

**DELEGATED APPROVAL FORM  
CITY MANAGER  
DEPUTY CITY MANAGER, CORPORATE SERVICES**

TRACKING NO.: 2020-130

Approved pursuant to the Delegated Authority contained in Item EX27.12, as adopted by City Council on October 2, 3 & 4, 2017, as amended by Item GM27.12, adopted by City Council on May 22, 23 & 24, 2018 or, where applicable, in Item EX28.8, as adopted by City Council on November 7, 8 & 9, 2017

Prepared By:	Avery Carr	Division:	Real Estate Services
Date Prepared:	May 18, 2020	Phone No.:	647-458-1934

**Purpose** To obtain authority for the City of Toronto (the "City"), as tenant, to enter into a lease (the "Lease") with **2245883 Ontario Inc.** (the "Landlord"), for the purpose of a temporary shelter at the Roehampton Hotel located at 808 Mount Pleasant Road.

**Property** Entirety of the property, including 109 units located at the property municipally known as 808 Mount Pleasant Road, City of Toronto (the "Property") as shown on the Location Map in Appendix "B".

**Actions**

- Authority be granted to enter into the Lease with the Landlord to lease 109 room units at the Property for a term of two (2) years, commencing June 1, 2020, and ending on May 31, 2022, substantially on the major terms and conditions set out in Appendix "A", and including such other terms and conditions as may be deemed appropriate by the Deputy City Manager, Corporate Services ("DCM") and in a form acceptable to the City Solicitor.

**Financial Impact**

(i) Basic Rent: Total cost to the City will be \$2,188,175.00 (plus HST) per annum (based on a daily rate of \$55 per room x 109 rooms) or \$2,226,686.88 (net of HST recoveries) per annum. Basic rent will be payable monthly in advance in the amount of \$182,347.92 (plus HST) per month or \$185,5567.24 (net of HST recoveries), from the commencement date to May 31, 2022, for an initial term of two (2) years, with monthly payments paid no later than the 10<sup>th</sup> day of each month. Total net rent for the term will be \$4,376,350.00 (plus HST), or \$4,453,373.76 (net of HST recoveries). Basic Rent for any partial month will be pro-rated.

(ii) Lease Extension: The City has two (2) successive options to extend the term for two periods of six (6) additional months each for a total extension of twelve (12) additional months. If the lease extension options are exercised, the total cost of basic rent for the entire three (3) year term will be \$6,564,525.00 (plus HST), or \$6,680,060.64 (net of HST recoveries).

The City shall be responsible for additional rent, being all costs arising from its use of the property including any operating costs, minor repairs and maintenance, utilities and taxes.

The expenditures outlined above reflect COVID-19 related financial impacts which are being tracked and monitored corporately. The immediate and short-term impacts will be funded by leveraging and/or redirecting federal/provincial funding with longer term financial impacts anticipated to be funded from the COVID-19 recovery fund.

The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.

**Comments**

As a result of the COVID-19 pandemic and the City of Toronto's state of emergency, the City is experiencing an unprecedented demand for shelter and respite services for its residents. The Property consists of a 109 unit, 10 floor building known as the Roehampton Hotel. The Property will be used for the purposes of a temporary shelter, including but not limited to, meeting the needs of physical distancing obligations, isolation and/or recovery of the clients of the City, or such other shelter needs of the City. The facility may be operated by a service provider as deemed appropriate by SSHA.

As a component of SSHA's emergency response efforts to the COVID-19 pandemic, SSHA has received SLT approval to activate temporary hotel units to support physical distancing, isolation and recovery needs within the shelter system.

SSHA has approved this Lease and confirmed that the terms and conditions are fair, reasonable and aligned with the service needs required to support the City's response efforts to the COVID-19 pandemic. Real Estate Services staff consider the terms and conditions of this proposed Lease to be fair, reasonable and reflective of market rates.

**Terms**

Refer to Appendix "A" for the Terms and Conditions.

