

SCHEDULE B

Term Sheet Park Lease from TCHC to City of Toronto

The below are the terms for the lease between the TCHC and the City of Toronto. None of the terms are binding until a lease is drafted, approved and executed by the parties.

1. PREMISES

Part of the property municipally known as 200 Wellesley Street East and 275 Bleeker Street, above the existing parking garage (the "**Garage**"), with the lower limit being the top of the upper slab of the Garage (the membrane of which shall form part of the Garage and not part of the Premises), and with no upper limit, but excluding sidewalks designated by the Landlord, to be shown a sketch [*sketch to be added to Lease*] (the "**Premises**").

The City shall prepare and register at its cost a stratified reference plan showing the Premises, subject to TCHC's prior approval, acting reasonably.

2. TERM

The Premises will be divided into phases for the purposes of construction. The lease shall commence in respect of each phase once the construction of each part of the park is complete, as determined by the General Manager of Parks Forestry and Recreation.

The total term of the lease shall be no longer than 50 years less a day.

3. RENT

Lease shall be a net lease at a rental of one dollar (\$1.00) per annum.

4. NET LEASE

It is intended that the lease shall be completely net and carefree to the Landlord.

The Tenant shall be responsible for and pay all charges, impositions, operating costs and expenses relating to the Premises and the use and occupancy thereof as public parkland. Without limiting the generality of the foregoing, the Tenant shall pay its share of taxes currently assessed (subject to section 9 and 10 below) or that may be assessed in the future, all charges for utilities and similar services; insurance costs; all operating costs to repair, maintain and replace equipment and structures on the Premises; and all costs of providing landscaping and other costs.

Wherever possible, the Tenant shall contract directly with and the service and utility providers for the services and utilities for the public park. Alternatively, should the Premises not be separately metered, the Landlord shall deliver to the Tenant a detailed statement of such apportioned utility costs, together with evidence to support the Tenant's proposed proportionate share, and the Tenant shall pay such apportioned costs as are appropriate, both parties acting reasonably.

5. USE OF PREMISES

The Premises will be used by the Tenant for the purposes of public parkland, open space, or for outdoor playground or recreational purposes. The Tenant shall have the right to permit the space for community uses/events under the parks permit policy of the City of Toronto's Parks Forestry and Recreation Division. The residential tenants of the Landlord shall have access to the Premises at all times for the parkland, open space or recreational purposes. Residential tenants may apply for permits for special community uses or events pursuant to the existing parks permit policies of the City of Toronto.

6. ENVIRONMENTAL CONDITION

Prior to the Commencement Date, the Landlord shall provide a letter from a Qualified Person, as defined under Ontario Regulation 153/04, confirming that the soil conditions on the Premises meet the applicable regulatory standards required for Parkland Use, as set out on Ontario Regulation 153/04. The cost of obtaining the aforesaid letter shall be included in the amount for landscaping services described in the Landscape Architectural Consultant Scope of Work.

7. OPERATING COSTS

The Tenant shall be solely responsible for operation and maintenance of the Premises and all costs associated therewith during the term.

8. REALTY TAXES

Subject to Section 9 herein, the Tenant shall pay all real property taxes, rates, local improvement rates, duties and assessments, levied, rated, charged or assessed against the Premises from and after the date upon which the Tenant is required to commence paying rent; provided that if the Premises are not separately assessed for real property tax purposes and the real property taxes charged against the Premises are not ascertainable from the real property tax bill for the Property or the business tax assessment for the Premises, the Tenant shall pay the Tenant's Proportionate Share of the taxes paid by the Landlord on the Property.

9. MUNICIPAL CAPITAL FACILITY AGREEMENT

The Landlord acknowledges that the Tenant has the right, in its discretion, to request an exemption from taxation for municipal and school purposes, if the Premises is used as a municipal capital facility. Provided that the Council of the City of Toronto grants the exemption, the Landlord agrees to enter at its sole cost and expense into the necessary municipal capital facility agreement with the Tenant pursuant to Section 252 of the *City of Toronto Act, 2006*, as amended, in a form acceptable to the City Solicitor. The Landlord further agrees to pass the full benefit of such exemption on to the Tenant.

