

DELEGATED APPROVAL FORM
DEPUTY CITY MANAGER, CORPORATE SERVICES
EXECUTIVE DIRECTOR, CORPORATE REAL ESTATE MANAGEMENT

TRACKING NO.: 2020-126

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, as adopted by City Council on May 22, 23 & 24, 2018 and Item GL9.14, as adopted by City Council on November 26 & 27, 2019 or, where applicable, contained in Item EX28.8, as adopted by City Council on November 7, 8 & 9, 2017.

Prepared By:	Myron Menezes	Division:	Corporate Real Estate Management
Date Prepared:	May 15, 2020	Phone No.:	(416) 338-3586

Purpose	To obtain authority for the City of Toronto (the "City"), as licensee, to enter into a bulk room accommodation license agreement (the "License") with 2683510 Ontario Inc. (the "Licensor"), for the use of all 163 rooms at Holiday Inn Express North York located at 30 Norfinch Drive, Toronto (the "Hotel") for the purpose of hotel use for temporary accommodation of shelter clients.
Property	163 room units at Holiday Inn Express North York located at the property municipally known as 30 Norfinch Drive, City of Toronto (the "Property") and on the Location Map in Appendix "B".
Actions	1. Authority be granted to enter into the License with the Licensor to use of the Property for a term of eleven (11) months commencing on May 17, 2020 and expiring eleven (11) months thereafter, 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 approving authority herein, and in a form acceptable to the City Solicitor.
Financial Impact	<p>The following costs will be incurred by the City in connection with the License:</p> <p>Fees for Gross Room Rate: \$397,127.27 (plus HST) per month, or \$404,116.71 (net of HST recoveries), payable in monthly installments for eleven (11) months for a total gross room rate for the term of \$4,368,399.97 (plus HST), or \$4,445,283.81 (net of HST recoveries).</p> <p>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.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>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 all 163 rooms throughout the hotel building. The Property will be used as a hotel to provide temporary accommodations for shelter clients to meet the needs of physical distancing obligations, isolation and/or recovery of shelter clients and other shelter needs. The facility will be operated by Salvation Army, a service provider deemed appropriate by SSHA.</p> <p>As a component of SSHA's emergency response efforts to the COVID-19 pandemic, SSHA has received SLT approval to activate hotel rooms to support physical distancing, isolation and recovery needs within the shelter system. This location comprises a component of such rooms.</p> <p>SSHA has approved this proposed License and confirmed that the terms and conditions, including the restoration terms and potential costs, are fair, reasonable and aligned with the service needs required to support the City's response efforts to the COVID-19 pandemic. Real Estate staff consider the terms and conditions of this proposed License to be fair and reasonable and reflective of market rates.</p>
Terms	Refer to Appendix "A" for the Terms and Conditions.

Property Details	Ward:	7 – Humber River-Black Creek
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	
	Other Information:	Pin: 102960144

A.	Executive Director, Corporate Real Estate Management has approval authority for:	Deputy City Manager, Corporate Services 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 & Parks & 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 \$3 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.</p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process & 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 \$3 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 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 \$3 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>Delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$3 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 \$3 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 \$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 & 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 checked="" 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>

- B. Deputy City Manager, Corporate Services and Executive Director, Corporate Real Estate Management each has signing authority on behalf of the City for:**
- Documents required to implement matters for which he or she also has delegated approval authority.
 - Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.
 - Expropriation Applications and Notices following Council approval of expropriation.

Consultation with Councillor(s)									
Councillor:	Anthony Perruzza					Councillor:			
Contact Name:	Anthony Perruzza					Contact Name:			
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other		
Comments:	Consent					Comments:			
Consultation with Divisions and/or Agencies									
Division:	Shelter, Support & Housing Administration					Division:	Financial Planning		
Contact Name:	Justin Lewis / Loretta Ramadhin					Contact Name:	Filisha Jenkins		
Comments:	Consent					Comments:	Consent		
Legal Division Contact									
Contact Name:	Shirley Chow								

DAF Tracking No.: 2020- 126	Date	Signature
Recommended by: Manager, Real Estate Services, Daran Somas	May 16, 2020	Signed by Daran Somas
Recommended by: Director, Real Estate Services, Alison Folosea	May 16, 2020	Signed by Alison Folosea
<input checked="" type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input type="checkbox"/> Approved by: Patrick Matozzo	May 16, 2020	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli	May 16, 2020	Signed by Josie Scioli

