the City of Toronto;
2. Creating a long-term sustainable financial plan; and
3. Delivering city-building value for the City of Toronto.

The expected result from the Strategic Plan is the creation of a skilled, self-sustaining real estate development company that creates value for the City of Toronto through:

+ Developing an investment portfolio of properties in which Build Toronto retains an active interest and generates ongoing revenues from lease payments;
+ Securing zoning on surplus lands and skilled marketing of properties for sale; both activities generate revenues in the shorter term; and
+ Undertaking catalytic development, primarily through transit oriented projects that have economic development, social policy and development stimulus benefits for neighbourhoods.

Through its development activities, Build Toronto is committed to supporting the City’s affordable housing plan, achieving high environmental and urban design standards.
Organization

A key priority for 2009 was the recruitment and hiring of the Senior Management Team. The Board of Directors named Lorne Braithwaite as Chief Executive Officer and Derek Ballantyne as Chief Operating Officer in May 2009. A skilled and experienced supporting team was approved by the Board in July 2009. This team then focused on the priorities at hand – development of strategic and operational plans, development of sites and organizational matters. One priority was the development and implementation of key corporate and operational policies which define the approach Build Toronto will take in the conduct of its business. All major policies governing Build Toronto will be in place in 2010.

The Board established a committee structure in conformity with the Shareholder Direction. The governance model is illustrated in the Appendix attached.

A shared corporate services model supporting TPLC and Invest Toronto was developed and implemented in November 2009, hosted by Build Toronto. Shared service costs are charged to TPLC and Invest Toronto on a cost recovery basis.
Transfer of Assets

The core business of Build Toronto is unlocking value in the City of Toronto’s real estate portfolio through sustainable development. In 2009, 30 properties were identified as being of potential interest to Build Toronto. Six of these properties were formerly owned by TPLC. The focus in 2009 was on determining the development potential of these assets and working with the Real Estate Services Division on the due diligence and transfer processes in order to acquire these and other assets. Build Toronto and Real Estate Services have worked collaboratively on the implementation of the City’s Real Estate Principles, seeking to identify opportunities within the City’s real estate portfolio for development and added value.

Management expects in 2010 to transfer to Build Toronto TPLC assets that have been earmarked for development or asset management. This includes the Corus Quay building, which reached substantial completion in 2010. These assets will be used to service interest and guarantee payments for the proposed land loan (see Financial Plan section).

Build Toronto and the City have developed a template agreement for the transfer of lands currently held by the City. This agreement allows Build Toronto to use and develop the lands and to proceed with transfers at a future date once regulatory matters concerning property taxes are resolved (see Requests of the Shareholder).
2010 Business Plan

Background

2010 will be the year in which Build Toronto starts to realize its plans; staff is in place, site assessments are being completed, and the company is ready to undertake a growing number of transactions.

The 2010 Build Toronto Business Plan is based on the Board-approved five-year Strategic Plan (approved March 2010). Business Plan targets are based on:

+ Existing portfolio of sites identified in 2009 for transfer / turnover to Build Toronto; and
+ Limited acquisition of new sites from the City.

Management has developed a site review and acquisition strategy for 2010 which includes the review of City and selected City agency sites for development potential, as well as a review of City sites that are over one acre in area or listed as vacant.

Site preparation for sale and development activities will be constrained by the limited timeline available in 2010 to seek City planning and zoning approvals and thereafter achieve final sales or obtain approvals to proceed with development projects. This time constraint may impact realized revenues in 2010. In such cases revenues will be postponed to 2011, but this will not impact Build Toronto operations in 2010.
2010 Targets

Based on a careful analysis of the properties currently identified for transfer to Build Toronto, as well as properties identified by the City for transfer during the course of 2010, Management has developed a business plan with the following targets:

+ Putting in place transfer, and where applicable, turnover agreements for $250 million of lands;
+ Pre-development activity on 12 sites (site assessment, zoning where appropriate, market assessment) – cost $2.6 million;
+ Marketing of six sites, sales agreements in place for two sites - revenues of $8.6 million; and
+ Achieving leases for the development of 300,000 square feet of office space to be constructed by 2014.

Financial Plan

A key to achieving the 2010 Business Plan and future year targets is the implementation of a financial plan that achieves financial sustainability and a financing facility for the development of investment properties.

Management plans to fund operating and capital cost cash requirements using a combination of property sales, draws from the Land Acquisition Reserve Fund provided by the City (“LARF” - $10 million repayable loan) and new financings. Of the LARF funding, $1.8 million relates to 2009 expenses, and $2.5 million is the planned draw for 2010, leaving a balance of $5.7 million for future years.
The IO financing agreement was negotiated at the end of December 2009 as part of the approach to a long-term refinancing arrangement for the Toronto Waterfront Studios Inc. (TWSI) operation at favourable interest rates over a 23-year period. It was intended that the funds would be drawn to replace a bridge loan of $30 million by May 31, 2010. Due to ongoing negotiations with the TWSI shareholders, the negotiated IO financing agreement did not close before May 31. Management has successfully negotiated a 12-month short-term loan with IO in order to repay the bridge loan.

