

## FRAMEWORK AGREEMENT

This Framework Agreement (this “Framework Agreement”), among Toronto Waterfront Revitalization Corporation, Sidewalk Labs LLC and Sidewalk Toronto, Limited Partnership, dated as of October 16, 2017, is intended to set forth the basic terms and fundamental principles for the planning, development, capitalization, oversight, implementation and fulfillment of a Master Innovation and Development Plan for the Quayside and Eastern Waterfront areas in Toronto. This Framework Agreement hereby designates Sidewalk Toronto, Limited Partnership as the Innovation and Funding Partner (the “Partner”) in response to the Request for Proposals No.: 2017-13 (“RFP”) issued March 17, 2017 by Toronto Waterfront Revitalization Corporation.

This Framework Agreement sets out the terms and conditions on which the parties will enter into various definitive agreements to effect the urban development project contemplated by this Framework Agreement (the “Project”). This Framework Agreement does not reference all of the terms, conditions (including, without limitation, internal approvals), representations, warranties, covenants and other provisions that would be contained in all of the definitive documentation for the transactions contemplated by this Framework Agreement (the “Transactions”). Moreover, except as expressly provided in this Framework Agreement or the other Definitive Documents (or such other binding legal documents as may be executed from time to time in relation to the Transactions), no past, present, or future action, course of conduct or failure to act relating to the Transactions or relating to the negotiation of the terms of the Transactions will give rise to or serve as the basis for any obligation or other liability on the part of any such party or any of its affiliates.

### I. Parties & Project Site

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#### *Parties*

1. Sidewalk	Refers to Sidewalk Labs LLC and/or its subsidiaries, as the context requires, including the Master Developer that is the Partner as contemplated by the RFP. Sidewalk Labs LLC is an affiliate of Alphabet, the holding company of Google and other technology and development companies.
2. TWRC	Refers to Toronto Waterfront Revitalization Corporation.
3. Master Developer	Refers to Sidewalk Toronto, Limited Partnership, a newly created entity that will serve as the top-tier development company through which the Master Innovation and Development Plan (as defined below) will be developed and implemented.

The parties envision that the Master Developer will be the primary vehicle through which they will create the Master

Innovation and Development Plan, oversee its implementation, and achieve economic alignment between TWRC and Sidewalk. The Master Developer or another Sidewalk entity will be the counterparty to the various Definitive Documents with TWRC contemplated by this Framework Agreement.

The Master Developer is currently an affiliate of Sidewalk Labs LLC.

TWRC will share in the economics and governance of the Master Developer, in the manner contemplated in this Framework Agreement, and as to be set forth in the other Definitive Documents (as defined below). Prior to the completion of Stage 1 (as defined below), the parties will discuss and mutually agree on the appropriate form of relationship between TWRC and the Master Developer to effect such shared economics and governance. This Framework Agreement contemplates that such relationship may be effected through contractual agreements, but the parties will evaluate effecting such relationship through TWRC's ownership of equity or some form of interest in or other securities of the Master Developer and/or its general partner as an alternative or supplement to such contractual relationships; provided that, similar to traditional public/private development projects, the Master Developer will be subject to contractual requirements imposed by the Master Innovation and Development Plan and the relevant agreements as outlined herein, but the parties will structure the relationship between TWRC and the Master Developer so that the Master Developer will be subject only to the applicable disclosure requirements of Sidewalk and its public parent entity and not to any additional, incremental regulatory requirements that may be applicable to publicly traded entities, such as with respect to public disclosure and financial reporting regimes, or to government or government-like entities.

- 4. Infrastructure Vehicle Refers to a dedicated pooled investment vehicle that will include capital contributions from the Sidewalk Infrastructure Investor, government stakeholders, the Canada Infrastructure Bank and private sector investors.
- 5. Sidewalk Infrastructure Investor Refers to an affiliate of Sidewalk that may make a contribution to the Infrastructure Vehicle for infrastructure investments as outlined herein.