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 market value and no interest shall be granted for an amount less than the appraised market value, nor additional compensation paid, unless specifically authorized by City Council.
- (f) Authority to approve any transaction 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 50M² 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

Licensor:	2683510 Ontario Inc.
Premises:	<p>163 room units in the Holiday Inn Express North York at 30 Norfinch Drive, Toronto. The Premises comprise the entirety of the rooms available on all floors within the Hotel together with the non-exclusive right to use the common area and facilities and any parking areas of the Hotel, together with all others entitled thereto. The parties acknowledge that the gym and the pool are temporarily closed due to COVID-19. In the event that these facilities are opened at any time during the Term which opening and remaining open will be the sole and absolute discretion of the Licensor, these facilities will be made available to the occupants/clients of the City's service provider(s).</p> <p>Notwithstanding the above and any other provision to the contrary, the Licensor covenants and agrees that it will: (i) make 20 rooms available for the City's use on May 15, 2020, and an additional 20 rooms available for the City's use on May 16, 2020, at no costs to the City, with the balance of the rooms to be available on the Commencement Date, (ii) make available two meeting rooms, being the "Downsview Room" and the "York Board Room", for the City's use as a food preparation area, at no additional cost or expense to the City, which shall be made available for the City's exclusive use as of May 15, 2020 and throughout the Term; and (iii) at the City's sole discretion, the kitchen shall be made available to the City for its use, at no additional cost; provided that the kitchen will be provided in an "as-is" condition. If the City elects to use the kitchen, the City shall be responsible for cleaning and maintenance of the kitchen, at its own cost.</p>
Gross Room Rate:	<p>\$80/room/night, being \$13,040.00 per day for 163 rooms or \$397,127.27 per month, payable in monthly installments for the eleven month term.</p> <p>Gross Room Rate is inclusive of realty taxes. The City reserves the right to seek tax relief for the portion of realty tax attributed in the gross room rate.</p>
Additional Costs:	1) All applicable HST.
Term:	<p>Eleven (11) months, commencing on or about May 17, 2020 and expiring eleven (11) months thereafter.</p> <p>The Licensor agrees that the City shall be permitted access to the Premises prior to the Commencement Date, for the purpose of set-up and preparing the Premises for the City's use. Such access to be coordinated with the Licensor.</p>
Early Termination:	At any time after the third (3rd) month of the Term, the City shall have the right (but not the obligation) to terminate the License (in its entirety or in respect to a portion of the Premises, up to 25 rooms) upon 10 days written notice (the "Termination Notice") of such termination to the Owner. In the event that the City effects a partial termination of this License, the City shall have the right to terminate up to a maximum of 25 room. If a portion of the Premises is terminated in accordance with this provision, the gross room rate payable shall be reduced on a per room basis proportionate to the number of rooms terminated.
Use:	<p>The City shall use the Premises solely for hotel purposes to provide temporary accommodation for shelter clients of the City's service providers/community operators, including overnight accommodations to meet the needs of physical distancing obligations, isolation, recovery of shelter clients or other shelter needs.</p> <p>Licensor acknowledges that the City will engage one or more third-party service providers to manage the clients and the City's obligations hereunder at the Premises in accordance with this License, with the current service provider being, the Salvation Army. The City agrees that the City will not change the service providers without the prior consent of Licensor such consent not to be unreasonably withheld or delayed. The third-party service providers will provide one shared contact person as their collective point of contact with the Licensor. For the Salvation Amy and any subsequent service provider(s) approved by the Licensor, the City shall have the right to grant the service provider(s) a non-exclusive licence or right to occupy the Premises during the Term, without the consent of the Licensor, provided that the service provider(s) occupancy shall be in accordance with the terms of the Agreement.</p>
City Obligations	The City shall be solely responsible for the operation of the Permitted Use within the Premises, including the assignment of rooms, coordinating house cleaning services provided by the Owner and coordinating catering. The City shall be responsible for providing the following services

•all security and supervision of the Premises. The City may retain security services from a licensed security provider, at its sole discretion (the City will have access to and use of the Licensor's existing security system)

The City will be responsible for any damages to the Hotel, including any damage to the core operating or building systems, or additional reasonable costs incurred by Licensor as a result of damage caused by the City's or the occupants use and occupancy of the Premises, save and except for damage or costs arising from, caused by, or attributable to the Licensor's negligent acts or omissions. Such damages include but are not limited to damages that may arise to the furnishings, fixtures, equipment, linens, carpets, wall coverings, floor coverings and window coverings including damage from smoking or smudging of any kind in the guest rooms and public spaces and common areas including lobby, corridors and stairwells. Such damage will be repaired to the rooms or areas affected, as close as is practicable to its pre-existing condition prior to the Commencement Date. Except as expressly set out herein, the City shall not be responsible for maintenance or normal wear and tear.

