



REPORT FOR ACTION

Amendment to Licence Agreement - 2676417 Ontario Inc. Operating As K.A. Car Care: Municipal Car Park 58

Date: November 29, 2020

To: Board of Directors, Toronto Parking Authority

From: Acting President, Toronto Parking Authority

Wards: Ward 10 Spadina-Fort York and Ward 11 University-Rosedale

SUMMARY

At its meeting of December 19, 2018, Toronto Parking Authority (TPA or Licensor) Board of Directors authorized TPA to enter into a licence agreement (the Licence Agreement) with 1413652 Ontario Inc. operating as K.A. Car Care at Car Park 58, located at 9 Bedford Road (the Property). This Licence Agreement was later amended to change ownership of the licence to 2676417 Ontario (the Licensee or K.A. Car Care).

Due to poor business performance resulting from the COVID-19 pandemic, the Licensee has proposed a relocation to Car Park 36 located at 110 Queen Street West, which also contains a car wash and hand detailing bay.

Corporate Real Estate Management (CREM) and TPA have completed a detailed review of the proposal from the Licensee and are recommending that the TPA Board of Directors provide its concurrence with the proposed relocation of the car wash and detailing business to Car Park 36. It is further recommended that an approval be provided to direct the property transaction through the real estate approval process as described in Toronto Municipal Code, Chapter 179, Section 8.1, Toronto Parking Authority.

RECOMMENDATIONS

The Acting President, Toronto Parking Authority recommends that:

1. Toronto Parking Authority Board of Directors provide its concurrence with the proposed relocation of the car wash and detailing business operated by 2676417 Ontario Inc. operating as KA Car Care at Car Park 58 located at 9 Bedford Road, to Car

Park 36 located at 110 Queen Street West, substantially on the terms and conditions outlined in Table 2.

2. Toronto Parking Authority Board of Directors approve the property transaction be directed through the real estate approval process as described in Toronto Municipal Code, Chapter 179, Section 8.1, Toronto Parking Authority, to seek City delegated authority approval of the property transaction, which will involve a Licence Amending Agreement, substantially on the terms and conditions in Table 2 and on such other terms and conditions deemed acceptable to the President, Toronto Parking Authority and the Deputy City Manager, Corporate Services, or their designate(s), and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

CREM conducted a market rate analysis on the Car Park 36 space and determined that the rental amount paid at Car Park 58 reflected current market rates for the space at Car Park 36. As a result, the proposed relocation of the car wash and detailing business will generate \$34,500 in annual rent and \$179,539 in gross revenue for TPA over the five (5)-year term of the Agreement, which is consistent with the revenues currently generated.

The proposed relocation of the car wash and detailing business will require approximately \$15,000 in improvements, which will be undertaken by TPA. As part of the Agreement, the Licensee will reimburse TPA for the Licensor improvements to be undertaken at Car Park 36. This \$15,000 sum will be repaid in annual installments over the term of the Agreement. Should the Licensee leave Car Park 36 prior to the full repayment of the Licensor improvement costs, the Licensee will still be responsible for repaying the full remaining amount.

Table 1: Financial Analysis 2020 - 2025

Income	2020	2021	2022	2023	2024	2025	Totals
Rent	\$0	\$34,500	\$35,190	\$35,894	\$36,612	\$37,344	\$179,539
Re-Payment of Licensor Improvements	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	*\$5,000
Licensor Improvements	(\$15,000)	\$0	\$0	\$0	\$0	\$0	(\$15,000)
Net Revenue	(\$15,000)	\$35,500	\$35,190	\$36,894	\$37,612	\$38,344	\$169,593

*Note: If the Licensee does not exercise the option to extend following the expiry of the Licence Agreement, the Licensee is still responsible for paying the remaining outstanding balance for the Licensor improvements

DECISION HISTORY

At its meeting of December 19, 2018 (*Item PA1.3*), TPA Board authorized staff to enter into a new Licence Agreement with 1413652 Ontario Inc. (o/a KA Car Care) in order to operate a car cleaning and hand-detailing service within Car Park 58 for a term of five (5) years. Additional information can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PA1.3>

At its meeting of February 28, 2019 (*Item PA3.1*), TPA Board authorized staff to make a technical amendment to a Licence Agreement between TPA (as Licensor) and 1413652 Ontario Inc. (o/a KA Car Care) to change the corporate entity to 2676417 Ontario Inc. operating as KA Car Care (as Licensee). Additional information can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PA3.1>

COMMENTS

Background

TPA owns and operates a 399-space parking garage known as Car Park 58 at 9 Bedford Road. The car wash detailing bay at Car Park 58 is located on the fourth level of the parking garage and measures 769 sq. ft.

K.A. Car Care entered into a Licence Agreement with TPA in August 2019 to operate a car cleaning and hand-detailing service out of the Property. The key terms and conditions of the Licence Agreement are included in Table 1. A full copy of the Agreement is included in Attachment 'A'.

Table 1: Terms and Conditions of 2019 Licence Agreement

Terms and Conditions	Description
Location	9 Bedford Road
Licensor	Toronto Parking Authority
Term	Five (5) Years

Terms and Conditions	Description
Commencement Date	September 10, 2019
End Date	September 9, 2024
Basic Rent	Year 1: \$34,500.00 annually Year 2: \$35,190.00 annually Year 3: \$35,893.80 annually Year 4: \$36,611.68 annually Year 5: \$37,343.91 annually
Security Deposit	\$5,750
Fixturing Period	Three (3) Months

In March 2020, the COVID-19 pandemic forced the mandatory closure of most businesses and attractions in Toronto. The Licensee was forced to close its car wash and hand detailing business on March 19, 2020 and did not re-open until July 2020. As a result of the three (3)-month closure, the Licensee was unable to generate any revenue and elected to take advantage of TPA's offer for monthly rent payments to be deferred.

The Licensee reopened the car wash and hand detailing business in July of 2020. The on-going impacts of the pandemic kept business demands low and the Licensee advised TPA that it would be forced to close its business without further financial assistance and/or a return to normal operating conditions.

On July 3, 2020, the Licensee contacted TPA with a proposal to improve their business prospects by either opening a second car wash operation at Car Park 36, located at 110 Queen St W. or, by outright relocating from Car Park 58 to Car Park 36. Car Park 36 contains a vacant car detailing bay which cannot be repurposed into parking and has remained vacant since March 2019 (refer to Attachment 'B' – Site Plan and Photos of Car Wash and Detailing Bay at Car Park 36 Space). TPA engaged CREM to assist with the review and assessment of the proposal.

Terms and Conditions of Proposed Amendment to Licence Agreement

On October 15, 2020, CREM and TPA agreed in principle on a set of proposed terms and conditions with the Licensee that could form the basis of an Amended Licence Agreement and facilitate the relocation of the car wash and detailing business from Car Park 58 to Car Park 36. Legal Services was consulted and recommended an amendment as opposed to an outright new agreement given that very few of the terms and conditions of the Licence Agreement will change.

The major terms and conditions of the proposed amendment to the Licence Agreement are included in Table 2. All other terms conditions not highlighted in Table 2 will remain as shown in the Licence Agreement. The proposed terms and conditions of the amendment are outside of TPA's standing authority for real estate transactions as outlined in Section 8.1 of Chapter 179 in the Municipal Code. As a result, CREM will be listed as the Licensor in the amendment to the Licence Agreement. TPA has confirmed that this process is acceptable with Legal Services.

