

OFFER TO SUBLEASE

TO: CITY OF TORONTO (the "Landlord")

FROM: (the "Tenant")

RE: 150 Dunn Avenue, Toronto (the "Demised Premises")

WHEREAS:

The Landlord has entered into a forty-nine (49) year ground lease with University Health Network for the purpose of constructing a 51 unit affordable housing building (the "Building") and related improvements on the Demised Premises with funding from the Canada Mortgage and Housing Corporation Rapid Housing Initiative, and entering into a sublease with a non-profit housing provider to operate the Demised Premises as affordable housing with supports.

1. Tenant Offers to Sublease

- (a) The Tenant hereby offers to lease the Demised Premises from the Landlord, substantially on the terms and conditions set out in the Request for Proposals and the form of sublease attached hereto as Schedule "A" (the "Sublease") and the intention of the parties hereto is that the closing of this transaction will occur upon the completion of the Building and related improvements upon the Demised Premises by the Landlord.
- (b) Unless otherwise defined herein, all capitalized terms used in this Offer to Sublease shall have the meaning set out in the Sublease and form of Contribution Agreement attached as Schedule "B".

2. Tenant's Conditions

The closing of this transaction is conditional, for a period of 10 business days from the date of acceptance of this Offer by the City, upon:

- (a) the Tenant's board of directors and/or its members authorizing the transaction contemplated herein;

The Tenant shall have the right to terminate this Offer by notice in writing to the Landlord on or before the expiry of the time set out above for each of the Tenant's conditions in the event that any one or more of the foregoing conditions has not been satisfied. Upon such notice, this Offer shall be null and void. In the event that the Tenant does not notify the Landlord within the time so limited, the Tenant shall be deemed to have waived the foregoing conditions. The foregoing conditions are expressed to be for the sole benefit of the Tenant, which the Tenant shall have the right to waive, and to complete the transaction contemplated by this Offer.

3. Landlord's Conditions

The closing of this transaction is conditional, for a period of 10 business days from the date of the City's acceptance of this Offer, upon:

- (a) the Demised Premises being ready for occupancy by residential tenants;
- (b) the Executive Director, Housing Secretariat, or their designate, having received and approved the Tenant's Access Plan, in the form of the report attached as Schedule "A" to the Contribution Agreement;

- (c) the City is satisfied that the Tenant has sufficient funding to operate Affordable Housing with supports at the Demised Premises;
- (d) the Tenant shall have provided a current operating budget satisfactory to the Executive Director, Housing Secretariat;
- (e) the Tenant has provided the City with evidence that the Reserve Fund Account has been established in the name of the City in trust for the Tenant; and
- (f) the Tenant shall have provided an officer's certificate and resolution certifying that the Tenant's board of directors has authorized the transaction contemplated herein.

The Landlord shall have the right to terminate this Offer by notice in writing to the Tenant on or before the expiry of the time set out above for each of the Landlord's conditions in the event that any one or more of the foregoing conditions has not been satisfied. Upon such notice, this Offer shall be null and void. In the event that the City does not notify the Tenant within the time so limited, the Landlord shall be deemed to have waived the foregoing conditions. The foregoing conditions are expressed to be for the sole benefit of the Landlord, which the Landlord shall have the right to waive, and to complete the transaction contemplated by this Offer.

4. Tenant's Covenants

The Tenant shall upon execution of this Offer to Sublease by the Landlord:

- (a) Cooperate with the Landlord to attend at the Demised Premises in a timely manner as required in connection with the actions contemplated pursuant to Section 5.1 hereof; and
- (b) Notwithstanding Section 5 below, the Tenant shall be responsible for its own information technology service contracts (i.e. Bell and Rogers) for internet, cable, TV and telephone services.

5. Landlord's Covenants

The Landlord shall upon execution of this Offer to Sublease by the Tenant:

- (a) Permit the Tenant or its authorized representatives to have access to the Demised Premises prior to Closing, accompanied by a representative of the Landlord, from time to time until Closing, at all reasonable times during Business Hours on twenty-four hours' notice to the Landlord and subject to reasonable availability of the Landlord's representative, for the following purposes:
 - (i) familiarizing itself with the Demised Premises and the Building Systems, including without limitation the fire life safety system, security system, IT configuration of office spaces (i.e. superintendent's office) and amenity spaces such as staff room and meeting rooms, access and control systems, signage requirements, etc.;
 - (ii) showing model units to potential Licensees;
 - (iii) conducting inspections of the Demised Premises to determine work needed to be completed or coordinated prior to occupancy in order to rectify any deficiencies (the "**Deficiencies**") in the work which would prevent occupancy of the affordable housing units located at the Demised Premises (the "**Remediation Work**") under the Landlord's construction contract for the renovation of the Demised Premises (the "**Construction Contract**"); and

- (iv) arranging for the delivery, placement and installation of furnishings and chattels in the individual residential units, offices, utility and other areas in the Demised Premises for the purposes of readying same for occupation by Licensees.
- (b) cause the Remediation Work including the Deficiencies to be rectified by Closing, provided that notwithstanding any other provision in this Offer to Sublease, the Landlord's only obligation to complete the Remediation Work including the Deficiencies shall be to ensure the Remediation Work or the Deficiencies, as the case may be, are completed in accordance with the Construction Contract;
- (c) conduct a formal hand over session within Five (5) Business Days prior to Closing at such time determined by the Landlord and the Tenant each acting reasonably and to deliver to the Tenant at such session:
 - (i) As-built plans, Specifications
 - (ii) Approvals and certifications process and documents
 - (iii) Building Systems operating and maintenance manuals, warranties
 - (iv) Commissioning reports, certifications, schedules, permits, occupancy letters, licenses, test reports
 - (v) Consultants and Trades lists
 - (vi) Contracts for any Building Systems
 - (vii) Trade shop drawings
 - (viii) Fire safety plans
 - (ix) Appliance warranties
 - (x) Building Systems Operation and Training for Tenant's maintenance staff
 - (xi) Access and Security Turnover instructions
 - (xii) Information re utility accounts
 - (xiii) Warranty Period Deficiency Procedure (one-year period following substantial performance as per the Turner Contract)
 - (i) Transfer emergency contact (i.e. Elevator per TSSA requirement) from Owner to Tenant's Call Centre
 (collectively the "**Turnover Deliveries**"); and,
- (d) deliver to the Tenant and the City on Closing all deliverables hereinafter set out.

6. Extension of Closing

- (a) In the event:
 - (i) the Remediation Work, including Deficiencies, has not been completed and rectified, as the case may be, by Closing (as such term is defined in section 7 below) to the satisfaction of the Tenant, acting reasonably, the Closing may be extended for successive periods of Ten (10) Business Days each (or such other period of time, deemed appropriate by the Landlord) by either the Landlord or the Tenant giving five (5) Business Days' written notice to the other, until the date when the Construction Contract has been 99% completed in the opinion of the Landlord's payment certifier under the

Construction Contract (the “**Payment Certifier**”) acting in accordance with its professional standards (the “**Completion Date**”) and the Closing shall occur on the Completion Date as set out in notice from the Landlord, and the Landlord shall deliver on Closing its written undertaking to complete and rectify the Remediation Work including any Deficiencies as soon as commercially reasonably possible after Closing having regard to delivery timelines and supplier and contractor availability, provided that if,

- (ii) the Landlord has been making reasonably commercial efforts to complete and rectify the Remediation Work including any Deficiencies by any extended Closing Date pursuant to Section 6 (a) (i) and the Construction Contract has been substantially performed as defined in the *Construction Act*, RSO C.30 but 99% of the Construction Contract has not been completed by Closing in each case in the opinion of the Payment Certifier acting in accordance with its professional standards, the Landlord may, on five (5) Business Days’ notice to the Tenant, require that the Closing occur on the date set out in the Landlord’s notice and may deliver its written undertaking on Closing to complete and rectify the Remediation Work including any Deficiencies as soon as commercially reasonably possible after Closing, having regard to delivery timelines and supplier and contractor availability.
- (b) In the event Remediation Work has not been completed or the Deficiencies have not been rectified to the satisfaction of the Tenant in accordance with the undertaking of the Landlord given in accordance with Section 6 (a) (i) or (ii) above in the opinion of the Tenant acting reasonably, the matter shall be submitted to an independent arbitrator pursuant to Section 15.25 of the Sublease and the Landlord shall rectify such Deficiencies required by the arbitrator to the satisfaction of the arbitrator.

7. Closing

This transaction will close on the first business day after the last of the conditions, in favour of the Tenant and the Landlord have either been met or waived (the "Closing"). On Closing:

- (a) the Landlord and the Tenant shall duly execute and deliver to one another:
 - (i) the Sublease, the commencement date of which will be the date of closing;
 - (ii) the Contribution Agreement;
 - (iii) such keys, combination or other access devices required to access the Demised Premises;
 - (iv) the Turnover Deliveries;
 - (v) the Building Condition Assessment referred to in Section 6.3 of the Sublease, together with written notice of the amount required to be contributed monthly to the Tenant’s reserve account to fund capital repair work pursuant to the terms of the Sublease;
 - (vi) all other agreements and documentation and all acknowledgements and directions and other documentation required to complete this transaction and to register a satisfactory notice of the Sublease on title to the Demised Premises; and

- (b) the Tenant will deliver to the Landlord:
- (i) a certified copy of the directors' or members resolution authorizing the transaction;
 - (ii) evidence the Reserve Fund Account has been established as required under the Sublease together with written agreement by the Tenant, in form acceptable to the Landlord acting reasonably, securing the amount required to be contributed monthly to the Tenant's Reserve Fund Account;
 - (iii) proof of insurance as set out in the Sublease;
 - (iv) an acknowledgement the Deficiencies have been rectified to the Tenant's satisfaction except as set out in Section 6 above;
 - (v) an acknowledgement that all Turnover Deliveries have been provided to it evidence of transfer of utilities; and
 - (vi) all other agreements and documentation and all acknowledgements and directions and other documentation required to complete this transaction and to register a satisfactory notice of the Sublease on title to the Demised Premises.

8. Notice

8.1 Unless otherwise provided in this Offer, any notice, approval or other communication required or permitted to be given ("Notice") shall be in writing and shall be personally delivered, sent by prepaid registered mail, or sent by fax and, in the case of notice to the Landlord, addressed to it as follows:

to the Landlord at:

City of Toronto
Metro Hall, 55 John Street, 2nd Floor, Suite 204
Toronto, ON M5V 3C6
Attention: Deputy City Manager – Corporate Services

City of Toronto
Metro Hall, 55 John Street 7th Floor
Toronto, ON M5V 3C6
Attention: Executive Director, Housing Secretariat

with a copy to:

City of Toronto – Legal Services
55 John Street, Metro Hall, 26th Floor
Toronto Ontario M5V 3C6
Attention: City Solicitor
Fax No.: (416) 397-5624

to the Tenant:

Attention:
Fax No.:

8.2 Any Notice so given shall be deemed conclusively to have been given and received on the date of delivery if personally delivered, or on the third (3rd) business day following the date of mailing if sent by prepaid registered mail, on the day of transmission by fax (if transmitted prior to 5:00 p.m. on a business day), and on the business day next following transmission (if transmitted after 5:00 p.m., or if transmitted on any day other than a business day), provided that if there is any anticipated or existing postal dispute, Notice shall be personally delivered or transmitted by fax. Either party may from time to time change its address for service by Notice to the other party to this Offer.

9. Divisions/Headings

The division of this Offer into Articles, Sections, Subsections, Paragraphs and Subparagraphs, and the insertion of headings or captions, are for convenience of reference only, and shall not affect the construction or interpretation of this Offer or any parts of them.

10. Cumulative Remedies

No remedy conferred upon or reserved by one or both of the parties is intended to be exclusive of any other remedy. Each remedy shall be cumulative and in addition to every other remedy conferred or reserved, whether such remedy exists on the date of this Offer or after, and whether such remedy becomes available under common law, equity or statute.

11. Interpretation

This Offer shall be read with all changes of gender and number required by the context. If two or more persons have executed this Offer as Tenant, their liability shall be joint and several.

12. Time of Essence

Time shall in all respects be of the essence of all matters provided for in this Offer provided that the time for the doing or completing of any matter may be extended or abridged by an agreement, in writing, executed by the Landlord and the Tenant, or by their respective solicitors, who are expressly appointed for that purpose.

13. Assignment

The Tenant shall not assign this Offer, or direct that the Sublease be taken in the name of any person or entity other than the Tenant, without the prior written consent of the Landlord, which consent may be unreasonably and arbitrarily withheld. It shall be deemed to be an assignment of this Offer requiring the prior written consent of the Landlord if there is a transfer or assignment of the whole or any part of the ownership or control of the Tenant. If the Landlord consents to an assignment, or to a direction that the Sublease be taken in the name of any person or entity other than the Tenant, the Tenant shall agree, and shall cause the assignee or such other person or entity to agree, in writing in favour of the Landlord, to be jointly and severally bound to perform the obligations of the Tenant under this Offer. The Offer shall enure to the benefit of and be binding upon the Landlord, its successors and assignees, and the Tenant, its successors and permitted assignees.

14. No Registration

The Tenant agrees not to register this Offer or any other document providing evidence of this Offer or of any interest of the Tenant in the Demised Premises against title to the Demised Premises (collectively, the "Tenant's Registration"). The Tenant irrevocably nominates, constitutes and appoints the City as its agent and attorney in fact and in law to cause the removal of the Tenant's Registration from title to the Demised Premises. Should the Tenant be in default of its obligations under this Section, the City may (as agent and attorney of the Tenant) cause the removal of the Tenant's Registration from the title to the Demised Premises.

15. City as Landlord

15.1 Nothing in this Offer derogates from or interferes with or fetters the exercise by the City of all of its rights as a municipality, or imposes any obligations on the City, in its role as a municipality, and the City shall not be prevented from or prejudiced in carrying out its statutory rights and responsibilities, including planning rights and responsibilities. Nothing in this Offer derogates from or interferes with or fetters the exercise by the City's officers, employees, agents, representatives or elected and appointed officials of all of their rights, or imposes any obligations on the City's officers, employees, agents, representatives or elected and appointed officials, other than as expressly set out in this Offer.

15.2 No communication or dealing between the Tenant and any department, committee, body, officer, employee, agent, representative or elected or appointed official of the City will be deemed to be a communication or dealing under the provisions of this Offer between the Tenant and the City as parties to this Offer or to affect the City with notice of any such communication or dealings. It is intended and agreed that the City acts solely in a private capacity under this Offer and any communication or dealing between the City and the Tenant as parties to this Offer will only be effective if delivered in accordance with the notice provisions set out in this Offer. No communication or dealing between the City as a party to this Offer and the Tenant as a party to this Offer will relieve the Tenant from the responsibility of discharging its lawful obligations to the City imposed by statute, regulation, by-law or in any other lawful manner separate and apart from the obligations of the Tenant imposed by this Offer.

15.3 Any of the rights and obligations of the City under this Offer may be exercised and performed, respectively, by the Deputy City Manager, Corporate Services, from time to time, or by his or her successors and designate(s) from time to time.

16. Applicable Laws

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

17. Schedules

All Schedules attached, form part of this Agreement. If there is any conflict between what is set out in a Schedule and what is otherwise set out in the Agreement, the conflicting term set out in the Schedule shall prevail.

18. Entire Agreement

This Offer, including any Schedules attached to this Offer shall constitute the entire agreement between the parties concerning the transaction contemplated by this Offer. The Tenant acknowledges that the City has made no representation, warranty, agreement or condition, whether direct or collateral, or express or implied, which induced the Tenant to make this Offer or on which reliance is placed by the Tenant, other than as expressly set out in this Offer.

19. Counterparts

This Agreement may be executed in any number of counterparts (including counterparts delivered electronically) and all such counterparts taken together will be deemed to constitute one and the same instrument. This Agreement may be executed by electronic signature that is received by the City in a file format acceptable to the City. Such electronic signature shall be deemed to be an original signature for the purpose of this Agreement with the same legal effect as an original signature.

20. Offer

This Offer shall not be modified or amended except by written agreement executed by both the City and the Tenant.

DATED the day , 2023.

By:_____

Name:

Title:

By:_____

Name:

Title:

We have the authority to bind the Corporation

The City accepts this Offer the _____ day of _____, 2023.

Authorized by Member's Motion Item No. 2020.MM25.32 as adopted by City of Toronto Council at its meeting held October 27, 2020 and Planning and Housing Item No. 2022.PH35.21 as adopted by City of Toronto Council at its meeting held July 19, 20, 21 and 22, 2022.

