

**APPENDIX "A"**  
**Major Terms and Conditions**  
**Lease – City owned lands situated at the rear of 208 Bloor Street West**

Leased Premises:

City owned lands at the rear of 208 Bloor Street West, consisting of 6,564sq.ft.

Term:

The term shall be for four (4) years, commencing on January 1, 2007 and ending on December 31, 2010, subject to the early termination right as set out below. The parties confirm that for the period from June 30, 2001 to December 31, 2006, the Tenant has been an overholding status on a month-to-month basis, in accordance with Section 7 of the Lease.

Rent:

The annual rent will be \$39,000.00, payable in equal monthly instalments of \$3,250.00, plus GST.

Insurance:

Insurance coverage for legal liability for bodily injury, death or property damage as set out in Clause 6(2) (b) of the Lease shall be in the amount of Five Million Dollars (\$5,000,000).

Early Termination:

The City shall have the right to terminate the lease at any time during the term with a one (1) month's advance written notice to the Tenant.

TTC Requirements:

The Leased Premises are required by the TTC for the protection of its subway structures lying below the property and for an emergency exit on a portion of the site. TTC has requirements to accommodate transformer vaults, fire ventilation equipment and air shafts on the Leased Premises, the construction of which is estimated to commence early in 2011. TTC shall require access prior to the construction start date for pre-design/geotechnical investigations.

The City/TTC shall have the right to enter the leased lands and conduct tests such as drilling boreholes or preparation of surveys at any time throughout the term of the lease. The City, or the TTC, shall give 48 hours notice to the Tenant when access for tests is required. It is agreed that minor disruptions, involving moving a few cars will be excluded from this notice. If access to the parking is denied because of such testing, rent shall abate for those days. Should installation of monitoring equipment reduce the number of parking spaces available, rent shall be pro-rated accordingly.

Lump Sum Payment:

As this proposal is retroactive to January 1, 2007, the Tenant owes the City a balance of \$31,428.42 to bring the account up-to-date at the rate set out herein. The calculation of the Lump Sum Payment is shown in Schedule "A" attached to the Letter Agreement. Included in the calculation of the Lump Sum Payment is an amount representing an increase in the amount of the deposit currently being held by the City in respect of last month's rent as a result of the new rental rate set out herein. In this regard, the tenant was required to send a cheque payable to the '**City of Toronto**' in the amount of \$31,428.42 on or before March 31, 2008 together with the executed copy of the Letter Agreement.

Caisson Wall Encroachment:

The City has been approached by the developer of 204-206 Bloor Street requesting permission to install a caisson wall which will encroach onto the Leased Premises at the south boundary. At a meeting on February 25, 2008, between the tenant, Mr. David Hart of Yorkville Construction Corporation, and the City's representative, Charles Mok, the Tenant acknowledged that the proposed caisson wall encroachment would not affect the operations of the Tenant on the Leased Premises and would not reduce the number of parking spaces in the parking lot. Therefore, if the caisson wall encroachment is approved by the City authorities and its installation proceeds, the Tenant will not claim from the City, any compensation including abatement of rent as a result thereof.

All other terms and conditions shall remain the same as in the current agreement.

## Schedule 'A'

### Calculation of Lump Sum Payment

Annual Rent: \$39,000.00

Monthly Rent: \$3,250.00

1. New Rent from Jan 1, 2007 to March 31, 2008	
\$3,250 x 15 months	\$48,750.00
2. GST for rent from Jan. 1, 2007 to Dec. 31, 2007	
\$3,250 x 6% x 12 months	2,340.00
3. GST for rent from Jan 1, 2008 to March 31, 2008	
\$3,250 x 5% x 3 months	487.50
4. The difference of last month rent deposit for the renewal term	
Between Jan. 1, 2004 and Dec. 31, 2010 (\$3,250-\$1,666.66)	1,583.34
5. GST on Realty Taxes covering the years 2005 to 2007	<u>3,257.58</u>
<b>Total Payable:</b>	<b>\$56,418.42</b>
Less: Paid Old Rent from Jan 1, 2007 to March 31, 2008	
\$1,666 x 15 months	<u>(24,990.00)</u>
<b>Net Payable:</b>	<b>\$31,428.42*</b>

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