

SCHELDULE "A"

UPDATED CHILD CARE FACILITY TERM SHEET

1.

1. GENERAL TERMS

Construction: The developer shall at its sole cost, construct, finish, furnish and equip a non-profit licensed Child Care Facility in accordance with plans and specifications approved in writing by the Chief Planner and the General Manager of Children's Services for the City of Toronto, in compliance with all Applicable Laws (as defined below), sufficient to accommodate at least 52 children (aged 0 – 4 years), including ten (10) infants, ten (10) toddlers and thirty-two (32) preschoolers, in two (2) groups of sixteen (16), consisting of 531 square meters of interior space and 254 square meters of adjoining outdoor space, including outdoor storage. The Child Care Facility shall be on the ground floor, in a location to be approved by the City Planning and Children's Services Division, at 45 and 77 Dunfield Avenue.

"Applicable Laws" means all statutes, laws, rules, by-laws, regulations, ordinances, orders, guidelines, standards and requirements of governmental or other public authorities having jurisdiction, and all amendments thereto, at any time and from time to time in force, including, without limitation, all directives, requirements, regulations, ordinances, orders, standards and requirements of the Ministry of Children and Youth Services, the Ministry of Education and/or their respective successors responsible for child care and all requirements of the Ministry of Citizenship and Immigration and/or its respective successors responsible for accessibility, from time to time.

The interior space shall provide a minimum of 10.22 square metres per child. The Child Care Facility must meet criteria within the *Child Care and Early Years Act, 2014 (Ontario)*, as same may be amended from time to time;; the CAN/CSA-Z614-03 Children's Play Spaces and Equipment or equivalent; the Toronto Child Care Design & Technical Guideline (R-2016), the Toronto Accessibility Guidelines, the Toronto Green Development Standards – Tier 1; all provincial codes and municipal planning, zoning and by-law criteria and if the proposed operator will be servicing subsidized clients; the Early Learning and Care Assessment for Quality Improvement (ELCAQI) must be followed.

Deficiencies: The developer shall construct and finish the Child Care Facility in compliance with all Applicable Laws, in compliance with plans, drawings and specifications which have been approved by the Chief Planner and the General Manager for Children's Services. The developer shall correct or cause to be corrected at its expense and to the satisfaction of the Chief Planner and General Manager of Children's Services, any defects or deficiencies and/or its fixtures appearing within a period of Two (2) years after the Commencement Date of the Lease.

2. FACILITY DESIGN

- a) At the time of site plan application, the approved plans must show:
- The Child Care Facility located at grade, with its own front entrance from the street;
 - Exterior fenced playground spaces adjacent to interior space, suitably weather protected, equipped and landscaped to facilitate year-round use with a minimum of 30 square metres of vandal-proof storage adjacent to each playground;
 - A minimum three (3) spaces of parking spaces designated for Child Care Facility staff located adjacent to the Child Care Facility, unless stipulated by the Zoning By-law;
 - A pedestrian child drop-off and pick-up location adjacent to the entrance of the Child Care Facility;
 - Three (3) vehicular child drop-off and pick-up parking spaces adjacent to the Child Care Facility;
 - Acceptable wind, sun/shade, noise, air quality and soil quality conditions;
 - Provision of space for the ability to recycle all food, diaper, fluorescent tubing etc., and to comply with the “City of Toronto’s Requirement for Garbage, Recycling & Organics Collection Services for New Developments & Redevelopment”.
 - Compliance with the *Child Care and Early Years Act, 2014 (Ontario)*, as same may be amended from time to time; CAN/CSA-Z614-03 Children's Play Spaces & Equipment; City of Toronto Child Care Technical Design guideline (R-2016); Toronto's Accessibility Guidelines and,
 - Compliance with all physical criteria necessary to obtain a license required to operate a licensed Child Care Facility.
- b) Prior to issuance of the first Above Grade Building Permit, working drawings and specifications must be submitted to the Chief Planner, Toronto Public Health and the Province's Ministry of Education’s Early Learning Child Care Licensing System for their review and approval, which shall include:
- a fully functional kitchen based on the needs of the chosen operator;
 - acceptable security provisions that allow the Child Care Facility to operate autonomously within a multi-use facility.