CITY OF TORONTO

By: _____

Name: Josie Scioli

Title: Deputy City Manager, Corporate Services

Schedule "A"
Sublease

CITY OF TORONTO

and

TENANT

SUBLEASE

PARKDALE CAMPUS

THIS SUBLEASE made as of the ____ day of _____, 2022

IN PURSUANCE OF the Short Form of Leases Act

B E T W E E N:

CITY OF TORONTO

(hereinafter called the "**Landlord**")

OF THE FIRST PART

- and -

[OPERATOR]

(hereinafter called the "**Tenant**")

OF THE SECOND PART

WHEREAS:

- I. University Health Network is the owner of the lands described in Schedule "A";
- II. On March 10, 2022, University Health Network, as landlord, entered into a Forty-Nine (49) year lease agreement with City of Toronto, as tenant, in respect of the Demised Premises for the purpose of the development, construction, maintenance and operation of the "**Facilities**", being modular housing facilities containing individual self-contained units, by the City of Toronto, together with an easement for the purpose of maintaining, repairing, replacing and altering Storage Tank Infrastructure and a license for access, use and enjoyment of Amenity Space at the adjacent property known in 2021 as 82 Dunn Avenue ("**Head Lease**");
- III. The Head Lease authorizes the City of Toronto to sublet the Demised Premises to an operator for the operation and management of the Facilities, provided the City of Toronto has provided University Health Network with prior written notice of such sublease;
- IV. City of Toronto entered into the Rapid Housing Initiative Agreement with the Canada Mortgage and Housing Corporation dated November 18, 2020 through which it received funding for the purpose of, among other matters, constructing affordable multi-residential modular housing units on certain terms and conditions (the "**CMHC RHI Agreement**");
- V. At its meeting of October 27, 28 and 30, 2020 City of Toronto Council through the adoption of Item MM25.32 authorized the Executive Director, Housing Secretariat to issue request for proposals and to select non-profit housing providers to operate the affordable and supportive housing units to be developed under the Rapid Housing Initiative;

- VI. [Operator] was selected as the successful proponent for the maintenance and operation of the Facilities through a Request for Proposals issued by the City of Toronto dated XXXX;
- VII. At its meeting of July 19, 20, 21 and 22, 2022, City of Toronto Council through the adoption of Item PH35.21 authorized the Executive Director, Corporate Real Estate Management to approve and execute, on behalf of the City of Toronto, a long term, nominal rent or below market rent sublease with a non-profit housing operator for the Demised Premises;
- VIII. The City of Toronto has provided written notice of this sublease to University Health Network;

In consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, the Parties covenant and agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1 Definitions

The terms defined herein shall have for all purposes of this Sublease and of all agreements or other subsequent instruments, implemental or confirmatory or amendatory hereof now or hereafter entered into in accordance with the provisions hereof, the following meanings unless the context expressly or by necessary implication otherwise requires:

“Additional Rent” means any and all amounts, other than Basic Rent, required to be paid by the Tenant under this Sublease, whether or not same are designated “Additional Rent” or whether or not the same are payable by Landlord;

“Affiliate” of any Person means, at the time the determination is being made, any other Person Controlling, Controlled by or under common Control with, that Person, whether directly or indirectly;

“Affordable Housing” means rental housing that is operated in accordance with the terms of the Contribution Agreement;

“Amenity Space” means those portions of the Adjacent Lands described as Part 2 on the Reference Plan;

“Applicable Fire Authorities” shall have the meaning given in Subsection 5.2.1(a);

“Applicable Laws” shall mean, collectively, every statute, regulation, by-law, building code, order, which from time to time affects the Demised Premises, the Building or the Work;

“Arbitration” means that the specified dispute is to be resolved pursuant to the *Arbitration Act, 1991*, S.O. 1991, c. 17 or any successor thereto. Each party is to bear its own costs and share equally in the fees and expenses of the Arbitrator and Arbitration, unless otherwise awarded by

the Arbitrator. The parties hereby expressly agree that the provisions of the *Municipal Arbitrations Act*, R.S.O. 1990, c. M.48 relating to arbitrations shall not apply.

“Article”, “Section”, “Subsection” or “Paragraph” means the specified Article, Section, Subsection or Paragraph of this Sublease;

“Authority” means any federal, provincial, regional or municipal government, ministry, department, board, agency or other authority (including, without limitation, suppliers of public utilities) having jurisdiction over the Demised Premises, and **“Authorities”** means every Authority;

“Basic Rent” means the rent payable pursuant to Section 3.2;

“BCA” means an inspection and study of the Demised Premises, commonly known as a “building condition assessment”, to determine the anticipated costs of major repair and replacements expected to be required, over the term of the Sublease in order to maintain the Demised Premises in the condition as required under this Sublease, including any update thereof from time to time and where used herein shall refer to the most recent BCA or update thereof;

“Building” means the 51 unit affordable housing rental building constructed, on behalf of the Landlord on the land and all other improvements including, without limitation, the Building Systems, all fixtures, fixed machinery, accessories and equipment or other facilities, installations, alterations, additions, renovations, mechanical, electrical and utility installations which in each case are permanently affixed thereto or permanently situated thereon or are of a permanent nature that are used in connection therewith from time to time and which together with the land forms the Demised Premises;

“Building Systems” means: (a) all heating, ventilating, air conditioning, climate control and humidity control equipment and systems serving the Demised Premises; (b) other systems, services, installations and facilities installed in or servicing the Building including, without limitation, the following systems, services, installations and facilities: mechanical, plumbing, sprinkler, drainage and sewage, elevators, electrical and other utilities, lighting, life safety (including fire prevention, detectors, safety system testing and plans, communications, security and surveillance), computer (including environmental, security and lighting control), ice and snow melting, refuse removal, window washing and music; (c) all machinery, appliances, equipment, apparatus, components, computer software and appurtenances forming part of or used for or in connection with any of such systems, services, installations and facilities including, but not limited to, boilers, motors, generators, fans, pumps, pipes, conduits, ducts, valves, wiring, meters and controls, and the structures and shafts housing and enclosing any of them; and (d) all Landlord owned or controlled telecommunications facilities, pathways, installations and equipment.

“Capital Repair Cost” shall mean the total expected costs as set out in the BCA;

“CMHC” means Canada Mortgage and Housing Corporation and any successor thereto;

“CMHC RHI Agreement” has the meaning ascribed to it in the Recitals;

“Commencement Date” means the XX day of XXXX, 202X.

“Control” means, with respect to any Person at any time, the possession, directly or indirectly of the power to direct or cause the direction of the management or policies of such Person, whether

through the ability to exercise voting power, by contract, by virtue of being (or Controlling) the general partner, manager, managing partner, board of managers, board of trustees or board of directors of such Person, or by virtue of the beneficial ownership of or control over a majority of the economic interest of such Person or otherwise; and each of "**Controlled by**" or "**Controlling**" has a corresponding meaning;

"**Contribution Agreement**" means the Contribution Agreement to be entered into between the Tenant and the Landlord, concurrent with the execution of this sublease, with respect to the operation of the affordable housing units located on the Demised Premises and all schedules attached thereto;

"**Demised Premises**" means the lands subleased to the Tenant by this Lease described as Part 1 on the Reference Plan (together with all easements, rights, hereditaments and appurtenances belonging or pertaining thereto) and otherwise as legally described in Schedule "A" and shall include the Building and Building Systems;

"**Deputy City Manager**" means the Deputy City Manager – Corporate Services for the Landlord, the Deputy City Manager's successor, or the Deputy City Manager's designate(s) from time to time;

"**Environmental Laws**" shall have the meaning given in Subsection 6.11(3);

"**Facilities**" has the meaning ascribed to it in the Recitals;

"**Fire Prevention Act**" shall have the meaning given in Subsection 5.2.1(a);

"**Force Majeure**" means strikes, labour troubles, inability to procure materials or services, power failure, riots, insurrection, sabotage, rebellion, actions of military or civil authorities, wars, revolutions, and terrorism, act of God, epidemics and quarantines, or other reason whether of a like nature or not, which is not the fault of the party delayed in performing work or doing acts required under the terms of this Agreement. Notwithstanding anything to the contrary contained in this Sublease, if the Tenant is bona fide delayed or hindered in or prevented from the performance of any term, covenant or act required hereunder by reason of Force Majeure, then, the performance of such term, covenant or act is excused for the period of the delay and the Tenant as so delayed shall be entitled to perform such term, covenant or act within the appropriate time period after the expiration of the period of such delay. In no event shall the Tenant inability to pay any money due under this Sublease be considered a "Force Majeure" event or otherwise relieve the Tenant of its obligation to make payment as required under this Sublease;

"**Hazardous Materials**" means any hazardous or toxic substances or materials including but not limited to any products of waste, asbestos, urea formaldehyde foam insulation, radon gas or PCBs or any other contaminant or pollutant or condition of any nature or kind, including but not limited to any substance or condition defined as a contaminant or pollutant or as a hazardous or toxic substance or material or as having a negative environmental impact from time to time in any applicable legislation, by-laws or regulations or in any governmental, quasi-governmental regulatory or municipal policy or guideline.

"**Health Emergency**" means a situation in which the Landlord and the Tenant jointly determine, each acting reasonably and based on advice from a medical professional, or a directive, a bulletin,

notice or other form of communication from a public health authority, that occupants, tenants, invitees or contractors working at the Lands are or may be exposed to imminent danger from a disease, virus or other biological or physical agents that may be detrimental to human health including, by way of example, severe acute respiratory syndrome (SARS) virus, the 2009 H1N1 flu and the 2019 novel coronavirus disease (COVID-19).

"HST" means all harmonized taxes, goods and services taxes, sales taxes, value-added taxes, multi-stage taxes, business transfer taxes and any other taxes (however they are characterized) imposed in respect of the Rent payable by the Tenant, the rental of space by the Tenant or the provision of any service to or by the Landlord under this Sublease;

"Head Landlord" means University Health Network or such other party that may assume the role of landlord under the Head Lease, from time to time;

"Head Lease" has the meaning ascribed to it in the Recitals;

"Hereof", **"hereto"**, **"hereunder"** or similar expressions means this Sublease and, where relevant, the particular Article, Section, Subsection or Paragraph of this Sublease;

"Landlord" means the City of Toronto and its successors and assigns;

"Licencee" means any Person who enters into any lease, sublease or licence or other occupancy agreement with the Tenant related to the Residential Units in any building on the Demised Premises;

"Licence Agreement" means an agreement between the Tenant and a Licensee;

"Ontario Fire Code" shall have the meaning given in Subsection 5.2.1(a);

"Order" means any order, decision, decree, judgment, ruling, claim or the like from or by any Authority under Environmental Laws;

"Parties" means the Landlord and the Tenant and their respective successors and permitted assigns; and **"Party"** means any one of the Parties;

"Person" means any individual, partnership, corporation, trust, unincorporated organization, municipality, government, or governmental agency or any combination thereof;

"Plans and Specifications" means the plans and specifications prepared or to be prepared for or on behalf of the Tenant for any reconstruction, renovation and/or additions to the Building, as the case may be;

"Reference Plan" means Plan 66R-32696 received and registered by the Land Registrar for the Land Titles Division of Toronto (No. 80) on May 31, 2022, and attached hereto as Schedule "D";

"Release" includes any release, discharge, emission, disposal or dumping into or within the Environment;

"Required Work" shall have the meaning in Section 6.9;

“Rent” means Basic Rent and Additional Rent;

“Reserve Fund” has the meaning set out in Section 6.3(2);

“Reserve Fund Account” has the meaning set out in Section 6.3(2);

“Reserve Fund Deposit” has the meaning set out in Section 6.3(2);

“Residential Units” means the living units within the Demised Premises described in Section 3.7 below;

“RTA” means the *Residential Tenancies Act, 2006*, S.O. 2006, c. 17, all regulations and any successor or replacement legislation;

“Storage Tank Area” means the portion of the Lands shaded in blue on the plan attached to this Ground Lease as Schedule “B.1” and all related piping and other infrastructure shown in red, to the extent that such piping and infrastructure is not located on the Leased Lands;

“Storage Tank Infrastructure” means the infrastructure and equipment relating to the subsurface storm water storage unit to be installed on the Lands;

“Sublease” means this Agreement and all amendments thereto in writing that may be agreed upon by the Landlord and the Tenant from time to time.

“Sublease Year” means the twelve month period commencing on the Commencement Date or if such date is not the first day of the month, then on the first day of the month next following;

“Taxes” means all taxes, rates, duties, charges, impositions, levies, assessments, realty taxes, licence and permit fees, and other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen of any kind and nature whatsoever whether municipal, parliamentary or otherwise, which are from time to time levied, imposed or assessed against the Demised Premises and including those levied, imposed or assessed thereon for education, schools, utilities and local improvements or in respect of any occupancy or use thereof, capital taxes and any business transfer tax, national goods and services tax, value added tax, sales tax or any tax levied, rated, charged or assessed in respect of Rent payable by the Tenant under this Sublease and municipal business taxes relating to the ownership levied or imposed on all or any portion of the Demised Premises or the revenues therefrom or the Tenant in substitution for, or in addition to, Taxes presently levied or imposed, then any such new tax or levy shall be deemed to be and shall be included in Taxes. Notwithstanding the foregoing, the Demised Premises will be the subject of an exemption from taxation for municipal and school purposes (municipal property taxes) for the term of the Sublease in accordance with the terms of the Contribution Agreement;

“Tenant” means XXXXXXXXXX, its successors and permitted assigns;

“Tenant’s Employees” means the Tenant’s directors, officers, employees, servants, agents and those for whom the Tenant is responsible at law;

“Term” means the period from the Commencement Date to the day prior to the last day of the Term of the Head Lease, as that term is defined in the Head Lease;

"**Toronto Fire**" shall have the meaning given in Subsection 5.2.1(a);

"**Transfer**" means an assignment or sublet of this Sublease or any transaction whereby the rights of the Tenant under this Sublease or to the Demised Premises or any part, are transferred, any transaction by which any right of use or occupancy of all or any part of the Demised Premises is conferred upon a third party, any encumbrance of this Sublease or the Demised Premises or any part thereof or other arrangement under which either this Sublease or the Demised Premises become security for any indebtedness or other obligations and includes any transaction or occurrence whatsoever (including, but not limited to, receivership proceedings, seizure by legal process and transfer by operation of law);

"**Transferee**" means the Person or Persons to whom a Transfer is or is to be made;

"**TSSA**" shall have the meaning given in Subsection 5.2.2(a); and

"**Work**" shall mean any renovation or capital repair of the Building with all ancillary services thereon or connected therewith and the provision of all labour, materials, tools, machinery or equipment related thereto.

ARTICLE 2 DEMISE

Section 2.1 Demise of Demised Premises

(1) In consideration of and subject to the Rent reserved and the covenants and conditions herein contained and in the Contribution Agreement on the part of the Tenant to be paid, performed, observed and complied with, the Landlord hereby:

- (a) demises and sublets to the Tenant, and the Tenant hereby subleases from the Landlord, the Demised Premises to have and to hold during the Term, unless and until sooner terminated as expressly provided herein
- (b) grants and conveys to the Tenant, its employees, subtenants, workmen, contractors, agents and invitees the right in the nature of a sublicense during the Term to access, use and enjoy the Amenity Space granted to the Landlord by the Head Landlord under the Head Lease; for use in common with all others who are granted the right to access, use and enjoyment of such Amenity Space.

ARTICLE 3 RENT

Section 3.1 Covenant to Pay Rent

The Tenant agrees to pay Basic Rent and Additional Rent as herein provided.

Section 3.2 Basic Rent

(1) The Tenant shall pay to the Landlord at the office of the Landlord, or at such other place

designated by the Landlord, in lawful money of Canada, without any prior demand therefor and, unless otherwise expressly set out herein, without any deduction, abatement, set-off or compensation whatsoever, as Basic Rent, annual rent equal to \$2.00 (TWO DOLLARS) per annum, for the duration of the Term.

(2) In the event that an event of default, as set out in ARTICLE 11 of this Sublease, occurs which event of default subsists beyond any applicable cure periods set out therein, then, from and after the occurrence of such default and until such time as such default is corrected, and in addition to any other rights and remedies of the Landlord under this Sublease, the Tenant will be responsible for the payment of basic rent equal to the then current fair market rent for the use of the Demised Premises as a residential building as permitted under this Sublease, as of the time when the Landlord invokes its rights herein to receive payment and to be agreed to by the Landlord and the Tenant. If the Landlord and Tenant cannot reach agreement, as to the basic rent payable, within three months of when such basic rent becomes due and payable, then the basic rent payable will be determined by Arbitration. The Landlord and the Tenant will each pay one-half of the fees and expenses of the Arbitration (except for the separate costs of each of the Parties. For certainty, upon correction of the event of default in question, the obligations of the Tenant under this subparagraph shall cease to apply.

Section 3.3 Additional Rent

Subject always to the terms and conditions of the Contribution Agreement and compliance by the Landlord with the provisions thereof, the Tenant shall pay when due at the Tenant's sole expense and for its own account from and after the Commencement Date:

(1) each and every instalment of Taxes on the Demised Premises or any part thereof, if applicable; and

(2) all utility charges and rates and similar taxes, rates, charges and assessments including payments in lieu thereof which are properly charged, levied or assessed in connection with the Demised Premises or any part thereof or which are properly levied or assessed against the Tenant or which would, if unpaid, become a lien on the Demised Premises or the Tenant's subleasehold interest therein or where such lien will, at any time, affect the interest of the Landlord; and

(3) all of the other costs and expenses of maintaining and operating the Demised Premises, its services, equipment and facilities; such costs and expenses to include, without limiting the generality of the foregoing: Certificates of Property Use compliance costs, ground water discharge filtration system maintenance and repair costs, the shared facilities costs associated with the Demised Premises, water gas, electricity, telephone, telecommunications, water heating, snow and ice removal and clearance, administrative charges and salaries, repairs and replacement of equipment, fixtures and facilities, landscaping contracts, grass cutting, lighting, cleaning, supplies, supervising;

(4) all costs incurred by the Landlord with respect to the Demised Premises or any obligations of the Tenant under this Sublease, including costs and expenses related to any of the Landlord's obligations under this Sublease, which costs shall be provided to the Tenant by notice in writing within ninety (90) days after the expiration of each Sublease Year together with reasonable details as to the breakdown and calculation of such costs, which costs shall be due within 30 days of the date of the notice in writing; and

(5) all other charges and expenses which are the responsibility of the Tenant pursuant to this Sublease.

Section 3.4 HST Payable

HST shall be payable on all Rent and or Additional Rent amounts. The Tenant will pay to the Landlord, at the same time as the amounts to which HST applies are payable, the full amount of all HST, with the intent that the Landlord be fully indemnified in respect of all HST payable or collectible by the Landlord. Despite anything else in this Sublease, HST will not be considered to be consideration for the rental of space or the provision of any service by the Landlord under this Sublease but will be considered to be Rent and the Landlord will have all of the same remedies for and rights of recovery with respect to such amounts as it has for non-payment of Rent under this Sublease or at law.

