

### Appendix A

#### Proposed Sublease Terms and Conditions

|                              |   |
|------------------------------|---|
| <b>Property Address:</b>     | 1321 Neilson Road, Toronto  |
| <b>Premises:</b>             | approx. 4,291 square feet   |
| <b>Tenant:</b>               | Malvern Family Resource Centre (MFRC)   |
| <b>Lease Condition:</b>      | The Tenant qualifies for the Below-Market Rent Policy and retains its non-profit status.  |
| <b>Use:</b>                  | The Tenant shall only use the premises in accordance with the proposed BMR sub-lease agreement (the "Sublease") and its Service Agreement with the City.  |
| <b>Rent:</b>                 | Basic rent of \$2.00 per annum (\$10.00 in total for the 5-year term) payable at the Commencement Date of the Sublease, plus all applicable taxes.  |
| <b>Additional Rent:</b>      | The Tenant shall be responsible for its proportionate share of operating costs, which are estimated to be \$4.25 per square feet in 2015 and \$4.52 per square feet in 2016, and shall also responsible for any other applicable additional costs related to the premises.                                    |
| <b>Sublease Term:</b>        | Five (5) years from the Commencement Date   |
| <b>Commencement Date:</b>    | October 1, 2015   |
| <b>Early Termination:</b>    | The City of Toronto shall have the right to terminate the Sublease for any reason, at any time during the Term and any renewal/extension thereafter, upon providing the Tenant with two (2) month's prior written notice.   |
| <b>Insurance:</b>            | The Tenant is to provide prior to the Commencement Date and on an annual basis proof of insurance in accordance with the City's insurance requirements outlined in the Sublease.  |
| <b>Late Payment Charges:</b> | For any late amount by the Tenant, interest on the amount outstanding from time to time shall bear simple interest at the rate of 1.25% per month (15% per year). Subject to City Council approval, the default rate of interest may be increased by the Landlord from time to time, by notice to the Tenant. |