<b>Property Details</b>	<b>Ward:</b>	12 – Toronto St Paul's
	<b>Assessment Roll No.:</b>	
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	
	<b>Other Information:</b>	

A.	Deputy City Manager, Corporate Services has approval authority for:	City Manager has approval authority for:
<p>1. Acquisitions:</p> <p>2. Expropriations:</p> <p>3. Issuance of RFPs/REOs:</p> <p>4. Permanent Highway Closures:</p> <p>5. Transfer of Operational Management to Divisions and Agencies:</p> <p>6. Limiting Distance Agreements:</p> <p>7. Disposals (including Leases of 21 years or more):</p> <p>8. Exchange of land in Green Space System &amp; Parks &amp; Open Space Areas of Official Plan:</p> <p>9. Leases/Licences (City as Landlord/Licensor):</p> <p>10. Leases/Licences (City as Tenant/Licensee):</p> <p>11. Easements (City as Grantor):</p> <p>12. Easements (City as Grantee):</p> <p>13. Revisions to Council Decisions in Real Estate Matters:</p> <p>14. Miscellaneous:</p>	<p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process &amp; authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><input type="checkbox"/> Transfer of Operational Management to Divisions and Agencies.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.</p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding twelve (12) months, including licences for environmental assessments and/or testing, etc.</p> <p><input type="checkbox"/> (c) Where compensation is less than market value, provided tenant and lease satisfy Community Space Tenancy Policy criteria set out in Item EX28.8, as adopted by Council on November 7, 8 and 9, 2017.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)).</p> <p><input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences</p> <p><input type="checkbox"/> (b) Releases/Discharges</p> <p><input type="checkbox"/> (c) Surrenders/Abandonments</p> <p><input type="checkbox"/> (d) Enforcements/Terminations</p> <p><input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates</p> <p><input type="checkbox"/> (f) Objections/Waivers/Cautions</p> <p><input type="checkbox"/> (g) Notices of Lease and Sublease</p> <p><input type="checkbox"/> (h) Consent to regulatory applications by City, as owner</p> <p><input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title</p> <p><input type="checkbox"/> (j) Documentation relating to Land Titles applications</p> <p><input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds</p>	<p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$10 Million.</p> <p><b>Delegated to a less senior position.</b></p> <p><b>Delegated to a less senior position.</b></p> <p><b>Delegated to a less senior position.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><b>Delegated to a less senior position.</b></p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million.</p> <p><b>Delegated to a less senior position.</b></p> <p><b>Delegated to a less senior position.</b></p> <p><input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><b>Delegated to a less senior position.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)).</p> <p><b>Delegated to a less senior position.</b></p>

<p><b>B. City Manager and Deputy Manager, Corporate Services each has signing authority on behalf of the City for:</b></p> <ul style="list-style-type: none"> <li>• Documents required to implement matters for which he or she also has delegated approval authority.</li> </ul>
<p><b>Deputy City Manager, Corporate Services also has signing authority on behalf of the City for:</b></p> <ul style="list-style-type: none"> <li>• Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.</li> <li>• Expropriation Applications and Notices following Council approval of expropriation.</li> </ul>

Consultation with Councillor(s)									
Councillor:	Councillor Matlow				Councillor:				
Contact Name:					Contact Name:				
Contacted by:	Phone	E-Mail	Memo	Other	Contacted by:	Phone	E-mail	Memo	Other
Comments:					Comments:				
Consultation with Divisions and/or Agencies									
Division:	Shelter, Support and Housing Administration				Division:	Financial Planning			
Contact Name:	Loretta Ramadhin				Contact Name:	Filisha Jenkins			
Comments:					Comments:				
Legal Division Contact									
Contact Name:	Soo Kim Lee								