Section 3.5 Late Payment Charges/NSF Cheques

If any amount due and payable to the Landlord remains unpaid thirty (30) days after it is due, interest on the amount outstanding from time to time shall be paid to the Landlord at the rate of 1.25% per month. Interest will be calculated monthly from and including the day after the last day of the thirty (30) day period and paid monthly until payment in full is received by the Landlord. The obligation of the Tenant to pay interest in accordance with this subsection is without prejudice to any of the other remedies available to the Landlord, at law or otherwise. A charge of \$40.00 (the "NSF Fee") will be paid by the Tenant for each cheque given by the Tenant to the Landlord that is not honored by the bank on which it is drawn. The NSF Fee may be increased from time to time by the Landlord so that it is equal to the fee charged by the Landlord in respect of cheques tendered in payment of municipal tax and water charges that are not honored by the banks on which they are drawn, and the Tenant agrees to pay the NSF Fee as it may be so increased from time to time.

Section 3.6 Net Lease

The Tenant acknowledges and agrees that it is intended that this Sublease is a completely carefree net lease to the Landlord, save and except as is otherwise provided for in this Sublease and/or the Contribution Agreement. The Landlord is not responsible during the Term for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Demised Premises including, without limitation, the Building, or the use and occupancy thereof, or the contents thereof or the business or operation carried on therein, and the Tenant shall pay all charges, impositions, costs and expenses of every nature and kind whatsoever relating to the Demised Premises and the use thereof by the Tenant including, without limitation, the costs of all insurance and all Taxes, save and except as is otherwise provided for in this Sublease and/or the Contribution Agreement, as well as all costs and expenses incurred with respect to any shared facilities or reciprocal agreement affecting the demised premises.

Section 3.7 Nature of the Sublease

This Sublease shall be construed and deemed to be a commercial lease, notwithstanding that parts of the Demised Premises are used for residential purposes and may be considered "Rental Units" (as this term is defined under the RTA). The Tenant itself will not occupy the Demised Premises as a residential tenant, although Persons may occupy portions of the Demised Premises as their residential premises (the "Residential Units"). The Landlord and the Tenant acknowledge that Landlord shall not be considered to be a "landlord" as defined

in the RTA in relation to the Tenant's Licensees. The Landlord and the Tenant specifically acknowledge and agree that the relationship of the parties herein shall be governed by the provisions of the *Commercial Tenancies Act*, R.S.O. 1990, c.L.7

Section 3.8 Waiver of Set-Off by Tenant

Except as otherwise provided for in this Sublease and/or the Contribution Agreement, the Tenant hereby waives and renounces any and all existing and future claims and rights of set-off against any Rent and other monies payable hereunder to the Landlord and agrees to pay such Rent and other monies payable hereunder to the Landlord regardless of any claim or set-off which may be asserted by the Tenant or on its behalf.

Section 3.9 Landlord may Pay Taxes, etc.

If the Tenant fails to pay when due any Rent and or Additional Rent required to be paid by the Tenant pursuant to this Sublease, the Landlord shall have the right but shall have no obligation to pay the same at the expense of the Tenant after thirty (30) days' prior notice to the Tenant and the Tenant covenants to pay to the Landlord forthwith upon demand as Rent any amounts so paid by the Landlord.

Section 3.10 Adjustment of Rent

If applicable, sums paid by the Tenant under this Section 3 shall be subject to adjustment to reflect any partial billing periods encountered at the commencement or termination of this Sublease.

Section 3.11 Payments of Rent

All payments of Rent are payable in lawful money of Canada without deduction, abatement, set-off or compensation whatsoever, unless otherwise expressly set out herein. Additional Rent is due and payable as specifically provided in this Sublease.

**ARTICLE 4
TRANSFERS**

Section 4.1 Dealings by Landlord

(1) The Landlord shall have the right to transfer, encumber or grant any right or interest in the Sublease or the Demised Premises, without notice to or consent of the Tenant, provided that the Tenant, except as otherwise provided in this Sublease, shall be permitted to remain in quiet possession of the Demised Premises without interruption or disturbance from the freehold mortgagee, assignee or purchaser so long as it is in good standing under this Sublease. Upon the request of the Landlord, the Tenant shall execute any acknowledgements, agreements, or certificates confirming the terms of this Sublease and that the Sublease is in good standing.

Section 4.2 Transfer by Tenant

Except as permitted by Section 5.1, the Tenant shall not, without the prior written consent of the Landlord, which consent may be unduly delayed and unreasonably withheld, Transfer this Sublease or grant the use of the Demised Premises to any person, in whole or in part, and any

such purported Transfer is void and of no effect. Any request for consent shall be accompanied by payment of the Landlord's processing fee for review of such requests, and by such information and documentation as reasonably required by the Landlord. Under no circumstance may the Tenant mortgage, charge or grant a security interest against its subleasehold interest.

Section 4.3 Conditions of Transfer

(1) Prior to the written consent of the Landlord being obtained, no acceptance by the Landlord of any payments by a Transferee shall be deemed a waiver of the Tenant's covenants or any acceptance of the Transferee as Tenant or a release from the Tenant from the further performance by the Tenant of its obligations under this Sublease. Any consent by the Landlord shall be subject to the Tenant and Transferee executing an agreement with the Landlord, in form and content satisfactory to the Landlord's solicitor, acting reasonably, agreeing that the Transferee will be bound by all of the terms of this Sublease and the Contribution Agreement and except in the case of a sublease, that the Transferee will be so bound as if it had originally executed this Sublease as tenant.

(2) Notwithstanding the effective date of any permitted Transfer as between the Tenant and the Transferee, all Rent for the month in which such effective date occurs shall be paid in advance by the Tenant so that the Landlord will not be required to accept partial payments of Rent for such month from either the Tenant or the Transferee.

(3) Any document evidencing any Transfer permitted by the Landlord, or setting out any terms applicable to such Transfer or the rights and obligations of the Tenant or Transferee thereunder, shall be prepared by the Tenant or its solicitors and all associated reasonable legal costs shall be paid by the Tenant, subject to the Landlord's approval of the applicable form.

ARTICLE 5 USE

Section 5.1 Use and Management of Demised Premises

(1) The Tenant shall use, manage and operate the Demised Premises solely, continuously and actively for the sole purpose of providing Affordable Housing, together with all ancillary uses related thereto, or benefitting or contributing to the principal use, in each case, in accordance with the requirements of the Contribution Agreement and this Sublease. The Tenant shall not use or permit the use of the Demised Premises or any part thereof for any other business or purpose except as may be permitted under the Contribution Agreement and this Sublease or as otherwise consented to by the Landlord, in its sole discretion.

(2) The Tenant shall be permitted to lease, sublease or licence units in the Building and permit occupancy of the Building only in accordance with the terms of this Sublease and the Contribution Agreement.

(3) The Tenant shall protect all public works services and/or utilities and all easements and rights-of-way in favour of the Landlord on, above, under or affecting the Demised Premises.

Section 5.2 Observance of Law

The Tenant shall, at its sole cost and expense (except as otherwise specified in this Sublease and subject always to the terms of the Contribution Agreement), promptly:

- (1) observe and comply with all Applicable Laws, and all requirements of all governmental authorities, including, without limitation, federal, provincial and municipal legislative enactments, zoning and building by-laws (where applicable), and any other governmental or municipal regulations or agreements now or hereafter in force which relate to or affect the demolition or construction of buildings and to equipping or maintenance, operation and use of the Demised Premises or the conduct of any business in the Demised Premises, and public ways adjacent thereto and to the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Demised Premises or any part thereof and including further all police, fire and sanitary regulations imposed by any federal, provincial or municipal authorities and all requirements made by fire insurance underwriters to the extent required in order to keep the required insurance in force;
- (2) observe and comply with all requirements of, and pay all costs and expenses in connection with, the controls imposed by governmental authorities for ambient air and environmental standards;
- (3) observe and comply with any reciprocal or shared facility agreements entered into with the owner or developer of the adjoining condominium and or commercial space, including the rules set out therein;
- (4) observe and comply with all police, fire and sanitary regulations imposed by any governmental authorities (whether federal, provincial or municipal); and
- (5) to comply with all present and future legislation under the *Occupational Health and Safety Act*, R.S.O. 1990, c. O.1, or any successor or replacement legislation including any regulations to designated substances;
- (6) carry out all modifications, alterations or changes of or to the Demised Premises and the Tenant's conduct of business in or use or operation of the Demised Premises which are required by any such authorities as set out above.

Section 5.2.1 Compliance with Fire Prevention Laws and Regulations

- (a) The Landlord shall, ensure that the Demised Premises is equipped with up-to-date fire protection systems in compliance with the *Building Code* (O.Reg 332/12) (the "**Ontario Building Code**") and the *Fire Code* (O.Reg. 213/07) (the "**Ontario Fire Code**"), as same may be amended from time to time, and all other laws, by-laws, rules and regulations governing same. This shall include the monthly, semi-annual, annual and five year inspections for the fire alarm, sprinkler system, standpipe, kitchen suppression, fire extinguishers, emergency lighting, engineer smoke exhaust (if applicable), generator (if applicable) and all in unit fire protection devices. The Landlord will install and maintain offsite Underwriters Laboratories of Canada compliant monitoring. All costs incurred by the Landlord pursuant to this Subsection 5.2.1(a) shall be charged to the Tenant as Additional Rent.

- (b) Without limiting the generality of the foregoing, the Tenant shall at all times during the Term strictly adhere to, and comply with, all fire prevention laws, statutes, by-laws, codes and regulations, including but not limited to the *Fire Protection and Prevention Act, 1997* (S.O. 1997, c. 4) (the “**Fire Prevention Act**”) and the Ontario Fire Code, regulations, codes, permits, licences, industry standards, guidelines rules and directives as any of the same may be replaced or amended from time to time (collectively, the “**Applicable Fire Authorities**”) and all notice requirements, fire prevention obligations, and all maintenance, repair, inspection, monitoring and reporting responsibilities imposed thereby as well as by the City of Toronto’s Fire Services, as the Authority Having Jurisdiction (“**Toronto Fire Services**”).
- (c) The Tenant shall work with the Landlord to comply with all Notices of Violation and/or Orders received from Toronto Fire Services, and address any and all deficiencies noted by Toronto Fire Services.
- (d) The Tenant shall repay the Landlord, forthwith and upon demand therefor, for any fines, penalties or demands for monies whatsoever which are charged to, levied against, requested or demanded of the Landlord, as a result of the conduct of the Tenant or the residential tenants. The Tenant shall be responsible for the damage caused to fire protection equipment within units by residential tenants.
- (e) The Tenant shall, at the Tenant's own cost, develop and implement a fire safety plan, approved by the Landlord, as required by the Ontario Fire Code, reviewed on an annual basis pursuant to the Ontario Fire Code.
- (f) The Tenant shall immediately notify the Landlord of any fires (or incidents that are required to be reported to Toronto Fire Services as required by same or by the Applicable Fire Authorities) that take place at the Demised Premises, and shall deliver to the Landlord any relevant reports, documents or information in connection therewith within ten (10) business days of said reports, documents or information being received by the Tenant.
- (g) Tenant shall permit the Landlord to inspect Tenant's records relating to fire safety and compliance with the Ontario Building Code and Ontario Fire Code at any time upon forty-eight (48) hours advance notice. The Tenant shall facilitate access by the Landlord or its contractors to the Demised Premises for the purpose of this Section 5.2.1(g), at any time upon forty-eight (48) hours advance notice (save in an emergency when no Notice shall be required). The Tenant shall be responsible for providing notice to the residential tenants, in accordance with the *Residential Tenancies Act, 2006*

Section 5.2.2 Compliance with Technical Standards and Safety Act, 2000, S.O. 2000, c.16

- (a) Without limiting the generality of Section 5.2 above, the Tenant shall at all times during the Term strictly adhere to, and comply with, all requirements of the Technical Standards and Safety Authority (“**TSSA**”), and all statutes, laws, by-laws, regulations, licences, permits and codes pertaining to elevating device safety, including but not limited to the *Technical Standards and Safety Act, 2000*, (S.O. 2000, c. 16) and all regulations made thereunder (the “**Act**”).

- (b) For greater certainty, the obligations contained in Subsection 5.2.2(a) above shall include, but shall not be limited to, the following:
- i. Performance, completion and compliance with all registration, licensing and maintenance obligations required by the TSSA and the Act and in this regard, prior to or upon execution of this Sublease the Tenant shall deliver to the Landlord proof that the Tenant is registered with the TSSA and has entered into a valid and binding contract with a contractor licensed to inspect and repair existing elevating devices in accordance with the requirements of the TSSA and the Act;
 - ii. Immediate compliance with all notices of violation and/or orders received from the TSSA with copies of said notices and orders (as well as remedial steps to be taken) delivered to the Landlord within three (3) business days of receipt of same; and
 - iii. Timely submission to the TSSA of all maintenance reports, as well as all Annual and Semi-Annual reports as may be required by the TSSA and the Act, with copies delivered to the Landlord immediately thereafter.
- (c) The Tenant shall deliver to the Landlord in a prompt and timely manner, notice of any unsafe condition or conditions with respect to the elevating devices at the Demised Premises as well as the Tenant's plan to remedy same (which remedial plan shall state that any such conditions will be addressed in a prompt and timely manner) or confirmation that any such condition has been rectified, and the Tenant shall also provide notice to the Landlord of any accidents with respect to the elevating devices at the Demised Premises immediately after any such accident takes place. The Tenant shall also provide all notices referred to in this section 5.2.2 to the TSSA and any other authority as may be required by the TSSA, the Act or otherwise at law.
- (d) For the purposes of this Section 5.2.2 and all requirements hereunder, the Tenant shall be deemed to be the owner of the Demised Premises and the Tenant shall at all times during the Term comply with this Section 5.2.2 as though it were the legal owner of the Demised Premises.

5.2.3 Health Emergency

- (a) If a Health Emergency exists, the Tenant shall enforce at the Demised Premises any existing Health Emergency rules or regulations in existence, and/or may impose, in conjunction with the Landlord, additional rules, regulations and restrictions to mitigate or minimize the effects of the Health Emergency.
- (b) Without limiting the generality of the foregoing and subject to the provisions of the RTA, during a Health Emergency, the Landlord and/or the Tenant shall be entitled to (or the Tenant shall require the Operator to):
- i) restrict or limit access to the Demised Premises and the Building to employees of the Tenant and residents of the Building only, and/or to prohibit entry by visitors or invitees for a reasonable period of time during such event;

- ii) decontaminate all or any part of the Demised Premises and the Building, and if such work is not completed by the Tenant, the Landlord shall be entitled to enter the Demised Premises and to do so at the Tenant's expense. Any steps that the Landlord may choose to take are in its sole and unfettered discretion and nothing herein shall obligate the Landlord to effect any decontamination;
 - iii) impose sanitization requirements and/or implement health precautions consistent with the advice from medical experts or public health officials;
 - iv) require changes to the heating, ventilation and air conditioning systems serving the Building;
 - v) delineate passages of ingress and egress in common areas of the Demised Premises; and
 - vi) close all or any part of the Demised Premises and the Building if it is determined by the parties, each acting reasonably, that it is not safe to continue to operate the Demised Premises and the Building or certain parts of the Demised Premises and the Building.
- (c) Except in the case of gross negligence or wilful misconduct, during a Health Emergency, neither the Landlord nor the Tenant shall be:
- i) in default by reason of any action taken pursuant to its Health Emergency Plan or any other decisions such party makes in good faith in response to a Health Emergency; or
 - ii) liable in contract, tort, or otherwise, for any act or omission in exercising the Health Emergency Plan or any other decisions it makes in good faith in response to a Health Emergency.

Section 5.3 Tenant's Covenants

The Tenant covenants in respect of the use of the Demised Premises as follows:

- (1) not to commit, suffer or permit any act or omission in the Demised Premises which shall result in an illegal use or cause any breach of any of the Applicable Laws;
- (2) to maintain in force during the Term all necessary licences, permits, and authorizations relating to the use and occupancy of the Demised Premises by the Tenant;
- (3) to comply with all terms and conditions set out in the Contribution Agreement;
- (4) notwithstanding any other provision of this Sublease, to comply with the terms and conditions of the Head Lease as if it were the tenant thereunder.

Section 5.4 Nuisance

The Tenant and its employees, agents, occupants and invitees shall not commit, cause or permit

any nuisance or waste on the Demised Premises and shall ensure that nothing is done or kept at or on the Demised Premises which causes adverse disturbance, damage to or interference with normal use of any adjoining property. For certainty, the parties acknowledge and agree that the undertaking of the permitted uses herein do not violate this provision. Without limiting the generality of the foregoing, the release from the Demised Premises of ten (10) or more balloons within a twenty-four hour period shall be considered a nuisance and Tenant shall not engage in such activity at any time.

ARTICLE 6 REPAIR, MAINTENANCE AND IMPROVEMENT

Section 6.1 Landlord Not Responsible

The Landlord shall not be obliged to furnish any services, maintenance, repairs or facilities to the Demised Premises, it being agreed by the Tenant that the Landlord shall not at any time during the term of this Sublease be required or called upon to make any repairs in or to the Demised Premises of any nature or kind whatsoever. The Landlord acting in its capacity as Landlord and not as a municipal corporation shall not be obliged to make any repairs whatsoever to the Demised Premises at any time during the Term nor to furnish any services or facilities to the Demised Premises except as set out in this Sublease (including as a result of any Excluded Liability).

Section 6.2 Tenant's Obligation to Repair

(1) The Tenant shall, at its sole cost and expense, and at all times throughout the Term, keep and maintain the whole of the Demised Premises, and every part thereof, in first class condition and repair having regard to buildings of similar age and quality, and to the same accessibility and energy efficiency levels met by the Demised Premises on the Commencement Date all as determined by the Landlord in its sole discretion. Without limiting the generality of the foregoing the Tenant shall promptly repair, replace and maintain and shall conduct routine, scheduled and preventative maintenance, in all cases as would a prudent owner in a manner consistent with its proximity to an institutional hospital building, on and to:

- (a) the structure of the Building including the roof and roof membrane, windows, interior concrete slab floors and exterior walls;
- (b) any capital repairs to the Demised Premises;
- (c) the Building Systems;
- (d) all components of the exterior of the Demised Premises;
- (e) the Storage Tank Infrastructure ; and,
- (f) interior of the Demised Premises including the Residential Units, all trade fixtures, improvements and equipment in the Demised Premises and the Residential Units, other than property owned by a Licensee.

