

Public Meeting Minutes

Board of Directors

Date: April 27, 2015

Time: 10:00 a.m. – 1:00 p.m.

Location: Build Toronto, 200 King Street W., Suite 200

Director Attendance:

	10:01 a.m. – 11:23 a.m. Public Session	11:23 a.m. – 12:42 p.m. In Camera Session	12:42 p.m. – 12:43 p.m. Public Session
Christopher Voutsinas, Chair	✓	✓	✓
Deputy Mayor Denzil Minnan-Wong, Vice Chair	x	x	x
Michael Bernstein	x	x	x
Frank Bucys	✓	✓	✓
Nancy Cohen	✓ (Teleconference)	✓ (Teleconference)	✓ (Teleconference)
Wayne Fraser	✓	✓	✓
Lynn Kennedy	✓	✓	✓
Councillor David Shiner	✓	✓	✓
Councillor Michael Thompson	x	x	x
Moshe Wertheim	✓ (Teleconference)	✓ (Teleconference)	x

✓ Directors were present for some or all of the time indicated

Also present (at the invitation of the Board):

William Bryck, President & Chief Executive Officer (CEO)

David Fiume, Senior Vice President (SVP) & Chief Financial Officer (CFO)

Don Logie, Senior Vice President, Development & Investments

Steven J. Trumper, Senior Vice President, Legal & Administration

Kevin Lee, Senior Corporate Management & Policy Consultant, City of Toronto

Janice Paterson, Executive Assistant & Recording Staff

The Chairman of the Board confirmed that a quorum was present and called the meeting to order at 10:01 a.m.

Absence Motion

On motion duly made by Chris Voutsinas and seconded by Frank Bucys, the Board of Directors excused the absence of Councillor Minnan-Wong, Michael Bernstein and Councillor Thompson from the April 27, 2015 Build Toronto Inc. Board of Directors meeting.

No conflicts were declared.

1. Approval of the Previous Board of Directors Public Meeting Minutes of March 6, 2015.

The Board of Directors had before it the public minutes of the March 6, 2015 Board of Directors meetings.

On motion duly made by Frank Bucys and seconded by Wayne Fraser, the Board of Directors approved the public minutes of March 6, 2015, subject to amendments.

Councillor Shiner enters meeting at 10:04 a.m.

2. 2015 Dividend Presentation by Management and Request for Board Approval. (Agenda item #5)

The Board of Directors received the report, "2015 Dividend Presentation by Management and Request for Board Approval" from the SVP & CFO dated April 21, 2015 containing a confidential attachment. Also received was a presentation, "2015 Dividend Discussion" delivered by the SVP & CFO. It is noted that this was fully discussed at the FARMC meeting on April 15, 2015.

On motion by duly made by Lynn Kennedy and seconded by Frank Bucys, the Board of Directors approved that Build Toronto Inc. declare and pay to its sole shareholder a dividend in the amount of \$15 Million Dollars; and that Management consider later in 2015 whether an additional dividend (in an amount to be determined) should be paid depending on the financial performance of the Company.

3. Project Sale Policy and Process Presentation for Board Approval

The Board of Directors received the report "Project Sale Policy and Process Presentation for Board Approval" from the SVP, Legal and Administration dated April 21, 2015 regarding a new policy process for sale of properties which was amended from the REIDC on April 15, 2015. Also received was a presentation, "Project Sale Policy and Process" delivered by the SVP, Development & Investments.

The Board of Directors discussed the policy, raised certain questions with management and suggested certain changes to the draft Project Sale Policy and Process.

On motion duly made by Lynn Kennedy and seconded by Christopher Voutsinas, the Board of Directors approved the revised Project Sale Policy and Process as presented to the REIDC and Board of Directors, subject to the further revisions suggested by the Board.

4. 2014 Annual Audited Financial Statements and Accompanying Materials and Request for Board Approval

The Board of Directors received the report, "2014 Annual Audited Financial Statements and Accompanying Materials and Request for Board Approval" from the SVP & CFO dated April 21, 2015, regarding the December 31, 2014 Audited Financial Statements, including the Auditor's Report by PricewaterhouseCoopers (Confidential Attachment 2), 2014 Annual Financial Variance and Commentary (Confidential Attachment 3); and Management Compliance Declaration for December 31, 2014 Financial Statements (Confidential Attachment 4).

The SVP & CFO made a summary presentation to the Board titled "December 31, 2014 Annual Financial Statements". The CFO noted the following issues in connection with the 2014 audited statements:

(a) Asset Reclassification – Certain real estate assets had been reclassified from investment assets to inventory assets. This change was the result of the shifting strategic direction of the company towards selling more properties (and perhaps retaining a minority interest) while fewer properties would be retained and developed. This change was suggested by Management, signed off by the Auditors and the Financial Statements were recommended by FARMC for Board approval as reflected in the FARMC minutes. The change is in accordance with IFRS and is better for Build Toronto in terms of financial statement presentation as it creates a better presentation for the income statement.

(b) Notable Events – key financial events included:

- a. the sale of 4050 Yonge St. and 455 Dovercourt Road resulting in aggregate proceeds of \$28.6M.
- b. The collection of \$22.4 M of vendor take back mortgages;
- c. Prepayment of Cordova Density bonus of \$4.4M.

After further discussion by the Board and questions directed to the CFO:

On motion by duly made by Frank Bucys and seconded by Wayne Fraser, the Board of Directors:

(i) Approved the Amended December 31, 2014 Audited Financial Statements; and

(ii) Received for information the Management Compliance Declaration for December 31, 2014 Financial Statements.

5. CEO Presentation of 2015-2019 Strategic Direction and Request for Board Approval.

The Board of Directors received the draft report "2015-2019 Strategic Direction" from the President & CEO.

It was agreed by the Board of Directors that this item would be deferred to a special meeting of the Board.

In Camera Motion

On motion by duly made by Wayne Fraser and seconded by Lynn Kennedy, the Board resolved to close part of the meeting to the public to give consideration to confidential matters according to By-law No. 1 of the Corporation and the Company's Shareholder Direction at 11:23 a.m.

During the in camera session, the Board of Directors discussed the following matters:

6. Approval of the Previous Board of Directors In Camera Meeting Minutes of March 6, 2015.

7. President & CEO Report to Board.

8. Chair Report of the REIDC Meeting of April 15, 2015.

- A. Draft Minutes of April 15, 2015 REIDC Meeting – *for information only.*
- B. Sales Program Update – *for information only.*
- C. 505 Richmond 2015 Budget Adjustment Presentation and Request for Board Approval.

9. Chair Report of the HRCGC Meeting of April 15, 2015.

- A. Draft Minutes of April 15, 2015 HRCGC Meeting – *for information only.*
- B. Compensation Matters – Report and Presentation from the CEO.
- C. Compensation Disclosure and Analysis Report.

10. Chair Report of the FARMC Meeting of April 17, 2015.

- A. Draft Minutes of April 17, 2015 FARMC Meeting – *for information only.*
- B. 2015 Compensation Matters

11. Other Business.

No other business was discussed.

12. In Camera Session.

Adjournment

On motion duly made by Chris Voutsinas and seconded by Frank Bucys, the Board of Directors resolved to adopt the recommendations from its closed session and direct that these matters remain confidential in accordance with By-law No. 1 of the Corporation and the Company's Shareholder Direction. The Board of Directors resumed its public session at 12:42 p.m. and the meeting was adjourned at 12:43 p.m.

"Steven Trumper"

Senior Vice President, Legal & Administration

Note: Approved at Board of Directors meeting of June 9, 2015