Table 2: Terms and Conditions of Proposed Amendment to Licence Agreement with K.A. Car Care at Car Park 36

Terms and Conditions	Description
Location	110 Queen Street West
Licensor	City of Toronto Corporate Real Estate Management
Term	Five (5) Years
Commencement Date	To be Determined
End Date	To be Determined
Basic Rent	Year 1: \$34,500.00 annually Year 2: \$35,190.00 annually Year 3: \$35,893.80 annually Year 4: \$36,611.68 annually Year 5: \$37,343.91 annually
Security Deposit	\$5,750
Fixturing Period	Three (3) Months
Licensor Improvements	\$15,000 to be re-paid by the Licensee over the term of the Agreement
Options to Extend	Two (2) successive five (5)-year options to extend following the end of the current term
Relocation of Licensed Area	The pending construction at Car Park 36, and any dust, debris and inconvenience associated with it are not grounds requiring relocation of the Licensee to another TPA facility

CONTACT

Jeffrey Dea, Vice President, Business Development, Toronto Parking Authority,
437-243-6545, jeffrey.dea2@toronto.ca

Darcy Watt, Planning and Policy Analyst, Toronto Parking Authority,
437-488-1303, darcy.watt@toronto.ca

SIGNATURE

Robin Oliphant, Acting President
Toronto Parking Authority

ATTACHMENTS

Attachment A: Licence Agreement between 2676417 Ontario Inc. Operating As K.A.
Car Care and Toronto Parking Authority
Attachment B: Site Plan and Photos of Car Wash and Detailing Bay at Car Park 36
Located at 110 Queen Street West

ATTACHMENT A:

LICENCE AGREEMENT BETWEEN 2676417 ONTARIO INC. OPERATING AS K.A. CAR CARE AND TORONTO PARKING AUTHORITY

THIS LICENSE AGREEMENT dated the ____ day of _____, 2019

BETWEEN:

TORONTO PARKING AUTHORITY
(hereinafter referred to as the "Licensor")

AND:

2676417 ONTARIO INC. c.o.b. as KA CAR CARE
(hereinafter referred to as the "Licensee")

AND:

ENVER COOVADIA
(hereinafter referred to as the "Indemnifier")

AND:

CITY OF TORONTO
(hereinafter referred to as the "City")

APPROVED AS TO FORM
For Wendy Walberg
City Solicitor
File # 2800-B72-0237/18 (SKL)

WHEREAS:

A. The City is the registered owner of the property municipally known as 9 Bedford Road, in the City of Toronto (the "**Property**");

B. By a Ground Lease dated November 18, 1987, the City as landlord leased the Property together with other lands to Avenue & Bloor Hotel Holdings Ltd. (the "**Hotel**") as tenant;

C. By a Sublease made on April 24, 1990, part of the Property comprising the carpark facility referred to as Carpark 58 (the "**Parking Facility**") was subleased back to the City;

D. The Licensor manages and operates the Parking Facility;

E. The Licensee operates a business offering car cleaning and hand-detailing services (the "**Business**"); and

F. The parties have agreed that the Licensee may operate its Business for the benefit of the Licensor's customers and others at the Parking Facility, on the terms and conditions set out herein,

NOW THEREFORE IN CONSIDERATION of the covenants, terms, conditions and agreements contained herein and the payment of Two Dollars (\$2.00) the receipt and sufficiency of which are hereby acknowledged, the Licensor and the Licensee hereby agree as follows:

1. **License and Use**

(a) **License.** The Licensor hereby grants to the Licensee a license (the "**License**") to install and operate the equipment necessary to operate the Business in the area comprising **Five (5) parking spaces located on the P4 below grade parking level of the Parking Facility**, as shown on the following Schedules:

(i) Licensed Premises Site Location Map attached as Schedule "**A-1**";

(ii) Licensed Premises Layout Plan attached as Schedule "**A-2**";

(the "**Licensed Area**").

The parties each acknowledge and agree that the right granted hereby to the Licensee is a license only and does not represent a partnership, lease or joint venture between the parties. The Licensee agrees to carry on the Business at the Licensed Area under the name **KA Car Care**, such name to be the property of the Licensee.

(b) **Use.** The Licensee shall continuously use the Licensed Area throughout the Term only for car cleaning and hand-detailing services for customers of the Licensor; and for no other purpose (the "**Use**"). All customer vehicles entering the Parking Facility in conjunction with the Use shall be subject to paying normal parking charges in effect from time to time.

1

2. **Term / Option to Extend**

- (a) The term of this Agreement (the "**Term**") will be for a period of Five (5) years commencing on _____, 2019 and expiring on _____, 2024, unless terminated earlier in accordance with the provisions of this Agreement.
- (b) Provided that the Licensee is not in default and has not been in default during the Term, this Agreement may be extended at the Licensee's option for One (1) additional Five (5) year period (the "**Extension Term**") by written notice to the Licensor delivered not more than twelve (12) months nor less than six (6) months prior to the expiry of the Term. The Extension Term shall be on the same terms and conditions as set out in this Agreement except that:
- (i) there will be no further right to extend the Term;
 - (ii) any fixturing period shall not apply to the Extension Term; and
 - (iii) the License Fee shall be mutually agreed upon at the time of extension between the parties, based upon license fees at fair market value for similar arrangements in locations comparable to the Parking Facility; provided that the License Fee during the Extension Term shall in no event be less than the License Fee payable during the last twelve (12) months of the Term. If the parties are unable to agree to the License Fee by no later than three (3) months prior to the expiry of the Term, the License Fee shall be determined by arbitration in accordance with the *Arbitration Act (Ontario)*, as same may be amended. If the License Fee has not been determined by the commencement of the Extension Term, the Licensee shall continue to pay the License Fee at the rate payable immediately prior to the expiry of the Term until the License Fee for the Extension Term is determined, and within ten (10) days after the determination thereof, the Licensee shall pay to the Licensor any amount retroactively owing from the commencement of the Extension Term.

3. **Fixturing Period /Equipment Installation and Removal Procedures**

- (a) The Licensee shall accept the Licensed Area on an "as is" basis. The Licensee shall be responsible at its sole cost for all improvements, fixtures, and installations required to complete the Licensed Area within the first ninety (90) days of the Term (the "**Fixturing Period**"), at an estimated cost of **Sixteen Thousand (\$16,000.00) Dollars**, as detailed in Schedule "**B**" - "Preliminary Class 3 Estimate (**Licensed Area Improvements**)", and (i) Proposed Schematic Car Wash Layout dated February 7, 2019 attached as Schedule "**C-1**"; (ii) Mechanical Room Layout dated February 7, 2019 attached as Schedule "**C-2**"; (iii) Telephone Room Layout dated February 7, 2019 attached as Schedule "**C-3**"; and (vi) Additional Car Wash Details dated February 7, 2019 attached as Schedule "**C-4**", and designed by mutual agreement of both parties, as well as for the smooth and efficient operation of the Business on a day to day basis. This would include, but is not limited to painting, and/or tiling, and the purchase and installation of telephone(s) and cash register(s). Any improvements, fixtures and installations provided or installed by the Licensor shall remain the exclusive property of the Licensor. All improvements, fixtures and installations provided or installed by the Licensee shall remain the exclusive property of the Licensee.