Management will also seek to put in place a land loan of up to $200 million. The loan will be used to provide both development capital and equity capital for Build Toronto investment properties (primarily office developments). Build Toronto will seek a guarantee from the City of Toronto to ensure the lowest cost for the land loan. (See Requests of the Shareholder.)

Management has also been in discussion with the Federation of Canadian Municipalities (FCM) to obtain a $10 million loan from its Green Municipal Fund for the remediation of a brownfield site in south Etobicoke. It is proposed that the City guarantee this loan in order for Build Toronto to be eligible for the lowest interest rate available to cities and their wholly-owned corporations. Should Build Toronto not be eligible for the lowest rate available, then Build Toronto will incur a rate that is approximately 1.5% higher per year in its outstanding borrowings from FCM.
Requirements of the Shareholder

Build Toronto has met all of its obligations pursuant to and has conducted its business in compliance with the Shareholder Direction. These requirements include:

- Establishing a Corporate Governance Committee (renamed the Human Resources and Corporate Governance Committee), and through this Committee establishing key corporate policies and operating procedures;
- Initiating work in 2009 on procurement, equity and other human resource policies (to be completed in 2010); and
- Drafting a Memorandum of Agreement with the Affordable Housing Office supporting the achievement of affordable housing targets (completed in 2010).

Requests of the Shareholder

As noted above in this report, Build Toronto is seeking support from the Shareholder on three matters:

1. Agreement for a land loan guarantee up to $200 million;
2. Regulatory changes required for the appropriate conduct of business; and
As noted above, the Build Toronto Strategic Plan includes the development of investment properties which the Corporation will develop or co-develop. The Corporation may retain a longer-term interest in certain properties to provide an ongoing source of revenue for Build Toronto and contribute to a long-term financial dividend for the City.

Build Toronto is land rich but cash poor when compared to a mature development company. To develop investment properties, equity investment will be required. Build Toronto will seek loans using its land holdings as collateral to finance such equity investments. A City loan guarantee of $200 million will greatly improve the debt / equity ratio for the Corporation and very significantly reduce borrowing costs. Build Toronto proposes to pay a commercial rate to the City for the loan guarantee.

As indicated above, Build Toronto is remediating a brownfield site in South Etobicoke with a view to attracting new employment uses to the area. A City loan guarantee for $10 million (which has been included in the $200 million loan guarantee request above) for the remediation of this site will provide Build Toronto with the lowest cost of borrowing from FCM’s Green Municipal Fund. Build Toronto is proposing that it pay a modest fee to the City for this guarantee.
Evergreen, Canada's largest low-rise LEED-H community
Build Toronto active partner since 2010
Regulatory changes

Build Toronto successfully worked with the City to effect regulatory changes which now allow for the creation of subsidiaries and the holding of an interest in another company. Both of these changes will enable Build Toronto to more successfully enter into development joint-ventures and manage risk in certain transactions (the TWSI loan is an example of this).

Necessary, and increasingly urgent for Build Toronto, are regulatory changes that will:

+ Exempt Build Toronto from paying property taxes (an exemption similar to the one that applies to the City of Toronto) on vacant lands and premises it uses for its own purposes; such exemption will not have any impact on current City or provincial tax revenues, as the lands currently are tax exempt; and
+ Confirm the ability of the City to guarantee loans to Build Toronto from commercial lending sources.

Without these changes, Build Toronto will attract higher operating costs and financial gains will be reduced. Management continues to work with City of Toronto officials in seeking these regulatory changes.

OMERS letter of guarantee

Build Toronto is a participant organization in the Ontario Municipal Employees Retirement System (OMERS). OMERS requires that Build Toronto post a letter of credit in the amount of approximately $200,000 in order to participate in the system. This cost can be avoided if the City of Toronto provides OMERS with a Letter of Guarantee. This will provide OMERS with the required security for Build Toronto’s participation in the pension fund.
Build Toronto is a start-up organization with six months of operation in 2009. During that time the Corporation was successful in setting out a long-term vision and plan, in developing the organizational capacity to deliver on its mandate, and in starting the land development and sale transaction processes. Results of the efforts in 2009 will be seen in 2010 and beyond.
The inaugural strategic plan for Build Toronto sets the organization on its journey of growth. The strategic plan outlines the business model being used in the management of assets transferred to Build Toronto from the City, the financial and non-financial targets for the corporation, and the priorities for the five-year period ahead.

The company represents a new entrepreneurial model for a city-owned real estate entity. The top rated team of development leaders will partner with private and public sector interests, and access equity markets to develop properties and produce real results - specifically investment properties with long term value yield, dividend streams, economic growth, new employment, and targeted city-building – all to the benefit of the City of Toronto.

**Mandate**

Build Toronto is a development company with a city-building mandate to:

+ Create a financial dividend for the City;
+ Undertake catalytic development opportunities;
+ Undertake development that attracts and retains employment in the City; and,
+ Assist in the creation of liveable neighbourhoods.

There are two primary objectives for Build Toronto: to build a portfolio of investment properties that will yield an annual financial dividend for the City of Toronto, and to direct development and management of assets in order to achieve city-building results.
Build Toronto was one of two corporations created following the 2008 Toronto City Council approval of A New Model To Enhance Toronto’s Competitiveness, a collaborative report with recommendations from two major reviews of the City and its Economic Development and Real Estate activities. Build Toronto Inc. was incorporated on November 2008, and began operation in June 2009, following the appointment of a Board of Directors and the Chief Executive Officer, Lorne Braithwaite.

