

Appendix “A”
Preliminary Memorandum of Understanding between
The City of Toronto (“City”)
and
Woodgreen Community Services and Woodgreen Settlement Corporation (“WCS”)

Concept	To facilitate the assembly of lands required for the replacement head office and service facility (the “Development”) of WCS to be located on lands shown as Parts 3, 4 & 5 on Sketch No. PS-2009-090a (“Sketch”)
Phase 1 Development Agreement	<p>Phase 1 Development Agreement solely addresses the acquisition of the privately-owned property known as 1573 Danforth Avenue, shown as Part 4 on the Sketch (“Part 4”) on the following terms and conditions:</p> <ul style="list-style-type: none"> ▪ WCS attempts to purchase Part 4 ▪ If WCS cannot negotiate the purchase of Part 4, on or before November 30, 2010, the City then attempts to negotiate, failing which the City will proceed with expropriation process ▪ WCS shall reimburse the City for the property purchase or expropriation costs of Part 4 ▪ WCS to satisfy the City with WCS’s financial ability to reimburse the City for all land assembly costs, including the property purchase or expropriation costs of Part 4, and dealing with WCS’s Letters of Credit and other financial guarantees ▪ WCS is to provide the City a Letter of Credit in the amount of \$1.5 million to cover the City’s costs for the purchase or expropriation of Part 4 <p>Non Binding</p> <ul style="list-style-type: none"> ▪ Phase 1 Development Agreement shall not be binding on the City or on the TPA but contemplates certain events taking place to implement the concept of this Preliminary MOU
Phase 1 MOU	<p>Phase 1 MOU will address all the subsequent steps to be followed by the parties, if and when title to Part 4 is acquired either by WCS or by the City as follows:</p> <p>WCS’s Sale to City and Lease from City</p> <ul style="list-style-type: none"> ▪ If WCS acquires Part 4, then WCS shall convey Part 4 to the City for nominal consideration ▪ WCS or its affiliated company, Woodgreen Settlement Corporation, shall convey its separately acquired property at 690-692 Coxwell Avenue, shown as Part 5 on the Sketch to the City for nominal consideration ▪ City then ground leases back Parts 4 & 5, including the City-owned land shown as Part 3 on the Sketch, to WCS for a 49-year term at nominal rent with an option to renew in favour of WCS for a further two term, each for 25 years, at a rent as may be agreed upon and provided that, at the time of each renewal, the main purpose of the Development is to provide social services to the public ▪ The long-term ground lease to WCS would be subject to the City declaring Parts 3, 4 & 5 on the Sketch (the “Development Lands”) surplus for the purposes of a lease to WCS ▪ If Part 4 was expropriated, the lease would be subject to Council, pursuant to section 42 of the Expropriation Act, as the approving

	<p>authority of the expropriation, authorizing the lease of the expropriated property to WCS without offering to lease the expropriated property back to the former owner(s) from whom the land was expropriated.</p> <p>Reconfiguration of City-owned Properties:</p> <ul style="list-style-type: none"> ▪ WCS to construct, at its expense, a new carpark for the TPA to replace the existing Carpark 173 ▪ WCS to relocate the existing landscaped area at its expense with the exception of any actual required remediation costs to be shared with the City on a 50/50 percentage basis ▪ WCS to construct the required improvements to the adjacent public lane, including the widening, at its expense to an upset limit of \$250,000; the City to contribute the remainder <p>Non Binding</p> <ul style="list-style-type: none"> ▪ Phase 1 MOU shall not be binding on the City or on the TPA but contemplates certain events taking place to implement the concept of this Preliminary MOU
<p>Phase 2 Development Agreement</p>	<p>If Part 4 is acquired by the City and after WCS reimbursed the City in full for the acquisitions costs (including expropriation costs, if applicable) incurred to that time, the parties enter into the binding Phase 2 Development Agreement to provide for the matters set out in the Phase 1 MOU, the terms and condition as follows:</p> <p>Rezoning & Site Plan Application</p> <ul style="list-style-type: none"> ▪ WCS, with City’s consent as property owner, shall apply at its expense for the rezoning and site plan approval necessary to allow WCS’s Development on Parts 3, 4 and 5 on the Sketch within 4 months of the date of execution of the Phase 2 Development Agreement ▪ WCS shall have received final approval of the rezoning and site plan agreement within 2 years of the date of execution of the Phase 2 Development Agreement ▪ WCS may request for extension on the time limits referred to in Phase 2 Development Agreement, and such extension not to be unreasonably withheld by the City. No such extension will be granted beyond December 20, 2016. ▪ If WCS does not obtain the necessary rezoning and/or site plan approval or cannot or decides not to fulfill the conditions of site plan approval, or the rezoning or site plan time limits , then: <ul style="list-style-type: none"> - all MOU’s and Development Agreement cease and the land assembly/exchange project is discontinued; except for the Phase 1 Development Agreement, which includes WCS’s financial obligations to the City with respect to the acquisition costs of Part 4; and - In this event, the City shall sell Part 4 for nominal consideration to WCS provided, if Part 4 had been acquired through expropriation, the sale to WCS would be subject to Council, as the approving authority of the expropriation, authorizing the sale of such property to WCS without giving the owner(s) from whom the land was expropriated the first chance to repurchase the land on the terms of the best offer received by the City.