For greater certainty, the Licensee agrees that the drawings attached as Schedules "**C-1**", "**C-2**", "**C-3**" and "**C-4**" shall not be used for any permit application.

- (b) During the **Fixturing Period**, all provisions of this agreement apply. The Licensee shall not be obligated to pay the License Fee, but shall pay for all other costs as set out herein.
- (c) At the termination of the License for whatever reason, the Licensee shall surrender the Licensed Area to the Licensor in as good condition as the Licensee is required to maintain the Licensed Area throughout the Term hereof. The Licensee shall, however, remove all its trade fixtures and any alterations or improvements before surrendering the Licensed Area as aforesaid, and shall repair any damage to the Licensed Area caused by such installation and/or removal. The Licensee's obligation to observe and perform this covenant shall survive the expiration or sooner termination of the Term.

4. **License Fee**

- (a) From and after the Fee Commencement Date, the Licensee will pay, as the License Fee: (i) a Minimum Fee, which will be set at **\$34,500 per annum (\$2,875.00 per month)** which is inclusive of Sales Tax, increasing by 2% on each anniversary over the Term. The Minimum Fee shall be payable on the first day of each and every calendar month of the Term. If the Fee Commencement Date occurs on a day other than the first day of a calendar month, the Minimum Fee for the remainder of that month shall be prorated and payable on the first day of the calendar month following the Fee Commencement Date, together with the Minimum Fee payable on that day. The Minimum Fee is hereinafter referred to as the "**License Fee**".
- (b) Prior to each year of the Term, the Licensee shall provide a series of 12 monthly postdated cheques, each cheque in the amount of the monthly installment of License Fee, or if requested by the Licensor, shall arrange to pay the same by pre-authorized bank payment.
- (c) Interest on all overdue Fee payments or any other payments owing by the Licensee to the Licensor pursuant to this Agreement shall bear interest at the rate of 1.25% per month (15% per year) (the

"**Default Rate of Interest**"). Payments received by the Licensor will be applied first to outstanding interest charges and the balance (if any) will be applied to the outstanding principal amount. Subject to City Council approval (which may include Delegated Approval), the Default Rate of Interest may be increased by the City from time to time, by notice to the Licensee. The right of the Licensor to charge and receive interest in accordance with this Section is without prejudice to any of the other remedies available to the Licensor, at law or otherwise.

- (d) For greater certainty, the Licensee acknowledges that the License Fee is in addition to, and not in substitution for, parking charges to be paid by customers for vehicles entering the Parking Facility and making use of the Licensee's services.

5. **Relocation of Licensed Area**

- (a) The Licensed Area shall be in the location set out in the sketch attached as Schedule "A-2" to this Agreement. If necessary for the operation or repair of the Parking Facility, the Licensor shall have the option to relocate the Licensed Area at any time upon reasonable prior notice to the Licensee, provided that the Licensor shall pay all direct costs of the relocation.
- (b) Subject to space availability and provided that the Licensee is not in default, if it is determined that the Licensed Area is unsuitable or not sustainable for the Business, the Licensor at its sole discretion may permit relocating the Business to an alternative Licensor operated carpark.

6. **Insurance and Indemnification**

- (a) **Insurance.** The Licensee covenants and agrees with the Licensor to maintain throughout the Term and any extension thereof: (i) valid business interruption insurance; (ii) a minimum of Five Million Dollars (\$5,000,000.00), for any one occurrence, of comprehensive general liability insurance on an all-risk basis, including but not limited to product liability; and (iii) automobile liability insurance with a limit of not less than Five Million Dollars (\$5,000,000.00), for any one occurrence. Such policy shall include the Licensor and the City of Toronto as additional insureds. The Licensee shall provide the Licensor with an insurance certificate as evidence of such coverage.
- (b) **Indemnification.** The Licensee covenants and agrees to indemnify and save the Licensor and the City, including its officers, agents and employees, from and against any and all manner of claims, damages, losses, costs, liabilities, expenses, demands or actions ("**Claims**") occasioned to, suffered by or imposed upon the Licensor and/or the City, either directly or indirectly, in consequence of or in connection with or arising from its use of the Licensed Area, or managing and operating the Business at or from the Parking Facility.
- (c) **Limit of Liability of the Licensor.** The Licensor shall have no liability for any loss or damage suffered by the Licensee, including without limitation, to any person or property, arising from an occurrence in or about the Licensed Area.

7. **Covenants of the Licensee**

The Licensee covenants and agrees with the Licensor that it shall:

- (a) upon execution of this Agreement, pay to the Licensor a security deposit in the amount of **Five Thousand, seven hundred and fifty dollars (\$5,750.00)** to secure the due performance of the Licensee's covenants and obligations hereunder. The security deposit shall be returned to the Licensee, without interest and less any amounts then owed by the Licensee to the Licensor, upon expiry of the Term or other termination of this Agreement;
- (b) pay all costs associated with operating the Business, including but not limited to heat, hydro, ventilation, air conditioning, water, telephone, cable, gas and other utilities and services (if applicable). Until the Licensee installs meters to monitor consumption, the Licensor shall submit written invoices to the Licensee based upon reasonable estimates of consumption (currently estimated at \$250.00 per month), and the Licensee agrees to make payment of the amounts invoiced within fifteen (15) days following receipt thereof. The Licensee may install meters, but shall be under no obligation to do so;
- (c) faithfully, honestly and diligently perform its duties with respect to the management and operation of the Business;
- (d) provide a high level of service and project a professional and prestigious image. The quality of the management and staff is of particular importance and the Licensee shall comply with the Licensor's standards;
- (e) address all customer grievances and complaints in a courteous and timely fashion and shall ensure that the Business is maintained in a manner consistent with the Licensor's standards. The Licensee shall cause its employees to be properly and professionally attired. Licensee shall ensure that at least one employee is continuously present in the Licensed Area when business is open. In the event that the Business is staffed by only a single employee, and such employee finds it necessary to leave the Licensed Area, such employee shall indicate to customers, by a time clock or by other visual means, his/her estimated time of return. The maximum time of such absence shall not exceed thirty (30) minutes and the employee shall not leave the Licensed Area any more than three (3) occasions per eight (8) hour shift. The Licensee shall ensure that all customers potentially affected by the absence of an employee shall be notified in advance, so that no customer shall attend at the Licensed Area expecting service when none is available;