**Business Model**

Build Toronto has completed a detailed evaluation and analysis of current lands transferred to it by the City and calculates a build-out potential of close to 14 million square feet of new leasable area. Build Toronto’s current land inventory is appraised at close to $200 million. The value of properties available to Build Toronto is expected to grow to $350 million over the 2010-2014 period.

Major “investment properties” (commercial, industrial and mixed-use) will likely be undertaken as joint ventures with the private sector with Build Toronto raising or managing the aggregation of equity capital. The result, long underutilized properties across the City (including prime sites in Downsview, Scarborough, North York and North Toronto) will be transformed and ‘valueenhanced’ into first class mixed-use, and new revenue-generating communities. Properties that have a limited value as long-term commercial investment, or those are primarily targeted to residential development, will be sold on an improved or unimproved basis. This process will be done on a case-by-case basis, following detailed market and business opportunity analysis.
Corus Quay completed in 2010
Ownership to be transferred to Build Toronto in 2010
Outcomes

The outcomes for Build Toronto are based on what can be achieved from available land inventory or other assets put at Build Toronto’s disposal. As noted above, the highest outcome for Build Toronto is the development of investment properties with high value (NOI) and a high contribution to city-building outcomes. The following diagram (Fig. 2) illustrates the types of sites in the Build Toronto land inventory and how these support the needs of the corporation.
Fig. 2 – Matrix of Build Toronto Values / Outcomes

**HIGH**

**CHARACTERISTICS:**
- Good location
- Small/medium size
- Market attraction
- Limited “catalytic” benefit to development

**STRATEGY:**
- Participate in JV
- Sell; zone/sell
- Develop for investment
- Land lease

**CHARACTERISTICS:**
- Larger site
- Strategic location
- Transit connected
- Catalytic benefit to development
- Responds to other City policy objectives

**STRATEGY:**
- Develop for investment income
- JV for large complex/multi-party sites

**LOW**

**CHARACTERISTICS:**
- Poor location
- Small sites
- Poor transit access
- Significant environmental impacts

**STRATEGY:**
- Sale
- Lease for interim use

**CHARACTERISTICS:**
- Key OP policy area
- Catalytic benefit to development
- Responds to economic development needs
- Responds to other City policy objectives
- Market Challenge
- Environmental Impacts

**STRATEGY:**
- Develop site
- JV with other interests
- Offers for development to 3rd party
Priorities

1. Building revenues

Key goals for Build Toronto are to create a financial dividend for the City of Toronto and to meet city-building objectives. A long-term sustainable revenue stream will benefit the City as this annuity can be built into long-term operating and financial plans. Over time, this value can be captured through asset sales. Building an income stream to support all operating needs will take seven years. This assumes a modest build-out and a period of close to four years before the first commercial development revenues are realized. In order to sustain Build Toronto and generate some equity capital, an aggressive asset management plan is required that maximizes value from the lands that are available for non-commercial purposes or that do not fit with the long-term asset profile.

A goal for Build Toronto is the payback of a $10 million interim loan fund from the City by 2016 and generating sufficient capital for equity investment in key projects. Operating funds through this period will be generated through the sale of lands which are not “mission-critical” (estimated at $64 million) together with monies from asset management activities and land loans.

*Table 1 - Current Build Toronto Development Potential (NRA sq ft)*

<table>
<thead>
<tr>
<th></th>
<th>INCOME PROPERTIES</th>
<th>ASSET MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Development</td>
<td>4,391,000</td>
<td></td>
</tr>
<tr>
<td>Residential Development</td>
<td></td>
<td>8,618,000</td>
</tr>
<tr>
<td>Industrial Development</td>
<td>779,000</td>
<td></td>
</tr>
<tr>
<td>Land Leases (long-term)</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Land Sales/Short-Term Leases</td>
<td></td>
<td>227,000</td>
</tr>
<tr>
<td>Total (NRA sq.ft.)</td>
<td>5,220,000</td>
<td>8,845,000</td>
</tr>
</tbody>
</table>
With over 50% of current assets in the residential category, Build Toronto will either sell, or participate in development of these lands, while meeting the City’s targets of providing land for the construction of 1,250 affordable ownership and rental units over 5 years. Build Toronto will oversee the development of this portfolio working with non-profit or private developers and will work with the City’s Affordable Housing office to fund and deliver this affordable housing.

