

DELEGATED APPROVAL FORM
DIRECTOR, REAL ESTATE SERVICES
MANAGER, REAL ESTATE SERVICES

TRACKING NO.: 2023-048

Approved pursuant to the Delegated Authority contained in Article 2 of City of Toronto Municipal Code Chapter 213, Real Property

Prepared By:	Myron Menezes	Division:	Corporate Real Estate Management
Date Prepared:	February 3, 2023	Phone No.:	(416) 338-3586

Purpose	<p>To obtain authority for the City of Toronto (the "City"), as landlord, to:</p> <ol style="list-style-type: none"> enter into a consent agreement with National Yacht Club (the "Tenant 1"), under a lease between The Toronto Port Authority, as original landlord ("TPA"), and National Yacht Club (the "Tenant 1") with respect to the property municipally known as 1 Stadium Road and waterlot area in the City of Toronto (the aforementioned lease was assigned to The Corporation of the City of Toronto, as new landlord by assignment, on January 1, 1995), to consent to Tenant 1 subleasing a portion of their leased premises to Alexandra Yacht Club (the "Tenant 2"); enter into a consent agreement with Tenant 2, under a lease between TPA, as original landlord, and Tenant 2, with respect to the property municipally known as 2 Stadium Road and waterlot area in the City of Toronto (the aforementioned lease was assigned to The Corporation of the City of Toronto, as new landlord by assignment, on January 1, 1995), to consent to Tenant 2 subleasing a portion of their leased premises to Tenant 1; enter into a Tri-Party Agreement with the Bank of Montreal ("BMO"), the leasehold mortgagee of Tenant 1, and Tenant 1, for the purposes of providing consent to Tenant 1's leasehold mortgage and to enter into a leasehold agreement with BMO ; consent to BMO registering Tenant 1's leasehold mortgage/charge on PIN 21418-0133 (LT).
Property	<p>Municipal addresses 1 Stadium Road, Toronto and 2 Stadium Road, Toronto are part of the property legally described as PART OF WATER LOT GRANTED TO THE TORONTO HARBOUR COMMISSIONERS BY DOMINION GOVERNMENT ON JUNE 5, 1934 BY WF17942, S/E WF 55391; PART OF BLOCK A, PLAN D-1397; PARTS 6, 7, 8, 9 & 12 ON PLAN 63R3424 AND PART 1, PLAN 63R3582; PART OF WATER LOT DT-163; BEING PARTS 10, 11, 13 & 14 ON PLAN 63R3424. CITY OF TORONTO, being all of PIN 21418-0133 (LT), the ("Property"), as shown on the map and photo attached hereto as Appendix "B".</p>
Actions	<ol style="list-style-type: none"> Authority be granted for the City, as Landlord, to enter into a consent agreement with Tenant 1, for the purposes of allowing Tenant 1 to sublease approximately 2,357 square meters of their water lot area to Tenant 2, substantially on the major terms and conditions set out in Appendix "A-1", and including such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor. Authority be granted for the City, as Landlord, to enter into a consent agreement with Tenant 2, for the purposes of allowing Tenant 2 to sublease approximately 2,357 square meters of their water lot area to Tenant 1, substantially on the major terms and conditions set out in Appendix "A-2", and including such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor. <p>The purpose of the two aforementioned consents to subleases is to allow Tenant 1 and Tenant 2 to exchange an equal amount of water lot area with each other, which will result in a reconfiguration of their respective water lots, while keeping the size of their respective water lot area the same.</p> <ol style="list-style-type: none"> Authority to be granted to the City, as Landlord, to enter into a Tri-Party Agreement with BMO and Tenant 1, substantially on the major terms and conditions set out in Appendix "A-3", and including such other terms as deemed appropriate by the approving authority herein and in a form satisfactory to the City Solicitor. Authority be granted for the City to consent to BMO registering Tenant 1's leasehold mortgage/charge on PIN 21418-0133 (LT).
Financial Impact	<p>There is no financial impact resulting from this approval.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial implications as identified in the Financial Impact section.</p>
Comments	<p>Please see Appendix A for Comments.</p>
Terms	<p>Please see Appendix A for details.</p>