DAF Tracking No.: 2020-130	Date	Signature
Recommended by: Manager, Acquisitions and Expropriations, Daran Somas	May 25, 2020	Signed by Daran Somas
Recommended by: Director, Transaction Services, Alison Folosea	May 25, 2020	Signed by Alison Folosea
Recommended by: Executive Director, Corporate Real Estate Management, Patrick Matozzo	May 26, 2020	Signed by Patrick Matozzo
<input type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services	May 27, 2020	Signed by Josie Scioli
<input type="checkbox"/> Approved by: Josie Scioli		
<input type="checkbox"/> Approved by: City Manager Chris Murray	May 27, 2020	Signed by Chris Murray

#### General Conditions ("GC")

- (a) The local Councillor (or local Councillors if the subject property is located on a ward boundary or if the transaction involves an exchange of properties in more than one ward), will be consulted prior to the exercise of delegated Approving Authority by staff for all Acquisitions, Disposals, Land Exchanges and Leases. In the event of a vacancy in the Ward in which the subject property is located, the Mayor's office shall be consulted in the alternative.
- (b) Where approving power has been delegated to staff, the Deputy City Manager, Corporate Services, in consultation with any other applicable Deputy City Manager or the City Manager, may determine that such matter is of such special interest that same should be returned to the relevant Committee and Council for consideration and determination.
- (c) Exercise of delegated authority is subject to all applicable Council policies, statutes or other applicable law.
- (d) Authority to approve financial commitments/expenditures is subject to all amounts being available in an approved budget, or funding being available from third party sources, except for "Strategic Property Acquisitions" as set out in EX44.22 adopted by Council August 25, 26, 27 and 28, 2014, which identifies alternative funding mechanisms subject to additional approval requirements.
- (e) Property interests are to be based on appraised value, and no interest shall be granted at less than market value unless otherwise specifically authorized.
- (f) Authority to approve transactions at less than market value is subject to statutory anti-bonusing provisions.
- (g) Total compensation means the aggregate of all types of payments, including land value, estimated clean-up costs, potential arbitration awards, loss claims, etc., but exclusive of any applicable taxes and registration costs.
- (h) Authority to acquire property is conditional upon provision being made to bring the property into compliance with applicable MOE or other requirements such that it will be fit for its intended municipal purpose, except for property acquisitions of 50M<sup>2</sup> or less for transit shelter purposes.
- (i) Authority to initiate the permanent road closure process in **A.4** is conditional upon confirmation by the GM of Transportation Services that it is feasible to permanently close the highway.
- (j) Disposal authorities in **A.7** are subject to the property having been declared surplus, and the disposal policy complied with.
- (k) Land exchanges, except for those in **A.8**, may be authorized based on the delegated Approving Authority for disposals in **A.7**.
- (l) Approving Authority with respect to land located in the Designated Waterfront Area as defined in the *Toronto Waterfront Revitalization Corporation Act, 2002* is conditional upon the approval of the Director, Waterfront Secretariat.
- (m) Authority to approve an exchange of land in **A.8** is conditional upon confirmation by the Chief Planner and Executive Director of City Planning, and the GM of Parks, Forestry & Recreation, that the land being exchanged is (i) nearby land of equivalent or larger area, and (ii) of comparable or superior green space utility.
- (n) Approving Authority in **A.9** Leases (City as Landlord) but not Licences (City as Licensor) is limited to periods (including options/renewals) of less than twenty-one (21) years, as leases of 21 years or more may be authorized based on the delegated Approving Authority for disposals in **A.7**.
- (o) Total compensation in leasing matters where the City is landlord (**A.9**) includes the value of tenant improvements if factored into tenant's rental payments.
- (p) Total compensation in leasing matters where the City is the tenant (**A.10**) includes the value of any tenant improvements to be paid by the City.
- (q) Where options/renewals are included in leases, if the renewal rent is to be determined at a date later than the original approval date, total compensation is to be calculated as though all options are exercised, estimating the renewal rent based on the highest rent payable in the first term of the lease.
- (r) Total compensation in leasing matters where the City is landlord (**A.9**) or tenant (**A.10**) is to be calculated from the date of approval pursuant to this delegation (ie. first allowing for the expiry of any prior approvals, whether by Council or a delegated authority).
- (s) Approving Authority in leasing matters includes authority to approve renewals/extensions within the parameters of the delegated Approving Authority.
- (t) Approving Authority includes authority for amendments within the parameters of the delegated Approving Authority, the cumulative total of which may not exceed the delegated financial limit.
- (u) Where proposed additional amounts in **A.13** exceed 10 per cent of the original decision, even if otherwise in compliance with all other conditions, then Approving Authority is transferred upwards to the next more senior level of Approving Authority having the relevant overall financial limit.
- (v) Approving Authority includes authority for all documents necessary to implement the authority, including ancillary agreements, on terms and conditions satisfactory to the Approving Authority, in consultation with the relevant operating Division(s).
- (w) Staff positions referred to in this delegation include successors from time to time.
- (x) Documents are to be in a form satisfactory to the City Solicitor (including indemnity and insurance provisions).
- (y) Delegated signing authorities in **B** are conditional upon the documents having received the City Solicitor's prior "Approval as to Form".
- (z) Authority to use land acquired by the City for parking purposes by the Toronto Parking Authority is conditional upon Council enacting a by-law designating such use.
- (aa) All residential leasing documents shall adhere to the *Residential Tenancies Act, 2006* and any successor legislation.
- (bb) Despite GC(n), Approving Authority in residential leasing matters is not limited to periods of less than twenty-one (21) years and total compensation in residential leasing matters where the City is landlord is to be calculated based on an assumed term of ten years unless the lease term expressly identified therein is longer.
- (cc) Where Approving Authority has been delegated to the Manager level, such authority shall be conditional upon the Manager first having secured the written concurrence of a second Manager within the Real Estate Services Division.
- (dd) Where the City is transacting with a public agency, and such agency requires that an unqualified environmental indemnity be granted by the City, the authority to acquire property includes authority to grant such an indemnity, provided that the Phase I and Phase II environmental site assessments undertaken on behalf of the City have identified no significant environmental impacts or human health threats, with no, or minor action required ("Low Risk").