Table 2 – Summary of Potential Investment Income 2010 – 2016

<table>
<thead>
<tr>
<th>DEVELOPMENT TYPE</th>
<th>ANNUAL NOI ($ MILLIONS)</th>
<th>TIME FOR STABILIZED NOI (YRS)</th>
<th>RISK</th>
</tr>
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<tbody>
<tr>
<td>OFFICE</td>
<td>32.7</td>
<td>19% 2014, 81% 2015/16</td>
<td>MED/HIGH</td>
</tr>
<tr>
<td>INDUSTRIAL</td>
<td>9.8</td>
<td>2016</td>
<td>MED/LOW</td>
</tr>
<tr>
<td>RETAIL</td>
<td>0.4</td>
<td>2013</td>
<td>LOW</td>
</tr>
<tr>
<td>STORAGE</td>
<td>3.4</td>
<td>2013</td>
<td>LOW</td>
</tr>
<tr>
<td>TOTAL</td>
<td>46.3</td>
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</tbody>
</table>

2. Financial Sustainability

There are two key financial challenges facing Build Toronto in the short and medium-term: reaching operational self-sufficiency, and generating sufficient income for equity investment in projects. The timely transfer of properties to Build Toronto is paramount to achieving financial sustainability, growth in revenues and value to the City. Build Toronto will work closely with the City to identify lands with development potential and unlock this value to rapidly achieve operating self-sufficiency as well as generate funds for equity investment in key projects.
Fig. 3 – Process for Acquisition and Development of Properties

- Properties in use with Development Potential
- Surplus Properties

City Surplus or Turnover Decision

Build Toronto Due Diligence, Assessment

Build Toronto Transfer / Turn-over Acceptance

BUILD TORONTO DEVELOPMENT
- Property Sale
- Build Toronto Development
- Joint Venture Development
- Hold Until Value Improves

City Revenue (Dividend and Taxes)
Builder Toronto Investment Portfolio Revenue
Investment Capital for New Development
In the initial period of this plan, it will be imperative that larger projects with requirements for high-level Build Toronto equity participation start into production in order to create the net income that will provide the financial dividend to the City. Equally important is the continued identification of surplus properties by the City of Toronto and their transfer to Build Toronto in order to maintain an inventory against which Build Toronto can borrow to invest in the development of investment properties.

3. Delivering City-Building Value

Build Toronto is responsible for achieving Toronto’s city-building objectives and meeting its triple bottom line of economic, social and environmental results. All projects will exceed the City ‘green building standard’ and demonstrate the highest level of design and architectural excellence. In addition, as many projects as possible will support transit expansion, City ‘priority neighbourhoods’ growth, and future Transit City ‘business corridors’ infrastructure. A key success for Build Toronto is to develop investment properties that have a positive catalytic impact in neighbourhoods. This includes working with the City’s Affordable Housing Office to use Build Toronto sites in the delivery of 1,250 affordable ownership and rental housing units.
Implementing the Strategic Plan

Council set up Build Toronto with the stated objective to “use its lands to enhance Toronto’s economic competitiveness by attracting new commercial development that creates desirable jobs and to improve the liveability of Toronto by rejuvenating neighbourhoods and providing infrastructure and amenities.” Build Toronto’s Board of Director’s is Chaired by Mayor David Miller and Vice-Chair Blake Hutcheson, and represents an incredibly strong and experienced Board with exceptional expertise in the Real Estate and Development business in Toronto and in Canada.

The strategic plan covers the period to 2014, and foresees continuing transfer of lands to Build Toronto, including underutilized properties already occupied by City facilities such as libraries, parking lots and the TTC. Many of these “turnover” properties have high potential for intensification and revenue generation. Build Toronto will rely on the willingness of City operating departments to partner on accommodation solutions for existing facilities that will free up high value sites of which there are many in highly desirable locations.
The Team

Build Toronto is led by a team with deep experience in public and private sector development. Lorne Braithwaite, Build Toronto’s CEO, is an internationally known dynamic real estate developer with strong strategic vision and business acumen gained through public and private company experience in Canada and abroad during a 32 year business career. Derek Ballantyne, Build Toronto’s COO brings to the table his strategic leadership experience planning and directing Canada’s largest public-private re-development project in Regent Park.

Rounding out Build Toronto’s Senior Management Team are Don Logie, Senior Vice President, Development, Winston Young, Senior Vice President and CFO, and John Macintyre, Senior Vice-President, Corporate Affairs. Collectively, Build Toronto’s Senior Management Team has the development expertise, financial acumen and the intimate knowledge of the City of Toronto and it’s unique stakeholder environment required to achieve the mission.
Mayor David Miller was first elected to office in 2003 and re-elected for a second four-year term in 2006. He became a Metro Councillor in 1994, and in 1997 he was elected to the newly amalgamated city council, where he served two terms. He was the driving force behind the creation of Build Toronto in keeping with the Prosperity Agenda for the City of Toronto.

Blake is President and Chief Executive Officer of Oxford Properties Group, the investment and management arm of OMERS global real estate portfolio. He is responsible for achieving Oxford’s goals and executing its long-term business strategy. In 2008, a blue-ribbon panel chaired by Blake Hutcheson produced the Blueprint for Fiscal Stability and Economic Prosperity, which led to the creation of Build Toronto.

Bruce Bowes is the Chief Corporate Officer for the City of Toronto. He has held this position since April 2005 and is responsible for Toronto’s Facilities & Real Estate Division and the Fleet Services Division.

Paul Finkbeiner is President of GWL Realty Advisors Inc., one of Canada’s largest real estate investment advisors. Paul is responsible for the overall management and growth of GWL Realty Advisors’ $12.7 billion real estate portfolio.

