

## Appendix "2"

### Letter from Solicitor for Café on the Square

**PERRY H. GRUENBERGER, LL.B.**  
BARRISTER, SOLICITOR, NOTARY

30 Wertheim Court, Unit 7  
Richmond Hill, Ontario L4B 1B9

Telephone: (905) 764-6411  
Fax: (905) 764-5616

**WITHOUT PREJUDICE**

**SENT VIA FAX: (416) 397-5236**

February 5, 2015

**City of Toronto**

**Attention: Mr. Roberto Rossini**  
Deputy City Manager & Chief Financial Officer  
City Hall,  
100 Queen Street West  
7<sup>th</sup> Floor, East Tower  
Toronto, ON M5H 2N2

Dear Mr. Rossini:

**Re: 1158093 Ontario Limited ("Tenant") – Café on the Square Lease with City of Toronto**  
**My File No.: 09109**

---

Further to the meeting of January 30, 2015 with Josie Scioli, Joe Casali, yourself and Tony Palermo, I confirm that an acceptable proposal has been reach subject of course to the approval of City Council and I in this letter shall attempt to set out those terms as I understand them. The proposal is intended to clear up the current situation on amicable terms so that there is no longer any dispute and that there is a good relationship going forward in an environment of mutual co-operation and trust. The proposal intends to clear up all operating amounts owing to the City of Toronto to the end of January, 2015, to terminate the term of the Lease and to continue forward on a fixed operating amount on an interim basis to allow the City of Toronto to tender towards a new operating agreement and to allow a workable transition for the City, the Tenant and its employees.

I summarize the proposal as follows:

1. The Tenant will pay all outstanding rents through January, 2015 by certified cheque upon approval of this proposal by City Council. My understanding is that the amount is \$216,307.74.
2. The current term of the Lease would come to an end effective January 31, 2015.
3. Effective February 1, 2015, the Tenant would operate the restaurant on an interim basis under the same terms and conditions save that the Rent would stay the same and CAM charges would revert to the pre-lease amount such that the Tenant would pay total monthly rent inclusive of CAM of \$3,632.50 plus HST totaling \$4,104.73 for the balance of its occupation unless otherwise mutually agreed. Rent would be paid always three (3) months ahead on a rolling basis such that the Tenant shall provide you with an initial rent cheque for February of \$12,314.19 on account of February, March and April, 2015 and

thereafter pay monthly rent until October 1, 2015 when the prepaid rent will begin to be used. The requirement to provide any leasehold improvements or capital upgrades to the Tenant's equipment and its facilities would also be removed, however the Tenant shall continue to keep the premises and its equipment, trade fixtures and leaseholds in good repair.

4. The Tenant would operate the premises until December 31, 2015 and thereafter upon the mutual agreement of the parties hereto only.
5. The Tenant once the above funds are paid shall be considered to have fulfilled all its obligations under the lease. It shall no longer be considered in default and shall be considered in good standing with the City of Toronto and included as a participant in good standing and without blemish for all further tenders, proposals and RFP's and including for the future operation of the premises when and if a future proposal or tender for operators should occur by the City of Toronto.

I hope the above accurately described the proposed agreement and helps to clear up this situation to both parties' mutual benefit and understanding.

Yours very truly,



Perry H. Gruenberger  
PHG/ga

CC: Josie Scioli  
Joe Casali  
Jacqueline Vettorel  
Tony Palermo