Property Details	Ward:	10 – Spadina-Fort York
	Assessment Roll No.:	ARN: 190404102000100 and others
	Approximate Size:	
	Approximate Area:	2,357 m ² ± (25,370.54 ft ² ±)
	Other Information:	Pin: 214180133 and 214180134

A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate Services has approval authority for:
<p>1. Acquisitions:</p> <p>2A. Expropriations Where City is Expropriating Authority:</p> <p>2B. Expropriations For Transit-Related Purposes Where City is Property Owner or Has Interest in Property Being Expropriated:</p> <p>3. Issuance of RFPs/REOIs:</p> <p>4. Permanent Highway Closures:</p> <p>5. Transfer of Operational Management to Divisions, Agencies and Corporations:</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/Licensors):</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 \$50,000.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p><input type="checkbox"/> (b) Request Hearings of Necessity.</p> <p><input type="checkbox"/> (c) Waive Hearings of Necessity.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding three (3) months, including licences for environmental assessments and/or testing, etc.</p> <p>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</p>	<p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.</p> <p><input type="checkbox"/> (b) Request Hearings of Necessity.</p> <p><input type="checkbox"/> (c) Waive Hearings of Necessity.</p> <p><input type="checkbox"/> Issuance of RFPs/REOIs.</p> <p><input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p>Delegated to more senior positions.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 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 \$1 Million.</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding six (6) months, including licences for environmental assessments and/or testing, etc.</p> <p>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$1 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 \$1 Million.</p> <p><input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).</p> <p><input checked="" 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/Estoppel 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. Director, Real Estate Services and Manager, Real Estate Services each has signing authority on behalf of the City for:

- Documents required to implement matters for which each position also has delegated approval authority.
- Expropriation Applications and Notices following Council approval of expropriation (Managers whose position includes responsibility for implementing Council-approved expropriations are the only Managers with such signing authority).

Director, Real Estate Services also has signing authority on behalf of the City for:

- Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.
- Community Space Tenancy Leases approved by delegated authority by the Deputy City Manager, Corporate Services and any related documents.

Pre-Condition to Approval

Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property

Consultation with Councillor(s)

Councillor:	Ausma Malik	Councillor:	
Contact Name:	Abra Rissi	Contact Name:	
Contacted by:	Phone <input type="checkbox"/> X E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>	Contacted by:	Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>
Comments:	No objections – February 2, 2023	Comments:	

Consultation with Divisions and/or Agencies

Division:	CREM	Division:	Financial Planning
Contact Name:	Myron Menezes	Contact Name:	Filisha Jenkins
Comments:	Comments incorporated – January 30, 2023	Comments:	Comments incorporated – January 31, 2023

Legal Services Division Contact

Contact Name: Michelle Xu – February 3, 2023

DAF Tracking No.: 2023- 048	Date	Signature
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Ronald Ro	February 6, 2023	Signed by Ronald Ro
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Acting Director, Real Estate Services Vinette Prescott-Brown	February 7, 2023	Signed by Vinette Prescott-Brown

Appendix A

Comments:

Pursuant to a lease (the "Lease 1") dated the 30th day of October, 1986, between The Toronto Harbour Commissioners, as landlord, and National Yacht Club, as tenant, Tenant 1 leased the lands located at 1 Stadium Road and waterlot area in the City of Toronto, for a term of fifty (50) years commencing on November 1, 1987 and expiring October 31, 2037. The ownership of 1 Stadium Road (part of PIN 21418-0133 (LT)) has since been transferred to the City of Toronto while the ownership of part of the leased waterlot area remains with TPA. Lease 1 has been assigned to The Corporation of the City of Toronto, as new landlord by assignment, pursuant to an assignment agreement dated January 1, 1995.

Pursuant to a lease (the "Lease 2") dated the 12th day of November, 1986, between The Toronto Harbour Commissioners, as landlord and The Alexandra Yacht Club, as tenant, Tenant 2 leased the lands located at 2 Stadium Road and waterlot area in the City of Toronto, for a term of fifty (50) years commencing on November 1, 1987 and expiring on October 31, 2037. The ownership of 2 Stadium Road (part of PIN 21418-0133 (LT)) has since been transferred to the City of Toronto while the ownership of part of the leased waterlot area remains with TPA. The Lease has been assigned to The Corporation of the City of Toronto, as new landlord by assignment, pursuant to an assignment agreement dated January 1, 1995.