## Appendix "A"

### Major Terms and Conditions

#### **Premises:**

The Premises comprise: One hundred and nine (109) guest rooms, lobby areas, front desk, dining room, conference rooms, business centre and other common areas generally available to hotel guests in the free standing building known municipally as 808 Mt Pleasant Road, Toronto, operated by the Landlord as the Roehampton Hotel (the "Hotel"), but excluding the Excluded Areas described below.

#### **Excluded Areas:**

Excluded from the Premises:

- Hotel Executive Offices
- Mechanical and maintenance rooms and equipment storage rooms
- Basement
- Kitchen and food preparation and storage areas, including food and liquor inventory, while the Landlord is responsible for providing the meal service. If the City or the Operator undertake the provision of meals for the clients, it will comprise as part of the Premises.

The Excluded Areas may only be made available to the City by prior special arrangement with the Landlord.

#### **Initial Term:**

Two (2) Years commencing on the Commencement Date, plus the portion of the month if the Commencement Date does not commence on the 1st of any month, and expiring May 31, 2022 (the "End Date").

#### **Termination Right:**

The City shall have the right to terminate this Lease, at any time, but not earlier than on the 18th month anniversary of the Initial Term, by providing forty-five (45) days' notice in writing to the Landlord.

#### **Extension Terms:**

Subject to all required City of Toronto authorizations being received by the Director, Corporate Real Estate Management, the City shall have Two (2) successive rights to extend the Initial Term for periods of Six (6) months each, exercisable by the City on Forty-five (45) days' written notice to the Landlord prior to expiry of the Initial Term or current Extension Term. Each Extension Term shall be on the same terms and conditions as the Initial Term.