<p>6. Development Companies</p>	<p>Refers to special purpose vehicles, each to be organized to undertake a specific development project and/or operations function as per the Master Innovation and Development Plan.</p>
<p>7. Project Companies</p>	<p>Refers to infrastructure project-specific entities to be formed to develop, construct and operate an infrastructure project as per the Master Innovation and Development Plan.</p>

*Project Site*

<p>8. Eastern Waterfront</p>	<p>The Eastern Waterfront is the approximately 880 acre area in Toronto bounded by the Keating Channel and Lakeshore Boulevard East to the north, Lake Ontario Inner Harbour to the west, Lake Ontario Park and the Outer Harbour to the South and Leslie Street to the east.</p>
<p>9. Quayside</p>	<p>TWRC considers that by achieving key objectives for the planning and development of Quayside it may be beneficial to advance the solutions, processes and partnerships proven successful through the planning and development of Quayside to subsequent developments on the Eastern Waterfront, as those lands become available to TWRC (as per the established protocols with the City of Toronto). As the directing agency of the waterfront lands, TWRC, therefore, reserves the right to do so. The extent to and the manner in which such successful solutions, processes and partnerships are carried forward into subsequent developments of the Eastern Waterfront could be affected by future applicable procurement policies and additional requirements of the City of Toronto or other funding authorities and which will be specified in the MIDP.</p> <p>Quayside is the approximately 12 acre area in Toronto bounded by Lakeshore Boulevard on the north, Bonnycastle Street on the west, Queens Quay Boulevard and its future extension to the south, and including 333 Lakeshore Boulevard on the east and any developable lands created by any road realigned within the Quayside boundaries, and excluding any lands not publicly owned.</p>

**II. Summary and Overview of Transaction**

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<p>10. Objectives</p>	<p>Sidewalk and TWRC (each, a “<b>party</b>” and together, the “<b>parties</b>”) seek to develop and implement a master innovation and development plan (the “<b>Master Innovation and Development Plan</b>” or “<b>MIDP</b>”) for Quayside and the Eastern</p>
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Waterfront (and any Additional Lands) for the creation of the world's first urban district planned and executed at scale "from the internet up," including core innovations across:

- mobility and transportation;
- building forms and construction techniques;
- core infrastructure development and operations;
- social service delivery;
- environmental efficiency and carbon neutrality;
- climate mitigation strategies;
- optimization of open space;
- data-driven decision making;
- governance and citizen participation; and
- regulatory and policy innovation.

11. Sidewalk Roles & Responsibilities

Sidewalk will support the achievement of these objectives in collaboration with TWRC through the commitments, roles and responsibilities outlined in this Framework Agreement, and to be more fully set out in the other Definitive Documents, including but not limited to:

- staged financing by Sidewalk of development activities (including certain funding commitments prior to the approval of the MIDP);
- the provision of management, administrative and technology services by Sidewalk and other parties;
- contingent capital commitments by Sidewalk to Development Companies to fund vertical development consistent with the MIDP; and
- contingent capital commitments by Sidewalk Infrastructure Investor (and coordination of capital commitments by governmental, financial and other sources in the Infrastructure Vehicle) to fund critical infrastructure projects.

12. TWRC Roles & Responsibilities

TWRC will support the achievement of these objectives in collaboration with Sidewalk through the commitments, roles and responsibilities outlined in this Framework Agreement, and to be more fully set out in the other Definitive Documents, including but not limited to participation in joint working groups with Sidewalk, including but not limited to working groups formed to:

- define pillar strategies across mobility, sustainability, the built environment, public realm, and city and social

services to inform the project vision and scope memorialized in the Definitive Documents and Master Innovation and Development Plan;

- integrate the planning framework and recommendations of the Business and Implementation Plan(s) (as “Business and Implementation Plan” is defined in the March 31, 2006 Memorandum of Understanding among City of Toronto, City of Toronto Economic Development Corporation and TWRC) for the Eastern Waterfront with the Master Innovation and Development Plan;
- develop the financial model and the detailed project implementation phasing and timing for the project that will inform the Business and Implementation Plan(s) for the Eastern Waterfront and the Master Innovation and Development Plan; and
- plan and coordinate government and community outreach.

The parties note that this role is consistent with TWRC’s mandate and the request by Toronto City Council (at its July 4 to July 7, 2017 Council meeting) that TWRC, working with City staff, prepare and report back to Council with a Business and Implementation Plan(s) for the Eastern Waterfront that, among other things, reflects this mandate.