- (f) the Licensee will, if necessary, obtain the consent and/or permits necessary to the operation of the Business at the Licensed Area of any municipal or regional or provincial authority having jurisdiction and will, at all times, comply with all applicable laws, by-laws, regulations and other requirements of any such authority. Notwithstanding that the City of Toronto is the owner of the lands on which the Parking Facility is located, the Licensee covenants and agrees that nothing in this Agreement is intended to operate or shall have the effect of operating in any way to fetter current or future City Councils in the exercise of any of Council's discretionary powers, including the power to pass, amend or repeal by-laws;
- (g) keep the Licensor informed of all competitive developments and market activities which could pertain to the Business;
- (h) provide such bonding, if the insurance policies, along with the Licensee's operating record, do not, in the reasonable opinion of the Licensor, supply sufficient protection. The Licensee and the Licensor have discussed the potential need for bonding the employees;
- (i) exercise reasonable and customary efforts to sell, advertise, market and promote the Business and the goods or services offered by the Licensee at the Parking Facility;
- (j) keep and maintain the Licensed Area and all of the Licensee's property in good repair and in a clean and orderly condition at its expense, consistent with the standard of a high quality Canadian shopping and parking facility similar to the Parking Facility;
- (k) take reasonable care to ensure that it causes no damage to any portion of the Licensed Area or the Parking Facility. In the event of any damage caused by the Licensee or those for whom the Licensee is responsible at law, the Licensee shall promptly notify the Licensor of any such damage and the Licensee shall pay of the Licensor's costs of repairing the damage;
- (l) not make any repairs, alterations, replacements, improvements or demolition to any part of the Licensed Area without the prior written consent of the Licensor, which consent may be unreasonably and arbitrarily withheld;
- (m) not to store in or bring on to the Licensed Area or the Parking Facility any toxic, hazardous, noxious or banned substances or chemicals ("**Hazardous Substances**") as may be prohibited or regulated by the *Environmental Protection Act* or similar or replacement legislation. The Licensee shall be solely responsible for any Hazardous Substances affecting the Licensed Area during the Term resulting from any act or omission of the Licensee and shall be responsible for the clean up or removal of Hazardous Substances that may be required by any governmental authority, as well as any damages caused by the occurrence, clean up or removal thereof.
- (n) promptly pay all contractors, suppliers and workmen and all charges incurred by or on behalf of the Licensee for any work, materials or services which may be done, supplied or performed at any time in respect of the Licensed Area. If any lien is made, filed or registered, the Licensee shall discharge it or cause it to be discharged as soon as practicable at the Licensee's expense;
- (o) permit the Licensor to enter the Licensed Area to perform any of the Licensee's maintenance and/or repair obligations if the Licensee fails to do so after reasonable prior notice by the Licensor, and to reimburse the Licensor for any and all costs incurred forthwith following receipt of an invoice setting out such costs;
- (p) be responsible for the safe operation and storage of all vehicles entrusted to the Licensee. The Licensee acknowledges and agrees that the Licensor shall have no responsibility for the safety of vehicles entrusted to the services of the Licensee and that the indemnification in Section **6(b)** above shall include indemnification for all Claims relating to the operation and storage of vehicles by the Licensee;
- (q) be responsible for the security of its equipment and materials in the Parking Facility;
- (r) defend its property and the property of the Licensor against and keep it free of all security interests, mortgages, claims, charges or other encumbrances;
- (s) pay any sales tax, multi-stage sales tax, value added tax, harmonized sales tax (within the meaning of the *Excise Tax Act*, Canada) or other similar tax levied by the federal and/or provincial governments of Canada and Ontario respectively on any license fee payments to be made by the Licensee to the Licensor pursuant to this Agreement (the "**Sales Tax**"), payable promptly when due;
- (t) If available, the Licensee and its employees have access to the washroom within the Parking Facility; and
- (u) comply with all **Toronto Water** requirements throughout the Term and any extension thereof, currently as follows (as may be amended from time to time):
 - (i) The Licensee's business must maintain a valid Toronto Municipal Licensing Standards license;
 - (ii) The Licensed Premise must have a properly maintained sand and grit interceptor, acceptable to Licensor;
 - (iii) The Licensee shall not permit any discharge whatsoever to the storm sewer;
 - (iv) The Licensee acknowledges receipt of a copy and shall follow the Best Management Practices for Automotive Facilities, as same may be amended from time to time; and

- (v) The Licensee acknowledges receipt of a copy and shall complete and submit a Declaration by Automotive Repair, Autobody Repair, Car Washes & Petroleum Facilities within the first year of the Term, as same may be amended from time to time.

8. **Confidentiality**

Each of the Licensor and Licensee acknowledges that it has or may become privy to certain proprietary and confidential information of the other party, including but not limited to processes, products and services, pricing and cost information, marketing information and other trade secrets or confidential or secret proprietary information ("**Confidential Information**"). In this regard, the Licensor and Licensee shall keep and shall cause its employees to keep all Confidential Information confidential and shall prevent disclosure of such Confidential Information to any third party unless agreed upon by the other party, except to the extent that disclosure is required by law (it being understood that the Licensor is bound by the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*). Upon termination or expiration of this Agreement, the Licensor and Licensee shall (i) immediately cease use of any Confidential Information belonging to the other party and (ii) upon the direction of the other party, either return or destroy all records and documents constituting or containing any such Confidential Information. The Licensor or Licensee shall not be liable for use or disclosure of any such Confidential Information if it can be shown that such Confidential Information:

- (a) was in the public domain prior to the date it was disclosed by the disclosing party;
- (b) was possessed by either the Licensor or Licensee, as evidenced by written or tangible evidence, before receipt from the disclosing party; or
- (c) was disclosed to the non-disclosing party in good faith by a third party who had an independent legal right to such Confidential Information.

9. **Publicity**

The Licensee shall not during the Term or thereafter, without the prior written consent of the Licensor, market, advertise, distribute or promote its arrangement with the Licensor or discuss or reveal any aspect of its arrangement with the Licensor to the public or with any form of media, whether in print or on television or radio. The Licensee shall ensure that its employees address all queries regarding the identity of the operator as KA Car Care.

10. **Default / Termination**

10.1 **Events of Default by Licensee**

The occurrence of any of the following events shall constitute good cause for the Licensor at its option, and without prejudice to any other rights or remedies provided hereunder or by operation of law or equity, to terminate this Agreement:

- (a) if the Licensee shall be adjudicated a bankrupt, becomes insolvent, makes any proposal to its creditors regarding postponement of payment of its debts or if a receiver (temporary or permanent) of its property or any material part thereof is appointed; if it makes a general assignment for the benefit of creditors, or if a final judgment remains unsatisfied of record for thirty (30) days or longer or if execution is levied against a major part of the Licensee's business or property;
- (b) if the Licensee defaults in the payment of license fees or other fees due hereunder, or makes any material false statements in connection therewith, and fails to cure said default within twenty (20) days after receipt of notification thereof;
- (c) if the Licensee is in default of any of its covenants and obligations hereunder and such default continues without correction for a period of twenty (20) days after written notice has been given by the Licensor to the Licensee;
- (d) if the Licensee violates a law, ordinance, rule or regulation of a government or regulatory agency in connection with the conduct of the Business; and
- (e) if the Licensee is in default of a material obligation hereunder and if, in Licensor's reasonable opinion, such default cannot be cured.

10.2 **Events of Default by the Licensor**

The Licensee shall be entitled to terminate this Agreement, without prejudice to any other rights or remedies provided hereunder or by operation of law or equity, in the event that the Licensor is in material default of any of its obligations hereunder and such default continues without correction for a period of twenty (20) days after written notice has been given by the Licensee to the Licensor.

10.3 **Licensor Early Termination Right**

The Licensor may terminate this Agreement on the following terms:

- (a) If the Licensor, acting reasonably, is not satisfied with the quality of the car care services provided by the Licensee, or

- (b) If the Licensor determines, acting reasonably, that any aspect of the Business negatively impacts the operation of the Parking Facility,

then in either event the Licensor may deliver written notice to the Licensee describing the complaint and provide the Licensee with a thirty (30) day period to cure the complaint, if the matter is something capable of rectification. If such complaint cannot be cured within such thirty (30) day period, the Licensee shall be granted a further extension of time to cure such complaint providing (i) the Licensee has commenced to cure such complaint within such initial thirty (30) day period and is diligently pursuing same to completion; (ii) such cure period shall not in any event exceed sixty (60) days after the date written notice is delivered to the Licensee. If the complaint has not been cured within such cure period in the reasonable opinion of the Licensor, the Licensor may terminate the Licensee's right to operate at the end of such cure period. If the complaint relates to a matter within subsection (b) above and in the opinion of the Licensor, acting reasonably, the matter is not capable of rectification, or in the opinion of the Licensor the matter is of an urgent nature and the Licensee has failed to respond with sufficient haste, then the Licensor may terminate this Agreement on thirty (30) days prior written notice to the Licensee, setting out the reasons for termination.