(2) The Tenant shall at all times keep the Demised Premises in a neat and orderly condition, maintain in first class condition all landscaping and exterior areas, and keep all areas clear of ice and snow including any adjacent public areas as required by law, as would a prudent owner.

(3) In the event that the Landlord determines that any condition existing or potentially existing on the Demised Premises creates a risk to life, health or safety, the Tenant shall, at its own cost and expense, effect any repairs, maintenance or other modifications to the Demised Premises required to alleviate such condition as communicated by the Landlord to the Tenant.

Section 6.3 Building Condition Assessment and Reserve Fund

- (1) Within the first six (6) months after the Commencement Date, the Landlord shall conduct or cause to be conducted a BCA of the Demised Premises for the purpose of setting up a capital repair and maintenance plan. Thereafter the Tenant shall conduct or cause to be conducted an update of the BCA of the Demised Premises no later than five (5) years after the date of the previous BCA. Each BCA shall be conducted in accordance with the Landlord's standards, provided to the Landlord in a prompt and timely manner upon receipt by the Tenant, and subject to the approval of the Deputy City Manager acting reasonably.
- (2) The Tenant shall deposit in a trust account at a Canadian chartered Bank (the "**Reserve Fund Account**") a minimum amount of five per cent (5%) of the aggregate annual effective gross income (including all subsidies) from the Demised Premises, including any rent supplement income and affordability payments from the Province of Ontario, the City of Toronto or any other municipality (the "**Reserve Fund**") to be deposited monthly in estimated amounts, adjusted within 60 days of the end of each Sublease Year to reflect actual effective gross income from the Subleased Premises for the preceding fiscal year (the "**Reserve Fund Deposit**"). The Landlord reserves the right, acting reasonably, to review the amount of the Reserve Fund Deposit with each BCA conducted and to require the Tenant to increase the amount of the Reserve Fund Deposit where the Landlord has determined in its sole discretion that the amount of the Reserve Fund Deposit is not sufficient to establish at the end of each Sublease Year the annual amount required in the most recent BCA.
- (3) The Tenant may, with the prior written approval of the Landlord, withdraw amounts from the Reserve Fund Account to fund Work (excluding routine, scheduled or preventative maintenance) in order to maintain the same in the condition required to be maintained hereunder or under the BCA. Such approval shall not be unreasonably withheld, provided the Tenant shall comply with Section 6.5, Section 6.6 and Section 6.8 hereof in connection with all such Work.
- (4) In the event the Tenant fails to do any Required Work in accordance with Section 6.9 hereof, the Landlord shall be entitled to deduct the amounts from the Reserve Fund to conduct such Required Work including an administration fee of fifteen (15%) per cent.
- (5) The Tenant hereby grants to the Landlord a security interest in and lien upon, and pledges to the Landlord, all amounts in the Reserve Fund Account and all amounts at any time in or attributable to such account or successor accounts, as security for all existing and hereafter arising obligations, liabilities and indebtedness of the Tenant to the Landlord. The Landlord shall take whatever action it considers appropriate and

necessary, relying upon an opinion of counsel, to protect and enforce its rights respecting the Reserve Fund Account, including completion and registration of any documents or financing statements at the expense of the Tenant in order to perfect any security interests in the Reserve Fund Account.

Section 6.4 Reserve Fund at the End of Term

All amounts in the Reserve Fund shall revert to the Landlord absolutely at the end of the Sublease Term and, provided the Tenant has made all repairs to the Demised Premises in accordance with the BCA, the Landlord shall reimburse the Tenant for the cost of any repair or replacement in accordance with Section 6.7 hereof.

Section 6.5 Landlord's Approval of the Tenant's Work

- (1) The Tenant shall not initiate construction of any Work without the Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. The Landlord's review for consent will be limited to ensuring compliance with the terms of this Sublease and the Head Lease.
- (2) If and when approved by the Landlord, the Work shall be completed at the Tenant's sole cost and expense in accordance with Schedule C.
- (3) If the Tenant performs any Work, repairs or replacements without compliance with all of the provisions of this Section, the Landlord shall have the right to require the Tenant to remove such Work, repairs or replacements forthwith, at the Tenant's sole cost and expense, and to restore the Demised Premises to its prior condition, satisfactory to the Landlord, acting reasonably.
- (4) If at any time prior to completion of any Work, the Work ceases and has not been resumed within three (3) months of the date Work was discontinued or if the Tenant abandons the Demised Premises, then the Landlord shall have the right, upon at least ninety (90) days prior written notice given to the Tenant, to terminate this Sublease, provided that in the event the Tenant recommences and thereafter is diligently proceeding with the undertaking of the work during such ninety (90) day period, the Landlord's entitlement to terminate the Sublease pursuant to this provision in such instance shall be null and void.

Section 6.6 Construction Liens

- (1) If any lien under the *Construction Act*, R.S.O. 1990, c. C30, or any like statute shall at any time be registered against the Demised Premises by reason of work done or materials supplied for or to the Tenant or for or to anyone holding an interest in the Demised Premises through the Tenant or if the Landlord is given notice of any such lien, the lien shall be discharged or vacated from the title to the Demised Premises by the Tenant within ten (10) days after the lien is filed or sooner if the Demised Premises are in jeopardy of forfeiture or sale by the party performing the Work in respect of which the lien was filed even if the validity of the lien is being contested, if requested by the Landlord, or by a Leasehold Mortgagee. If the Tenant wishes to contest the amount or validity of any lien and has so notified the Landlord and if the Tenant has deposited with the Landlord or paid into court to the credit of the lien action the amount of the lien plus a reasonable amount for costs and has registered a discharge of such lien, the Tenant may defer payment of such lien for a period of time sufficient to enable the Tenant to contest the lien with

due diligence, provided always that the Demised Premises shall not thereby become liable to forfeiture or sale.

(2) The Landlord may, but shall not be obligated to, discharge or vacate any construction lien if in the Landlord's judgment, exercised reasonably, the Demised Premises become liable to immediate forfeiture or sale or the Demised Premises is otherwise in jeopardy or if the Landlord is at risk of default under the Head Lease, and any amount paid by the Landlord in so doing, shall be reimbursed to the Landlord by the Tenant as Additional Rent within thirty (30) days after demand. If a construction lien is not discharged and vacated within three (3) months of registration, notwithstanding that the lien may be contested, the Landlord shall have the right, on written notice to the Tenant, to terminate the Sublease.

(3) Nothing herein contained shall authorize Tenant, or imply any consent or agreement or request on the part of the Landlord to subject the Landlord's estate or interest in the Demised Premises and/or the Building to any construction lien or any other lien of any nature or kind whatsoever. Notice is hereby given to all parties that the Landlord expressly refuses and denies any consent or agreement or request to permit their estate or interest in the Demised Premises and/or the Building to be subject to any construction lien or other lien of any nature or kind whatsoever without the express written agreement of the Landlord to this effect. Tenant acknowledges that the Landlord is not, and should not be held to be, an owner as that term is defined in the *Construction Act* with respect to the construction of any work on the Demised Premises by, or on behalf of Tenant.

Section 6.7 Work in Last Three Years of Sublease

Provided the Tenant has made all repairs to the Demised Premises, in a manner a prudent owner would make, during the term of this Sublease, should the Tenant, be required to effect any Work during the last three (3) years of the Term, the economically useful life of which would extend beyond the expiry of the Term, the Landlord and the Tenant may agree to terminate this Sublease, or require the Tenant to proceed with the repair or replacement and, only if this Sublease is not renewed and upon expiry, any unamortized amount of such repair or replacement for the period beyond the expiry of the Term will be reimbursed to the Tenant. The calculation of the unamortized amount will be based on straight line amortization of the costs of such repair or replacement over the improvements' economic life, in the opinion of the Landlord acting reasonably.

Section 6.8 Access by Landlord

Save in the case of emergency, as determined by the Landlord, acting reasonably in which case the Landlord shall have access without notice to the Demised Premises, the Landlord and its agents shall be entitled to enter the Demised Premises from time to time upon twenty-four (24) hours' prior notice or, where necessary, such period of time as set out in the *Residential Tenancies Act, 2006*, S.O. 2006, c. 17 or its successor legislation, to view its state of repair, and without being considered to be interfering unreasonably with the Tenant's possession of the Demised Premises or the possession of any of the Tenant's subtenants or occupants. The Tenant shall be responsible for providing notice to the residential tenants, in accordance with the *Residential Tenancies Act, 2006*. The Tenant shall permit the Landlord to inspect the Tenant's records relating to any maintenance, repairs, alterations, improvements, renovations and replacements to confirm compliance with this Sublease, at any time upon reasonable notice. The

Tenant acknowledges and agrees that the Landlord may, in exercising its right of access to the Demised Premises under this Section, also permit access by the Head Landlord and its agents.

Section 6.8.1 Right of Access by the Head Landlord for Services Work

The Tenant hereby confirms that it has reviewed the Head Lease in its entirety and acknowledges specifically that the Landlord must allow the Head Landlord access to the Demised Premises on forty-eight (48) hours' prior notice (or less or no notice in the case of emergency) and grant any easements and licenses in connection with the Landlord's performance of the Landlord's Services Work, as that term is defined in the Head Lease. The Landlord agrees to notify the Tenant forthwith upon receiving such notice from the Head Landlord.

Section 6.9 Repairs by Landlord

In the event the Landlord determines in its sole opinion, that the Demised Premises are not being maintained in the condition required under this Sublease, the Landlord may on written notice require the Tenant to make repairs, alterations, changes, adjustments, improvements or additions to the Demised Premises or any part of them (the "**Required Work**"), as the Landlord reasonably considers necessary or desirable to maintain the Demised Premises in such condition. In the event the Tenant fails to do so within thirty (30) days after receipt of the Landlord's notice, the Landlord may elect to carry out the Required Work and recover all expenses from the Tenant including a fifteen percent (15%) administration fee.

Section 6.10 Environmental Matters

(1) The Tenant shall:

- a. not cause or allow any hazardous or toxic waste or substances (collectively the "Hazardous Materials") to be used, generated, stored, or disposed of on, under or about, or transported to or from, the Demised Premises (collectively the "Hazardous Materials Activities") except in strict compliance, at the Tenant's expense, with all applicable Environmental Laws, as hereinafter defined, and using all necessary and appropriate precautions which a prudent operator would exercise;
- b. give notice to the Landlord of the presence at any time during the Term of any Hazardous Materials at or on the Demised Premises together with such information concerning such Hazardous Materials and their presence on the Demised Premises as the Landlord may reasonably require;
- c. give notice to the Landlord of any occurrence which might give rise to a duty under Environmental Laws in either the Tenant or the Landlord with respect to the presence of any Hazardous Materials on the Demised Premises including, without limitation, notice of the Release of any Hazardous Materials at the Demised Premises; and

- d. promptly deliver to the Landlord copies of any notices, directives, Orders or communications received from, or delivered by the Tenant to, any Authority relating to the state of compliance of the Demised Premises or the Tenant's operations thereon with Environmental Laws.

(2) The Landlord shall not be liable to the Tenant for any Hazardous Materials Activities conducted on the Demised Premises during the Term or any extension thereof, however caused, whether or not consented to by the Landlord; the Tenant shall indemnify, defend with counsel, and hold the Landlord harmless from and against any claims, damages, costs and liabilities arising out of any and all such Hazardous Materials Activities.

(3) For purposes hereof, Hazardous Materials shall include but not be limited to substances defined as contaminants or pollutants under the *Environmental Protection Act* (Ontario), R.S.O. 1990, c. E.19 or the *Canadian Environmental Protection Act, 1999*, S.C. 1999, c. 33, and all other laws and ordinances governing similar matters; and any regulations adopted and publications promulgated pursuant thereto (collectively the "Environmental Laws"), as they may be amended from time to time.

(4) The Tenant shall notify the Landlord, as soon as reasonably possible both by telephone and in writing of any material spill or material unauthorized discharge of Hazardous Materials or of any material discharges under the Environmental Laws, and the Landlord, its representatives and employees at their expense may enter the Demised Premises at any time, upon reasonable notice, during the Term to inspect the Tenant's compliance herewith.

(5) The Tenant shall also be responsible for proper disposal of all substances and toxic materials, and other materials which under the Environmental Laws, any Governmental regulations dealing with waste and or recycling by virtue of prudent waste management procedures in the Tenant's industry require special disposal measures, including, without limitation, oil, kitchen waste, grease and cleaning substances.

(6) Subject to the provisions of Subsections Section 6.10 (8) and (9) below, after the Commencement Date, the Demised Premises shall be entirely at the risk of the Tenant and the Tenant shall assume any and all responsibilities and liabilities arising out of or in any way connected with any matter or condition in, on, under or in the vicinity of the Demised Premises from and after the Commencement Date, whether known or unknown and whether such responsibilities are imposed by federal, provincial or municipal laws, statutes, by-laws, rules, regulations, orders or directives or by any regulatory authority, and whether imposed by common law, equity or statute ("Environmental Laws").

(7) The Landlord releases and discharges the Tenant, its employees, directors, officers, appointees, representatives and agents from any claims, demands and actions arising out of or as a result of the condition of the Demised Premises as of the Commencement Date and any impact such condition has had on any adjacent land owned by the Landlord, except where the claim, demand or action has been caused by the negligence of the Tenant or the negligence of any person on the Demised Premises at the invitation or request of the Tenant.

(8) The Tenant hereby indemnifies the Landlord, its elected and appointed officials, directors, officers, employees, appointees, agents and representatives (the "Indemnified Parties") from and against all damages, losses, liabilities, harm, injury, costs, expenses, actions, demands and

claims (including legal and witness costs) that are suffered, sustained or incurred by an Indemnified Party as a result of or in connection with the activities or omissions of the Tenant on the Demised Premises or the activities or omissions of any person on the Demised Premises at the invitation or request of the Tenant, including in respect of any environmental investigations or remediation undertaken by the Tenant. This indemnity from the Tenant is the sole and exclusive indemnity obligation of the Tenant to the Landlord.

- (9) Notwithstanding the provisions of SubSection 6.10 (6), (7) and (8) in the event that:
- (a) the soil, subsoil, surface water or groundwater of any other lands ("Neighbouring Properties") are affected by Hazardous Materials emanating from the Demised Premises to the extent that such effect is the result of the presence of Hazardous Materials on the Demised Premises prior to the Commencement Date or in respect of any Excluded Liability; and/or
 - (b) after the Commencement Date, Hazardous Materials emanating from lands owned or controlled by the Landlord affects the soil, subsoil, surface water or ground water at, on or under the Demised Premises, this Sublease shall in either case not relieve the Landlord from any responsibilities and liabilities therefor to the Tenant or the owners or occupants of any Neighboring Properties and/or any Governmental Authority to the extent the Landlord has such responsibility under Environmental Laws or otherwise under the Contribution Agreement and such effects cause damages, losses, liabilities, harm, injury, costs, expenses to, or actions, demands and claims against the Tenant or are the subject of regulatory action or third party claims, and the Tenant shall not be required to indemnify the Landlord with respect thereto.

For clarity, it is understood and agreed that in the circumstances described in this Subsection Section 6.10 (9), the Landlord shall bear the responsibility and liability therefor, including as it would have had at law as if Subsections Section 6.10 (6), (7) and (8) had not been included herein.

(10) The Tenant shall promptly notify in writing both the Landlord and the proper Authority, of any Release occurring upon the Demised Premises.

(11) The Tenant shall promptly remove all non-permitted Hazardous Materials used or Released onto the Demised Premises other than the Landlord's Hazardous Materials, such removal to be carried out in full compliance with the requirements of Environmental Laws. For certainty, the foregoing obligation of the Tenant shall include, without limitation, the responsibility to remove any Hazardous Materials which have, as a result of the operations of the Tenant or any other Person acting under its authority or control, become affixed to, permeated or accumulated on or within any structures forming part of the Building or the Demised Premises.

(12) The Landlord shall promptly remove the Landlord's Hazardous Materials, such removal to be carried out in full compliance with the requirements of Environmental Laws.

Section 6.11 Environmental Inspections

- (1) The Tenant shall permit the Head Landlord, Landlord, and each of their directors, officers, employees, consultants, authorized representatives and agents on ten (10) Business Days prior written notice (an "Inspection Notice") (or less or no notice in the case of emergency, as may be reasonable in the circumstances) at its sole cost and expense to:
 - (i) inspect the Demised Premises;
 - (ii) conduct non-invasive environmental tests and environmental assessments (provided copies of same are provided to the Tenant if so requested, within sixty (60) days of such tests and environmental assessments being completed on the Demised Premises); and
 - (iii) remove samples from the Demised Premises.
- (2) The Landlord agrees to use commercially reasonable efforts not to materially adversely limit or interfere with the Tenant's and the Tenant's subtenants', invitees', licensees' and the Tenant's Employees' continued use, operation and enjoyment of the Demised Premises and Facilities in the exercise of the Landlord's inspection rights under this Section
- (3) The Tenant acknowledges and agrees that the Landlord may, in exercising its right of access to the Demised Premises under this Section, also permit access by the Head Landlord and its agents.