### 13. Mutual Obligations

The execution of this Framework Agreement shall require each of Sidewalk and TWRC to collaborate with one another in good faith to pursue the Stages of the Project as set forth below, and to jointly develop the MIDP, within the timeframes set out, in each case in accordance with the Collaboration Principles in *Schedule 2* (the “**Collaboration Principles**”).

Any subsequent implementation of the MIDP is subject to the parties’ mutual agreement on and approval of such MIDP.

The parties will, subject to the approval of the MIDP, oversee the implementation of the MIDP in accordance with the Collaboration Principles.

### 14. Initial Plan Milestones

The following key objectives are referred to as the “**Initial Plan Milestones**”:

1. Flood Mitigation. The execution and delivery by TWRC and each of the three tiers of government of a contribution agreement (each a “**Contribution**

**Agreement**") that commits the public sector bodies to fund no less than CAN\$1.25 billion for the renaturalization of the Don River and the flood protection of the Lower Don Lands and the Port Lands.

2. **Eastern Waterfront Mandate.** In addition to the direction from the Toronto City Council to prepare one or more Business and Implementation Plan(s) for the Eastern Waterfront, formal reaffirmation of TWRC's mandate to carry out the planning and implementation of the development of the Eastern Waterfront, including clarity of TWRC's mandate in light of anticipated changes to the jurisdiction and authority of certain applicable regulatory agencies, including that of the Toronto Real Estate Corporation (TRE) / Toronto Realty Agency (TRA). This reaffirmation may be part of the Contribution Agreement with City of Toronto or another agreed document.
3. **Agreement on Scope of Business and Implementation Plans.** The preparation of an outline of the Business and Implementation Plan(s) for the Quayside Project and the Eastern Waterfront, together with any Additional Lands, that reflects agreement in scope between TWRC and Sidewalk. Such Business and Implementation Plan(s) shall incorporate the designation, subject to approval of the MIDP, of TWRC and Sidewalk as co-master developers (acting through the Master Developer) and include the Land Methodology.
4. **Agreement on Scope of Master Innovation and Development Plan.** The execution and delivery of the PDA, which shall include an outline of the full scope of the Master Innovation and Development Plan, and agreement on the Development Plan Budget. The PDA shall provide for a unified master planning approach with respect to Quayside and the Eastern Waterfront, together with any Additional Lands, that consolidates other planning activities by TWRC and related governmental entities under a unified plan.
5. **Fair Procurement Standards.** Agreement on fair and arms-length procurement standards substantially as set forth in *Schedule 1* (the "**Fair Procurement**

**Standards”**) for purposeful solutions that cannot be sourced from the market. The parties will also agree on the procurement processes for other solutions other than purposeful solutions that cannot be sourced from the market. Such Fair Procurement Standards and processes shall be incorporated in the Master Innovation and Development Plan.

15. Process and Agreements

The parties intend to collaborate in the following stages (each, a “**Stage**” and collectively, the “**Stages**”), incrementally developing a shared vision, and correspondingly increasing organizational integration and capital commitments. Throughout, the parties intend to implement operating practices that reflect the Collaboration Principles.

Stage 0

Stage 0 refers to the time period ending as of the date hereof, marked by execution of this Framework Agreement and the substantially concurrent public announcement of the Master Developer’s designation as the Partner in the RFP.

Stage 1

Stage 1 refers to the time period beginning upon completion of Stage 0 and ending upon the finalization and execution of the Initial Definitive Documents (as defined below) (anticipated to occur approximately 60 days from the date of this Framework Agreement). During Stage 1, the parties will collaborate with one another to negotiate in good faith and finalize, execute and deliver the following definitive documents (the “**Initial Definitive Documents**”), which will reflect customary terms and conditions for transactions of a similar nature:

- a Plan Development Agreement (“**PDA**”), which will provide for a unified master planning approach with respect to Quayside, the Eastern Waterfront and any Additional Lands and establish the roadmap by which the parties will prepare and develop the Master Innovation and Development Plan;
- the Development Plan Budget (as defined below); and
- a process for the transfer and valuation of land for purposes of implementation of the MIDP (the “**Land Methodology**”).

During Stage 1, the parties will also begin to collaborate with one another to achieve the Initial Plan Milestones.