City's Work

The City shall be permitted to install temporary/non-permanent equipment or property throughout the Premises as required by the Permitted Use, including sharps disposal units, heating and fire alarm covers. The City shall ensure that any installations are removed from the Premises following the end of the Term at the City's expense and the City will repair any damage done by such installation or removal.

Licensor Obligations:

The Premises will be provided in an "as-is" condition. The City confirms it has inspected the Hotel and the Premises and satisfied itself that they are suitable "as-is" to meet the City's requirements. The Licensor shall provide the City, and its licensed service provider(s), with uninterrupted access to the Premises, on a 24/7 basis, for the duration of the Term, including the restoration period described below. The Licensor shall provide access keys for the Premises in advance of the Term. The Licensor will continue to manage the building with property management coverage at the front desk.

The Licensor shall be solely responsible for the operation and maintenance of core operating obligations and building systems within the Hotel, including the provision of the following:

- electrical power for normal lighting used by the City and domestic hot and cold running water as required for the Permitted Use;
- waste management services;
- fire & life safety systems and related maintenance and monitoring, including the following:
 - Building Fire Safety Plan document
 - Annual inspection reports for:
 - fire alarm system
 - emergency lighting/generator
 - fire extinguishers
 - standpipe hose system (if applicable)
 - sprinkler system (if applicable)
 - kitchen suppression system (if applicable)

Licensor shall ensure all life safety systems and records are up to date and in compliance with the Ontario Fire Code;

- elevator maintenance, repair and replacement;
- pest control services;
- building envelope and capital repairs;
- HVAC system capabilities, limitations and maintenance activities on site; and
- All custodial services and house cleaning services associated with the Premises and the Hotel, including without limitation, room cleaning once a week and upon occupant room turnover.

The Licensor will provide a property manager at the Hotel daily to manage building operations and systems use/inquiries, room allocation and maintenance provide by the Licensor and coordination with third party service provider(s) as required. The Licensor will provide all necessary personal protective equipment required for the provision of the services that the Licensor is responsible for.

Additional Services

At the City's option, the Licensor shall provide the following services, in addition to the Room Rate:

Catering service of a basic menu and snack options that provide variety and nutritional value for each occupant consisting of 3 meals and 2 snacks, for an additional charge of \$30/day/occupant (exclusive of HST). No beverages will be supplied. The Licensor acknowledges that the total number of occupants will vary throughout the Term. The City shall give the Licensor at least 48 hours prior notice of how many occupants require catering services throughout the Term. The City shall have the right to terminate the catering service at any time during the Term upon not less than ten (10) days' prior written notice to the Licensor. The costs to be charged for the catering services shall be invoiced by the Licensor to the City, at the end of each month during the Term and the City shall pay the Licensor's invoice within thirty (30) days after receipt of the Licensor's invoice. In the event of any discrepancies in the invoice, the Licensor and the City shall reconcile all invoices and

agree to re-adjust any items on the invoice and any items omitted by error, if necessary, forthwith upon demand.

Insurance:

The City will maintain:

(a) Commercial general liability insurance on an occurrence basis, against claims for bodily injury, personal injury and property damage in or about the Premises, contractual liability, tenant's legal liability, non-owned automobile liability, and owner's and contractor's protective liability, in amounts which are from time to time acceptable to a prudent tenant in the community in which the Building is located, but not less than \$5,000,000.00 in respect of each occurrence. The Licensor and its lender are to be added as an additional insureds.

(b) \$2,000,000.00 for Automobile Liability.

Restoration of the Premises:

The City shall, within 60 days following the end of the Term, vacate the Premises and remove any property of any kind brought on the Premises by the City and return the Premises as close as is practicable, to its original condition immediately prior to the Commencement Date, including if required by the Licensor acting reasonably, an "institutional level deep cleaning" on completion of the Term, to the standards recommended by Toronto Public Health, reasonable wear and tear excluded. The City shall only pay the applicable Room Rate for the period of time required to complete restoration of the Premises. The Premises will be videotaped, and photos will be taken, shared and retained by the parties prior to City occupancy to create a record of Hotel condition prior to occupancy.

