



## REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

### Lease Arrears at 50 Cumberland Street, Units 11 & 12

**Date:** March 27, 2024

**To:** Audit and Risk Management Committee of the Board of Directors of Toronto Parking Authority

**From:** City Solicitor and President, Toronto Parking Authority

**Wards:** Ward 11 – University Rosedale

#### **REASON FOR CONFIDENTIAL INFORMATION**

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This report is about litigation or potential litigation that affects Toronto Parking Authority (TPA) and contains advice or communications that are subject to solicitor-client privilege.

#### **SUMMARY**

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The purpose of this report is to provide information and seek instructions relating to a dispute and related litigation arising from a terminated lease for 50 Cumberland Street, Units 11 & 12 (the “Premises”).

#### **RECOMMENDATIONS**

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The City Solicitor and President, Toronto Parking Authority recommend that:

1. Toronto Parking Authority Board of Directors adopt the confidential instructions to staff set out in Confidential Attachment 1; and
2. Toronto Parking Authority Board of Directors direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it is about litigation or potential litigation that affects Toronto Parking Authority and contains advice or communications that are subject to solicitor-client privilege.

#### **FINANCIAL IMPACT**

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The financial implications are discussed in the confidential attachment.

#### **DECISION HISTORY**

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Not applicable.

## COMMENTS

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On October 23, 2000, 1432402 Ontario Limited (as “Tenant”) and Incheol Hwang (as “Indemnifier”) first entered into a lease agreement with the TPA for the Premises. Through various lease extensions, 1432402 Ontario Limited and Incheol Hwang continued as Tenant of the Premises and Indemnifier of the lease until September 30, 2013.

On October 1, 2013, the lease was assigned to Yun Sook Park and Jan Won Park as new tenants (“Tenants”) of the Premises. 1432402 Ontario Limited and Incheol Hwang were also signatories to this agreement and agreed that their obligation to pay all of the rent and to indemnify the TPA would continue until September 30, 2015.

In January, 2014, rental arrears began to accrue.

On December 16, 2014, the TPA gave written notice of the rent default to Yun Sook Park and Jan Won Park, and to 1432402 Ontario Limited and Incheol Hwang. The TPA also provided notice that it was reserving the right to take legal action in respect of the same.

The lease remained in default for five (5) days after this notice from the TPA, at which time, pursuant to the lease, the rent for the next three (3) months (January, February and March 2015) became immediately due and payable.

The rental arrears remained unpaid. As a result, on December 31, 2014, the TPA terminated the lease.

On December 28, 2018, a legal claim was commenced in the name of the TPA for the outstanding rental arrears, accelerated rent, loss of rent, and all related interest.

The matter of the rental and related arrears as between the TPA and 1432402 Ontario Limited and Incheol Hwang, has been the subject of litigation, associated negotiation, and an appearance before a Judge of the Ontario Superior Court on January 24, 2024.

Particulars of the results of those negotiations, and recommendations arising from them, are contained in the confidential attachment.

## CONTACT

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## **SIGNATURE**

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Ray Mickevicius, Acting City Solicitor  
Wendy Walberg *KF*  
City Solicitor

W. Scott Collier, President  
Toronto Parking Authority

## **ATTACHMENTS**

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Confidential Attachment 1 - Confidential Information