10.4 Licensee Early Termination Right

Licensee may terminate this Agreement on ninety (90) prior written days notice if, despite best efforts, the Business cannot be made profitable.

10.5 Survival of Obligations and Covenants

Upon the expiration or termination of this Agreement, the parties covenant and agree that all obligations and covenants contained in Sections 3(c), 6(b), 7(m), 8 and 20 shall survive and remain in force and effect.

11. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

12. Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns. This Agreement shall not be assigned or transferred by the Licensee in any way (including a change in control) without the prior written consent of the Licensor, which consent may be unreasonably or arbitrarily withheld and delayed.

13. Waiver

A party's failure to insist, in one or more instances, upon the performance of any provision or provisions of this Agreement shall not be construed as a waiver of such party's right to such performance or other subsequent performance of such term or terms.

14. Holding Over

Provided that should the Licensee remain in possession of the Licensed Area after the expiration of the Term or any renewal thereof, without any other special agreement, it shall be as a monthly licensee at such location at 125% of the License Fee paid in the last month of the Term, and subject in all other respects to the terms and conditions of this Agreement.

15. Notice

Any notice required or permitted to be given under this Agreement shall be in writing, and may be given by delivering it or sending it by facsimile transmission to the following address or facsimile number:

if to the Licensor at:

Toronto Parking Authority
33 Queen Street East, Toronto M5C 1R5

Attention: President
Facsimile: 416.393.7352

if to the Licensee and the Indemnifier at: 2676417 Ontario Inc. c.o.b. as KA CAR CARE

736 Canyon Street
Mississauga, Ontario L5H 4M2

Attention: Mr. Enver Coovadia
Facsimile: 905.271.0603 Tel: 416.388.4832

If to the City at:

City of Toronto, Real Estate Services
Metro Hall, 55 John Street, 2nd floor
Toronto, Ontario M5V 3C6

Attention: Director of Real Estate Services

Any notice shall be deemed to have been given or made on the day of delivery or facsimile transmission if it is a business day and otherwise on the next business day, but to avoid any misunderstandings, receipt of notice must also be confirmed over the telephone. Any party may change its address for notice by giving notice in the above manner.

16. **Force Majeure**

If either party shall fail to meet their respective obligations hereunder within the time prescribed, and to the extent that the delay or failure is caused by any event or occurrence beyond the reasonable control of such party and without its fault or negligence, such as, by way of example and not by way of limitation, acts of God, acts by any governmental authority (whether valid or invalid), fires, floods, wind storms, explosions, riots, natural disasters, wars, sabotage, labour problems (including lock-outs, strikes and slow-downs), inability to obtain power, material, labour, equipment or transportation, equipment breakdown or failure, or court injunction or order, such failure shall be deemed not to be a breach of the obligations of such party but such party shall use its best efforts to put itself in a position to carry out its obligations hereunder. Provided further that nothing in this Section excuses a delay caused by lack of funds or other financial circumstances or excuses the Licensee from payment of the Minimum Fee or other amounts payable hereunder when due.

17. **Security Interest**

As security for all present and future indebtedness of the Licensee to the Licensor, the Licensee hereby grants to the Licensor a continuing security interest in, and creates a fixed and floating charge in favour of the Licensor over all of its assets. The Licensee acknowledges that the Licensor may effect a registration in respect of such security interest.

18. **INTENTIONALLY DELETED.**

19. **Signage**

Licensee will be entitled to sufficient signage throughout the Parking Facility in order for drivers to easily locate and access the Licensed Area. Licensee will also have the right to install its signage at the Licensed Area at its sole cost, and remove and repair any damage, at the end of the Term, or any extension thereof.

20. **Indemnifier**

In consideration of the Licensor and the City entering into this agreement, the Indemnifier covenants jointly and severally with the Licensee as a principal obligor and not as a surety that the Licensee will perform all of its obligations under this Agreement and agrees to indemnify and save harmless the Licensor and the City from any and all losses, costs or damages which the Licensor and City may suffer, incur or be liable for (including, without limitation, costs on a solicitor and client basis) as a result of any non-performance of such obligations of the Licensee. Without limitation, the Indemnifier's obligations shall continue notwithstanding any disclaimer or repudiation of this Agreement by a trustee in bankruptcy or otherwise.

21. **Entire Agreement**

This Agreement, including the Schedules, constitutes the entire agreement between the parties regarding the subject matter, and supercedes any prior or contemporaneous agreement, discussions, understandings, whether oral or written, relating to the subject matter. This Agreement may be amended only by an agreement in writing of the party against whom enforcement is sought.

(SIGNATURE PAGE FOLLOWS)

TORONTO PARKING AUTHORITY

Per: [Signature]
Name: Robin Oliphant
Title: Acting President

Per: [Signature]
Name: Chris Murray
Title: Board Chair

We have the authority to bind the Corporation.

CITY OF TORONTO

Per: _____
Name/Title: _____

Per: _____
Name/Title: _____

We have the authority to bind the Corporation.

2676417 ONTARIO INC.

Per: [Signature]
Name/Title: _____

Per: OWNER/OPERATOR
Name/Title: _____

I/We have the authority to bind the Corporation.

[Signature]
ENVER COOVADIA

Authorized by Executive Committee, Item
EX27.12, as adopted by City of Toronto Council
on October 2, 3 and 4, 2017 [DAF Tracking No.
2019-008].