10. REPAIRS

Except as hereinafter set out in Section 11, the Tenant shall at its expense maintain and repair the Premises together with all improvements thereto, including without limitation, hard and soft landscaping, installations, furniture and equipment, parkland equipment or water features (the "**Park Improvements**") to the standard of a similar public park in the City of Toronto, provided that the Tenant shall keep the Premises and all Park Improvements in first class condition, maintained and repaired to the extent required to protect the Landlord's Garage beneath the Premises, and to maintain adequate drainage and storm water run-off facilities from the Premises.

11. REPAIRS – SPECIAL PROVISIONS

The Landlord reserves the right to enter the Premises to carry out routine maintenance or emergency repairs related to the Garage, without notice.

The Landlord reserves the right, on at least three (3) month's written notice to the Tenant, to enter on the Premises and remove or dismantle any Park Improvements and excavate any part of the Premises required to facilitate major repairs to the Garage, subject to the following:

- a) In carrying out the construction and repair of the Garage prior to the Term, the Landlord shall use reasonable commercial efforts to obtain suitable warranties with respect to the design, construction, repair and lifespan of the Garage, and shall require the Garage to be designed and constructed to support the Premises above, and to minimize the potential failure of the membrane forming part of the slab constituting the upper surface of the Garage.
- b) Prior to installing any Park Improvements, the Tenant shall request drawings from the Landlord showing the structural components of the Garage, including expansion joints etc.

and shall act in good faith to design new and future Park Improvements to mitigate both the Landlord and Tenant's exposure to future repair and reinstallation costs.

- c) The Landlord shall be responsible for all costs associated with repairing the Garage and restoring the Premises to Base Park Condition. Base Park Condition shall mean:
 - i. grading inclusive of topsoil supply and placement, minimum of 300 mm depth
 - ii. sodding #1 nursery grade;
 - iii. fencing (to match existing), where deemed necessary to the satisfaction of Parks, Forestry and Recreation;
 - iv. drainage systems (storm and sanitary), including connections to the municipal services as required;
 - v. electrical (200 amp) and water connections minimum 50 mm and backflow, shut off valve and water meter to the street line; and
 - vi. street trees along all public road allowances abutting City owned parkland.
- d) The Landlord shall contribute to the Tenant's cost of repairing, restoring or reinstalling Park Improvements removed to facilitate Garage repairs in an amount not to exceed Three Hundred and Seventy-Five Thousand Dollars (\$375,000.00) increased by the Consumer Price Index – Construction from time to time or any replacement thereof. Such contribution shall be on a one time basis only during the Term.
- e) In the event the cost of repairing, restoring or reinstalling the Premises or the Park Improvements following Garage repairs exceeds Three Hundred and Seventy-Five Thousand Dollars (\$375,000.00), the Landlord and the Tenant shall work together in good faith to attempt to secure funding for such repair, restoration and reinstallation, provided that in the event such funding cannot be secured the Landlord's obligations shall be limited to those set out in Sections 11 c) and d) above.
- f) In lieu of the City's standard Park Access Agreement, the Landlord shall work with the Park Supervisor regarding insurance, vehicle regulations with respect to entering and leaving the Park, storage of construction and other materials, tree protection, removal of debris, compliance with health and safety, environmental legislation, and adequately restoring the Park to the satisfaction of the General Manager of Parks, Forestry and Recreation.

12. ACCESS

The Landlord and its authorized agents shall be entitled to enter the Premises without notice to the Tenant for operation, maintenance and inspection of the Tenant's buildings and for routine operation, maintenance and inspection of the Garage. In the event any such entry includes erection of scaffolding or other temporary equipment, the Landlord shall use reasonable efforts to provide notice of same to the Tenant.