#### **Basic Rent:**

The annual sum of Two Million, One Hundred and Eighty-Eight Thousand, One Hundred and Seventy-Five (**\$2,188,175.00**) Dollars plus applicable HST [based on a daily rate of \$5,995.00, plus applicable HST], payable monthly in the amount of One Hundred and Eighty-Two Thousand, Three Hundred and Forty-Seven Dollars and Ninety-Two Cents (**\$182,347.92**) in advance, no later than tenth (10th) day of each month of the Term. Basic Rent for any partial months, shall be paid based on the number of days multiplied by the daily rate.

#### **Additional Rent:**

In addition to Basic Rent, the City shall pay to the Landlord as Additional Rent all other amounts as and when the same shall be due and payable pursuant to the provisions of the Lease, including the amounts payable for any Additional Services but excluding any amounts for Base Services which fees are included in the Basic Rent.

#### **Realty Taxes / Realty Tax Exemption**

(a) The Landlord shall be responsible for the payment of all Realty Taxes for the Premises during the Term. In no event shall the City be held responsible for the payment of any Realty Taxes in connection with the Premises.

(b) The Landlord acknowledges that the City has the right, in its discretion, to request the Council of the City of Toronto to exempt the Premises from taxation for municipal and school purposes. Notwithstanding that the Landlord is responsible for paying all Realty Taxes, the Landlord agrees to pass the full benefit of any such exemption granted to the Landlord on to the City during the entire period of any such exemption, with the City at its option taking such benefit as: (i) a rent credit, rent adjustment or reimbursement, or (ii) such other manner as the City acting reasonably and in the interests of transparency shall require.

The parties acknowledge that the Basic Rent includes an apportionment of realty taxes. The Landlord will assist the City in its endeavors to reduce the realty tax applicable and agrees that any realty tax relief, reduction or cancellation, obtained in

any form whatsoever, covering the period during the City's occupancy of the Premise shall be fully passed to the City, and reimbursed to the City in the event such tax relief is obtained by the Landlord after the expiry of the Term.

**Permitted Use:**

The City shall use the Premises only for the following purposes:

- Temporary or emergency shelter care accommodations

In addition to use by the City, the Premises may be used by a temporary or emergency shelter care provider (the "Operator") to operate the Premises for the same purposes, provided that the City shall be responsible for any use of the Premises by the Operator in accordance with the terms of the Lease.

**Fixtures, Furnishings and Equipment**

The Premises shall be provided to the City with all existing fixtures, including TVs, furnishings and equipment, and refrigerators (if required by the City), all of which shall be kept in good order and condition by City, usual wear-and-tear excepted; Landlord shall not be obligated to replace any of the foregoing where damage is caused by the City or its guests. The parties agree that all hotel rooms within the Premises shall be provided to the City ready to be occupied in the normal course of hotel operations, including one set of linens and towels in each room. The City shall not remove any fixtures or other contents from the Premises during the Term except with prior written consent of the Landlord. The Landlord shall not be required to provide any in-room: coffee machines, small wares such as irons, dishes, cutlery and kitchen utensils.

Notwithstanding the foregoing, if requested by the City, the Landlord will provide: (i) dishes in the dining room, as part of environmentally responsible operations, and for reduction of waste; and (ii) provide access to dishwasher(s), to wash these dishes.

**Landlord's Responsibilities:**

The Landlord shall provide the following Base Services, without additional cost to the City and inclusive within the Basic Rent:

- One (1) Duty Manager – Sixteen (16) hours a day, seven (7) days a week, on-site, for assistance in the operation, check in, Guest Services of the Premises; and
- One (1) Maintenance personnel – Eight (8) hours a day, seven (7) days a week, on-site for the daily maintenance and operation of the Premises, and available if summoned by the City or the Operator ; and
- One (1) Houseman – Eight (8) hours a day, seven (7) days a week, on-site, for cleaning common areas, public washrooms and lobby areas; and
- Housekeeping and Laundry services more specifically, room cleaning and room turnover, including laundry for linens/towels, on a weekly basis ("Housekeeping Services"), and high traffic common areas on a daily basis, such as the hallways, elevators, dining room, etc.
- Cable, Internet and Telephone service. Telephone service shall be only local unlimited calling, no service shall be provided for toll charges for long-distance or international calling; and
- Parking – 50 double parking spots shall be made available to the City at no additional charge; and
- Management Access – Twenty-Four (24) hours a day, seven (7) days a week, off-site, for assistance with any issues related to the Systems or operations of the Hotel property.