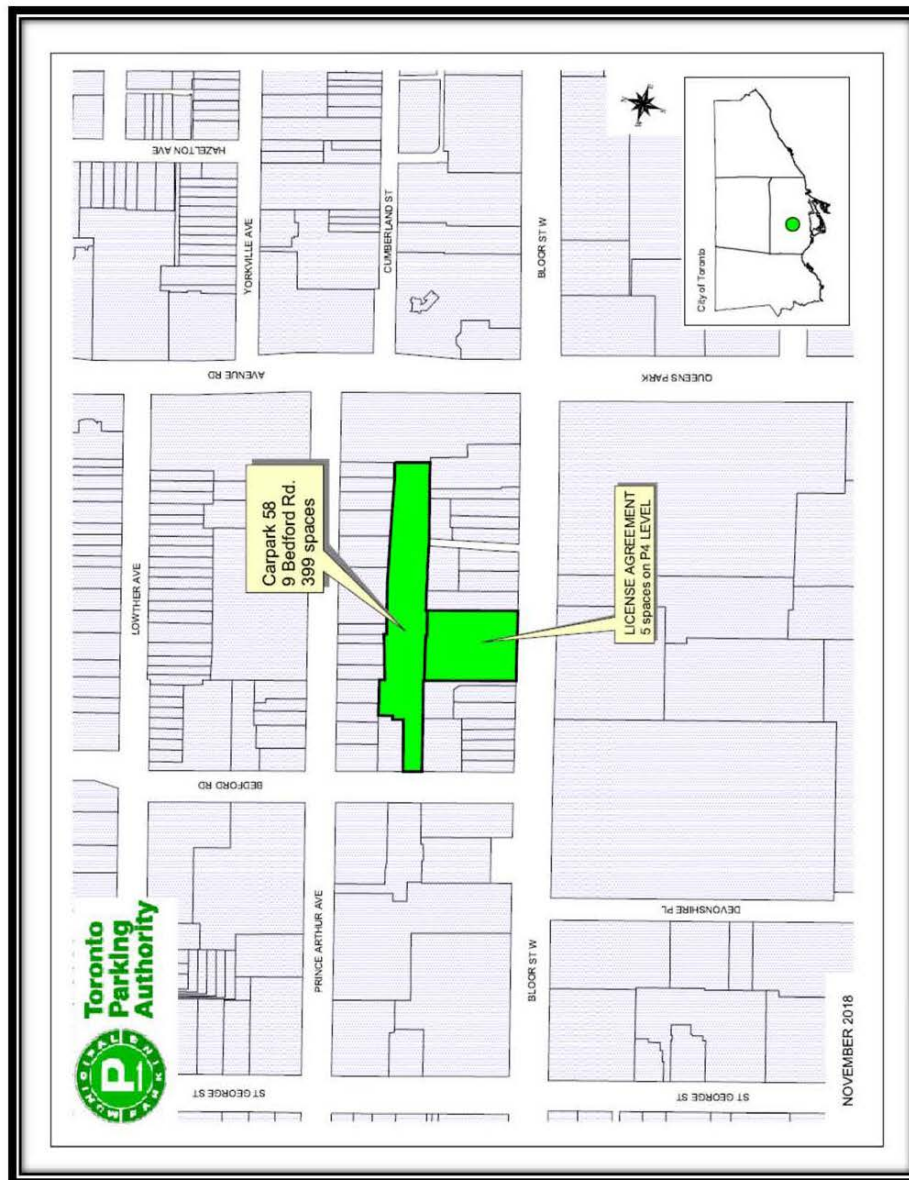
City Clerk

Witness:

[Signature]
Print Name: **NABICA COOVADIA**
Address: **736 CANYON ST**
MISSISSAUGA, ON
L5H 4M2

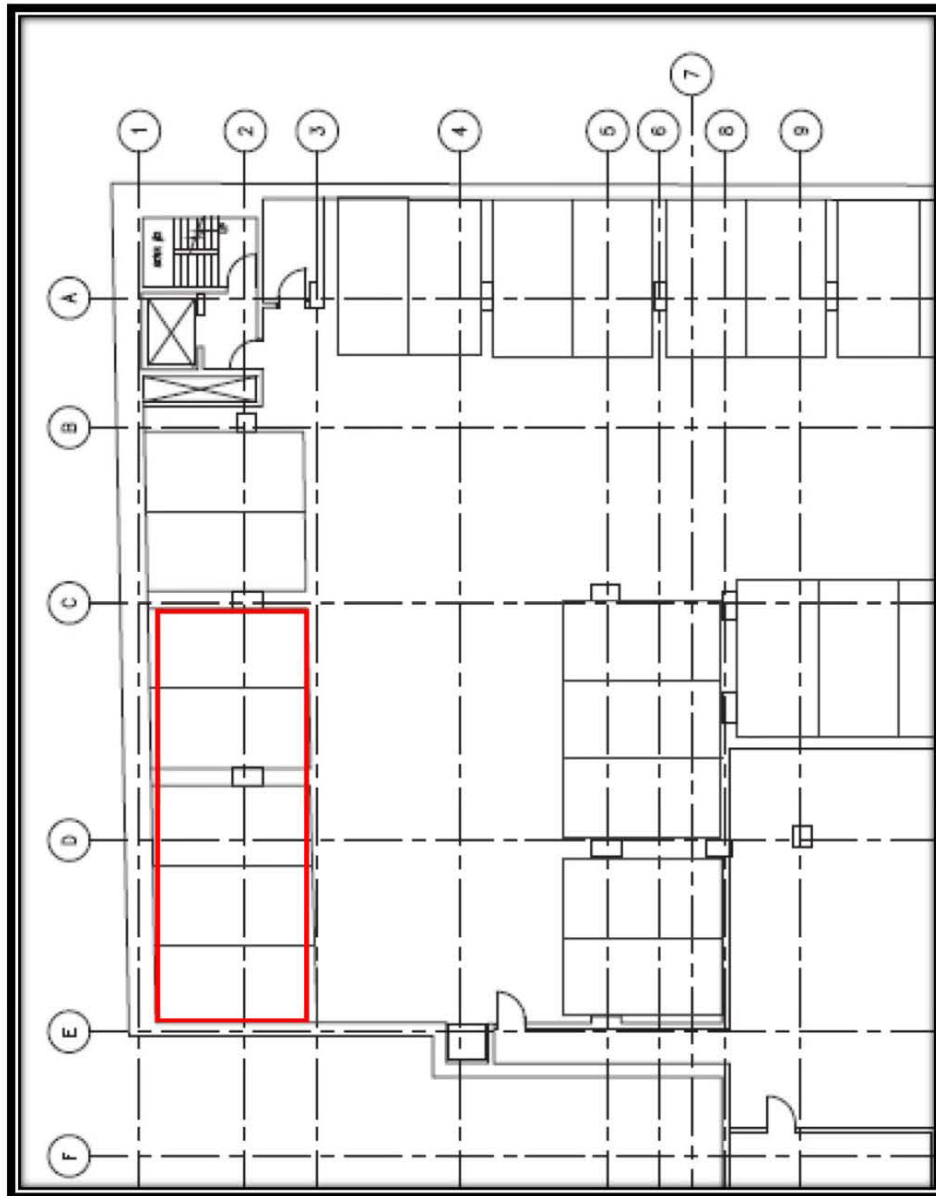
Schedule "A-1"

Licensed Premises Site Location Map



Schedule "A-2"