13. FAIR WAGE POLICY AND LABOUR TRADES CONTRACTUAL OBLIGATIONS

In completing any work on the Premises, the Landlord shall comply with the Tenant's Fair Wage Policies and Labour Trades Contractual Obligations in the Construction Industry, as same may be amended from time to time.

14. ALTERATIONS

The Tenant, at its sole cost and expense, may make such alterations and Park Improvements as the Tenant deems necessary on the Premises, with the prior approval of the Landlord, not to be unreasonably withheld. The Tenant shall provide Notice to the Landlord describing the desired Park Improvements, and the Landlord agrees to provide such approval within 30 days.

Notwithstanding the foregoing, the Tenant shall not overload the Garage and its structural support elements, including the walls, columns and footings of the parking garage.

15. SIGNS AND NAMING RIGHTS

The Tenant may, at its expense, erect signs on the Premises and the Tenant will have the sole naming rights to the Park.

16. TITLE / NON-DISTURBANCE AGREEMENTS

The Landlord covenants with the Tenant and represents to the Tenant that it has a good and marketable title to the Property, subject only to the mortgages, liens, charges and encumbrances set out in a Schedule to the Lease. The Landlord shall obtain from the holders of each lien, mortgage, charge and encumbrance which has priority over this term sheet or the lease an instrument satisfactory to the Tenant permitting the Tenant to continue in quiet enjoyment and possession of the Premises in accordance with the terms of this term sheet and the lease, notwithstanding any default by the Landlord under any such lien, mortgage, charge or encumbrance.

17. ASSIGNMENT

The Tenant shall have the right to assign any lease executed pursuant to this term sheet or to sublet all or any part of the Premises at any time with the consent of the Landlord, which shall not be unreasonably withheld or delayed.

18. RESTORATION OF PREMISES

Prior to the end of the Term or any extension thereof, the Tenant shall have the right, but not the obligation, to remove any leasehold improvements, and shall restore any damages to the Premises necessitated by such removal.

19. OVERHOLDING

In the event that the Tenant remains in occupation of the premises at the expiration of the Lease or any renewal or extension thereof, the Tenant shall remain as an overholding tenant, on a month-to-month basis, at the same basic rent as that payable for the month immediately preceding the expiration of the Lease or any renewal or extension thereof, and on the same terms and conditions as the Lease.

20. DOCUMENTATION

The form of lease shall be prepared by the Landlord and shall incorporate the terms of this term sheet. Notwithstanding any terms and conditions contained or not contained in this term sheet, all documentation shall be in a form and content satisfactory to the City Solicitor and the General Counsel of TCHC. For greater certainty, the lease shall not contain any "gross-up" of operating costs or additional rent, or any landlord redevelopment, demolition or relocation clauses.

21. REGISTRATION OF NOTICE OF LEASE

The Landlord agrees that the Tenant may register the lease agreement on title to the Landlord's property.

22. ADMINISTRATION AND MANAGEMENT

The Executive Director, Corporate Real Estate Management, or their successor or designate shall administer and manage the Lease, including the provision of any consents, approvals, waivers, notices and notices of termination provided that such matters may be referred to City Council for its determination and direction at any time.

23. TENANT AS MUNICIPAL CORPORATION

Nothing in this lease derogates from, interferes with, or fetters the exercise by the Tenant of all of its rights and obligations as a municipality (whether discretionary or mandatory), or imposes any obligations on the Tenant in its role as a municipality, and the Tenant shall not be prevented from or prejudiced in carrying out its statutory rights and responsibilities, including its planning rights and responsibilities. Nothing in this lease derogates from, interferes with, or fetters the exercise by the Tenant's officers, employees, agents,

representatives or elected and appointed officials of all of their rights, or imposes any obligations on the Tenant's officers, employees, agents, representatives or elected and appointed officials, other than as expressly set out in this lease.