Service Animals:

The Licensor will use reasonable efforts to accommodate requests to allow service animals in the Hotel to reside with the hotel occupants.

Additional Provisions:

Pest Control – The Licensor will perform pest control for the Hotel at its cost, on a monthly basis. If, during the Term, pest control is required on a more frequent basis than set out above, or if reasonably required within two weeks following the end of the Term, the Licensor will perform same and the City will reimburse the Licensor its reasonable cost incurred therein.

No Smoking – The Hotel is provided on a no smoking basis. The City, through its service provider/community operator will advise occupants to comply with all smoking rules, regulations and by-laws. Smoking is only permitted outside the building at the regulation distance.

Compliance with Laws – The City, through its service provider/community operator, will use its best efforts to direct occupants to comply with all applicable laws in relation to their occupancy and the Hotel.

Hotel Use – The Premises are being provided to the City as a hotel for shelter use for occupants, and neither the City, its service providers/community operators nor its clients will use the Premises for any other purposes, except the ancillary uses specified in this Agreement.

Occupancy Limit – All guest rooms will be limited to one occupant per room (couples and family members exempted), such occupant to be a client of the City's service provider/community operator.

Strollers, Walkers etc. – The City will use reasonable efforts to ensure that all strollers, walkers, wheelchairs, scooters and similar mobile devices are stored in the guest rooms and not in the corridors or common areas.

Garbage Removal – Disposal of medical waste is the responsibility of the City.

Signage – The City, its service providers/community operators and its clients may not exhibit any exterior signage of any kind including in any windows. Any interior signage shall be removed at the end of the Term at the City's expense.

Laundry Facilities or Food Service Facilities – The occupants shall not be permitted access to any of the commercial laundry or the food service facilities in the Hotel, including the seating, counters, cupboards and coffee maker in the breakfast room.

Common Areas – The City, through its service providers/community operators, will encourage clients to not loiter or congregate in the common areas of the Hotel including the lobby, stairwells, doorways and corridors or on the sidewalk or lands immediately adjacent to the Hotel. The City and its service providers/community operators may use the common areas for desk space for its personnel.

Phone System – The Licensor will leave the phone system in place and included in the Room Rate, but long-distance usage will be locked and not available to the City, its service providers/community operators or its clients or personnel.

Internet – The Hotel's internet service will remain in place and included in the Room Rate and Wi-Fi will be available to City, its service providers/community operators, and hotel occupants.

Cable TV – The Hotel's basic cable television services will remain in place included in the Room Rate and will be available to the City, its service providers/community operators and the hotel occupants including in the guest rooms.

Security Systems and Cameras – All Hotel security systems and cameras will be maintained and available to be accessed by both the Licensor and the City as necessary.

No Programs – The City will not run any group programs in the Hotel, save and except that one-on-one counselling programs are permitted in the meeting room for clients occupying the Premises. The Licensor acknowledges that clients may perform smudging ceremonies in the Hotel, in compliance with all applicable laws. Except as provided herein, the Hotel will be used for accommodation purposes only in accordance with the Permitted Use.

Not A Lease – Nothing herein shall constitute a tenancy or lease of any kind between Licensor and the City. This is a bulk room accommodation license agreement between the Licensor and the City.

Covid-19 Notification – Each of the City and the Licensor will promptly notify the other party if they become aware of any personnel, contractor, employee, client or other invitee in the Premises or the Hotel, as the case may be, who test positive for Covid-19.

Suicide Prevention – Licensor has no responsibility either before or during the Term to modify any of the Hotel, the Premises or the accommodations of any kind therein provided in order to reduce the risk of suicide occurring in the Premises or the Hotel during the Term and Licensor will have no liability or responsibility therefore.

Registration – No notice of this Offer or any long form Agreement may be registered on title by the City.

Mediation:

In the event that there are disputes between the parties related to the condition of the Premises after the end of the Term or the extent of the City's restoration, which cannot be resolved by negotiation between their senior executives of both parties, acting reasonably, the parties agree to resolve the dispute through mediation, which each party responsible for their respective costs.

Corporate Authority:

Luxury Hospitality Management Inc. ("LHM Canada Inc."), covenants and warrants that it is the authorized manager and agent of the registered owner, 2683510 Ontario Inc., with full authority to enter into this Agreement on behalf of the Licensor and to bind the Licensor to the terms and conditions hereof. LHM Canada Inc. covenants to provide such other assurances and/or documentation, including any consents or authorizations from the Licensor, as may be reasonably required by the City.

Appendix "B"

Location Map