Section 6.12 Environmental Audit Report

- (1) Six (6) months preceding the expiration of the Term, the Tenant shall provide to the Landlord, at the Tenant's cost and expense, an independent environmental audit report, in form and substance and from qualified experts Approved by the Landlord, regarding the environmental condition of the Demised Premises. Upon the request of the Landlord at any time during the Term, where the Landlord on reasonable grounds (such grounds to be communicated to the Tenant at the time of the Landlord's request) has reason to believe that Hazardous Materials have been Released on the Demised Premises and has elected not to conduct its own environmental tests and inspections, the Tenant shall provide to the Landlord an independent environmental audit report, in form and substance and from qualified experts Approved by the Landlord, regarding the environmental condition of the Demised Premises. The Tenant shall be responsible for the cost of any such reports requested by the Landlord and shall remove from the Demised Premises any Hazardous Materials, unless: (i) the reports indicate that no Hazardous Materials have been Released on the Demised Premises, or (ii) the reports indicate the existence of any Hazardous Materials at or on the Demised Premises that (A) were not noted in the Tenant's Environmental Report, or (B) are the Landlord's Hazardous Materials; in which event the Landlord shall be responsible for the cost of any such reports and, if applicable, shall remove from the Demised Premises such Landlord's Hazardous Materials in accordance with the requirements set out in herein.

Section 6.13 Remedial Action

- (1) Upon the demand by any Authority or the Landlord requiring that removal, clean-up or remedial or corrective action be undertaken either because of the presence, introduction, deposit, Release, emission, leak, spill or discharge of Hazardous Materials at the Demised Premises or the Facilities during the Term that is caused by any act or omission on the part of the Tenant, the Tenant's Employees or those for whom the Tenant is in law responsible or by the Tenant's operations and use of the Facilities and the Demised Premises, the Tenant shall promptly, at its own expense, take all action necessary to carry out a full and complete removal, clean-up and remedial and corrective action so as to remove all such Hazardous Materials from the Demised Premises and to bring the Demised Premises into full compliance with the requirements of Environmental Laws. No action by the Landlord and no attempt by the Landlord to mitigate its damages under any Law shall constitute a waiver or a release of the Tenant's obligations hereunder. The Tenant's obligations and liabilities hereunder shall survive the expiration or earlier termination of this Sublease.

ARTICLE 7 SURRENDER

Section 7.1 Surrender

At the expiration of the Term or the earlier termination of this Sublease:

- (1) The Tenant agrees to peaceably surrender and yield up to the Landlord the Demised Premises in the state of repair required of the Tenant pursuant to this Sublease, which shall thereupon vest in the Landlord free and clear of all financial encumbrances without any necessity for any transfer documentation and for no consideration and thereupon the rights of the Tenant under this Sublease shall terminate. To this end, the Landlord and Tenant agree to meet on or about the twentieth (20th) anniversary of the Commencement Date to discuss any improvements and expenditures of a capital nature that may be required in respect of the Demised Premises, including the Building, and the Parties' long-term planning in respect of the building.
- (2) The Tenant also agrees to deliver to the Landlord copies of all books and records with respect to the Demised Premises as are in its possession at such time so as to ensure the orderly continuance of operation of the Demised Premises by the Landlord if the Landlord so requires beginning on the date this Sublease is terminated. The Landlord shall have the right to review the Tenant's original books and records related to the Demised Premises as and when necessary.
- (3) The Tenant shall not execute any agreement with respect to the Demised Premises (including a lease or an agreement for the provision of services) which expires after the end of the Term, without the consent of the Landlord, which may be unreasonably withheld, conditioned or withheld.
- (4) Notwithstanding the termination of the Sublease, whether at the expiration of the Term or earlier as is provided herein, the Tenant shall remain liable to the Landlord for any default hereunder by the Tenant, notice of which has been received by the Tenant, during the Term and which remain outstanding as of the expiry of the Term.

(5) Notwithstanding the foregoing, it is understood that the Tenant, upon termination or expiry of this Sublease for any cause, may go upon the Demised Premises and remove chattels, trade fixtures and other personal property in each case placed thereon by the Tenant, provided the Tenant takes such action during the term of the Head Lease.

(7) The Tenant shall, at the expiration or earlier termination of the Term, at its sole cost, leave the Building and any subsequent subleasehold improvements in the same condition it is required to be maintained pursuant to the provisions of this Sublease.

(8) Should the Head Landlord require the City to demolish the Building in accordance with Section 2.2 of the Head Lease, then the Tenant shall cooperate in providing the requisite notices to tenants occupying the Building, all in accordance with the RTA.

Section 7.2 Assignment of Rights

(1) At the expiration of the Term or the earlier termination of this Sublease, the Tenant shall, for no consideration, assign to the Landlord all of the Tenant's interest in the Demised Premises including, for greater certainty, the Building and all Tenant's fixtures located thereon which the Tenant elects not to remove in accordance with its rights under Section 7.2 above, together with the benefit of all subleases, licence agreements, guarantees, warranties and other agreements and rights benefiting the Demised Premises or the Tenant's interest therein, if and to the extent that the Landlord shall require such benefits to be assigned, provided that such benefits are capable of being assigned. The Tenant agrees to deliver executed copies of all such documents to the Landlord at such time. The Landlord shall assume the Tenant's rights and obligations under such documents, provided that such rights and obligations are capable of being assigned. Notwithstanding the foregoing, the Tenant shall remain liable for any default, cost or obligation arising pursuant to such documents prior to the date of such assignment.

(2) The Tenant agrees to assign all contracts and ongoing obligations, capable of being assigned to the Landlord and the Landlord agrees to assume the Tenant's rights and obligations under such contracts, provided such rights and obligations are capable of being assigned.

(3) The Tenant hereby constitutes the Landlord as the Tenant's true and lawful attorney fully empowered to execute any required documents in order to take any reasonable steps necessary to effect any such assignments set out in Section 7.2(2).

Section 7.3 Overholding

There shall be no implied renewal or extension of this Sublease. If the Landlord consents in writing to the Tenant remaining in possession of the Demised Premises after the expiration of the Term and without an agreement concerning such overholding and accepts Rent, as set out below, in respect thereof, a tenancy from month to month shall be deemed to have been created. Such tenancy may be terminated at any time either by the Landlord or, by the Tenant by notice to the other with the termination date to be set out in the notice and on twenty-nine (29) clear days after delivery of the notice and, in the absence of written agreement to the contrary, shall be subject to all of the terms of this Sublease, except as to the Term. Nothing in this Section shall be interpreted as permitting or giving the Tenant an option to stay in possession of the Demised Premises following the expiry of the Term and the Tenant shall surrender the Demised Premises to the Landlord on the expiry of the Term. Any rights provided herein are subject to the rights of the Head Landlord under the Head Lease.

ARTICLE 8 INDEMNITY

Section 8.1 Non-Liability of Landlord

The Landlord is not liable or responsible in any way to the Tenant or to any other Person for, and the Tenant hereby releases the Landlord from, all claims of every nature and kind arising out of or in respect of:

- (1) the use and occupation of the Residential Units by the Licensees;
- (2) ensuring that the Licensee's use of and conduct within the Demised Premises complies with this Sublease and all applicable laws;
- (3) enforcing the provisions of any License Agreement relating to the Residential Units.
- (4) the acts of (including the negligent and wilful acts of): (i) any Person in the Demised Premises; (ii) occupants of properties adjacent to the Demised Premises; and/or (iii) the public;
- (5) any occurrence on the Demised Premises, howsoever caused.

All property kept or stored on the Demised Premises is at the risk of the Tenant and the Tenant shall hold the Landlord harmless from and against claims arising out of damages to same, including any subrogation claims by the Tenant's insurers or by third parties. Notwithstanding the foregoing or any other provision herein or in any other agreement, the Landlord shall not be released from any liability and shall be responsible to the Tenant for all costs, fees, expenses, claims, actions, losses and damages arising from any breach of its obligations under this Sublease or for any Hazardous Materials and any Hazardous Materials Activities in existence or pertaining to the period prior to the commencement date of this Sublease (the "**Excluded Liability**").

Section 8.2 Loss or Damage to Persons or Property

The Landlord shall not be liable for any death or injury arising from, or out of any occurrence in, upon, at, or relating to the Demised Premises or damage to property of the Tenant or of others located on the Demised Premises, nor shall it be responsible for any loss of or damage to any property of the Tenant or others from any cause, unless and to the extent that any such death, injury, loss or damage, results from the negligence of the Landlord, its agents, employees, contractors, or others for whom it may, in law, be responsible, or as a result of any Excluded Liability. Without limiting the generality of the foregoing, the Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, falling ceiling tile, failing fixtures, steam, gas, electricity, water, rain, flood, snow or leaks from any part of the Demised Premises or from the pipes, sprinklers, appliances, plumbing works, roof, windows or subsurface of any floor or ceiling of the Building or from the street or any other place or by dampness or by any other cause whatsoever. The Landlord shall not be liable for any such damage caused by other Persons on the Demised Premises or by occupants of adjacent property thereto, or the public, or caused by construction or by any private, public or quasi-public work. All property of the Tenant kept or stored on the Demised Premises shall be so kept or stored at the risk of the Tenant only and the Tenant releases and agrees to indemnify the Landlord and save it

harmless from any claims arising out of any damage to the same including, without limitation, any subrogation claims by the Tenant's insurers.

Section 8.3 Tenant's Indemnity

Other than in respect of the Excluded Liability, the Tenant shall indemnify and save harmless the Landlord from any and all costs, expenses, claims, actions and losses of every nature and kind whatsoever and of and from all liabilities of every nature and kind whatsoever in connection with the Demised Premises and this Sublease, whether accrued, actual, contingent including, without limitation, the following but for certainty, excluding the Excluded Liability:

- (1) any breach, violation or non-performance of any covenant, obligation or agreement in this Sublease on the part of the Tenant to be fulfilled, kept, observed or performed;
- (2) all legal fees and disbursements incurred in connection with any appeal, pertaining in any manner to this Sublease and the Demised Premises;
- (3) any damage to property, either real or personal, owned by the Landlord or others resulting at any time upon or occurring in or about the Demised Premises, unless caused by the negligence of the Landlord or those for whom the Landlord is in law responsible;
- (4) any personal or bodily injury to any person or persons, including death, resulting at any time upon or occurring in or about the Demised Premises, unless caused by the negligence of the Landlord or those for whom the Landlord is in law responsible;
- (5) any contract, lien, mortgage, charge or encumbrance on or in respect of the Demised Premises arising from or occasioned by the act, default or negligence of the Tenant or those for whom the Tenant is in law responsible;
- (6) all costs and expenses of every kind and nature relating to the Demised Premises, unless expressly excluded under this Sublease or unless expressly stated in this Sublease to be the responsibility of the Landlord. Without limiting the generality of the foregoing, the Tenant is not responsible for any costs incurred by the Landlord with respect to the preparation and/or review of such documentation required by the Landlord to give effect to the Demised Premises, unless expressly stated to be the responsibility of the Tenant; and
- (7) any appeal of an assessment of Taxes made by the Tenant, excluding any financial loss of the Landlord due to a reduction in the amount of Taxes payable by the Tenant resulting from such appeal being successful.

This section shall survive the termination or expiry of this Sublease, any provisions in this Sublease to the contrary notwithstanding.

ARTICLE 9 INSURANCE

Section 9.1 Tenant's Insurance

At all times during the Term and any renewal thereof, the Tenant at its own expense, shall take out and keep in full force and effect:

(1) All risks (including flood and earthquake) property insurance in an amount equal to one hundred (100%) percent of the full replacement cost, insuring:

- (a) the Demised Premises (including all buildings on the premises); the Landlord is to be included as an additional named insured and/or joint loss payee;
- (b) contingent liability from the enforcement of building by-laws including the demolition and replacement of undamaged portions of the buildings or structures and increased costs of construction;
- (c) all property owned by Tenant or for which Tenant is legally liable or installed by or on behalf of Tenant, or located on the Demised Premises including, without limitation, subleasehold improvements, chattels, furniture, stock, office equipment, equipment, fixtures, contents, boiler or mechanical or electrical equipment, if applicable and such policy will include a Waiver of Subrogation in favour of the Landlord; and
- (d) extra expense insurance in such amounts as will reimburse the Tenant for extra expense incurred arising out of prevention of access to the Demised Premises and/or business interruption insurance covering any rental obligation to the Landlord.

(2) Coverage for the repair and replacement of boilers, pressure vessels, air-conditioning equipment and miscellaneous electrical apparatus on a broad form blanket coverage basis including Business Interruption insurance. The Property and Boiler and Machinery policies shall contain provisions for settling joint loss disputes.

(3) Commercial general liability insurance, which includes products liability (if applicable), personal injury, employer's/and contingent employer's liability, blanket contractual liability, non-owned automobile liability, Owners and Contractors Protective liability, tenant discrimination, wrongful eviction, occurrence property damage, and provisions for cross liability and severability of interests with limits of not less than Ten Million Dollars (\$10,000,000.00) per occurrence. The Landlord is to be included as an additional insured.

(4) During any period of construction, the tenant will take out, or cause to be taken out wrap-up commercial general liability insurance in appropriate amounts applicable to the works. The Landlord shall be added as an additional insured on the wrap-up or any hired contractor's policy of insurance..

- (5) Standard owner's automobile liability insurance with limits of not less than Two Million Dollars (\$2,000,000.00) in respect of any one accident; and
- (6) Any such other forms of insurance as the Landlord acting reasonably, may require from time to time.

Section 9.2 Insurance Terms and Conditions

(1) Approval of Insurers

All insurance policies taken out by the Tenant shall be placed with insurers satisfactory to the Landlord acting reasonably. Without limiting the generality of the foregoing, all insurers must be licensed to underwrite insurance in the Province of Ontario, except to the extent the Landlord waives such requirement in writing.

(2) Notice of Material Change or Cancellation

Each policy shall contain an endorsement requiring the insurers to notify the Landlord in writing, by registered mail, at least thirty (30) days prior to any cancellation thereof.

(3) Waiver of Subrogation.

All policies of insurance required to be taken out by Tenant shall contain a waiver of any subrogation rights that Tenant's insurers may have against the Landlord and against those for whom it is in law responsible, whether any such damage is caused by the act, omission or negligence of the Landlord or those for whom it is in law responsible.

(4) Breach of Conditions

Each policy will contain a waiver in favour of the Landlord of any breach of a policy condition or warranty such that the insurance policy in question will not be invalidated in respect of the interest of the Landlord by reason of a breach of any condition or warranty contained in such policies.

(5) Deductibles

The parties agree that insurance policies may be subject to deductible amounts, and which amounts shall be borne by Tenant.

(6) Primary Coverage

The insurance policies required pursuant to this clause shall be primary and shall not call into contribution any insurance available to the Landlord.

(7) Limits of Insurance

The Landlord, acting reasonably, may require the limits of the insurance policies provided by Tenant to be increased from time to time. Tenant shall cause the limits of its insurance on its physical assets located on the Demised Premises to be adjusted for inflation from time to time.

Section 9.3 Cancellation of Insurance or Reduction in Coverage

Tenant agrees that it, its employees, agents, occupants and invitees will not keep in or upon the Demised Premises any article or substance which may be prohibited by the insurance policies

mentioned above, or do or omit, or permit to be done or omitted anything which will cause the cancellation of any insurance policy. If any insurance policy should be cancelled or the coverage reduced or a threat of cancellation or reduction of coverage made by reason of anything arising out of the use or occupation of the Demised Premises by Tenant, whether or not the first sentence of this section has been complied with, and if Tenant fails to remedy the condition giving rise to such cancellation, reduction or threat, upon ten (10) days' notice thereof by the Landlord, the Landlord may enter the Demised Premises and remedy the condition at the sole cost and expense of Tenant which cost and/or expense shall be payable to the Landlord forthwith on demand as rent in arrears, and in addition or in the alternative, may exercise any other remedy available to it.

Section 9.4 Premiums and Evidence of Payment Thereof

The Tenant shall duly and punctually pay or cause to be paid all premiums and other sums of money payable for maintaining the insurance to be provided pursuant to this Article. In the event of default of payment by Tenant, the Landlord may pay same and the amount so paid shall be forthwith payable as Additional Rent.

Section 9.5 Evidence of Insurance

Upon execution of this Sublease, Tenant shall deliver to the Landlord evidence of the insurance required hereby in the form of Certificates of Insurance, in form and detail satisfactory to the Landlord, not acting unreasonably, signed by an authorized representative of the insurer. The Tenant will make available the complete original certified copies of all applicable policies delivery to the Landlord if required. Certificates of insurance evidencing renewal or replacement of policies shall be delivered to the Landlord fifteen (15) days prior to the expiration of then current policies, without demand having to be made therefore by the Landlord.

ARTICLE 10 DAMAGE OR DESTRUCTION

Section 10.1 Continuation of Rent

Subject to subsection 10.2(2) below, the partial or complete damage to or destruction of the Building shall not terminate this Sublease or entitle the Tenant to any abatement of Rent.

Section 10.2 Repair and Replacement by Tenant

(1) If the Building from time to time standing on the Demised Premises, or any equipment, machinery and other facilities are totally or partially destroyed by any cause whatsoever, there shall be no abatement of Rent and the Tenant shall repair, replace, rebuild or restore same with all reasonable diligence, and the Tenant shall not be entitled to use the Reserve Fund in respect thereof. Any new Building shall have a cost of not less than the Replacement Cost of the Building damaged or destroyed. The Tenant shall first submit its plans to the Landlord for approval and such plans shall be approved by the Landlord acting reasonably to the extent required herein and provided that all of the terms of this Sublease continue to be complied with. The Landlord shall either approve of such plans or advise the Tenant of any changes to be made, acting reasonably. The Tenant shall deliver such assurances as the Landlord may reasonably require with respect to any aspect of the said repair, rebuilding or replacement.