Licensed Premises Layout Plan



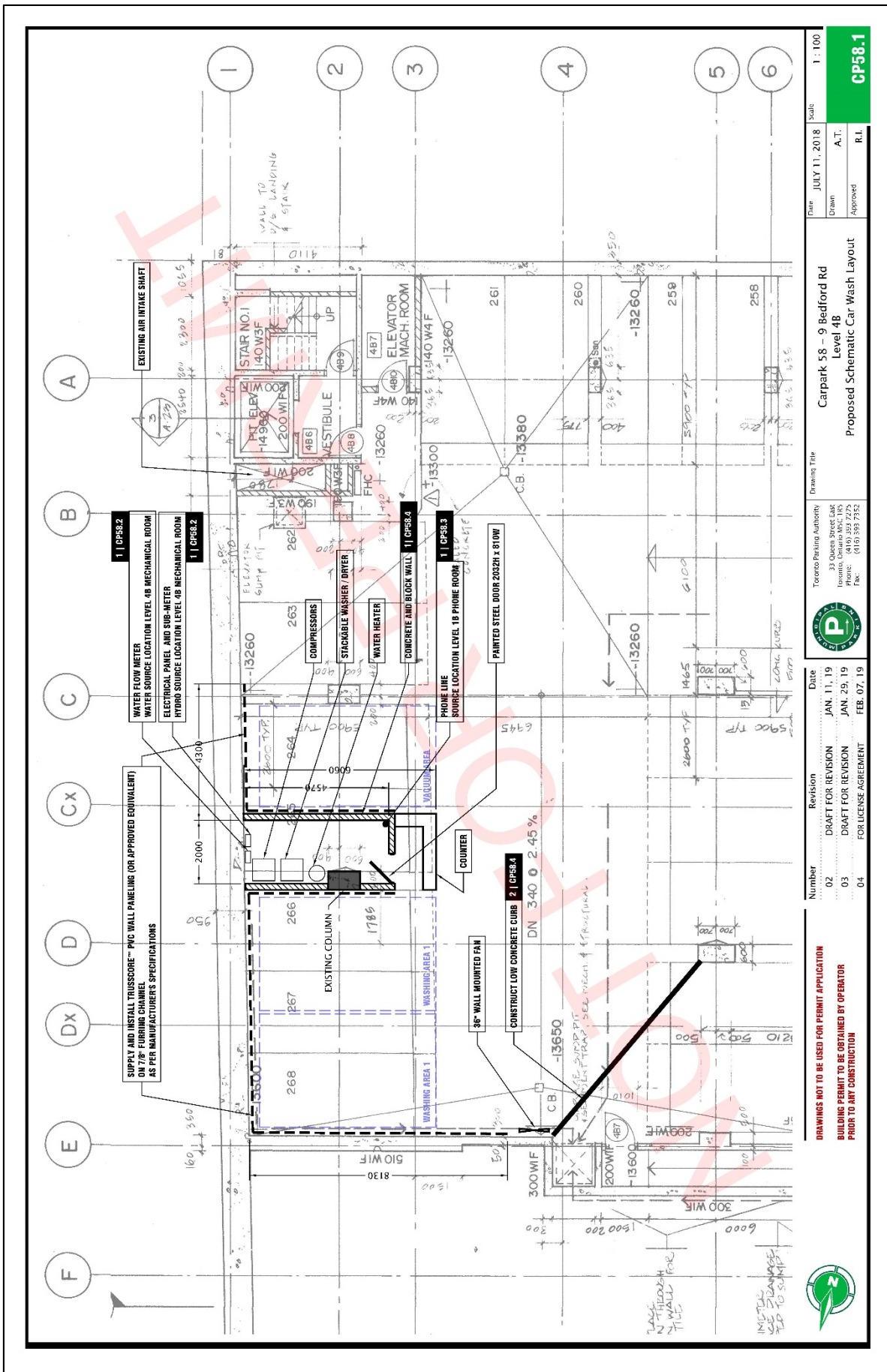
Schedule "B"

Preliminary Class 3 Estimate – Licensed Area Improvements

	Toronto Parking Authority 33 Queen Street East, Toronto, Ontario M5C 1R5 (416) 393-7275 www.greenp.com	Class 3 Estimate 9 Bedford Rd (CP58) - 2018 Car Wash										
<table style="width: 100%; border: none;"> <tr> <td style="border: 1px solid black; padding: 5px;">Total Calculated</td> <td style="padding: 0 10px;">+</td> <td style="border: 1px solid black; padding: 5px;">Contingency</td> <td style="padding: 0 10px;">=</td> <td style="border: 1px solid black; padding: 5px;">Total Estimate</td> </tr> <tr> <td style="border: 1px solid black; padding: 5px; text-align: center;">\$ 14,000.00</td> <td></td> <td style="border: 1px solid black; padding: 5px; text-align: center;">15%</td> <td></td> <td style="border: 1px solid black; padding: 5px; text-align: center;">\$ 16,100.00</td> </tr> </table>			Total Calculated	+	Contingency	=	Total Estimate	\$ 14,000.00		15%		\$ 16,100.00
Total Calculated	+	Contingency	=	Total Estimate								
\$ 14,000.00		15%		\$ 16,100.00								
General Description of Work												
Work includes providing utilities to the lowest level of the parking garage to operate new car wash.												
<table style="width: 100%; border: none;"> <tr> <th style="text-align: left;">Type of Work</th> <th style="text-align: left;">Units</th> <th style="text-align: left;">Unit Price</th> <th style="text-align: left;">Quantity</th> <th style="text-align: left;">Price</th> <th style="text-align: left;">Comment</th> </tr> </table>			Type of Work	Units	Unit Price	Quantity	Price	Comment				
Type of Work	Units	Unit Price	Quantity	Price	Comment							
General												
Hydro	lump sum			\$ 10,000.00	Providing 100AMP electrical panel in main electrical room, conduits from main electrical room to south-east part of P4 Level and separate electrical meter. Additional conduits and receptacles from electrical meter are extra.							
Water	lump sum			\$ 2,000.00	Providing 3/4" cold water connection from Mechanical Room located on P4 Level to south-east part of P4 Level.							
Phone Line	lump sum			\$ 2,000.00	Providing phone line from Telephone Room located at the south-east corner of P1 Level to south-east part of P4 Level.							

Schedule "C-1"

Proposed Schematic Car Wash Layout dated February 7, 2019

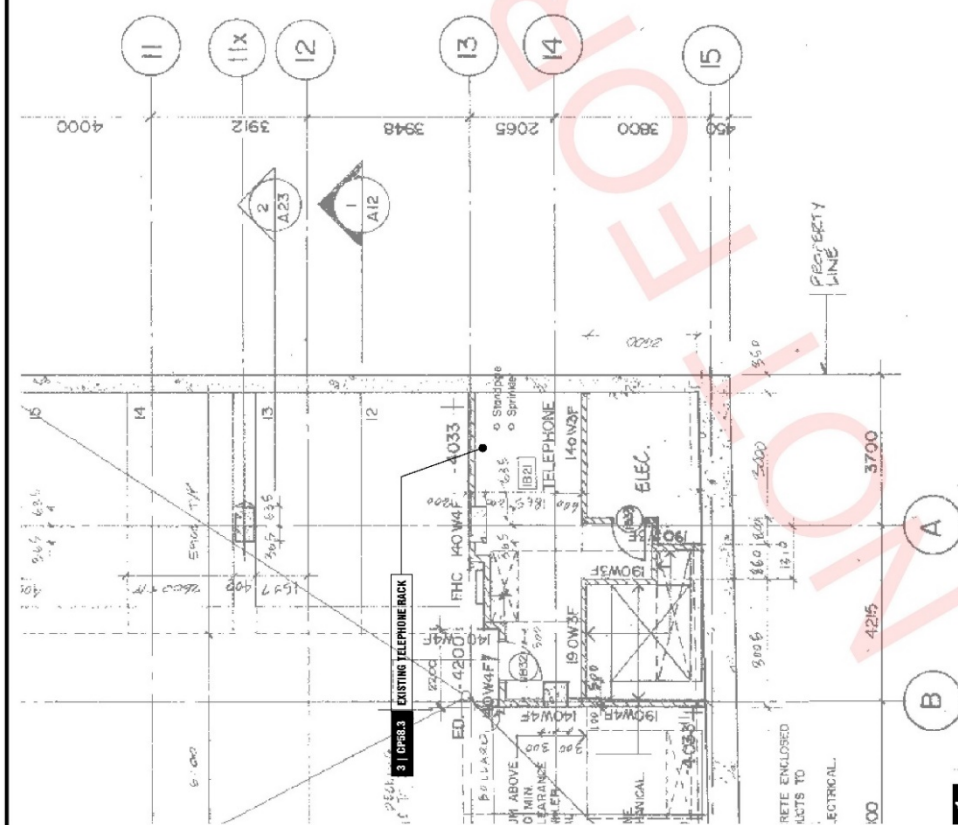


Schedule "C-2"

