

## **Appendix "A"**

### **Major Terms and Conditions**

#### **Non-Amendment of Lease:**

- The Lease shall not be amended without the Leasehold Mortgagee's written consent.

#### **Non-Termination of Lease:**

- Except as provided in the Agreement, the City shall not exercise any right, option or privilege to terminate the Lease or re-enter the Property without the Leasehold Mortgagee's prior written consent.

#### **New Lease:**

- The Leasehold Mortgagee may, at its option, require the City to enter into a new lease with the Leasehold Mortgagee with the same priority as the Lease upon default by the Tenant or termination of the Lease with the Leasehold Mortgagee's consent or by operation of law.

#### **Transfer of Leasehold Interest, Foreclosure and Remedies**

- The Leasehold Mortgagee shall provide notice of the Tenant's default to the City and provide the City forty-five (45) days to remedy the default prior to taking any proceedings to enforce the Leasehold Mortgage.
- In taking any proceedings to enforce the Leasehold Mortgage, if the Leasehold Mortgagee, using reasonable commercial best efforts, is not able to find an assignee or purchaser that will continue the Tenant's operation as a non-profit housing provider on the Property over a period of ninety (90) days or shorter, as agreed to by the City, then the Leasehold Mortgagee may assign or sell the Tenant's leasehold interest to any person, subject to obtaining the City's consent, which may not be unreasonably or arbitrarily withheld or delayed.

#### **Expropriation and Insurance Proceeds**

- The Leasehold Mortgagee shall have the right in priority to the City to recover all expropriation proceeds awarded to the City to the extent of the amount still owing on the Leasehold Mortgage if recovery of the expropriation proceeds awarded to the Tenant is insufficient to recover the amount owing on its Leasehold Mortgage.
- The Leasehold Mortgagee shall have the right in priority to the City and/or the Tenant to all insurance proceeds awarded to the City and/or the Tenant with respect to the Property.
- In the event the Property is damaged or destroyed to the extent of 25% or more of its full insurable value and the insurance proceeds are not sufficient to repay all amounts owing on the Leasehold Mortgage, the Leasehold Mortgagee may elect that the insurance proceeds not be applied towards the repair of the building on the Property but instead be applied to repay the amount owing on the Leasehold Mortgage.

#### **Amendments to the Lease**

- The Tenant shall ensure that Monthly Occupancy Costs remain at or below Average

Market Rents and Units are made available only to households with incomes at or below the Initial Income Limit, all as defined and set out in the City's Municipal Facilities Housing By-Law, 124-2016.

- If the Property is no longer used for the purpose of non-profit housing, the Tenant shall pay basic rent equal to the then current market rent for use of the Property as a residential rental building. If the City and the Tenant cannot agree to the amount of basic rent payable within three (3) months when basic rent becomes due and payable, the basic rent will be determined by arbitration, as set out in the Lease.

### **General Provisions**

- The Leasehold Mortgagee may give or withhold its consent or approval in its sole and absolute discretion where required pursuant to the Lease and shall not be liable for damages or otherwise that arise from its failure, refusal or delay in giving or withholding such consent or approval. Any request for consent or approval of the Leasehold Mortgagee shall be in writing.