(2) Provided further that, notwithstanding Section 10.2(1), if the Building is damaged or destroyed and an independent architect engaged by the Tenant determines that the Building cannot be repaired or rebuilt within two hundred and seventy (270) days after the happening of such Damage; or cannot be repaired or rebuilt within ninety (90) days after the happening of such Damage and there is less than two (2) years remaining under the Term, the Tenant may within twenty five (25) days of such damage or destruction, at its option, give written notice to the other Party that it wishes to terminate the Sublease, in which case neither the Landlord nor the Tenant shall be obliged to repair, the Tenant shall surrender the Demised Premises to the Landlord within thirty (30) days after delivery of the notice, the Rent shall be apportioned and paid to the date of such damage or destruction, and the Sublease shall forthwith be terminated. The Tenant and the Landlord agree that all of the insurance proceeds payable with respect to such damage or destruction shall be paid in accordance with the insurance policies required under Article 9, with the City as an additional insured or loss payee. The Tenant and the Landlord agree that all of the insurance proceeds payable with respect to such damage or destruction shall be paid in accordance with the insurance policy. If either Party elects to terminate this Sublease, the Tenant (to the extent of the insurance proceeds paid to the Tenant) shall undertake such activities as are required to demolish the Building and leave the Premises in a level condition, free from debris, with the balance of such insurance proceeds payable by reason of such damage or destruction to be paid to the Landlord. In that event, the Tenant is under no obligation to repair, rebuild or replace the Building on the Premises notwithstanding any other provision of this Sublease and the Landlord shall accept the Premises in "as is" condition at that time, subject only to the demolition of the Building by the Tenant with the Premises being left in level condition, free from debris

(3) The Tenant shall not be deemed to be in default under this Sublease during any period of construction or repair while the Demised Premises is untenable in whole or in part.

(4) The certificate of a quantity surveyor shall bind the Parties as to:

- (a) the percentage of the Demised Premises rendered untenable;
- (b) the date upon which the reconstruction or repair is completed and the date when the Demised Premises are rendered tenable; and
- (c) the state of completion of any repair or replacement by the Tenant.

ARTICLE 11 REMEDIES OF LANDLORD

Section 11.1 Default and Right to Re-Enter

If and whenever:

- (a) the Tenant fails to pay any Rent or other sums due hereunder within seven (7) days of the later of the day or dates appointed for the payment thereof and receipt of written notice by the Tenant from the Landlord of the amounts delinquent and then outstanding, or such later date as may be agreed to by the Landlord; or

(b) the Tenant fails to observe or perform any other terms, covenants, obligations or conditions of this Sublease and the Contribution Agreement and any shared facilities or reciprocal agreement affecting the Demises Premises to be observed or performed by the Tenant, (other than those terms, covenants or conditions set out below in Subsections (d), (c), (f) (g) and (i) for which no notice is required) provided the Landlord first gives the Tenant written notice of any such failure to perform and the Tenant fails to cure such failure within such period of ten (10) days or such longer time as may be agreed to by the Landlord, provided it obtains the consent of the Head Landlord for such extension and it is satisfied that the Tenant has taken such steps to remedy the default with reasonable diligence, and provided that the Tenant shall not be entitled to the advantage of such longer time unless it shall have actually proceeded thereafter to remedy the same with all due diligence and shall have provided to the Landlord, if requested by the Landlord, reasonable evidence as to the steps being taken by the Tenant toward remedying the same; or

(c) the Tenant becomes bankrupt or insolvent or takes the benefit of any act now or hereafter in force for bankrupt or insolvent debtors or files any proposal or makes any assignment for the benefit of creditors or any arrangement of compromise; or

(d) a receiver or a receiver and manager is appointed for all or a portion of the Tenant's property and the receiver's appointment is not vacated within thirty (30) days; or

(e) any steps are taken or any action or proceedings are instituted by the Tenant or by any other party including, without limitation, any court or governmental body of competent jurisdiction for the dissolution, winding-up or liquidation of the Tenant or its assets other than a corporate re-organization of the Tenant and such dissolution, winding-up or liquidation is not rescinded within thirty (30) days; or

(f) the Tenant abandons the Demised Premises, the Tenant's operations on the Demised Premises are discontinued, or the Demised Premises becomes unoccupied for a period of twenty five (25) consecutive days or more without the consent of the Landlord, other than as a result of circumstances set out in Section 15.12, any permitted renovations, construction, alteration or due to damage or destruction; or

(g) this Sublease is taken under any writ of execution;

(h) the Tenant purports to make a Transfer other than in compliance with this Sublease, which Transfer is not withdrawn within ninety (90) days following written notice from the Landlord in respect thereof; or

(i) the Tenant interferes with the Landlord's ability to comply with the terms and conditions of the Head Lease;

then and in every such case the Landlord, in addition to any other rights or remedies it has pursuant to this Sublease or by law, but subject to Section 11.67, has the immediate right of re-entry upon the Demised Premises and it may repossess the Demised Premises, all without service of notice or resort to legal process and without the Landlord being considered guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby.

Notwithstanding the foregoing and without limiting any other remedies, the Landlord may have arising out of this Sublease or at law, upon the happening of a default by the Tenant under this Sublease which the Tenant has not rectified within the time required pursuant to the provisions of this Sublease, the Landlord shall have the right, without any re-entry or termination of this Sublease, to enter upon the Demised Premises and cure or attempt to cure such default (but this shall not obligate the Landlord to cure or attempt to cure any such default or, after having commenced to cure or attempted to cure such default, to continue to do so), and to recover from the Tenant all damages and expenses incurred by the Landlord (plus 15% for administration costs) as a result of any breach by the Tenant.

Section 11.1A Notwithstanding the foregoing and any other provision of this Sublease or any right or entitlement of the Landlord at law or in equity, the Landlord acknowledges and agrees that:

(a) in the event that the Landlord is in material breach of any of its obligations in the Contribution Agreement it may not assert a default by the Tenant of its obligations under this Sublease which default may be reasonably attributable to or connected with the Landlord's failure to materially comply with its obligations under the Contribution Agreement; and

(b) in no event shall the Landlord be entitled to terminate this Sublease for any default under this Sublease and/or the Contribution Agreement or otherwise, save and except in the event of a breach under Section 11.1(a), (c), (d), (e) or (f) that persists beyond any applicable cure period, provided that with respect to the assertion of an event of default under subparagraph 11.1(b), such default must form part of a series of habitual, and persistent defaults by the Tenant of its non-monetary obligations under this Sublease such that the Tenant is habitually and persistently over time failing to undertake the operation of an affordable housing project from the Demised Premises in the manner required under this Sublease and the Contribution Agreement.

Section 11.1B In the event that the Landlord elects to terminate the Contribution Agreement in accordance with its rights therein, the Landlord must concurrently terminate this Sublease and similarly, in the event that the Landlord elects to exercise its right to terminate this Sublease in accordance with its rights herein, the Landlord must concurrently exercise its right to terminate the Contribution Agreement.

Section 11.2 Right to Relet

If the Landlord elects to re-enter the Demised Premises as herein provided, or if it takes possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Sublease or it may from time to time without terminating this Sublease make such alterations and repairs as are necessary in order to relet the Demised Premises or any part thereof for such term or terms (which may be for a term extending beyond the Term) and at such Rent and upon such other terms, covenants and conditions as the Landlord in its sole discretion considers advisable. Upon each such reletting all rent received by the Landlord from such reletting shall be applied first, to the payment of any indebtedness other than Rent due hereunder from the Tenant to the Landlord; second, to the payment of any costs and expenses of such reletting, including brokerage fees, and solicitor's fees and of costs of such alterations and repairs; third, to the payment of Rent due and unpaid hereunder; and the residue, if any, shall be held by the Landlord and applied in payment of future rent as the same becomes due and payable hereunder.

If such Rent received from such reletting during any month is less than that to be paid during that month by the Tenant hereunder, the Tenant shall pay any such deficiency which shall be calculated and paid monthly in advance on or before the first day of each and every month. No such re-entry or taking possession of the Demised Premises by the Landlord shall be construed as an election on its part to terminate this Sublease unless a written notice of such intention is given to the Tenant. Notwithstanding any such reletting without termination the Landlord may at any time thereafter elect to terminate this Sublease for such previous breach. If the Landlord at any time terminates this Sublease for any breach, in addition to any other remedies it may have, it may recover from the Tenant all damages it incurs by reason of such breach, including the cost of recovering the Demised Premises, solicitor's fees (on a solicitor and client basis) and including the worth at the time of such termination of the excess, if any, of the amount of Rent and charges equivalent to Rent required to be paid pursuant to this Sublease for the remainder of the stated Term over the then reasonable rental value of the Demised Premises for the remainder of the stated Term, all of which amounts shall be immediately due and payable by the Tenant to the Landlord.

In any events referred to in Section 11.1(e), in addition to any and all other rights, including the rights referred to in this Section and in Section 11.1(e), the full amount of the current month's instalment of Additional Rent and any other payments required to be made monthly hereunder, together with the next three months instalments for Additional Rent, all of which shall be deemed to be accruing due on a day-to-day basis, shall immediately become due and payable as accelerated Rent, and the Landlord may immediately distrain for the same, together with any arrears then unpaid.

Section 11.3 Landlord's Expenses

If legal action is brought for recovery of possession of the Demised Premises, for the recovery of Rent or any other amount due under this Sublease, or because of the breach of any other terms, covenants or conditions herein contained on the part of the Tenant to be kept or performed, and a breach is established, the Tenant shall pay to the Landlord all reasonable expenses incurred therefor, including solicitor's fee (on a solicitor and client basis), unless a Court shall otherwise award.

Section 11.4 Removal of Chattels

In case of removal by the Tenant of the goods and chattels of the Tenant from the Demised Premises other than in accordance with this Sublease, the Landlord may follow same for thirty (30) days in the same manner as is provided for in the *Commercial Tenancies Act*, R.S.O. 1990, c.L.7.

Section 11.5 Waiver by Tenant of Exemption from Distress

The Tenant hereby agrees with the Landlord that notwithstanding anything contained in the *Commercial Tenancies Act*, or any statute subsequently passed to take the place of or amend the said Act, none of the goods and chattels of the Tenant on the Demised Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears by the Tenant as provided for by any sections of the said Act or any amendments thereto, and that if any claim is made for such exemption by the Tenant or if a distress is made by the Landlord, this covenant and agreement may be pleaded as an estoppel against the Tenant in any action brought to test the right to the levying upon any such goods as are named as exempted in any sections of the said Act or any amendments thereto; the Tenant waiving, as it hereby does, all and every benefit

that could or might have accrued to the Tenant under any or by virtue of any sections of the said Act, or any amendments thereto but for this covenant. Notwithstanding the foregoing, in the event that CMHC holds leasehold title, as tenant, this clause will not be enforced.

Section 11.6 Remedies of Landlord Cumulative

The remedies of the Landlord specified in this Sublease are cumulative and are in addition to any remedies of the Landlord at law or equity. No remedy shall be deemed to be exclusive, and the Landlord may from time to time have recourse to one or more or all of the available remedies specified herein or at law or equity.

Section 11.7 Obligation to Mitigate

Whether or not the Landlord shall repossess the Demised Premises on default of the Tenant, the Landlord shall use reasonable efforts to mitigate its damages.

**ARTICLE 12
QUIET ENJOYMENT**

Section 12.1 Right of Tenant

If the Tenant is not in default with respect to the payment of Rent hereby reserved, which default persists beyond any applicable cure period, the Tenant shall and may peaceably enjoy and possess the Demised Premises during the Term, without any interruption or disturbance whatsoever from the Landlord or any other Person, firm or corporation lawfully claiming from or under the Landlord, and free from the adverse claims of any Persons whatsoever and the Landlord will protect the Tenant, with full, complete and absolute possession of the Demised Premises subject in each case only to the other express provisions of this Sublease. The Landlord covenants and agrees that no exclusive uses, rights or privileges shall be granted to any Persons (nor will the Landlord consent to same) which would affect the use of the Demised Premises without the written consent of the Tenant. The Landlord covenants and agrees that if any lien or encumbrance is registered against the Demised Premises which may result in the sale thereof or which causes harm to the Tenant, then the Landlord, shall, as soon as is reasonable possible, at its own expense cause the same to be removed by payment to the lien claimant or posting security in the appropriate court of any like proceeding.

**ARTICLE 13
ESTOPPEL CERTIFICATES**

Section 13.1 Estoppel Certificates

Each of the Parties shall, at any time and from time to time during the Term, upon not less than fifteen (15) clear days' prior notice by the other Party, execute, acknowledge and deliver to the other Party a statement in writing certifying whether this Sublease and Contribution Agreement are in good standing, unmodified and in full force and effect, or where requested, that the particular terms thereof have been met or satisfied, as the case may be, or if there have been modifications that the same are in good standing, in full force and effect as modified, stating the modifications, the dates to which the Rent and other charges, if any, have been paid in advance, the defaults, if any, on the part of the Party requesting such statement known to the Party from

whom such statement is requested and the action taken or proposed to be taken by such last-mentioned Party with respect to the same; it being intended that any such statement delivered pursuant to this Article may be relied upon by any prospective purchaser of the Landlord's leasehold estate, the Tenant's subleasehold estate, any mortgagee of the freehold, any leasehold mortgagee, or any assignee of the Tenant's subleasehold estate, as the case may be.

ARTICLE 14 APPROVALS, NOTICES, ETC.

Section 14.1 Approvals

Where by a provision of this Sublease an approval, consent or agreement of a Party (hereinafter individually or collectively referred to as an "Approval") is required, unless the contrary is expressly provided in this Sublease:

- (a) the Party whose Approval is required will, within sixty (60) clear days after receipt of a request for Approval which request shall contain reasonable detail if the circumstances require, give notice to the requesting Party either that it gives its Approval, or that it withholds its Approval, setting forth in reasonable detail its reasons for withholding;
- (b) Notwithstanding any consent or approval given by Landlord with respect to any plans, specifications or other construction-related matter, the Landlord will not be in any way liable for the design or construction of any proposed structure, and the party that has obtained the consent or approval of the Landlord shall be wholly liable for such design and construction.

Section 14.2 Notices

(1) All notices, demands, requests, agreements, consents, approvals and payments (hereinafter, individually or collectively called a "Notice") which may be or are required to be given pursuant to this Sublease shall be in writing and shall be delivered by personal service or facsimile to the following address:

- (a) to the Landlord at:

City of Toronto
Metro Hall, 55 John Street, 2nd Floor, Suite 204
Toronto, ON M5V 3C6
Attention: Deputy City Manager – Corporate Services

City of Toronto
Metro Hall, 55 John Street 7th Floor
Toronto, ON M5V 3C6
Attention: Executive Director, Housing Secretariat

- (b) to the Tenant at:

Attention:

Any such notice given as aforesaid shall be deemed to have been effectively given on the next business day following the date of such delivery. Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the Party at its changed address.

(2) Either party under this Sublease may from time to time by Notice to the other party change its address for service under this Sublease.

ARTICLE 15 GENERAL

Section 15.1 Gender and Number

Words importing the singular shall include the plural and vice versa. Words importing gender shall include all genders.

Section 15.2 Index and Captions

The index and the captions contained in this Sublease are for reference only and in no way affect this Sublease.

Section 15.3 Applicable Law

This Sublease shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein from time to time and shall be treated in all respects as an Ontario lease.

Section 15.4 Invalidity

The invalidity or unenforceability of any provision or covenant contained in this Sublease shall not affect the validity or enforceability of any other provision or covenant herein contained and any such invalid provision or covenant shall be deemed to be severable.

Section 15.5 Covenants Independent

Each covenant contained in this Sublease is a separate and independent covenant, and a breach of covenant by any Party will not relieve the other Party from its obligation to perform each of its covenants, except as otherwise expressly provided herein.

Section 15.6 Currency

All reference to currency in this Sublease shall be deemed, unless the context otherwise requires, to be a reference to lawful money of Canada.

Section 15.7 Entire Agreement

This Sublease, the Contribution Agreement, and the other agreements specifically referred to herein constitute the entire agreement among the Parties pertaining to the Sublease of the Demised Premises to the Tenant and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect thereto.

There are no conditions, warranties, representations or other agreements between the Parties in connection with this Sublease except as specifically set forth herein or in such other agreements.

Section 15.8 Amendments

No supplement, modification, amendment, waiver or termination of this Sublease shall be binding unless executed in writing by the Landlord and the Tenant.

Section 15.9 Non-Waiver

No waiver of any of the provisions of this Sublease shall be deemed to be or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise provided.

Section 15.10 Calculations

Except as otherwise provided herein, all calculations required or permitted under this Sublease shall be made on the basis of generally accepted accounting principles and practices applied on a consistent basis. All calculations made by the Landlord under this Sublease shall be final and binding on the parties in the absence of manifest error or fraud.

Section 15.11 Successors and Assigns

All of the provisions of this Sublease shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

Section 15.12 Excusable Delay

Except as expressly otherwise provided in this Sublease:

(1) if because of an event of Force Majeure (as such term is defined in the Contribution Agreement), the party is delayed in performing or observing a covenant or in complying with a condition under the terms of this Sublease that party is required to do by a specified date or within a specified period of time or with all due diligence (save and except for the payment of Basic Rent and/or surrender of the Demised Premises on the expiration or earlier termination of the Term); and

(2) if the circumstance is not caused by the default or act of commission or omission of that party nor avoidable by the exercise of reasonable effort or foresight by that party;

then, in that event, the date or period of time by or within which that party is to perform, observe or comply will be extended by a period of time equal to the duration of the delay, provided that nothing excuses a delay dealing with a life and safety issue or excuses the Tenant from the payment of Basic Rent hereunder when due or payment under the Contribution Agreement.

Section 15.13 Time of Essence

Time shall be of the essence of this Sublease, except as specifically provided otherwise herein.

Section 15.14 Relationship of Parties

This Sublease shall not be deemed to create any relationship between the Parties other than that of Landlord and Tenant as to the Demised Premises. For greater certainty, the Parties agree that

they are not partners or joint ventures and that the Tenant is not the agent or representative of the Landlord and has no authority to bind the Landlord.

Section 15.15 Continuation of Certain Obligations

Wherever specifically provided for in this Sublease or if it is necessary for the full implementation of any provision of this Sublease, the obligations of a Party shall survive the expiration of the Term or the earlier termination of this Sublease, as the case may be.

Section 15.16 No Voluntary Surrender

The Tenant shall not have the right to surrender this Sublease without the prior written consent of the Landlord.