Stage 2

Stage 2 refers to the time period beginning upon completion of Stage 1 and ending upon the achievement of the Initial Plan Milestones (anticipated to occur approximately 6 months from the date of this Framework Agreement).

During Stage 2, the parties will continue to collaborate with one another to achieve the Initial Plan Milestones.

During Stage 2, the parties will also begin to collaborate with one another to develop and finalize the Master Innovation and Development Plan and to negotiate in good faith the Subsequent Definitive Documents (as defined below).

Stage 3

Stage 3 refers to the time period beginning upon completion of Stage 2 and ending upon the parties' mutual approval of the Master Innovation and Development Plan and the finalization and execution of the Subsequent Definitive Documents (anticipated to occur approximately 12 months from the date of this Framework Agreement).

During Stage 3, the parties will continue to collaborate on the development and finalization of the Master Innovation and Development Plan and to negotiate in good faith the Subsequent Definitive Documents.

Substantially concurrently with the parties' development and finalization of the Master Innovation and Development Plan, the parties will finalize certain additional definitive documents, to be executed and delivered immediately following mutual approval of the MIDP (the "**Subsequent Definitive Documents**" and, together with this Framework Agreement and the Initial Definitive Documents, the "**Definitive Documents**"), which are anticipated to include:

- an Implementation Agreement ("IA") that will set forth the parameters for the implementation of the Master Innovation and Development Plan, including the adoption of one or more Business and Implementation Plans (or such other mutually agreed alternative

procedure) and other governmental approvals, and the oversight by TWRC and Sidewalk thereof;

- a Collaboration Agreement (the “**Collaboration Agreement**”) consistent with the Collaboration Principles that will govern collaboration between the parties during the implementation of the Master Innovation and Development Plan;
- formation documents for the Infrastructure Vehicle and any other private/public partnerships;
- land acquisition and capital commitment agreements; and
- template forms or material terms of:
  - development and/or operations agreements with Development Companies;
  - project agreements with Project Companies; and
  - services agreements with Sidewalk or other parties.

### III. Initial Capital Commitments

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#### 16. Development Capital Commitments

This Framework Agreement and the other Definitive Documents will provide for the following development capital commitments by Sidewalk in the Master Developer:

- an initial capital commitment in the amount of up to \$10,000,000 (the “**Initial Capital Commitment**”), committed at the beginning of Stage 1 and drawn upon during Stages 1 and 2, incrementally as needed, to finance and facilitate the Project’s activities and expenses as incurred during Stages 1 and 2;
- a first contingent capital commitment of up to \$40,000,000 (the “**First Contingent Commitment**”), committed at the beginning of Stage 3 and drawn upon (together with any remaining, unspent funds of the Initial Capital Commitment, if any) during Stage 3, incrementally as needed, to finance and facilitate the Project’s activities and expenses as incurred during Stage 3; and
- additional contingent capital commitments to be utilized in funding the implementation of the Master Innovation and Development Plan subject to approval of the Master Innovation and Development Plan and agreement and execution of the Subsequent Definitive Documents.

The capital commitments are structured as staged commitments for the funding of each Stage of the Project upon the fulfillment of conditions precedent to the commencement of the relevant Stage. For the avoidance of doubt, the capital commitments, including all of the Initial Capital Commitment and all of the First Contingent Commitment, will form part of Sidewalk's equity cost basis in the Master Developer.

All draw downs on committed capital will be made by Sidewalk (a) in accordance with the Development Plan Budget in all material respects and/or (b) in consultation and collaboration with TWRC.

17. Development Plan Budget

The parties will negotiate in good faith to agree on a development plan budget (as approved by the parties, the "**Development Plan Budget**"), which will provide for the actual expenses and use of funds for the Project during Stage 1 and the anticipated expenses and use of funds for the Project during each of Stages 2 and 3 to develop the Master Innovation and Development Plan. The Development Plan Budget will include an agreed itemized fee (for Stage 1, to be paid once the Development Plan Budget is agreed and after the PDA is executed and, thereafter, to be paid quarterly in advance) to reimburse TWRC for its project specific expenses during the Master Innovation and Development Plan planning process, including the costs of co-location space for TWRC and Sidewalk employees dedicated to the Project.