The City shall provide all necessary access to the Premises as may be required for the provision and performance of the Base Services.

**Additional Services:**

The City may request the Landlord to provide the following Additional Services at its sole option:

- For greater certainty, weekly Housekeeping Services is included in Base Services, at no charge to the City. For any Housekeeping Services requested by the City in addition to Base Services, the charge is \$22.00 per room, per day, to be purchased for a minimum of fourteen (14) rooms, providing 24 hours in advance.

- Food and Beverage Services (both of nutritional value), with the items and prices to be agreed upon by the parties, acting reasonably.
- If requested by the City, Security Services can be provided and priced based on demand, with contract prices obtained on a competitive basis and provided at cost plus an administration fee of 15%.

The City may elect to perform any of the Additional Services itself at its sole cost. Additional Services are all subject to HST and shall be paid by the City, within thirty (30) days of delivery of invoice from the Landlord.

### **Maintenance of Systems**

The Landlord shall maintain and keep in good repair, at its expense, all systems required for the normal operations of the premises as a Hotel including, without limitation, the heating, ventilating, air conditioning or humidity control equipment in or serving the Premises, electrical, plumbing, fire monitoring and life safety, elevators, building envelope, capital repairs and any other usual hotel systems (the "**Systems**"). If any such equipment or Systems shall require maintenance or repair, the Landlord shall, at its expense, promptly attend to the same. The Landlord shall not be required to make any alterations to any Systems to comply with any standards greater than Hotel standards.

### **Construction of Pool Cover at City's Cost:**

If requested by the City, that Landlord shall: (i) drain the outdoor swimming pool; and (ii) construct a safe cover over the pool, with the design, materials and cost to be approved by the City (the "**Pool Cover**") to permit the City's clients to use the pool area, which may be used as an "outdoor smoking area", as part of the Premises, subject to the City ensuring that the "outdoor smoking area" complies with all "smoke free" provincial and municipal legislation. For construction of the Pool Cover, the Landlord shall comply with the City's Fair Wage Policy and Labour Trades Contractual Obligations in the Construction Industry, as same may be amended from time to time, copies of which are attached as Schedules "**A-1**" and "**A-2**" to the Lease. The Pool Cover shall be constructed at the City's Cost.

### **Pest Control and Pets**

The Landlord shall be responsible for pest control and pest extermination at the City's cost as an Additional Service in respect of the Premises. The City shall be allowed to bring or permit to be brought onto the Premises: (i) pets; and (ii) service or support animals required by any Persons staying at the Premises. For greater certainty, pets shall be kept in an area designated by the City.

### **Landlord Not Liable:**

The Landlord shall not be liable for any damages, direct or indirect, and the City shall indemnify and save the Landlord harmless from and against any and all damages for personal discomfort or illness of the City or any Persons permitted by it to be on the Premises, by reason of the suspension or non-operation or failure for any period of time of any Utilities, Normal Waste Removal Services or Systems, except to the extent caused by any actions or omissions of the Landlord.

### **Damage to Premises:**

The City shall take due care to avoid damage to the Premises and shall be responsible for damage to walls and floors caused in the course of its operations.