Section 15.17 Expropriation

In the event of expropriation of the Demised Premises or any part thereof by any lawful power or authority which the Tenant acknowledges may include the Landlord, each of the Landlord and the Tenant shall be entitled to seek compensation for their respective interest so expropriated. In the event of expropriation of all of the Demised Premised, this Sublease and the Term shall be terminated forthwith and thereupon Rent shall be apportioned and paid to the date of termination and the Tenant shall surrender possession of the Demised Premises and the Demised Premises to the Landlord, provided that such termination shall not affect the Tenant's claim to seek compensation. In calculating any compensation payable to the Tenant, any secured or unsecured consideration provided to the Tenant by the Landlord in respect of construction of the Demised Premises (the "Sum"), and outstanding amounts payable by the Tenant to the Landlord with respect to this Sublease and the Contribution Agreement which are then due and outstanding shall be deducted from such compensation and paid to the Landlord. In determining the amount of the Sum to be included in the amount deducted from the Tenant's compensation, the Sum shall be present valued as at the day compensation is determined (the "New Sum"), and such New Sum shall be deducted from any compensation payable to the Tenant.

Section 15.18 Registration of Agreement

The Tenant shall have the right to register a notice of this Sublease against title to the Demised Premises. If the Tenant registers the Sublease, the Tenant agrees that it will, at its sole expense, discharge and withdraw from title any such registration of the Sublease within thirty (30) days after the termination of this Sublease. If such registration is not discharged and withdrawn within such time, the Landlord shall have the right and is hereby appointed by the Tenant as the Tenant's agent to prepare, execute and register such documentation as is required to discharge and withdraw any such registration.

Section 15.19 Rights, Obligations and Capacity of the Landlord

All rights and benefits and all obligations of the Landlord under this Agreement shall be rights, benefits and obligations of the Landlord in its capacity as a party to this Agreement and shall not derogate from or interfere or fetter with the rights, benefits and obligations of the Landlord, its Council or its elected and appointed officials and representatives in their respective functions and capacities.

Section 15.20 Administration of Agreement

The Tenant acknowledges that all references herein to the “Deputy City Manager - Corporate Services” shall mean the Landlord’s Deputy City Manager - Corporate Services, his/her successor or designate from time to time. The Deputy City Manager - Corporate Services will administer the terms of this Sublease on behalf of the Landlord. The Deputy City Manager - Corporate Services shall administer and manage the Sublease including the provision of any consents, approvals, waivers, notices and notices of termination provided that the Deputy City Manager - Corporate Services may, at any time, refer consideration of such matter (including their content) to City Council for its determination and direction.

Section 15.21 Signage

(1) The signage policy for the Demised Premises identifying the, form, type, colour, design, content and location of exterior signs identifying the Demised Premises and any material amendments thereto, together with any exterior canopies and lights, shall be subject to the prior approval of the Landlord.

(2) Tenant shall not erect any signs other than those relating directly to the Demised Premises.

(3) Tenant shall be responsible for the cost of all signage, canopies and lighting.

Section 15.22 Further Assurances

Each Party agrees to make such further assurances as may be reasonably required from time to time by the other Party to more fully implement the true intent of this Sublease.

Section 15.23 Assignment by the Landlord

If the Landlord transfers the Demised Premises and if the transferee executes an assumption of this Sublease and the Contribution Agreement, each in a form and content acceptable to the Tenant, then the Landlord shall be relieved of all liability under this Sublease after the date of such transfer.

Section 15.24 City as Municipal Corporation

(1) Nothing in this Sublease derogates from, interferes with, or fetters the exercise by the City of all of its rights and obligations as a municipality (whether discretionary or mandatory), or imposes any obligations on the City in its role as a municipality, and the City shall not be prevented from or prejudiced in carrying out its statutory rights and responsibilities, including its planning rights and responsibilities. Nothing in this Sublease derogates from, interferes with, or fetters the exercise by the City’s officers, employees, agents, representatives or elected and appointed officials of all of their rights, or imposes any obligations on the City’s officers, employees, agents, representatives or elected and appointed officials, other than as expressly set out in this Sublease.

(2) No communication or dealing between the Tenant and any department, committee, body, officer, employee, agent, representative or elected or appointed official of the City that is not clearly in respect of and in accordance with this Sublease will be deemed to be a communication or dealing under this Sublease between the Tenant and the City as parties to this Sublease, or affect the City with notice of any such communication or dealings. It is intended and agreed that

any communication or dealing between the Tenant and the City as parties to this Sublease will only be effective if delivered in accordance with the notice provisions in this Sublease. No communication or dealing between the City as a party to this Sublease and the Tenant as a party to this Sublease will relieve from the responsibility of discharging its lawful obligations to the City imposed by statute, regulation, by-law or by any other lawful manner separate and apart from the obligations imposed under this Sublease.

Section 15.25 Arbitration

Where a Party wishes to refer a matter to Arbitration for determination (including for certainty whether the occurrence of a default of Tenant's obligations under this Sublease has occurred), after a Party gives notice that it is referring such matter to Arbitration for determination (the "**Arbitration Notice**"):

(1) The Parties may, within fifteen (15) days after the delivery of the Arbitration Notice, agree in writing upon the appointment of a single arbitrator who will determine the dispute or matter acting alone, failing which such arbitrator may be appointed by order of the Court in accordance with the applicable legislation in respect of private arbitrations in the Province of Ontario, upon the application of either Party, made on notice to the other Party. The language to be used in the arbitral proceedings shall be English.

(2) Within fifteen (15) days of the appointment of the arbitrator, the Party who delivered the Arbitration Notice (the "**Initiator**") shall deliver to the other Party and to the arbitrator a statement (the "**Statement of Claim**") describing the facts supporting its position, the points at issue and the relief sought. The responding Party shall deliver to the Initiator and to the arbitrator a responding statement within 15 days from the receipt of the Statement of Claim.

(3) Unless expressly agreed to in writing to the contrary, the parties undertake as a general principal to keep confidential all awards in their Arbitration, together with all materials, proceedings and evidence created for the purpose of the Arbitration and all documents produced by any Party in the proceedings not otherwise in the public domain, save and except to the extent that disclosure may be required of a Party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a competent court.

(4) It is the intent of the parties that, barring extraordinary circumstances, the Arbitration proceedings shall be concluded within sixty (60) days from the date the arbitrator is appointed. The parties may agree to extend this time limit or the arbitrator may do so in his or her discretion if he or she determines that the interest of justice so requires. The arbitrator shall use his or her best efforts to issue the final award or awards within fifteen (15) days after closure of the proceedings. Failure to adhere to these time limits will not be a basis for challenging the award.

(5) The determination made by the arbitrator shall be final and binding upon the Landlord and the Tenant. The costs of Arbitration shall be apportioned between the parties hereto as the arbitrator may decide. Neither Party shall be deemed to be in default in respect of the dispute which is subject of the Arbitration so long as the Arbitration is proceeding.

(6) The parties expressly agree that the provisions of the *Municipal Arbitrations Act*, R.S.O. 1990, Chapter M.48 shall not apply at any time to any arbitration whatsoever initiated pursuant to this Sublease. Arbitration initiated pursuant to this Sublease shall proceed in accordance with the provisions of the *Arbitration Act*, 1991, S.O. 1991, Chap. 17.

Section 15.26 Planning Legislation

The Parties agree that Section 50(3) of the *Planning Act*, R.S.O. 1990, c. P.13 is not applicable to this Sublease, as the City of Toronto is the Landlord.

Section 15.27 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original and which, taken together, shall constitute one and the same instrument. Each counterpart of this Agreement, and any other document to be delivered by one or more parties under this Agreement, may be executed by electronic signature through a City-Approved Electronic Signature Platform (as defined below), or by handwritten signature delivered to the other party or parties by electronic transmission in PDF format. Any such electronic signature or handwritten signature delivered by electronic transmission shall be valid, binding and enforceable upon the party or parties so executing and/or delivering same electronically to the same extent and shall have the same legal effect as an original signature. If and when one or more parties hereto executes this Agreement by or through a City-Approved Electronic Signature Platform, then such party or parties shall, upon the request of another party hereto, be obliged to forthwith provide the requesting party with a certificate of completion or similar certificate produced or issued by such City-Approved Electronic Signature Platform, which confirms, verifies and/or validates the electronic signature of the party or parties so executing same electronically. For the purposes of this section, "City-Approved Electronic Signature Platform" means DocuSign Inc.'s electronic signing platform or any other similar secure electronic application or platform acceptable to the City in its sole and absolute discretion and "electronic signature" and "electronic" shall have the meanings respectively ascribed to such terms in the *Electronic Commerce Act, 2000*, S.O. 2000, c. 17, as amended.

Section 15.28 Schedules

The following schedules form part of this Sublease:

- Schedule A** - Legal Description
- Schedule B** - Declaration of Non-Discrimination
- Schedule C** - Landlord's Requirements for Tenant's Work
- Schedule D** - Reference Plan 66R-32696

IN WITNESS WHEREOF the Parties have duly executed this Sublease as of the date of this Sublease.

CITY OF TORONTO

Authorized by Member's Motion Item No. 2020.MM25.32 as adopted by City of Toronto Council at its meeting held October 27, 2020 and Planning and Housing Item No. 2022.PH35.21 as adopted by City of Toronto Council at its meeting held July 19, 20, 21 and 22, 2022.

per: _____
Name: Josie Scioli
Title: Deputy City Manager, Corporate Services

APPROVED AS TO FORM

.....

TENANT

per: _____
Name:
Title:

per: _____
Name:
Title:

We have authority to bind the corporation.

SCHEDULE "A"

Legal Description & Permitted Encumbrances

Legal Description:

150 Dunn Avenue
PART OF PIN 21341-0144(LT)

Being Part of Lots 78-85, 87, 89, Plan 427 Parkdale; Lots 1-5, 7-8, Plan 1013 Toronto; Part Lot 6, Plan 1013 Toronto as in CT206048; Toronto, City of Toronto [Legal description to be confirmed]

Permitted encumbrances:

[TBC]

Schedule "B"
Contribution Agreement

CITY OF TORONTO

- and -

PROPONENT

CONTRIBUTION AGREEMENT

150 Dunn Ave, Toronto

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THIS AGREEMENT is made effective as of [DATE]

BETWEEN:

CITY OF TORONTO

(the "City")

- and -

PROPONENT

(the "Proponent")

Background

- A. The City has entered into an agreement with the Canada Mortgage and Housing Corporation ("CMHC") to deliver the Rapid Housing Initiative (the "RHI");
- B. On November 18, 2020, CMHC approved the provision of RHI funding for the development of the new affordable housing units being constructed on the property municipally known in 2021 as 150 Dunn Avenue, Toronto (the "Project");
- C. Section 252 of the *City of Toronto Act, 2006*, S.O. 2006 c. 11, Sch. A (the "Act"), provides that the City may enter into agreements for the provision of a municipal capital facility by any person and that the City may exempt from taxation for municipal and school purpose land or a portion of land on which municipal capital facilities are located;
- D. Ontario Regulation No. 598/06, as amended, prescribes municipal facilities used for the provision of affordable housing as eligible municipal capital facilities for the purpose of Section 252 of the Act;
- E. The City of Toronto passed By-law No. 183-2022 pursuant to the provisions of Section 252 of the Act and Ontario Regulation 598/06 to set out a definition for affordable housing and policies regarding eligibility for new affordable housing;
- F. At its meeting held on October 27, 28 and 30, 2020, City Council adopted Item MM25.32 and thereby approved: (1) the issuing of a request for proposals seeking

an operator for the Project, (2) the City entering into a municipal capital facility agreement with the successful proponent of that request for proposals, and (3) the City entering into rent supplement agreements with non-profit housing providers selected to operate RHI projects;

- G. The Proponent submitted a proposal dated xxxxxx (the "Proposal") in response to the City's request for proposals dated xxxxxx (the "RFP") and was selected to operate the Project; and
- H. The parties wish to enter into this Agreement to set out the terms and conditions of the operation of the Project and the financial assistance and benefits, to be provided to the Proponent.

NOW THEREFORE in consideration of the mutual covenants and other terms and conditions in this Agreement and the sum of Two Dollars (\$2.00) of lawful money of Canada now paid by each of the Parties to the other (the receipt and sufficiency whereof are acknowledged), the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 In this Agreement and Schedules attached hereto, the following terms shall have the following respective meanings:

"Access Plan" means a policy established by the Proponent and approved by the Executive Director, Housing Secretariat which policy shall specify how tenants are to be selected from among People and Populations who are Vulnerable, and who are or otherwise would be, in Severe Housing Need and how information about such process is disseminated to the public;

"Affordability Period" means the term of the Sublease;

"Affordable Housing" means rental housing that is operated in accordance with the terms of this Agreement;

"Average Market Rents" or "Average Rents" or "AMR" means average monthly Toronto-wide rents by unit type as determined in the end-of-year survey of City-wide rents for the prior calendar year published by CMHC; if CMHC does not publish a survey of City-wide rents, then "Average Market Rents" for the calendar year shall be City-wide average rents as determined by the City acting reasonably;

"Benchmark Market Rent" means 80% of the Average Market Rent current at the time a tenancy agreement for a Unit is executed; thereafter the Benchmark Market Rent attributable to a Housing Benefit Unit shall be the lesser of:

- (i) The prior year Benchmark Market Rent attributable to the Housing Benefit Unit increased by the lower of (1) any Average Market Rent increase, as a

result of the CMHC Annual Rental Market Survey, if applicable, and (2) the Rent Increase Guideline for the current year as established by the Ministry of Municipal Affairs and Housing, or the CPI Adjustment, in accordance with Section 10.1 of this Agreement; or

- (ii) 80% of the Average Market Rent current at the time.

"**City Benefits**" has the meaning given to it in Section 4.1;

"**City Incentives**" means the property tax exemption outlined in Subsection 4.1(b);

"**CMHC**" means the Canada Mortgage and Housing Corporation;

"**CPI Adjustment**" has the meaning given to it in Section 10.1;

"**Deputy City Manager**" means the Deputy City Manager, Corporate Services for the City of Toronto, and includes his or her designate or successor, if any;

"**Director, Housing Stability Services**" means the Director responsible for the City's Housing Stability Services unit and includes such person's designate or successor, if any;

"**Disposition**" means any sale, assignment, transfer, conveyance, lease, licence or other disposition of any nature or kind whatsoever of any property or of any right, title or interest in or to any property;

"**Eligible Household**" means a person or group of persons who occupy a Housing Benefit Unit in the Project and meet the eligibility criteria to receive rent-geared-to-income assistance set out in the *Housing Services Act, 2011*, S.O. 2011, c. 6, Sched. 1;

"**Executive Director, Housing Secretariat**" means the Executive Director responsible for the administration of the City's Housing Secretariat and includes such person's designate or successor, if any;

"**First Occupancy**" means the first day of the first month immediately following the month in which a Unit is rented for the first rental period following the commencement of the Sublease, or such other date as agreed to by the Executive Director of Housing Secretariat.";

"**Head Lease**" means the lease agreement dated March 10, 2022 between University Health Network, as landlord, and the City of Toronto, as tenant, in respect of the Lands;

"**Household Income**" means total household income from all sources of all persons who reside in a Unit or who will reside in a Unit if it is rented to them as defined in the City's Affordable Rental Housing – Eligibility and Income Verification Guide, as may be amended or replaced from time to time;

"**Housing**" means residential accommodation and facilities, common areas and services used directly with the residential accommodation. Housing does not include commercial or institutional premises, social or recreational services, and services or facilities related

to mental or physical health care, education, corrections, food services, social support or public recreation other than those services described in Article 3 hereof;

“Housing Access System” means the City's centralized housing access system; which includes the allocation and administration of Housing Benefits;

“Housing Benefits” means a financial benefit provided for or on behalf of a tenant to make up the difference between the rent-geared-to-income payable by a tenant, calculated as 30% of the tenant's Household Income or the shelter allowance of their Ontario Works or Ontario Disability Support Program Benefits, and the Benchmark Market Rent;

"Housing Benefit Unit" means a Unit which is occupied by or allocated to an Eligible Household and any unit replacing such Housing Benefit Unit from time to time in accordance with this Agreement;

"Housing Benefits Funding" means the provision of Housing Benefits to Eligible Households occupying Units in the Project as specified in Schedule C;

"Indemnified Parties" has the meaning given to it in Section 11.1;

“Initial Income Limit” means Household Income at or below four (4) times the annualized Monthly Occupancy Costs;

“Initial Occupancy” means when a new tenant occupies a Unit regardless of whether it was previously rented;

"Internal Transfer" means a household who has requested, or is required, to make, an internal transfer from their unit to another unit in the Project;

“Lands” means the lands described in Article 3, together with any buildings or improvements thereon from time to time;

“MFIPPA” means the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990 c. M. 56;

“MFIPPA Protected Information” means any “Personal Information” as defined in MFIPPA;

"Modular Housing Units" means housing units which are partially or fully built in off-site (e.g. a factory, warehouse, or similar facility) by a qualified manufacturer and delivered to the site in whole or in parts and installed on an appropriately zoned and serviced lot. This may range between single, scattered units up to larger multi-unit housing projects;

“Monthly Occupancy Costs” means the total of the monthly rent payable to the Proponent for a Unit including the cost of hydro, heat, water and hot water; and Monthly Occupancy Costs do not include charges for applicable taxes, parking, cable, internet, telephone or any other like charges;

"Notice" has the meaning given to it in Section 18.1;

"Parties" means the City and the Proponent and their respective successors and permitted assigns; and **"Party"** means any one of the Parties;

"People and Populations Who Are Vulnerable" means the groups set out in Schedule "E";

"Person" means any individual, partnership, corporation, trust, unincorporated organization, municipality, government, or governmental agency or any combination thereof;

"Project" means the Affordable Housing to be operated by or on behalf of the Proponent in accordance with the terms and conditions of this Agreement, as outlined in Article 3 and the Sublease;

"Receiver" means a manager and/or receiver for the Project appointed pursuant to Subsection 13.2(d);

"Rent Increase Guideline" means the prevailing rent increase guideline established each calendar year pursuant to the *Residential Tenancies Act, 2006*, S.O. 2006, c. 17, or any successor legislation;

"Severe Housing Need" is a subset of core housing need comprising of households that pay 50% or more for their current dwelling. A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before tax income to pay the median rent of alternative local housing that is acceptable;

"Spouse" means two individuals that refer to themselves as "spouses" and are considered as such for the purposes of determining affordable housing eligibility. This includes two individuals who live in the same unit if:

- the social and familial aspects of the relationship amount to cohabitation; and
- one individual provides financial support to the other; or
- the individuals have a mutual agreement or arrangement regarding their financial affairs.