#### IV. Development of the Master Innovation and Development Plan

18. Master Innovation and Development Plan

The Master Innovation and Development Plan will be produced by the parties in accordance with this Framework Agreement and the other Initial Definitive Documents, with consultation and approvals from the City of Toronto, the Province of Ontario, the Canadian federal government and other entities as necessary.

Among other things, the Master Innovation and Development Plan will:

- incorporate the agreed Fair Procurement Standards;
- address planning for Quayside, the Eastern Waterfront and any Additional Lands, as an integrated whole;
- set forth the anticipated sequencing of development for Quayside, the Eastern Waterfront and any Additional

Lands and the parcels contained therein (the parties anticipate that the implementation of the MIDP with respect to Quayside and any Additional Lands may serve as a pilot for the implementation of the MIDP with respect to the Eastern Waterfront);

- contain provisions intended to provide comfort as to the creditworthiness of any entity committing funding or otherwise responsible for actual or potential future payments or liabilities to a party; and
- address the exclusivity obligations of each of TWRC and Sidewalk following approval of the MIDP.

The parties will seek to develop the MIDP in a way that captures the spirit, vision and aspirations represented by the following RFP materials and related responses submitted by Sidewalk to TWRC: (i) the Initial Submission for the RFP submitted by Sidewalk Labs LLC dated April 21, 2017 including appendices and materials submitted therewith and (ii) the Best and Final Offer submission for the RFP submitted by Sidewalk Labs LLC dated August 2017 including appendices and materials submitted therewith.

#### 19. Termination

Notwithstanding any other provision of this Framework Agreement, TWRC shall have the right, in its sole discretion to be exercised at any time prior to execution of the PDA, to terminate this Framework Agreement without any liability whatsoever to Sidewalk or any of its affiliates by notice sent to Dan Doctoroff by email to [dan@sidewalklabs.com](mailto:dan@sidewalklabs.com) and such notice shall be effective when sent.

In addition, this Framework Agreement shall terminate, and become void and of no further force or effect, upon the earliest to occur of the following:

- the mutual agreement in writing of Sidewalk and TWRC to terminate this Framework Agreement;
- April 17, 2018, unless otherwise mutually agreed by the parties, if Stage 2 is not completed by such date;
- October 17, 2018, unless otherwise mutually agreed by the parties, if Stage 3 is not completed by such date; and
- 10 days following a party's delivery of an Intent to Terminate pursuant to and in accordance with the dispute resolution procedures set forth in the Collaboration Principles.

Upon the termination of this Framework Agreement for any reason, subject to any rights in respect of breaches prior to such time and subject to Sections 20 (Intellectual Property) and 42 (Confidentiality) hereof: (a) the parties shall have no further obligation or liability to each other; (b) all work product and any intellectual property developed pursuant hereto shall become the property of the Master Developer (or such other Sidewalk affiliate as may be designated by the Master Developer); and (c) any remaining, unspent funds of any committed capital (including remaining, unspent portions of the Initial Capital Commitment and the First Contingent Commitment) shall immediately be returned to the Master Developer or another entity designated by Sidewalk in its sole discretion. For certainty, any amounts and liabilities owed (but not yet paid) at the time of such termination pursuant to binding contractual commitments entered into by the Master Developer or one of its subsidiaries or specified in the Development Plan Budget prior to such termination shall not be treated as remaining, unspent funds.

Reasonably in advance of any “drop-dead date,” the parties will discuss whether they are on track to complete the relevant Stage by such date and any concerns about the parties’ relationship or progress, in each case consistent with the Collaboration Principles, including the dispute resolution procedures therein as appropriate.

#### 20. Intellectual Property

If the Master Innovation and Development Plan is not approved by both parties and this Framework Agreement is terminated, then TWRC shall receive a perpetual, non-exclusive, royalty-free license to utilize site-specific intellectual property (to be defined in the PDA).

Notwithstanding the foregoing, any intellectual property or work product produced by Sidewalk or its affiliates prior to the execution of the Initial Definitive Documents shall remain the property of Sidewalk / the Master Developer.

### V. Implementation of the MIDP

#### 21. Management Services Generally

The oversight of the Master Developer by TWRC and Sidewalk will be subject to the Collaboration Agreement. Additionally, the Master Developer (or the appropriate Development Company or Project Company) may employ or