### **Changes to Premises**

(a) The Landlord shall have the right to make any changes in, additions to, deletions from or relocations of any part of the Premises (any of which are herein referred to as "Changes") provided that the Premises, as affected by such Changes, shall be substantially the same in size with 109 guest rooms, and shall be in all other material respects reasonably comparable to the original Premises, and provided that the City's operations and use of the Premises are not interfered with. The City shall be entitled to an abatement of Rent for any period of time that the City is unable to conduct business in the Premises as a result of the making of such Changes.

(b) The City at its option, may complete renovations and installations which do not affect the Premises structure or room configurations (ie. cannot take down any walls, but furniture can be re-arranged), as necessary for the operation of the Permitted Use, such as removal of carpet in some areas, install laundry facilities, install fire pull station covers, plexi-glass, locks, and camera systems. At or before the End Date, if required by Landlord, City agrees to restore the Premises to their condition prior to such renovations or installations being made.

**Vacating the Premises:**

Prior to the End Date, the City shall complete an institutional deep clean and sanitize the Premises, by engaging such Persons as may be required to disinfect and clean the Premises, in a good and workmanlike manner, at City's sole cost. The City shall be responsible for removing all occupants from the Premises.

**Over-holding:**

- (a) If the City over-holds after the expiry date with the Landlord's consent, the City shall be deemed conclusively to be a monthly tenant, or as a tenant at will if the Landlord did not consent), in either case on the same terms as the Lease as applicable to a monthly tenancy or a tenancy at will.
- (b) If the Landlord demands vacant possession of the Premises on or before the expiry end date, the City shall surrender vacant possession in accordance with the terms of this Lease on the expiry date. If vacant possession is not provided, the City shall pay occupancy rent equal to **150%** of the Basic Rent amount, the Landlord shall not be required to provide any Base Services or Additional Services, and be at liberty to pursue such other remedies as may be available at law.

**Tenant Insurance:**

The City shall, at its sole expense, maintain in full force and effect at all times property damage insurance and general liability insurance with coverage for any one occurrence or claim of not less than Five Million (\$5,000,000) Dollars. The public liability and property damage insurance shall include personal injury liability, contractual liability, non-owned automobile liability, with respect to the Premises, with coverage including the activities and operation conducted by the City and any other person performing work on behalf of the City and those for whom the City is in law responsible. These policies will contain a severability of interest clause and cross liability clauses and a waiver of subrogation against the Landlord, and provide a Certificate of Insurance to evidence such insurance.

**Indemnity of Landlord:**

The City shall indemnify and save harmless the Landlord and its agents, employees, contractors and Persons for whom the Landlord is at law responsible from and against any and all liabilities, claims, damages, losses and expenses, including all legal fees and disbursements, due to, arising from or to the extent contributed to by:

- (a) any breach by the City of any of the provisions of this Lease;
- (b) any act or omission of the City or those for whom the City may be at Law responsible or any use or occupancy of or any articles in the Premises;
- (c) any injury, death or damage to Persons or property of the City or its servants, agents, employees, customers, contractors or any other Persons on the Premises caused wholly or in part by the acts/omissions of the City or those for which it is responsible at Law; and/or
- (d) any damage, destruction or need of repair to any part of the Premises to the extent of the obligations of the City under this Lease.

**Indemnity of City:**

The Landlord shall indemnify the City and all of its agents, employees, contractors, and Persons for whom the City is in Law responsible and all other tenants and occupants of the Premises and shall hold them and each of them harmless from and against any and all liabilities, claims, damages, losses and expenses, including all legal fees and disbursements, due to, arising from or to the extent contributed to by:

- (a) any breach by the Landlord of any of the provisions of this Lease; and/or
- (b) any act or omission of the Landlord or those for whom the Landlord may be at Law responsible.

Notwithstanding the foregoing, the Landlord shall not be liable for death or injury arising from any occurrence in, upon, at, or relating to the Premises or damage to property of the City or of others located on the Premises or elsewhere, unless it results from the gross negligence or wilful misconduct of the Landlord, or those for whom the Landlord is in Law responsible.

## Appendix "B"

### Location Map

