

# PH15.11 Attachment 3

## ATTACHMENT #3

### PROPOSED LEASE TERMS AND CONDITIONS

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The following is a summary of the recommended major terms and conditions of the Leases with the Tenant for 150 Harrison Street and 11 Macey Avenue:

Proposed	Terms and Conditions
Tenant	Non-profit to be chosen through Request for Proposals process
Landlord	City of Toronto
Term	35 years
Commencement Date	On or about October 1, 2020
Basic Rent	150 Harrison Street: FIFTY FIVE THOUSAND DOLLARS (\$55,200) annum, in equal monthly instalments of \$4,600 for the duration of the Term.  11 Macey Avenue: SEVENTY THOUSAND DOLLARS (\$70,200) annum, in equal monthly instalments of \$5,850 for the duration of the Term.
Additional Rent	The Tenant is responsible for all taxes, the cost of all utilities, the cost of the Tenant's insurance, and all of the other costs and expenses of maintaining and operating the Demised Premises, its services, equipment and facilities.
Net Lease	The Landlord shall not be responsible during the Term for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Demised Premises including, without limitation, the Building, or the use and occupancy thereof, or the contents thereof or the business or operation carried on therein, and the Tenant shall pay all charges, impositions, costs and expenses of every nature and kind whatsoever relating to the Demised Premises and the use thereof by the Tenant including, without limitation, the costs of all insurance and all Taxes, save and except as is otherwise provided for in this Lease and/or the Contribution Agreement, as well as all costs and expenses incurred with respect to any shared facilities or reciprocal agreement affecting the demised premises.

Proposed	Terms and Conditions
Use	The Tenant shall use, manage and operate the Demised Premises solely, continuously and actively for the sole purpose of providing affordable rental housing, together with all ancillary uses including the provision of support services for Tenants.
Tenant's Right to Mortgage	The Tenant shall not mortgage the Demised Premises without the consent of the Landlord, which consent may be unreasonably withheld.
Assignment/Subletting	The Tenant shall not Transfer or sublet all or any part of the Demised Premises for the whole or any part of the Term without obtaining the prior written consent of the City. The Tenant may transfer all or part of the Leased Premises to another entity associated with or controlled by the Tenant and acceptable to the City. No assignment by the Tenant shall be effective until the Transferee has entered into an agreement directly with the City, in a form satisfactory to the City, whereby the assignee expressly agrees to assume all of the obligations and liabilities.
Indemnity	Other than in respect of the Excluded Liability, the Tenant shall indemnify and save harmless the Landlord from any and all costs, expenses, claims, actions and losses of every nature and kind whatsoever and of and from all liabilities of every nature and kind whatsoever in connection with the Demised Premises and this Lease, whether accrued, actual, contingent.
Insurance	<p>The Tenant shall acquire insurance as required by the City. The Tenant shall, at all times during the Term, insure and keep insured the Demised Premises in an amount not less than the amount equal to that which would be required to replace or repair any loss or damage (the "Replacement Cost") thereof against loss or damage by perils of "all risks" (being the perils from time to time included in the standard "all risks" policy issued by insurers from time to time).</p> <p>The Tenant shall, at all times during the Term, maintain or cause to be maintained comprehensive general liability insurance in such amounts and to such extent as a prudent owner of such a Demised Premises would, from time to time, carry (which amount shall initially be not less than Ten Million Dollars (\$10,000,000.00) for any personal or bodily injury, death, property damage or other claim in respect of any one accident or occurrence) and with provisions for cross liability and severability of interests.</p>

Proposed	Terms and Conditions
Repairs and Maintenance	<p>The Landlord shall not be obliged to furnish any services, maintenance, repairs or facilities to the Demised Premises, it being agreed by the Tenant that the Landlord shall not at any time during the term of this Lease be required or called upon to make any repairs in or to the Demised Premises of any nature or kind whatsoever.</p>
Building Condition Assessment (BCA) and Reserve Fund	<p>Prior to the Commencement Date, a BCA of the Demised Premises and will be conducted the BCA will be updated every five (5) years during the Term.</p> <p>The Tenant shall open a Reserve Fund Account and shall deposit sufficient funds to establish at the end of each Lease Year the annual amount required in the most recent BCA, or if a BCA has not been conducted within five (5) years, shall deposit an amount equal to five per cent (5%) of the aggregate annual effective gross income (including all subsidies) from the Demised Premises.</p> <p>The Tenant may, with the prior written approval of the Landlord, withdraw amounts from the Reserve Fund Account to fund capital repairs.</p>
Environmental Matters	<p>The Tenant shall not cause or allow any Hazardous Materials to be used, generated, stored, or disposed of on, under or about, or transported to or from, the Demised Premises except in strict compliance, at the Tenant's expense, with all applicable Environmental Laws and using all necessary and appropriate precautions which a prudent operator would exercise.</p> <p>The Landlord shall not be liable to the Tenant for any Hazardous Materials Activities conducted on the Demised Premises during the Term however caused, whether or not consented to by the Landlord.</p> <p>The Tenant shall indemnify, defend with counsel, and hold the Landlord harmless from and against any claims, damages, costs and liabilities arising out of any and all such Hazardous Materials Activities.</p>