

**THIS AGREEMENT MADE THIS**     day of                     , 2015

**BETWEEN:**

**MONARCH CORPORATION**  
and  
**MONARCH HERON HILL LIMITED**

(Collectively the "Owner")

and

**CITY OF TORONTO**

(the "City")

**WHEREAS** Monarch Corporation and the City entered into an agreement pursuant to Section 37 of the *Planning Act* made November 7, 2007 in respect of lands as described therein and known municipally in the year 2007 as 2025-2045 Sheppard Avenue East (the "Original Agreement");

**AND WHEREAS** the Owner and the City entered into agreements to amend the Original Agreement made July 12, 2011 and May 5, 2014, identified as the "Section 37 Amending Agreement" and the "Section 37 Further Amending Agreement" respectively (the Original Agreement as amended being herein collectively referred to as the "Agreement");

**AND WHEREAS** the Owner has applied for a building permit in accordance with sub-clause 2.4(a)(ii) of the Agreement;

**AND WHEREAS**, pursuant to sub-clause 2.4(a)(iii) of the Agreement, the Owner is required to commence construction and/or excavation by December 31, 2015 or the City may draw upon security as set out therein unless the parties agree otherwise in writing;

**AND WHEREAS**, pursuant to sub-clause 2.4(a)(vii), the Owner is required to substantially complete the building contemplated therein by December 31, 2016, or the City may start to draw upon security as set out therein;

**AND WHEREAS** the City and the Owner wish to agree to defer the time at which the City is entitled to draw upon the security provided under the Agreement.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada, now paid by each party to the other, the receipt and sufficiency of which is hereby acknowledged, and for other valuable consideration, and in further consideration of the mutual covenants hereinafter set forth, the Owner and the City agree to and with each other as follows:

1. The City and Owner agree that the above recitals are true.
2. The City and the Owner agree that sub-clause 2.4(a)(iii) of the Agreement is removed therefrom and replaced with the following:

“(iii) in the event that the Owner has received a permit pursuant to the *Building Code Act* in respect of the said building(s) but construction and/or excavation pursuant thereto has not commenced on or before June 30, 2016, then subject to sub-clause (x), upon the delivery of a written request therefor by the City for the Owner, the Owner shall transfer title to the Commercial Building Lands, free and clear of all encumbrances except for Permitted Encumbrances set out on Schedule “D” hereto, to the City, provided that such written request is received by the Owner on or before August 1, 2016, unless the parties agree otherwise in writing.”

3. For clarity, the City and the Owner acknowledge and agree that the building permit obtained by the Owner in accordance with sub-clause 2.4(a)(ii) of the Agreement may be amended in compliance with the *Building Code Act* without triggering a breach of, or giving rise to any remedy under, the Agreement.

4. The City and the Owner agree that sub-clause 2.4 (a)(vii) of the Agreement is removed therefrom and replaced with the following:

(vii) in the event the said building(s) has not been Substantially Completed on or before December 31, 2016 (the “Completion Deadline”), then subject to sub-clause(x);

(A) commencing on the last day of the 7<sup>th</sup> month that follows the Completion Deadline, and providing that the said building(s) is not Substantially Complete, the City may draw CDN \$100,000.00 from the Letter of Credit for each of the following six months in which the said building is not Substantially Complete; and

(B) commencing on the last day of the 12<sup>th</sup> month following the Completion Deadline, the City may draw CDN \$425,000.00 on the last day of each month for each following month in which the said building is not Substantially Complete

except that for the month in which the said building(s) are Substantially Completed, the payment of such sum as is applicable as identified hereinabove is to be lessened by pro-rating on the basis of the days elapsed between the first of said month and the day on which said building(s) is Substantially Completed as compared to the total number of days in said month. Upon the City taking title to the Commercial Building Lands pursuant to sub-clause (iii) or said building(s) being Substantially Completed the Letter of Credit shall be forthwith returned by the City to the Owner without any drawings or further drawings thereon as the case may be;

**IN WITNESS WHEREOF** the parties have hereunto causes their corporate seal to be affixed as attested to by the hands of their proper signing officers duly authorized in that behalf.

**MONARCH CORPORATION**

Per: \_\_\_\_\_  
Name:

Title:

Per: \_\_\_\_\_

Name:

Title:

I/We have authority to bind the Corporation.

**MONARCH HERON HILL LIMITED**

Per: \_\_\_\_\_

Name:

Title:

Per: \_\_\_\_\_

Name:

Title:

I/We have authority to bind the Corporation.

**CITY OF TORONTO**

Per: \_\_\_\_\_

Name:

Title:

Per: \_\_\_\_\_

Name:

Title:

I/We have authority to bind the City.