APPENDIX “A”
Major Terms and Conditions
Below-Market Rent Lease Agreement at 4040 Lawrence Avenue East

Pre-Condition:

Termination of the existing lease arrangement at 4040 Lawrence Avenue between the City and the East Scarborough Boys and Girls Club.

Landlord: City of Toronto

Tenant:

Tides which may conduct business and describe itself in the lease as "Tides Canada Initiatives c.o.b. as East Scarborough Storefront – Tides" or such variation thereof as is acceptable to the City Solicitor.

Leased Premises:

The Lands and Building located at the property municipally known as 4040 Lawrence Avenue East, Toronto, Ontario and containing approximately 7,668 square feet of building space.

Commencement Date: The Commencement Date shall be October 1st, 2010.

Initial Term: Five (5) years from the Commencement Date.

Option to Renew:

Tenant shall have the option to renew the lease for one five-year term on the same terms and conditions subject to: (i) the Tenant is not in default under the Lease or the Service Agreement; (ii) the Tenant and its building activities continue to comply with all BMR eligibility policy criteria; and (iii) all Funding and Construction Conditions of the 4,000-5,000 sq. ft. Capital Expansion Space described herein have been amended, satisfied or waived by the relevant City Division in consultation with the Chief Corporate Officer, in a form acceptable to the City Solicitor.

Annual Net Rent: Tenant shall pay to the Landlord basic rent of $2.00 per annum.

Net Lease:

Lease shall be entirely Net to the Landlord. The Tenant shall be responsible for all applicable costs, taxes, charges, expenses and outlays of any nature whatsoever relating to the use and occupancy of the Leased Premises including all operating costs.

Use:

The Leased Premises shall be used and shall continually be operated throughout the term by the Tenant for providing programs and services as set out in the Tenant’s Service Agreement with the Landlord.
Funding and Construction Conditions (4,000-5,000 Sq. Ft.) – Capital Expansion Space:

In terms of all Phase 1, 2 and 3 Capital Expansion Space and all other construction matters or other work at the Leased Premises, the Lease will provide for the following major items:

a) The Tenant shall provide the Landlord with evidence satisfactory to the Chief Corporate Officer that the Tenant has raised sufficient funding and/or binding financing commitments to complete all 4,000-5000 Sq. Ft. Capital Expansion Space work;

b) The Tenant shall complete construction of the following phases of work in accordance with all applicable laws and requisite approvals, including any rezoning, official plan amendments, site plan approvals to permit construction and building permits (all to be obtained by the Tenant at its expense), and binding construction and architects’ agreements therefor approved in writing by the City, and in form acceptable to the City Solicitor;

c) Any general contractor/builder to provide:
   (i) a 10% Bid Bond of the overall contract price of the respective work in question;
   (ii) Performance and Labour and Materials Bonds, each in the minimum amount of 50% of the overall contract price and the correction of any deficiencies;
   (iii) the City to be named in the bonds as obligee on terms and conditions acceptable to the City;

d) As security for any liability, damages or expense that the City may incur arising from any construction lien or other liens or orders for the payment of money made against the leased premises and for completion of all 4,000-5,000 Sq. Ft. Capital Expansion Space Work in accordance with approved plans and other Lease requirements, either a Completion Bond or Letter of Credit in favour of the City of Toronto equal to one hundred and twenty (120%) of the estimated cost of the design, construction and provision all such work, or such lesser amount as the respective City official may accept, to ensure the absence and removal of any construction lien claim, and the satisfactory completion of all such work in accordance with the Lease requirements. The City, in consultation with the Tenant, will give consideration to the staging, nature and amount of this security, including whether a lesser amount would then be satisfactory;

e) The Tenant shall adhere to and comply with The City of Toronto’s "Fair Wage" and "Labour Trades Contractual Obligations in the Construction Industry" policies during demolition and until completion of all construction. The Tenant will provide the City with a satisfactory release and indemnity relating to these issues;

f) The Tenant will, before commencement of any construction work, provide the City, upon request with a complete list of all unions, including construction trades, that hold certificates and/or have collective bargaining relationship with the Tenant and any of its subsidiaries and/or related companies, and obtain the approval in writing thereto of the City; and
g) The City will not provide any release and/or indemnity to the Tenant regarding any labour or employment issues.

**Lease:**

The Lease shall be on the City's form of lease and shall be prepared by the City Solicitor or her designate, subject to such amendments and revisions and other terms and conditions as may be determined appropriate by and shall be in form and content satisfactory to the City Solicitor.

**Insurance:**

The Tenant is to provide prior to the commencement of the term of the Lease and on an annual basis, proof of insurance in accordance with the Landlord’s insurance requirements outlined in the Lease.