

ATTACHMENT #1

PROPOSED LEASE TERMS AND CONDITIONS

The following is a summary of the recommended major terms and conditions of the Leases with the Tenant for 222 Spadina Avenue, 292 Parliament Street, and 4626 Kingston Road.

Proposed	Terms and Conditions
Tenant(s)	Non-profit housing provider to be chosen through a Request for Proposals process
Landlord	City of Toronto
Term	50 years less a day
Leased Premises	<p>1) 222 Spadina Avenue: The 3rd, 4th, and 5th floors of the building containing 84 self-contained homes, with shared laundry, a communal area and programming space, and a new outdoor amenity space on the 5th floor.</p> <p>2) 292 Parliament Street: The existing three storey mixed-use building containing create 24 self-contained homes, common spaces, retail/commercial space and a parking spaces on the P1 level of the building.</p> <p>3) 4626 Kingston Road: A 2-storey building containing 21 self-contained studio dwelling units and 62 private studio homes, commercial kitchen, shared laundry facilities, amenity and programming space, and offices for onsite staff.</p>
Commencement Date	<p>1) 222 Spadina Avenue – on or about January 1, 2022 2) 292 Parliament Street – on or about January 1, 2022; and 3) 4626 Kingston Road – on or about April 1, 2022</p>

Proposed	Terms and Conditions
Basic Rent	<p>Not applicable for the residential portions of the Leased Premises.</p> <p>Rents payable for commercial/retail and/or community spaces, which are intended to support the residential supportive housing uses, will be based on the Community Space Tenancy Policy.</p>
Additional Rent	<p>The Tenant is responsible for all taxes, the cost of all utilities, the cost of the Tenant's insurance, and all of the other costs and expenses of maintaining and operating the Leased Premises, its services, equipment and facilities.</p>
Net Lease	<p>The Landlord shall not be responsible during the Term for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Leased Premises including, without limitation, the Building, or the use and occupancy thereof, or the contents thereof or the business or operation carried on therein, and the Tenant shall pay all charges, impositions, costs and expenses of every nature and kind whatsoever relating to the Leased Premises and the use thereof by the Tenant including, without limitation, the costs of all insurance and all Taxes, save and except as is otherwise provided for in this Lease and/or the Contribution Agreement with the City of Toronto, as well as all costs and expenses incurred with respect to any shared facilities or reciprocal agreement affecting the Leased Premises.</p>
Use	<p>The Tenant shall use, manage and operate the Leased Premises solely, continuously and actively for the sole purpose of providing affordable rental housing, together with all ancillary uses including the provision of support services for Tenants.</p> <p>Where the Leased Premises also consists of commercial/community space, the Tenant shall be permitted to sublease the commercial/community space upon obtaining consent of the Landlord.</p>
Tenant's Right to Mortgage	<p>The Tenant shall not mortgage the Leased Premises without the consent of the Landlord, which consent may be unreasonably withheld.</p>

Proposed	Terms and Conditions
Assignment/Subletting	<p>The Tenant shall not transfer or sublet all or any part of the Leased Premises for the whole or any part of the Term without obtaining the prior written consent of the City. The Tenant may transfer all or part of the Leased Premises to another entity associated with or controlled by the Tenant and acceptable to the City. No assignment by the Tenant shall be effective until the Transferee has entered into an agreement directly with the City, in a form satisfactory to the City, whereby the assignee expressly agrees to assume all of the obligations and liabilities.</p>
Indemnity	<p>The Tenant shall indemnify and save harmless the Landlord from any and all costs, expenses, claims, actions and losses of every nature and kind whatsoever and of and from all liabilities of every nature and kind whatsoever in connection with the Leased Premises and this Lease, whether accrued, actual, contingent, except to the extent such damages, claims or demands are caused by the negligence or misconduct of the City or those for whom it is responsible at law.</p>

Proposed	Terms and Conditions
Tenant's Insurance	<p>At all times during the Term and any renewal thereof, the Tenant at its own expense, shall take out and keep in full force and effect:</p> <p>(a) all risks insurance (including flood and earthquake) property insurance in an amount equal to one hundred (100%) percent of the full replacement cost, insuring:</p> <p>(i) all property owned by Tenant or for which Tenant is legally liable or installed by or on behalf of Tenant, or located on the Premises including, without limitation, leasehold improvements, chattels, furniture, stock, brewery equipment, office equipment, retail store and restaurant equipment, pressure vessels, mechanical and electrical equipment, fixtures, contents, the building and any other buildings and structures erected on the Premises, with coverage against all risks of physical damage.</p> <p>(b) comprehensive general liability insurance including owners' and contractors' protective, products, completed operations, intentional bodily injury for the protection of persons or property, personal injury, contractual liability, incidental medical malpractice, employer's liability, broad blanket contractual liability, occurrence property damage, and provisions for cross liability and severability of interests with limits of not less than Five Million Dollars (\$5,000,000.00) per occurrence;</p> <p>(c) Tenant's Legal liability insurance with limits of not less than Five Million Dollars (\$5,000,000.00);</p> <p>(d) standard owner's automobile liability insurance with limits of not less than Two Million Dollars (\$2,000,000.00) in respect of any one accident;</p>
Repairs and Maintenance	<p>The Landlord shall not be obliged to furnish any services, maintenance, repairs or facilities to the Leased Premises, it being agreed by the Tenant that the Landlord shall not at any time during the term of this Lease be required or called upon to make any repairs in or to the Leased Premises of any nature or kind whatsoever.</p>

Proposed	Terms and Conditions
<p>Building Condition Assessment (BCA) and Reserve Fund</p>	<p>Prior to the Commencement Date, a BCA of the Leased Premises and will be conducted the BCA will be updated every five (5) years during the Term.</p> <p>The Tenant shall open a Reserve Fund Account and shall deposit sufficient funds to establish at the end of each Lease Year the annual amount required in the most recent BCA, or if a BCA has not been conducted within five (5) years, shall deposit an amount equal to five per cent (5%) of the aggregate annual effective gross income (including all subsidies) from the Leased Premises.</p> <p>The Tenant may, with the prior written approval of the Landlord, withdraw amounts from the Reserve Fund Account to fund capital repairs.</p>
<p>Environmental Matters</p>	<p>The Tenant shall not cause or allow any hazardous materials to be used, generated, stored, or disposed of on, under or about, or transported to or from, the Leased Premises except in strict compliance, at the Tenant's expense, with all applicable Environmental Laws and using all necessary and appropriate precautions which a prudent operator would exercise.</p> <p>The Landlord shall not be liable to the Tenant for any hazardous materials activities conducted on the Leased Premises during the Term however caused, whether or not consented to by the Landlord.</p> <p>The Tenant shall indemnify, defend with counsel, and hold the Landlord harmless from and against any claims, damages, costs and liabilities arising out of any and all such Hazardous Materials Activities.</p>