3. EQUIPMENT COSTS

The developer must provide funds required to fully equip the Child Care Facility in accordance with provincial and municipal standards based on inventory list provided by the Children’s Services Division and/or the future child care operator chosen through the Expression of Interest (EOI) process;

The developer will also provide a one-time contribution in the amount of \$180,000.00, towards a replacement reserve fund for the Child Care Facility to replace appliances and large equipment due to wear and tear.

4. START-UP COSTS

The developer must also provide a one-time cash contribution of \$150,000.00 for the defrayment of operational deficits incurred during the of operation deficits during the Child Care Facility's first year of operation.

5. LEASE

Term: Prior to the issuance of the Final Building Permit, the developer, the operator (as tenant) and the City (as third-party) shall enter into a lease agreement for the Child Care Facility with a term of 99 years, based on the terms set out herein, and in a form satisfactory to the City Solicitor. Notwithstanding the 99 year term, the City has the right to terminate the lease, by giving 6 months' prior written notice.

Completely Rent Free: The lease shall ensure that the Child Care Facility is completely rent free (at no cost to the tenant or to the City) and the developer (as landlord) shall be responsible for the all operating costs, the cost of all utilities and municipal services supplied to the facility, caretaking costs, repair, maintenance, alterations and replacements costs of the Child Care Facility and Building systems, janitorial costs, property damage, liability insurance, realty taxes and local improvement charges, and compliance with all Applicable Laws and for any damage to the Child Care Facility, howsoever caused.

Tenant: The tenant will be a child care operator and will be chosen through an Expression of Interest (EOI) process undertaken by the Children's Services Division. The operator must be approved by the City as a child care operator that meets the City of Toronto not for profit status.

Use: The facility shall be used for a licensed child care. In the event that the facility is no longer required for licensed child care purposes, the City has the right to establish another non-profit community service use in the premises.

City as Third Party with rights: In the event the tenant is in default of the lease, the City shall from time to time throughout the Term, have the option to: (a) assign the lease to another non-profit operator; (b) assume the lease and become the operator; or (c) terminate the lease.

Damage and Destruction: To secure the 99 year Term, in the event of any damage and/or destruction, the following shall apply:

- a) The developer shall diligently repair any damage to the Child Care Facility.
- b) If the damage cannot be repaired with reasonable diligence within 180 days after such damage, the developer shall provide at its cost, an alternate location in the vicinity (the "**Alternate Premises**"), for the balance of the 99 year term.
- c) If the developer is unable to provide the Alternate Premises, within 9 months of

such damage, the developer shall pay to the City an amount equal to the cost of providing such Alternative Premises for the balance of the 99 year term.

No Transfer or Assignment: The lease may not be transferred or assigned without the City's consent, which may be unreasonably withheld and delayed.

Registration of Lease: The developer at its sole cost, shall cause the lease to be registered on title, and provide a title opinion from its solicitors, in form and content satisfactory to the City Solicitor, confirming that the registered lease has priority to all charges, encumbrances, or liens.

6. FINANCIAL SECURITY

The developer shall provide financial security prior to the issuance of a building permit for the construction of the Child Care Facility in order to guarantee the satisfactory performance and completion of work in respect of design, construction and provision to the City.

The Financial Security shall be in a form of a Letter of Credit (s) and the initial amount of the Letter of Credit shall be sufficient to guarantee 120% of the estimated cost of the design, construction and provision of the Child Care Facility, to the satisfaction of the City Solicitor, Chief Planner and General Manager of Children's Services for the City of Toronto.

The Financial Security shall be indexed to the Statistics Canada Non-Residential Construction Price Index for Toronto from the date the proposed Zoning By-law comes into force.