	<p>If the necessary rezoning & site plan approval were obtained, then:</p> <ul style="list-style-type: none"> ▪ WCS enters into the site plan agreement, as required by site plan conditions
<p>Agreement with TPA</p>	<p>Relocation and Redevelopment of New Carpark</p> <ul style="list-style-type: none"> ▪ WCS signs a Construction Procedures & Development Agreement with and satisfactory to the TPA on the relocation of Carpark 173 and on the construction of the replacement carpark, including but not limited to the following: <ul style="list-style-type: none"> - WCS shall construct the replacement carpark as a turnkey development in accordance with the standards and specifications of the TPA - WCS agrees that the TPA's existing carpark shall continue to operate until the replacement carpark is completed or WCS shall reimburse TPA for lost parking space revenue during the construction of the replacement carpark - WCS shall, at its expense, apply for and obtain site plan approval for the development of the new carpark - WCS shall provide the TPA with a construction Letter of Credit in the amount of the greater of \$300,000, or 120% of the actual construction costs of the replacement carpark - WCS agrees that the TPA's existing carpark shall continue to operate until the replacement carpark is completed - Upon completion of the new carpark, WCS pays \$360,000 cash in one lump-sum in satisfaction of relocation costs
	<p>Shifting of the Landscaped Area and Redevelopment of New Park</p> <ul style="list-style-type: none"> ▪ WCS, at its expense, shall redevelop the new park to the same level as the existing landscaped area, but located on Part 1 on the Sketch to the satisfactory of the General Manager of Parks, Forestry and Recreation and on the following basic terms: <ul style="list-style-type: none"> - WCS shall, at its expense, undertake Phase 1 and Phase 2 Environmental Assessment, apply for and obtain applicable approvals from the Ministry of Environment with respect to the change of land use, including filing for a Record of Site Condition. - WCS shall be responsible for any required remediation with the expense of any actual remediation costs to be shared with the City on a 50/50 percentage basis - WCS shall provide the City with a construction Letter of Credit in the amount of 120% of estimated costs of such park development <p>WCS's Demolition</p> <ul style="list-style-type: none"> ▪ WCS shall demolish, at its expense, the buildings on 1573 Danforth Avenue and 690-692 Coxwell Avenue <p>Improvements and Widening of Public Lane</p> <ul style="list-style-type: none"> ▪ Following demolition of 690-692 Coxwell Avenue, WCS shall convey to the City 3 metre strip shown as Part 6 on the Sketch No. PS-2009-090a for dedication for road widening purposes ▪ WCS shall construct the required improvements to the full length of the existing adjacent public lane, including the widening, to the

	<p>satisfaction of Technical Services</p> <ul style="list-style-type: none"> ▪ WCS shall be obligated for construction costs in relation to the lane widening construction to an upset amount of \$250,000.00; the remainder, if any, to be funded by the City <p>WCS's Sale to City and Lease from City</p> <ul style="list-style-type: none"> ▪ If WCS acquired Part 4, then WCS shall sign an Offer to Sell to the City Part 4 for nominal consideration ▪ WCS or its affiliated company, Woodgreen Settlement Corporation, shall sign an Offer to Sell Part 5 to the City for nominal consideration ▪ Both Parts 4 & 5 shall be vacant and there shall be no leases with a term beyond the closing date ▪ City then leases back on a net net ground lease basis the Development Lands for a 49-year term at nominal rent with an option to renew in favour of WCS for a further two term, each for 25 years, at a rent as may be agreed upon and provided that, at the time of each renewal, the main purpose of the Development is to provide social services to the public ▪ The ground lease shall include terms of an option to purchase the Development Lands within the first term of the lease and upon terms to be negotiated and form part of the ground lease ▪ The long-term lease to WCS would be subject to the City declaring the Development Lands surplus for the purposes of a lease to WCS ▪ If Part 4 was expropriated, the lease would be subject to Council, as the approving authority of the expropriation, authorizing the lease of the expropriated property to WCS without the necessity of offering to lease the expropriated property back to the former owner(s) from whom the land was expropriated. <p>WCS Construction of its Development</p> <ul style="list-style-type: none"> ▪ Provided WCS has entered into the aforesaid lease with the City, WCS constructs, at its expense, and obtains all applicable permits and pays all applicable fees and charges for its Development in the Development Lands ▪ WCS shall assume and fulfill all the obligations of the site plan approval, both financial and non-financial, and WCS shall agree in such agreement to indemnify the City as landowner in respect of all of the conditions of the site plan agreement <p>WCS and Municipal Capital Facility Agreement</p> <ul style="list-style-type: none"> ▪ WCS shall pay realty taxes on the lands leased to WCS, until such time and if, WCS qualifies for an exemption from realty taxes as a result of a Municipal Capital Facility Bylaw and Agreement
<p>Woodgreen Community Services and Woodgreen Settlement Corporation</p>	<p>This Preliminary MOU and/or any subsequent agreement or document to which the City and /or the TPA may be a party, is intended to be entered into by Woodgreen Settlement Corporation, WCS shall also enter into any such agreement and the liability of each such corporation, to pay rent and to perform all other obligations as provided for in such agreements shall be deemed to be joint and several in favour of the City and/or the TPA, as the case may be. WCS shall enter into every such agreement(s) and such agreement(s) shall include express provisions to confirm that the liability of Woodgreen Settlement Corporation and of WCS is joint and several.</p>