Stuart Lazier is the principal shareholder of AXIA Corporation, a commercial real estate investment company with holdings in opportunity and income-oriented real estate investment funds.
Jon Love is the Managing Partner and CEO of KingSett Capital, Canada’s leading private equity real estate business co-investing with pension fund and high net-worth individual clients.

Ucal Powell is the Executive Secretary-Treasurer of the Central Ontario Regional Council of Carpenters, Drywall & Allied Workers Union. It is an affiliation of ten local unions representing approximately 15,000 working men and women, with a staff of fifty-five.

Councillor Kyle Rae represents Ward 27 in downtown Toronto and was first elected in 1991. As Chair of the City’s Economic Development Committee, Kyle vigorously promotes Toronto’s investment opportunities internationally. Kyle also served in a leadership role in developing the City’s Prosperity Agenda, the report of the Mayor’s Economic Competitiveness Committee.

Brigitte Shim is both an architect and principal in the firm Shim-Sutcliffe Architects and an Associate Professor at the John H. Daniels Faculty of Architecture, Landscape & Design at the University of Toronto.

Ken Silver is Senior Vice President, Real Estate & Strategy, with Canadian Tire Corporation Limited, and President of Canadian Tire Real Estate Limited, a subsidiary company.

Mike Williams is General Manager of the Economic Development, Culture and Tourism Division of the City of Toronto. Mike came to the City in 2009 from the Toronto Region Research Alliance (TRRA), where he served as Senior Vice President, Investment Attraction.
J. Lorne Braithwaite is an entrepreneurial developer and industry leader in enclosed regional mall real estate and retailing across Canada. He has also done extensive commercial real estate development work internationally in Dubai and China.

Mr. Braithwaite was formerly founder, Chairman, President and CEO of Cambridge Shopping Centres.

Derek Ballantyne is a results-oriented executive with more than three decades of business and public sector experience, including expertise in large capital project delivery, project consulting and manufacturing.

Mr. Ballantyne was Chief Executive Officer of the Toronto Community Housing Corporation (TCHC). He led Canada’s largest landlord in managing 58,500 units of social and market housing valued at over $6 billion, and in the delivery of Canada’s largest housing redevelopment initiative.
WINSTON YOUNG  
Chief Financial Officer &  
Senior Vice President

Winston Young is an innovative financial executive who excels in strategic and financial planning, with extensive business experience in both the private and public sector. A chartered accountant, he has more than a decade of real estate and development experience.

Mr. Young also serves as the CFO for the City of Toronto Economic Development Corporation and Interim CFO for Invest Toronto. He also held senior finance positions, including Vice-President, Finance & Controller at Famous Players Inc. and Director of Planning at Markborough Properties.

DON LOGIE  
Senior Vice President, Development

Don Logie is a senior real estate executive with extensive experience in the development and operation of commercial, industrial and residential real estate, with particular emphasis on retail, office and mixed use developments.

Mr. Logie was Acting President and CEO, as well as Vice President, Development, for the City of Toronto Economic Development Corporation (TEDCO).

JOHN MACINTYRE  
Senior Vice President, Corporate Affairs

John Macintyre has more than three decades of government and business experience, holding senior policy and operational roles in both the amalgamated City of Toronto and the former City of Etobicoke.

Prior to his appointment at Build Toronto, Mr. Macintyre was the Acting CEO of Invest Toronto, developing and executing their start-up strategy.
AUDITED
FINANCIAL STATEMENTS
AUDITORS' REPORT

To the Shareholder of
Build Toronto Inc.

We have audited the consolidated balance sheet of Build Toronto Inc. as at December 31, 2009 and the consolidated statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP
Chartered Accountants
Licensed Public Accountants

Build Toronto Inc.

CONSOLIDATED BALANCE SHEET

As at December 31

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<td>$</td>
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<td><strong>ASSETS</strong></td>
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<td>Investment in affiliated company [note 3]</td>
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<td>Accounts receivable [notes 4 and 8[a]]</td>
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<td>Prepaid expenses and deposits</td>
<td>287,226</td>
<td>—</td>
</tr>
<tr>
<td>Deferred rent receivable [note 6]</td>
<td>136,461</td>
<td>—</td>
</tr>
<tr>
<td>Interest receivable [note 8[b]]</td>
<td>128,560</td>
<td>—</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>126,062</td>
<td>—</td>
</tr>
<tr>
<td>Cash</td>
<td>120,072</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>44,698,566</td>
<td>—</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND SHAREHOLDER'S EQUITY (DEFICIENCY)** |        |        |
| Loan payable [note 9]                      | 30,000,000 | —     |
| Due to related party [note 8[c]]          | 3,558,086  | 18,803 |
| Accounts payable and accrued liabilities   | 77,632  | —     |
| **Total liabilities**                      | 33,635,718 | 18,803 |

| **Shareholder's equity (deficiency)**       |        |        |
| Share capital                               |        |        |
| Authorized and issued                       |        |        |
| 1 common share                              | 1      | 1      |
| Deficit                                     | (4,661,328) | (18,804) |
| Contributed surplus                         | 15,724,175 | —     |
| **Total shareholder's equity (deficiency)** | 11,062,848 | (18,803) |
|                                             | 44,698,566 | —     |

See accompanying notes

Approved on behalf of the Board:

Director

[Signature]

Director

[Signature]

Ernst & Young

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CONSOLIDATED STATEMENT OF OPERATIONS
AND DEFICIT

<table>
<thead>
<tr>
<th></th>
<th>Period from January 1 to December 31, 2009</th>
<th>Period from November 13 to December 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental income</td>
<td>3,000</td>
<td>—</td>
</tr>
<tr>
<td>EXPENSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits [note 10]</td>
<td>1,359,705</td>
<td>—</td>
</tr>
<tr>
<td>Rental properties</td>
<td>13,758</td>
<td>—</td>
</tr>
<tr>
<td>Project investigative costs</td>
<td>299,110</td>
<td>—</td>
</tr>
<tr>
<td>Legal and consulting fees</td>
<td>539,228</td>
<td>18,804</td>
</tr>
<tr>
<td>Office and services</td>
<td>75,256</td>
<td>—</td>
</tr>
<tr>
<td>Office rent</td>
<td>28,755</td>
<td>—</td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>29,960</td>
<td>—</td>
</tr>
<tr>
<td>Financing cost [note 5]</td>
<td>2,299,752</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>4,645,524</td>
<td>18,804</td>
</tr>
<tr>
<td>Deficiency of revenue over expenses for the period</td>
<td>(4,642,524)</td>
<td>(18,804)</td>
</tr>
<tr>
<td>Deficit, beginning of period</td>
<td>(18,804)</td>
<td>—</td>
</tr>
<tr>
<td>Deficit, end of period</td>
<td>(4,661,328)</td>
<td>(18,804)</td>
</tr>
</tbody>
</table>

See accompanying notes
CONSOLIDATED STATEMENT OF CASH FLOWS

<table>
<thead>
<tr>
<th>OPERATING ACTIVITIES</th>
<th>Period from</th>
<th>Period from</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>January 1 to</td>
<td>November 13 to</td>
</tr>
<tr>
<td></td>
<td>December 31,</td>
<td>December 31,</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
</tr>
<tr>
<td>Deficiency of revenue over expenses for the period</td>
<td>(4,642,524)</td>
<td>(18,804)</td>
</tr>
<tr>
<td>Changes in non-cash working capital balances related to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(654,208)</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses and deposits</td>
<td>(287,226)</td>
<td>—</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>77,632</td>
<td>—</td>
</tr>
<tr>
<td>Due to related party [note 2]</td>
<td>2,802,821</td>
<td>18,803</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>(128,560)</td>
<td>—</td>
</tr>
<tr>
<td>Cash used in operating activities</td>
<td>(2,832,065)</td>
<td>(1)</td>
</tr>
</tbody>
</table>

| FINANCING ACTIVITIES                                    |              |              |
| Increase in loan payable                                | 30,000,000   | —            |
| Issue of capital stock                                  | —            | 1            |
| Cash provided by financing activities                   | 30,000,000   | 1            |

| INVESTING ACTIVITIES                                    |              |              |
| Loans receivable [note 2]                               | (26,921,801) | —            |
| Construction in progress                                | (126,062)    | —            |
| Cash used in investing activities                       | (27,047,863) | —            |

Net increase in cash during the period                   | 120,072      | —            |
Cash, beginning of period                                | —            | —            |
Cash, end of period                                       | 120,072      | —            |

See accompanying notes
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

1. INCORPORATION AND MANDATE

Build Toronto Inc. [the "Corporation"] was incorporated under the Ontario Business Corporations Act on November 13, 2008. The Corporation is a wholly owned subsidiary of the City of Toronto [the "City"]. As a municipal corporation under Section 149(1) of the Income Tax Act (Canada), the Corporation is exempt from income taxes.

On December 16, 2009, Build Toronto Holdings One Inc. ["BTHOI"], a wholly owned subsidiary, was incorporated to hold the investment and related obligations in Toronto Waterfront Studios Inc. ["TWSI"].

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for profit-oriented enterprises. The significant accounting policies are as summarized below:

Basis of consolidation

These consolidated financial statements include the assets, liabilities, and results of operations of the Corporation and its wholly-owned subsidiary, BTHOI. All intercompany balances and transactions between the subsidiary and the Corporation have been eliminated.

Adoption of new accounting standards

In 2009, the Corporation adopted amendments to the recommendations of The Canadian Institute of Chartered Accountants ["CICA"] contained within CICA Handbook Section 3862, "Financial Instruments – Disclosures". These amendments enhance disclosures about fair value measurement, including the relative reliability of the inputs used in those measurements, as well as liquidity risk. In terms of fair value measurement, the standard establishes a three-level hierarchy based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

Future accounting policy changes

In September 2009, the Public Sector Accounting Standards Board ["PSAB"] approved an amendment to the Introduction to Public Sector Accounting Standards. Under the amendment, government business enterprises will adhere to standards for publicly accountable profit-oriented enterprises, meaning the adoption of International Financial Reporting Standards ["IFRS"], for fiscal periods beginning on or after January 1, 2011. Government business-type organizations

Ernst & Young
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

["GBTOs"] classification in the Public Sector Accounting Handbook would be eliminated and
government organizations currently classified as GBTOs may be categorized as other government
organizations ["OGOs"] or government not-for-profit organizations ["GNFPOs"]). The
Corporation has been identified as a GBTO which under these new rules is an OGO and as such
will adopt Public Sector Accounting Standards or IFRS. Management is currently addressing
which option to choose.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term investments with original
maturities of less than three months and are recorded at cost plus accrued investment income
which approximates market value.