Tenant 1 has approached the City in advance of their lease's expiry due to their need to replace their damaged docks. The docks have aged over time and have seen further degradation due to increased severity and frequency of storms/waves over the years. Tenant 1 requires a leasehold mortgage from the mortgagee in order to pay for the new docks. Pursuant Section 10.01 of Lease 1, Tenant 1 cannot encumber Lease 1, which includes arranging for leasehold mortgage, without obtaining written consent from the landlord. Pursuant to Section 10.01, the mortgagee requires a Tri-Party Agreement with the City as landlord, which includes a landlord's consent to a leasehold mortgage, in addition to registering a new leasehold mortgage on title, in order to facilitate Tenant 1's leasehold mortgage. Tenant 1's Notice of Lease was registered on title on October 21, 1987 as Instrument No. CT906733, a first leasehold mortgage from Tenant 1 to and in favour of BMO was registered on May 4, 1995 as Instrument No. CA344101, a second leasehold mortgage from Tenant 1 to and in favour of the Bank of Nova Scotia was registered on June 20, 2000 as Instrument No. CA671792. This new proposed leasehold mortgage will discharge the existing first and second leasehold mortgage. With the potential risks to the City being minimal and registering instruments on title being done in the past for this tenant, staff recommend execution of this Tri-Party Agreement and the registering of the new leasehold mortgage on title.

Additionally, Tenant 1 and Tenant 2 have been in discussions on optimizing the water lot layout to better suit both parties' needs. Presently, the water lot layout is not optimized and has Tenant 1 getting more water space in front of Tenant 2's land leased area, while Tenant 2 has portions of the water lot which are further away from their leased premises in addition to being surrounded by Tenant 1's water lot premises. With Tenant 1's need for new docks, both parties have agreed to optimize the water lot now by swapping an equal portion of their exclusive water lot areas with each other. This will optimize operations for both tenants and locate their water presence closer to their respective land portions. As per their leases with the City, they require the City's consent to sublease to each other the portions needed for this plan. This will only be an interim measure for the entirety of their existing leases and is proposed due to the time limitations on getting new docks for the season opening this Spring 2023. The City will incorporate these changes on a more permanent basis by modifying the leased spaces for both tenants in any future extensions the City decides to do in its sole discretion.

APPENDIX "A-1"
CONSENT TO TENANT 1 SUBLEASE

Consent to Sublease from Tenant 1 to Tenant 2:

- Landlord: City of Toronto
- Tenant: National Yacht Club ("Tenant 1" and "NYC")
- Subtenant: Alexandra Yacht Club ("Tenant 2" and "AYC")
- Subleased premises: depicted in Appendix B
- Terms: commencing from the execution of the consent to sublease and expires at the same time as Lease 1 ("Lease"). Unless amended by the terms within the consent to sublease, all other terms and conditions of the sublease remain the same as the Lease.

Major Terms:

- a. the Subtenant shall be jointly and severally liable with the Tenant to observe and perform the Tenant's obligations in the Lease with respect to the Subleased Premises;
- b. this consent does not operate to release the Tenant from its covenants or obligations contained in the Lease including, without limitation, the due performance of any of the terms of the Lease;
- c. this consent does not constitute a waiver of the necessity for consent to any further Transfer of the Lease (which for the purpose of this Agreement includes any assignment of the Lease or the subletting, mortgage or encumbering of the Lease or parting with or sharing possession of all or any part of the leased premises and subleased premises) which must be completed in accordance with the terms of the Lease. If the Tenant or Subtenant propose to effect a further transfer of the Lease, the terms of the Lease with respect to a transfer shall apply to any such further transfer;
- d. this consent does not operate to bind the Landlord to any of the terms or conditions of the sublease or any other agreement as between the Tenant and Subtenant;
- e. NYC agrees to maintain three (3) navigation channels shown in the approximate locations shaded in dark blue on the graph attached as Appendix "B-1" of this DAF, together with AYC on a joint and several basis. Each navigation channel shall be at least 20 metres in width and shall extend from the waterlot boundary into each of NYC's and AYC's respective basins by a distance of at least 10 metres. In addition, NYC agrees to provide access to all basin parties (NYC, AYC and HMCS NCSM York) around its water lot to access Lake Ontario via navigable channels of not less than 20 metres in width; and
- f. Notwithstanding anything contained in the sublease to the contrary and unless it is otherwise expressly provided in the consent, the sublease shall terminate contemporaneously with the expiration or earlier termination of the Lease.