Mechanical Room Layout dated February 7, 2019

Schedule "C-3"

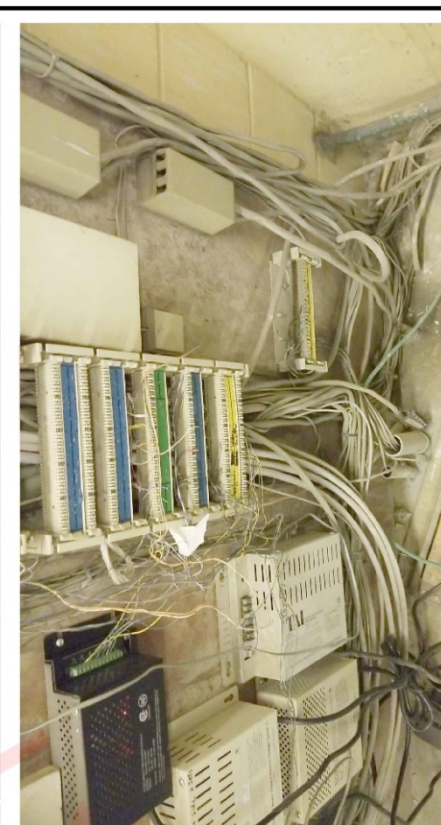
Telephone Room Layout dated February 7, 2019



1 CP58.3 TELEPHONE ROOM, LEVEL B1



2 CP58.3 ELECTRICAL SWITCH BOARD

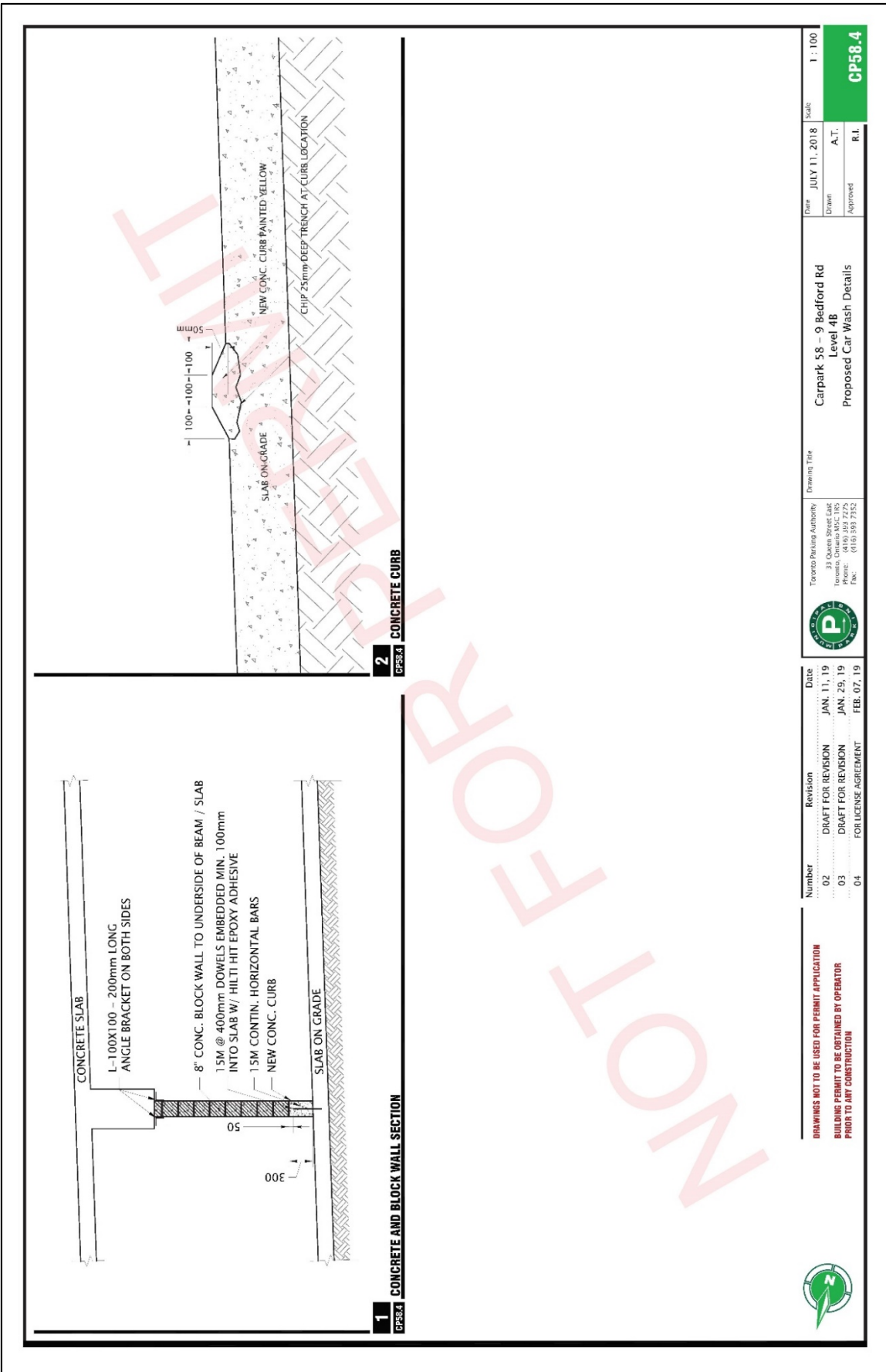


3 CP58.3 TELEPHONE RACK

1 CP58.3 TELEPHONE ROOM, LEVEL B1		Number 02 03 04	Revision DRAFT FOR REVISION DRAFT FOR REVISION FOR LICENSE AGREEMENT	Date JAN. 11, 19 JAN. 29, 19 FEB. 07, 19	Drawing Title Toronto Parking Authority 33 Queen Street East Toronto, Ontario M5C 1K5 Phone: (416) 393-7242 Fax: (416) 393-7242	Carpark 58 - 9 Bedford Rd Level 18 Telephone Room Layout	Drawn A.T. Approved R.L.	Date JULY 11, 2018 Scale 1 : 100	CP58.3
--	--	--------------------------	---	---	--	--	-----------------------------------	---	---------------

Schedule "C-4"

Additional Proposed Car Wash Details dated February 7, 2019



**DRAWINGS NOT TO BE USED FOR PERMIT APPLICATION
BUILDING PERMIT TO BE OBTAINED BY OPERATOR
PRIOR TO ANY CONSTRUCTION**

Number	Revision	Date
02	DRAFT FOR REVISION	JAN. 11, 19
03	DRAFT FOR REVISION	JAN. 29, 19
04	FOR LICENSE AGREEMENT	FEB. 07, 19



Toronto Parking Authority
33 Queens Street East
Toronto, Ontario M5C 1S5
Phone: (416) 393 7275
Fax: (416) 393 7332

Drawing Title

Carpark 58 - 9 Bedford Rd
Level 4B
Proposed Car Wash Details

Date	JULY 11, 2018	Scale	1 : 100
Drawn	A.T.	Approved	R.I.

CP58.4

SITE PLAN AND PHOTOS OF CAR WASH AND DETAILING BAY AT CAR PARK 36 LOCATED AT 110 QUEEN STREET WEST

