

**Without Prejudice  
Confidential**

Toronto Artscape Inc.  
130 Queens Quay East  
4th Floor, East Tower  
Toronto ON, M5A 0P6



Mizrahi Developments  
125 Hazelton Avenue  
Toronto ON, M5R 2E4

Date : February 13, 2023

Re: Art Program: The One at The One

**Purpose: Propose a mutually beneficial partnership between Mizrahi and Artscape to facilitate the presentation of talented artists to the City of Toronto and beyond at The One, at 1 Bloor Street West.**

Artscape is a recognized global leader in creative placemaking and leveraging arts and culture as a catalyst for community and urban development. Its vision is to make space for creativity and transform communities by partnering with urban developers and property owners to build cultural hubs, artist studios, affordable housing, and community programming.

The One is an iconic structure that will contain bespoke retail, office, hotel, and residential components in the creative and artistic Yorkville neighbourhood; rising above any other building in Toronto and attracting people from around the world.

The proposed Art Program: The One at The One, would leverage the position, capacity, and mandates of both organizations to create a truly unique contribution to Toronto's Arts and Culture scene. This program would aim to provide localized benefits to the Bloor-Yorkville art gallery ecosystem, while providing Toronto's visual arts sector with a marquee program that will help it gain new international attention.

This letter of intent will confirm our mutual intention to inform our current negotiations with a view to entering into a definitive agreement and such other agreements as the parties deem necessary (collectively, the "Agreements") in accordance with the following:

1. Mizrahi Developments (Mizrahi) has submitted a zoning by-law amendment application for a 9-storey increase in "The One" at Yonge and Bloor. As part of the application, Mizrahi is proposing to allocate half a floor (i.e., five residential units, about six percent of the application) to be used by visiting, internationally or locally recognized arts professionals selected to be the "artists-in-residence". Space would also be provided for emerging artists to foster mentorship opportunities; through the experienced professional lead artist-in-residence and the emerging artists, who will learn from this artist throughout the program. The units will be in the nature of "hoteling" or short-term rentals, and as such they will be furnished.
2. Mizrahi will maintain ownership of half a standard floor consisting of one studio unit, two one-bedroom units and two two-bedroom units. Mizrahi will contract Artscape in attracting and/or selecting world renowned artists to the artists-in-residence program, as well as the emerging artists. The selection of artists-in-residence and emerging artists will be based on a jointly agreed guideline, with a representative from Mizrahi participating on the jury responsible for choosing the participating artists.

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3. The duration of the contract with Artscape will be agreed upon by the parties, in which the agreement would be secured to the satisfaction of the City of Toronto. The parties hereto will work together with their professional advisors to enable this program for a certain amount of time, while Mizrahi would keep its right to renew the program. The duration of the contract with Artscape will be for a 1-year pilot program with an option to renew for another 9 years, with changes to the program design, budget, and timelines of the residencies to be assessed annually.
4. Mizrahi will ensure Artscape is paid to operate the program at a level agreed to by the parties. Discussions with Artscape have identified the following components of its commitment: monthly workshops; studio spaces, exhibition, and public showcase opportunities; jury fees; third party facilitator fees; marketing (10%); and contingency (%15). Artscape estimates that this would cost approximately \$50,000 CAD in year one, including their program management fee, but not including applicable taxes.
5. Art will be central to the hotel brand located in The One with the goal of attracting public interaction with art. Artist residents will have allocated space to publicly showcase their work during their tenure at The One. Residents, hotel guests and invited members of the public will have the opportunity to not only view the artwork in the allocated space, but to make purchases. Other forms of support to the artist-in-residence program may be through galas, lectures, or other events.
6. Artscape Atelier will run the residency program throughout the duration of this agreement. Program management includes: creating a residency program; client, city and artist meetings; creating art call(s); artist selection strategy; managing a facilitator who will run the engagement and experience for artists for workshops within Artscape's network and local condo/hotel community; and managing the program's implementation from start to finish/installation.
7. The parties hereto will work together with their professional advisors to negotiate and enter into Definitive Agreements which structure the transactions contemplated herein. Except as required by applicable law and as required to obtain the zoning approval required for the agreement outlined herein to be valid and binding, without the consent of all parties hereto no party will disclose the transactions contemplated by this letter of intent.
8. Each party shall keep all information shared to it by other parties confidential and shall not use or disclose such information, except as agreed to by the parties, or otherwise as reasonably required to negotiate the Definitive Agreements. The information referred to in this section does not include: (a) information that is widely known to the Canadian public; (b) information that the receiving party already had in its possession prior to receipt from the discloser; (c) information that is rightly available to the recipient on a non-confidential basis prior to its disclosure; (d) information that is or has been independently developed by the recipient without reliance on the information disclosed by the discloser; or (e) information that is or has been lawfully obtained by the recipient from an independent third party that does not owe a duty of confidentiality to the discloser.
9. If the transactions contemplated herein are not completed for any reason, each party shall upon written request return to the discloser any documents or other written material received by

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- such party pursuant to this letter of intent or the negotiations and investigations made in connection therewith.
10. Each party will pay its own costs and expenses in connection with the transactions contemplated herein, including without limitation, fees for their respective legal counsel, accountants, and other professional advisors.
  11. Each party has the option to withdraw its participation in the partnership contemplated herein by giving written notices to the other party.
  12. The ability of Mizrahi to offer this opportunity to partner with Artscape is at no cost to Artscape and is contingent upon Mizrahi obtaining additional height at The One via Zoning Bylaw Amendment (ZBA). The parties acknowledge that the City of Toronto has not yet provided a date by which staff will submit a report for Council's consideration respecting this application.
  13. Except for the provisions of paragraphs 7, 8 and 9, unless otherwise agreed to by the parties in writing, this letter of intent shall be effective for a period beginning on the date of execution hereof and terminating on the earlier to occur of:
    - (a) March 31, 2023;
    - (b) the date this letter is superseded by the provisions of execute and delivered Definitive Agreements; and
    - (c) the date all parties agree to terminate this letter. Note that once a party withdraws, pursuant to paragraph 11, it is hereby deemed to agree to (and does not need to sign) the termination of this letter if all remaining parties decide to terminate.
  14. This letter of intent shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

If the foregoing is in accordance with your understanding, please sign and return to us the enclosed copy of this letter.

Yours truly,

  
SAM MIZRAHI  
PRESIDENT

  
K. RINTOUL  
COO, ARTSCAPE