No communication or dealing between the Landlord and any department, committee, body, officer, employee, agent, representative or elected or appointed official of the Tenant that is not clearly in respect of and in accordance with this lease will be deemed to be a communication or dealing under this lease between the Landlord and the Tenant as parties to this lease, or affect the Tenant with notice of any such communication or dealings. It is intended and agreed that any communication or dealing between the Landlord and the Tenant as parties to this lease will only be effective if delivered in accordance with the notice provisions in this lease. No communication or dealing between the Tenant as a party to this lease and the Landlord as a party to this lease will relieve the Landlord from the responsibility of discharging its lawful obligations to the Tenant imposed by statute, regulation, by-law or by any other lawful manner, separate and apart from the obligations imposed under this lease.

24. INFORMATION NOT CONFIDENTIAL

The Landlord acknowledges that all information, documents and correspondence provided by the Landlord to the City in connection with the lease, (the "**Landlord's Information**") will become the property of the City, subject to the *Municipal Freedom of Information and Protection of Privacy Act* (Ontario) as amended ("**MFIPPA**") and subject to any other obligations of the City to disclose information in its possession or control. Therefore, the Landlord acknowledges that all or some of the Landlord's Information may be reproduced or otherwise copied by the City, may become part of the public record of the transaction provided for in the Lease, and consents to the disclosure of the Landlord's Information by the City pursuant to MFIPPA or otherwise.

The Landlord further acknowledges if approval of the Lease by the relevant City authorities requires a report to City Council, that such report shall be public, to be considered at a public meeting, in accordance with the *City of Toronto Act, 2006* (Ontario), as amended.

25. GOVERNING LAW

This term sheet and/or any resulting lease agreement shall be interpreted and enforced in accordance with the laws of the Province of Ontario and Canada. Any legal proceeding arising in connection with this term sheet and/or the lease shall be commenced and heard in a court (or, if applicable, a tribunal of competent jurisdiction) sitting in Toronto, Ontario, which it is agreed will be the appropriate location. If the court (or, if applicable, tribunal of competent jurisdiction) does not sit in Toronto, the legal proceedings shall be commenced and heard in the jurisdiction nearest to the City of Toronto within the Province of Ontario in which such court (or, if applicable, tribunal of competent jurisdiction) convenes.

26. INSURANCE

The Tenant shall at all times during the Term, insure and keep insured any insurable property belonging to the Tenant and from time to time located on the Premises. The Tenant shall at all times during the Term maintain comprehensive public liability insurance in amounts satisfactory to the Landlord, acting reasonably.

27. RELEASE AND INDEMNITY

In the lease, the Tenant shall indemnify and save harmless the Landlord, its officers, directors and employees, against and from all losses, liabilities, damages, fines, suits, claims, demands, costs and actions of every kind, which the Landlord, its officers, directors, employees, or any of them, suffer by reason of or in connection with any breach by the Tenant of the lease, or by reason of any injury, death, damage or accident suffered by any person or persons or any property by reason of or in connection with the occupation or use of the Premises as parkland, including, without limitation, any act, omission, negligence or default on the part of the Tenant or any of its agents, employees, or other person or persons for whom the Tenant is in law responsible, save and except for any losses, liabilities, damages, fines, suits, claims,

demands, costs and actions arising from the Landlord's own negligence or willful misconduct.

The Landlord shall release, indemnify and save harmless the Tenant, its councilors, employees, contractors and those for whom the Tenant is at law responsible, from any and all liabilities, damages, costs, claims, suits or actions made or brought against, suffered by or imposed on the Tenant in respect of any loss, damage or injury to any person(s) or property directly or indirectly arising out of, resulting from or sustained as a result of any and all act(s) or omissions(s) with respect to any improvements, repairs, modifications or renovations of the Landlord's parking garage below the Premises, performed by the Landlord or any of its agents, employees or contractors, including, without limitation, any and all deficiencies, defective material(s) and/or improper or incomplete installation thereof, save and except for any losses, liabilities, damages, fines, suits, claims, demands, costs and actions arising from the Tenant's own negligence or willful misconduct.