Revenue recognition

Revenue is recorded when services are provided and collection is reasonably assured.

Land and land improvements

Land is recorded at cost. Land improvements are recorded at cost less accumulated amortization.
Amortization is provided on a straight-line basis over the estimated useful lives of the assets as
follows:

Land improvements 40 years

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted
accounting principles requires management to make estimates and assumptions that affect the
reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the
date of the consolidated financial statements and the reported amounts of revenue and expenses
during the reporting period. Actual results could differ from those estimates.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

Investment in affiliated company

The Company’s investment includes a 20% equity interest in an affiliated company, TWSI. The investment is accounted for using the equity method.

Transfer of assets

City Council declared specific City or City of Toronto Economic Development Corporation [operating as the Toronto Port Lands Company or “TPLC”] properties as surplus to be transferred to the Corporation or its subsidiaries at nominal value. The Corporation has adopted the recommendations of the CICA Handbook Section 3840, “Related Party Transactions”, and as a result, properties and related assets or liabilities transferred to the Corporation are recorded at their carrying amount or net book value with corresponding net increases to contributed surplus.

On December 31, 2009, the following assets were transferred to the Corporation from TPLC:

<table>
<thead>
<tr>
<th>Asset transferred</th>
<th>Transfer price</th>
<th>Consideration</th>
<th>Contributed surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in affiliated company</td>
<td>$2,565,363</td>
<td>$5</td>
<td>$2,565,363</td>
</tr>
<tr>
<td>Land and land improvements</td>
<td>$13,158,812</td>
<td>$5</td>
<td>$13,158,812</td>
</tr>
<tr>
<td>Loan receivable</td>
<td>$600,001</td>
<td>$600,001</td>
<td>$-</td>
</tr>
<tr>
<td>Deferred rent receivable</td>
<td>$136,461</td>
<td>$136,461</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$16,460,637</strong></td>
<td><strong>736,472</strong></td>
<td><strong>15,724,175</strong></td>
</tr>
</tbody>
</table>

Consideration received for the loan receivable of $600,001 and deferred rent receivable of $136,461 has been included in due to related party. The transfer of these assets was non-cash in nature and therefore these items have been excluded from the consolidated statement of cash flows.

3. INVESTMENT IN AFFILIATED COMPANY

On December 31, 2009, the Corporation’s subsidiary, BTHOI, acquired the shares, assignment of the lease, receivables and property associated with TPLC’s interest in TWSI at nominal value.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

4. ACCOUNTS RECEIVABLE

Included in accounts receivable is an amount of $641,279 representing funds held in escrow. This amount was received subsequent to the year end.

5. LOANS RECEIVABLE

[a] BTHO1 acquired a loan receivable of approximately $26.9 million from a financial intermediary plus a prepayment penalty of $2.3 million in connection with a loan. The loan expires in 2018 and has an interest rate of 5.6% with a balloon payment of $12.2 million. The loan is collateralized with a leasehold mortgage and $14 million in guarantees from the shareholders of TWSI of which $10 million is guaranteed by TPLC.

Principal repayments on the loan receivable in each of the next five years and thereafter are estimated as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1,349,755</td>
</tr>
<tr>
<td>2011</td>
<td>1,426,538</td>
</tr>
<tr>
<td>2012</td>
<td>1,507,689</td>
</tr>
<tr>
<td>2013</td>
<td>1,593,165</td>
</tr>
<tr>
<td>2014</td>
<td>1,683,386</td>
</tr>
<tr>
<td>Thereafter</td>
<td>19,361,268</td>
</tr>
<tr>
<td></td>
<td>26,921,801</td>
</tr>
</tbody>
</table>

This loan was acquired using the proceeds of a short-term bridge loan with a Canadian financial institution which expires on May 31, 2010, and management intends to refinance the same with another loan facility. The Corporation is finalizing negotiations of a loan agreement with TWSI in 2010 which is expected to include proceeds to cover the loan with the financial intermediary acquired and the prepayment penalty and costs associated with the refinancing.

[b] Also included in the loans receivable is an amount of $600,001 receivable from TWSI, which was advanced as shareholder's working capital contribution. The rate of interest and the repayment for this loan are subject to the approval of the Board of Directors of TWSI. The amount is not expected to be repaid within the coming year.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

6. DEFERRED RENT RECEIVABLE

On December 31, 2009, BTHOI acquired the assignment of a ground lease between TPLC and TWSI. Pursuant to the deferred rent clause in the said lease, TWSI has been given a deferral of 50% of basic rent payable for a period of five years starting from June 22, 2009. This deferral is on an interest free basis. The fair value of this receivable is $136,461 as at December 31, 2009.