APPENDIX "A-2"**CONSENT TO TENANT 2 SUBLEASE**

Consent to Sublease from Tenant 2 to Tenant 1:

- Landlord: City of Toronto
- Tenant: Alexandra Yacht Club ("Tenant 2" and "AYC")
- Subtenant: National Yacht Club ("Tenant 1" and "NYC")
- Subleased premises: depicted in Appendix "B" Terms: commencing from the execution of the consent to sublease and expires at the same time as the head lease ("Lease"). Unless amended by the terms within the consent to sublease, all other terms and conditions of the sublease remain the same as the Lease.

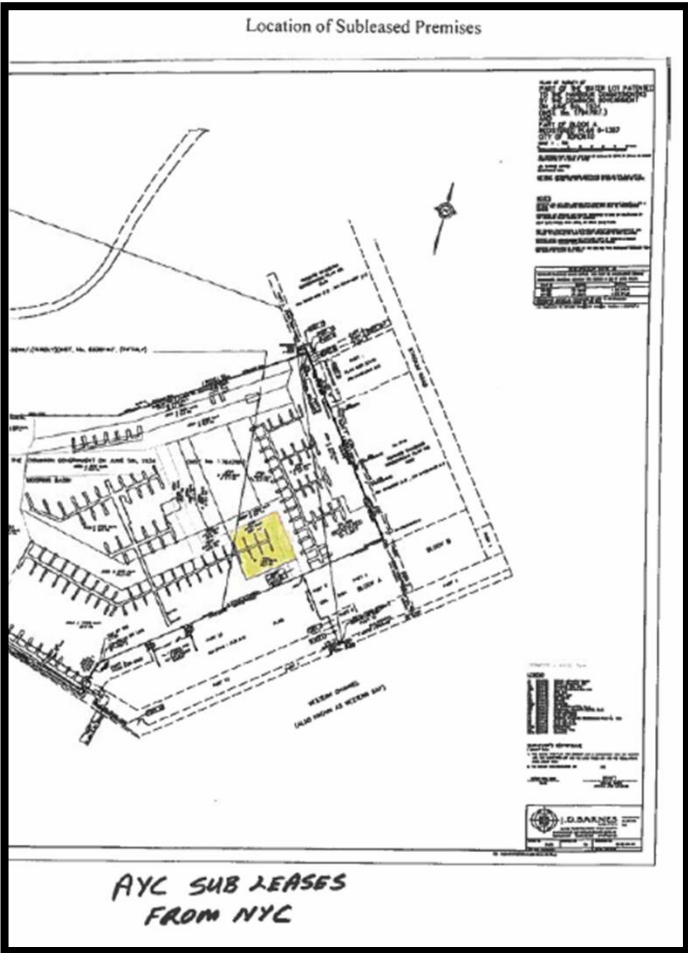
Major Terms:

- a. the Subtenant shall be jointly and severally liable with the Tenant to observe and perform the Tenant's obligations in the Lease with respect to the Subleased Premises;
- b. this consent does not operate to release the Tenant from its covenants or obligations contained in the Lease including, without limitation, the due performance of any of the terms of the Lease;
- c. this consent does not constitute a waiver of the necessity for consent to any further Transfer of the Lease (which for the purpose of this Agreement includes any assignment of the Lease or the subletting, mortgage or encumbering of the Lease or parting with or sharing possession of all or any part of the leased premises and subleased premises) which must be completed in accordance with the terms of the Lease. If the Tenant or Subtenant propose to effect a further transfer of the Lease, the terms of the Lease with respect to a transfer shall apply to any such further transfer;
- d. this consent does not operate to bind the Landlord to any of the terms or conditions of the sublease or any other agreement as between the Tenant and Subtenant;
- e. AYC agrees to maintain three (3) navigation channels shown in the approximate locations shaded in dark blue on the graph attached as Appendix "B-1" of this DAF, together with NYC on a joint and several basis. Each navigation channel shall be at least 20 metres in width and shall extend from the waterlot boundary into each of NYC's and AYC's respective basins by a distance of at least 10 metres. In addition, AYC agrees to provide access to all basin parties (NYC, AYC and HMCS NCSM York) around its water lot to access Lake Ontario via navigable channels of not less than 20 metres in width.; and
- f. Notwithstanding anything contained in the sublease to the contrary and unless it is otherwise expressly provided in the consent, the sublease shall terminate contemporaneously with the expiration or earlier termination of the Lease.

APPENDIX "A-3"
TRI-PARTY AGREEMENT

- Landlord: City of Toronto
- Tenant: National Yacht Club
- Mortgagee: Bank of Montreal
- Loan Amount: \$5,300,000.00
- Additional terms:
 - a. City's prior written consent to any proposed Transfer of Mortgage is required, which consent may be unreasonably withheld;
 - b. In the event that the Mortgagee is entitled to exercise any of its rights pursuant to their loan agreement ("Mortgage"), and the Mortgagee exercises any of its rights, including a Transfer of the Lender's interest in Lease 1 ("Lease"), the Mortgagee shall comply with the provisions of Lease. For greater certainty, the City's consent to the leasehold mortgage does not constitute an amendment to or waiver of the City's rights under the Lease and that the exercise of the Mortgagee of any of its rights and remedies under the leasehold mortgage or at law shall be subject to the terms and conditions of the Lease. Upon the Mortgagee taking possession of the Leased Premises, it is treated as if the Mortgagee originally executed the Lease as Tenant to the Lease. Notwithstanding the Mortgagee taking possession, the Landlord does not release and shall have the right to exercise its remedies under the Lease and under the common law against the Tenant;
 - c. in the event any default by the Tenant under the Lease, notice shall be given to the Mortgagee of the default, and of any event giving rise to a right of forfeiture under the Lease, which comes to the attention of the Landlord, simultaneously with the giving of any notice to the Tenant relating to any default under the Lease or to any event giving rise to a right of forfeiture under the Lease, provide the Mortgagee with a copy of the notice;
 - d. the Mortgagee shall not become liable to perform any covenants of the Tenant under the Lease until the Mortgagee goes into possession of the mortgaged premises or becomes the owner thereof by foreclosure. Upon the Mortgagee taking possession of the leased premises, the Mortgagee shall become liable to perform any and all covenants of the Tenant and shall be responsible for any prior defaults of the Tenant under the Lease;
 - e. in case of a default by the Tenant under the Lease which is curable, the Mortgagee shall, before the Lease is terminated, be allowed ten days from the giving of notice to the Mortgagee of the default and, in case of a default other than in payment of money, such further period of time during which the Mortgagee is proceeding expeditiously to remedy the default in order to prevent a forfeiture of the Lease and the Mortgagee may perform any obligation of the Tenant under the Lease as if performed by the Tenant. For further clarity such further of time to remedy the default shall not exceed fifteen (15) days; and
 - f. the Mortgagee shall provide a postponement of the Leasehold Charge upon request by the City in favour of an easement holder (or a purchaser of the Property if requested by the purchaser), provided that the City arrange for attornment and non-disturbance of Lease in favour of the Tenant in a form reasonably to the satisfaction of the City. The Mortgagee shall discharge the Leasehold Charge at the Mortgagee's cost upon the earlier of the prepayment of the Mortgage or the expiry or early termination of the Lease, subject to Section 3 of the Tri-Party Agreement.

Appendix B



APPENDIX "B-1" NAVIGATION CHANNELS

Location of Mutual Rights of Way After the Reconfiguration under this Sublease and the AYC Sublease



The location of the mutual rights of way that the Sublandlord and Subtenant will share from and after the reconfiguration are shown single hatched (and darker shaded on their respective water lots shown in blue for the Sublandlord and orange for the Subtenant)