

CC24.14 - Confidential Appendix B to Confidential Attachment 1 - made public on October 13, 2020

CONFIDENTIAL APPENDIX B

Major Terms and Conditions of 1240 Bay St. Leasehold APS

Vendor: Transmetro Limited

Purchaser: an affiliated corporation owned and controlled by the appellants

Purchase of Leasehold Interest: The Leasehold APS is for the purchase of Transmetro's leasehold interest as ground tenant of City-owned 1240 Bay Street, in accordance with: (i) a lease dated October 10, 1967 registered as Instrument # EM77463, (ii) an Indenture dated November 17, 1970 registered as Instrument # EM83663, and (iii) an agreement dated October 10, 2003 with effect as of October 10, 2000 (collectively the "Ground Lease")

Current Term of Ground Lease: October 10, 2000 to October 9, 2032.

Renewal Option of Ground Lease: One option to renew for thirty-three (33) years.

Purchase Price for Leasehold Interest: Forty-five Million Dollars (\$45,000,000.00). The Purchase Price shall not be subject to adjustments, such as realty taxes and water accounts.

Total Deposits: Nine Million (\$9,000,000.00) Dollars, to be paid by the Purchaser, prior to assignment of the Leasehold APS to the City, as follows:

- (i) \$500,000 payable within 2 business days after Leasehold APS executed;
- (ii) \$1,000,000 payable within 2 business days after waiver of Due Diligence Condition; and
- (iii) \$7,500,000 payable within 2 business days after waiver of Development Condition.

Timeline for waiving Due Diligence Condition: 90 days following Execution Date of July 20, 2020.

Timeline for waiving Development Condition: 240 days following Execution Date of July 20, 2020, which will be late February 2021.

Deposits 1 and 2 released to Vendor for own use, to be secured by a "Security mortgage" of \$9,000,000.00 and registered against Vendor's leasehold interest in 1240 Bay St. Deposits are non-refundable, unless Vendor in default.

Confidentiality: Purchaser (and the City as assignee), required to keep confidential all information and documents until Closing, except as required to be disclosed by law.

Assignment of Leasehold APS to the City: The Purchaser may assign the Leasehold APS, and upon such assignment, the assignee will be jointly and severally liable for the obligations and liabilities of the Purchaser under the Leasehold APS until the Closing Date. After the Closing Date, the Purchaser shall be relieved of all such liability.

Confidential Attachment 1- 80-82 Bloor Street West- Request for Direction

Termination of Sub-leases at 1240 Bay Street: If the Purchaser (or the City as assignee) has obtained a demolition permit from the City as municipal authority, authorizing the demolition of the building at 1240 Bay Street, the Vendor shall, on behalf of the Purchaser or the City, give notice to sub-tenants terminating their sub-leases pursuant to termination clauses thereof. The Vendor is not responsible to pay any amount in connection with terminating the sub-leases, and on Closing, and the Vendor is entitled to deliver possession of 1240 Bay Street to the Purchaser (or to the City as assignee), subject to those sub-tenants then in occupation.

Acceleration of Leasehold APS Closing Date: The Purchaser may accelerate the Closing Date by increasing the Purchase Price by an amount equal to the product obtained by multiplying (i) One Million Dollars (\$1,000,000), by (ii) the number of years (and any partial year) by which the Closing Date is accelerated, to a maximum of five (5) years.

"As Is, Where Is" Condition: The purchase of the leasehold interest is on an "as is, where is" basis.

Operation of 1240 Bay Street before Closing: Until closing, the Vendor shall use reasonable efforts to cause 1240 Bay Street to continue to be insured, repaired, operated and maintained in accordance with current management practices of the Vendor.