7. LAND AND LAND IMPROVEMENTS

Land and land improvements consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Accumulated amortization</th>
<th>Net book value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>2,019,687</td>
<td>—</td>
<td>2,019,687</td>
</tr>
<tr>
<td>Land improvements</td>
<td>11,139,124</td>
<td>—</td>
<td>11,139,124</td>
</tr>
<tr>
<td></td>
<td>13,158,811</td>
<td>—</td>
<td>13,158,811</td>
</tr>
</tbody>
</table>

8. RELATED PARTY TRANSACTIONS

[a] Included in accounts receivable is an amount of $12,929 due from Invest Toronto Inc., an affiliated company.

[b] An amount of $128,560 is receivable from TWSI as interest accrued on the loan receivable.

[c] Due to related parties includes $3,558,086 owing to TPLC, an affiliated company.

9. LOAN PAYABLE

On December 31, 2009, the Corporation entered into an interest only bridge loan of $30 million with a Canadian financial institution expiring on May 31, 2010 bearing interest at 2.25%. The loan is collateralized by properties with a carrying value of at least $30 million.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

10. EMPLOYEE BENEFITS

The Corporation makes contributions to the Ontario Municipal Employees' Retirement Fund ["OMERS"], which is a multi-employer pension plan, on behalf of some of its employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Since OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit. The Corporation's current service contributions to the OMERS pension plan in 2009, which were expensed, totaled $28,520 [2008 - nil] and are included in salaries and employee benefits expense on the consolidated statement of operations and deficit.

11. COMMITMENTS

[a] Future minimum annual lease payments are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>282,500</td>
</tr>
<tr>
<td>2011</td>
<td>282,500</td>
</tr>
<tr>
<td>2012</td>
<td>282,500</td>
</tr>
<tr>
<td>2013</td>
<td>282,500</td>
</tr>
<tr>
<td>2014</td>
<td>282,500</td>
</tr>
<tr>
<td>Thereafter</td>
<td>1,553,750</td>
</tr>
<tr>
<td></td>
<td>2,966,250</td>
</tr>
</tbody>
</table>

[b] The Company has commitments to make leasehold improvements in the amount of $435,000 on leased premises.

c] The Corporation through its subsidiary is required to advance working capital in response to requests from TWS1 in the amount of $260,000 due at various times through 2010.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

12. FINANCIAL INSTRUMENTS

[a] Fair value

The Corporation's financial instruments, other than investment in affiliated company and loans receivable, consist of cash, accounts receivable, interest receivable, accounts payable and accrued liabilities and loan payable. These financial instruments are carried at cost, which approximates fair value.

The fair value of the $600,001 loan receivable cannot be determined as the loan is not repayable and the interest is unknown until these are approved by the Board of Directors of TWSI.

CICA Handbook Section 3862 requires disclosure of a three-level hierarchy for fair value measurements based on the transparency of inputs to the valuation of an asset or liability as of the financial statement date. The three levels are defined as follows:

Level 1: Fair value is based on quoted market prices in active markets for identical assets or liabilities. Level 1 assets and liabilities generally include equity securities traded in an active exchange market.

Level 2: Fair value is based on observable inputs other than Level 1 prices, such as quoted market prices for similar (but not identical) assets or liabilities in active markets, quoted market prices for identical assets or liabilities in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes mutual and pooled funds, hedge funds, Government of Canada, provincial and other government bonds, Canadian corporate bonds, and certain derivative contracts.

Level 3: Fair value is based on non-observable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This category generally includes private equity investments and securities that have liquidity restrictions.

As at December 31, 2009, the investment in affiliated company is classified as a Level 3 category.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

[b] Risk management

The Corporation’s investment and operating activities expose it to a range of financial risks. These risks include credit risk and liquidity risk, which are described as follows:

[i] Credit risk

Credit risk on financial instruments is the risk of financial loss occurring as a result of default or insolvency of a counterparty on its obligation to the Corporation. The cost of the assets as presented in the consolidated balance sheet represents the maximum credit risk exposure at the date of the consolidated financial statements.

The Corporation, in the normal course of business, is exposed to credit risk from its customers. This risk is mitigated by the fact that management believes the Corporation has thorough and rigorous credit approval procedures. The Corporation provides for an allowance for doubtful accounts to absorb potential credit losses when required.

The loans receivable are collateralized by a leasehold mortgage and $14,000,000 in guarantees from the shareholders of TWSI, $10,000,000 of which is guaranteed by TPLC. As such, in the event of default, the Corporation can take title and liquidate the properties to cover a portion of the balance owing with the guaranteed amount covering the remaining balance.

The cash deposit is held by a Canadian financial institution which management believes is reputable.

Management believes that the Corporation’s credit risk exposure is low.

[ii] Liquidity risk

Liquidity risk is the risk of being unable to settle or meet commitments as they come due. Management believes the liquidity risk of the Corporation is low.
Build Toronto Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

13. CAPITAL MANAGEMENT

In managing capital, the Corporation focuses on liquid resources available for operations. The Corporation's objective is to have sufficient liquid resources to continue operating despite adverse financial events and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. City Council also provided a $10 million start-up loan facility for the Corporation. The loan documentation will be completed in 2010 and the Corporation intends to draw on the loan facility to repay TPLC for funds advanced in 2009 during the transition. As at December 31, 2009, the Corporation has met its objective of having sufficient liquid resources and financing facilities to meet its current obligations.