"Sublease" means the sublease for the Lands to be entered into by the Proponent and the City;

"Support Services Agreement" means any support services agreement to be entered into by the Proponent and the City regarding the funding of support services provided to residential tenants at the Project;

"Transfer" means a Disposition of the Project or Lands or any transaction whereby the rights of the Proponent under this Agreement or any part, are transferred, and includes any transaction or occurrence whatsoever (including, but not limited to, the entering into

of a mortgage, receivership proceedings, seizure by legal process and transfer by operation of law);

“**Transferee**” means the Person or Persons to whom a Transfer is or is to be made;

“**Unit**” means a unit of Affordable Housing in the Project; and

“**Utility Allowance**” means the average amount of separately metered utility costs, determined by the City and published on the City's web site.

1.2 This Agreement, the Schedules incorporated into it by reference and any documents entered into pursuant to this Agreement, constitutes the entire agreement between the Parties with respect to the subject matter hereof and all other prior agreements, representations, statements, negotiations and undertakings with respect to such subject matter are superseded hereby.

1.3 Any reference in this Agreement to a statute shall be deemed to include any regulations made under the statute, any amendments made from time to time and any successor legislation.

1.4 The following schedules form part of this Agreement:

Schedule “A”	Access Plan Template
Schedule “B”	Proponent's Annual Occupancy Report
Schedule "C"	Units Receiving Housing Benefits
Schedule "D"	Yearly Attestation Report
Schedule "E"	Definition of People and Populations Who Are Vulnerable
Schedule "F"	Support Services Plan

ARTICLE 2 GENERAL

2.1 It is understood and agreed that this is a municipal capital facility agreement pursuant to Section 252 of the *City of Toronto Act, 2006*, S.O. 2006 c. 11, Sch A and a municipal housing project facility agreement pursuant to the City's By-law No. 183-2022 “To enact a new Municipal Housing Facility By-law and to repeal By-law No. -2022.”

2.2 In the event of a conflict or inconsistency between the provisions of this Agreement and the provisions of a Schedule, the provisions of this Agreement shall prevail.

2.3 All references in this Agreement to section numbers are references to sections of this Agreement unless otherwise stated.

ARTICLE 3 THE PROJECT

3.1 The Proponent agrees to operate the Project as Affordable Housing for the Affordability Period, as detailed below:

Location: 150 Dunn Avenue
PART OF PIN 21341-0144(LT)

Being Part of Lots 78-85, 87, 89, Plan 427 Parkdale; Lots 1-5, 7-8, Plan 1013 Toronto; Part Lot 6, Plan 1013 Toronto as in CT206048; Toronto, City of Toronto [Legal description to be confirmed] (the "Lands")

Affordable Housing: 51 units

Monthly Occupancy Costs: An overall average at or below 80% Average Market Rent with no one Unit exceeding 100% AMR.

ARTICLE 4 CITY BENEFITS

4.1 City Benefits. The City Benefits to be provided to the Proponent shall be comprised of the following (collectively, the "**City Benefits**"):

Sublease

- (a) **Sublease.** The City will enter into, concurrently with the execution of this Agreement, a sublease for the Lands for a period commencing upon completion of the Modular Housing construction by the City and ending a day prior to the last day of the Head Lease, as that term is defined in the Sublease, at below market rent;

City Incentives

- (b) **Property Tax Exemption.** Subject to Council approval being obtained, the City shall exempt the Project from taxation for municipal and school purposes for the duration of the Affordability Period.

4.2 Conditions Precedent. The obligation of the City to enter into the Sublease with

the Proponent, or to provide the tax exemption listed in Subsection 4.1 is conditional upon the Proponent satisfying the following conditions, unless waived in writing by the City:

- (a) the Proponent shall have provided certified copies of such corporate documents of the Proponent as the City may reasonably require including, without limitation, letters patent or articles of incorporation, and a certified copy of the directors' resolution authorizing the execution of this Agreement;
- (b) the Proponent shall have provided proof of the insurance required pursuant to the terms of the Sublease, with the City and University Health Network and any freehold mortgagees, if any, as additional insureds and as a joint loss payees;
- (c) the Proponent shall not be in default (or being in default, the time provided for curing such default has not yet elapsed) under any of the terms and conditions of this Agreement, or any agreement with respect to the operation of the Project, all of which shall be in full force and effect;
- (d) the Proponent shall have provided the City with an up-to-date operating budget satisfactory to it;
- (e) the Proponent shall have provided an approved Access Plan to the City;
- (f) the representations and warranties of the Proponent set out in Article 6 hereof shall be true and correct and, if requested by the City, the Proponent shall have delivered a certificate or certificates to such effect;
- (g) nothing shall have occurred which, in the sole opinion of the Executive Director, Housing Secretariat could reasonably be expected to have a material adverse effect on the Project or the business, property, assets, liabilities, conditions (financial or otherwise) or prospects of the Proponent;
- (h) the Proponent shall have provided the most recent Yearly Attestation Report in accordance with Subsection 7.1(e);
- (i) the Proponent shall have provided any information the City may reasonably require to satisfy the requirements of any Government Authority with respect to the tax exemption; and
- (j) the Proponent shall have completed, signed and delivered to the City a "Declaration of Compliance with Anti-Harassment/Discrimination Legislation & City Policy" form, a copy of which is attached as Schedule "G".

The Proponent acknowledges that failure to provide the information required under Subsection 4.2(i) could result in the effective date of the tax exemption being later than the Sublease commencement date.

4.3 No Waiver. The City providing any City Benefits prior to the fulfillment of one or

more of the conditions set forth herein shall not constitute a waiver by the City of any such condition, and the City reserves the right to require the fulfillment of each condition prior to the providing of any further City Benefits.

4.4 Conditions Solely for the Benefit of the City. All conditions precedent are solely for the benefit of the City, its successors and assigns, and no other person shall have standing to require satisfaction of any condition and no other person shall be deemed to be a beneficiary of any such condition, any and all of which may be freely waived in whole or in part by the City at any time the City deems it advisable to do so.

ARTICLE 5 PAYMENT OF HOUSING BENEFITS

5.1 Housing Benefits Funding. Subject to this Article 5, for the duration of the Affordability Period, the City will provide Housing Benefits for the number of Units specified in Schedule C and the Proponent agrees to make available the number of Units specified in Schedule C as Housing Benefit Units.

5.2 Requests for Housing Benefits. The Proponent shall submit to the City its requests for Housing Benefits, together with all required supporting reconciliation statements, in a form satisfactory to the City and at regular intervals established by the City, which intervals shall not be more often than monthly and not less often than annually. Following its review and approval of such requests and supporting statements, the City will make any necessary adjustments to its applicable regular Housing Benefits payments to the Proponent.

5.3 Interim Payments. Until such time as the City and the Proponent agree that payments should be paid in accordance with section 5.4, the Proponent will provide an invoice for each occupied Housing Benefit Unit and the City shall pay the invoice in accordance with the terms of invoice.

5.4 Payments and Annual Reconciliation. The City shall pay to the Proponent, during the term of this Agreement, an estimate of the Housing Benefits for each Unit for which Housing Benefits are to be paid, on the first (1st) day of each month following the month in which the term of the residential lease for such Unit commences. Payments will be made for each and every month of the term of each residential lease. The City will reconcile the actual Housing Benefits costs at the end of each fiscal year.

5.5 Provision of Housing Benefits Funding subject to Approval of Council. Notwithstanding City's obligation to provide any Housing Benefits Funding under this Agreement, this obligation does not arise if, at the time when a payment under this Agreement becomes due, the Council of the City of Toronto has not approved an operating budget that is sufficient and constitutes lawful authority for making the Housing Benefits payment. The City may reduce or terminate any Housing Benefits payment under this Agreement in response to the reduction of program funding levels in respect of the program under which this Agreement was made or otherwise, as evidenced by any by-law. City will not be liable for any direct, indirect, consequential, exemplary or punitive damages, regardless of the form of action, whether in contract, tort or otherwise, arising

from any such reduction or termination of Housing Benefits Funding.

5.6 Vacancy where Less than One Month's Notice. If a Unit has been vacated or abandoned by an Eligible Household without at least one (1) month's prior notification to the Proponent (other than by an Eligible Household who received a notice to vacate), the City will pay to the Proponent, while the vacancy continues, an amount not exceeding 100% of Average Monthly Rent for the month immediately following that in which the vacancy occurs. If the Unit remains vacant despite diligent efforts by the Proponent to lease same, the City will pay an amount not exceeding 50% of the Average Monthly Rent for the second month following the occurrence of such vacancy. The City will make no further payments thereafter with respect to the Unit until it is leased to and occupied by an Eligible Household.

5.7 Vacancy where at Least One Month's Notice. If a vacancy of a Unit occurs following at least one (1) month's prior notification given by an Eligible Household or occurs by reason of a notice of termination or an eviction served or carried out by the Proponent, the City will pay to the Proponent an amount not exceeding 50% of the Average Market Rent for the month immediately following the vacancy, but shall make no further payments thereafter until it is leased to and occupied by an Eligible Household.

5.8 Reconciliation Statements. The Proponent shall submit to the City its requests for Housing Benefits, together with all required supporting reconciliation statements, in a form satisfactory to the City and at regular intervals established by the City, which intervals shall not be more often than monthly and not less often than annually. Following its review and approval of such requests and supporting statements, the City will make any necessary adjustments to its applicable regular Housing Benefits payments to the Proponent to account for any overpayment or underpayment of Housing Benefits as should on the reconciliation statement.

5.9 Damage to Unit. If any Unit is damaged by fire, explosion, flood or any other unavoidable catastrophe to such an extent as to render it uninhabitable, the Proponent shall proceed to repair, restore and make habitable the damaged Unit in accordance with the provisions of the Sublease. The Proponent acknowledges and agrees that the payment of Housing Benefits by the City to the Proponent with respect to any such damaged Unit shall cease as long as such Unit is uninhabitable.

5.10 Termination of Housing Benefits Funding: If Housing Benefits Funding is terminated pursuant to this Agreement, the Housing Provider shall permit the Eligible Households occupying Units at the time such Housing Benefits Funding is terminated to remain in occupancy of their Units until their tenancies are terminated or until they cease to qualify for Housing Benefits, whichever first occurs, and the same conditions as to payment of the Housing Benefits by the City, and the provisions of this Agreement, insofar as they apply to such Eligible Households, shall remain binding on both Parties as if this Agreement had not been terminated.

**ARTICLE 6
REPRESENTATIONS AND WARRANTIES**

- 6.1** The Proponent represents and warrants that,
- (a) it is duly incorporated under the laws of Ontario or Canada;
 - (b) the Board of Directors of the Proponent, and if required by the Proponent's bylaws, its members, have authorized the Proponent to enter into this Agreement and such authorization has not been withdrawn;
 - (c) it shall not alter, supersede or cancel its articles of incorporation, letters patent or other constating document in any way which would affect its ability to perform its obligations under this Agreement without the prior written consent of the City;
 - (d) no member of the House of Commons, the Senate of Canada, the Provincial Legislature or the Council of the City or members of any of its agencies, boards or commissions shall be entitled to any share or part of this Agreement or to any benefit to arise therefrom; and
 - (e) no individual to whom the City's Code of Conduct for Members of Council, the City's Re-Employment of Former City Employees' Policy or the Employee Conflict of Interest Policy apply, shall derive a direct benefit from this Agreement.
- 6.2** The Proponent agrees that the City shall be entitled to rely at all times on the representations and warranties set out in this Article.

**ARTICLE 7
OBLIGATIONS OF THE PROPONENT – CITY BENEFITS**

- 7.1** The Proponent shall:
- (a) comply with all terms of the Sublease;
 - (b) ensure that tenants occupy the Units on the commencement date of the Sublease or such date as determined by the Executive Director, Housing Secretariat acting reasonably;
 - (c) comply with all applicable federal, provincial and municipal laws, regulations and by-laws;
 - (d) prior to First Occupancy, have an Access Plan approved by the Executive Director, Housing Secretariat, in the form of the report attached as Schedule "A", or in a form designated by the Executive Director, Housing Secretariat;

- (e) no later than thirty (30) days after December 31 of each year commencing on December 31, 2023 for the duration of the Affordability Period, provide to the City the Yearly Attestation Report, in the form of the report attached as Schedule "D"; or in a form designated by the Executive Director, Housing Secretariat; and
- (f) provide such information, within ten (10) days of such written request, with respect to the Project, such as projected date of First Occupancy, as requested or required by the Executive Director, Housing Secretariat or the Director, Housing Stability Services, acting reasonably, from time to time.

7.2 CMHC, the City or a third party representative of either or both CMHC and the City may conduct onsite visits to inspect and monitor the operation of the Units and compliance with the terms and conditions of this Agreement. All site visits are for CMHC's and the City's program and risk management purposes only and are not to be considered a technical inspection to confirm the quality of the work or the Recipient's compliance with applicable laws, including Ontario's Building Code.

ARTICLE 8

OBLIGATIONS OF THE PROPONENT DURING THE AFFORDABILITY PERIOD

8.1 At all times during the Affordability Period, the Proponent shall:

- (a) if required by the City at any time during the Affordability Period, make up to 100% of the Units available as Housing Benefit Units, in accordance with the terms and conditions of this Agreement or any other agreement entered into with the City with respect to those Units;
- (b) take commercially reasonable steps, when entering into a tenancy agreement for a Unit, to confirm that the tenant has a Household Income that does not exceed the Initial Income Limit determined in accordance with the City's Affordable Rental Housing Eligibility and Income Verification Guide and in a form acceptable to the Director, Housing Stability Services;
- (c) take commercially reasonable steps, when entering into a tenancy agreement for a Unit, to confirm that the tenant meets the definition of People and Populations Who Are Vulnerable and the tenant is, or otherwise would be, in Severe Housing Need or people experiencing or at high risk of homelessness;
- (d) participate in the City's Housing Access System in accordance with the terms of the Proponent's Access Plan to be approved by the Executive Director, Housing Secretariat;
- (e) ensure that no Unit will be rented to the Proponent or shareholder or director of the Proponent, or any individual not at arm's length to the Proponent,

shareholder or director of the Proponent unless the Proponent is a non-profit co-operative, as defined in the *Co-operative Corporations Act*, R.S.O. 1990, c. C.35, as amended, or is a not-for-profit corporation;

- (f) manage the Project so that the following occupancy standards are observed when entering into a tenancy agreement for a Unit:
 - (i) a minimum of one and a maximum of two persons per bedroom;
 - (ii) a maximum of one bedroom for spouses;
- (g) operate and maintain the Project in accordance with the terms and conditions of this Agreement and the Sublease and in a good state of repair and fit for occupancy in the same manner as a prudent owner would do;
- (h) provide the support services to residential tenants residing at the Project as set out in the Support Services Plan attached as Schedule F, in a skilled and competent manner;
- (i) where the Proponent has entered into a separate agreement with the City for the provision of Support Services at the Project, operate the Project and provide such Support Services to residential tenants residing at the Project in accordance with such agreement;
- (j) manage the Project so that:
 - (i) the Monthly Occupancy Costs for any one Unit during the Affordability Period does not exceed 100% of Average Market Rent and the average across all Units does not exceed 80% of Average Market Rent;
 - (ii) the actual Monthly Occupancy Costs paid by the tenant for any one Unit, after the application of Housing Benefits, if any, do not exceed 30% of the tenant's Household Income or the shelter allowance of their Ontario Works or Ontario Disability Support Program benefits;
 - (iii) if heat, water or hydro costs are separately metered and paid directly by the household of any Unit, the Proponent shall deliver the Utility Allowance to the tenant by way of setting off the amount of the Utility Allowance against the monthly rent payable, such that the Monthly Occupancy Costs for any such Unit(s) shall not exceed the limits set out in (ii) above;
 - (iv) occupancy is maximized; and
 - (v) for Units receiving Housing Benefits, collect only the rental amount as determined by the Proponent in accordance with Article 5;
- (k) no later than ninety (90) days after the end of the calendar year in which

First Occupancy occurs, and annually thereafter, provide to the City:

- (i) the Proponent's Annual Occupancy Report in the form of the report attached as Schedule "B", or in a form designated by the Director, Housing Stability Services;
 - (ii) a management representation report, in a form designated by the Director, Housing Stability Services including management declarations and a report on compliance with the provisions of this Agreement;
 - (iii) the Proponent's most recent audited financial statements, for the Project in a form acceptable to the Director, Housing Stability Services; and
 - (iv) information on the Household Income and household composition of the Units rented to new tenants during the year, in a form acceptable to the Director, Housing Stability Services;
- (l) provide representatives of the City, with access to its books and records, with respect to the Project, subject to the rights of the residential tenants of the Project; and
- (m) ensure that each lease for a Unit shall provide the following:
- (i) that the disclosure to the City, by the Proponent, of the tenant's personal information including Household Income and household composition, has been consented to by the tenant;
 - (ii) that no Unit may be sublet or assigned by the residential tenant under any circumstances;
 - (iii) a statement that the lease is exempt from section 8, paragraphs 6, 7 and 8 of subsection 30(1), sections 51, 52, 54, 55, 56 and 95 to 99, subsection 100 (2) and sections 101, 102, 104, 111 to 115, 117, 120, 121, 122, 126 to 133, 140, 143, 149, 150, 151, 159, 165 and 167 of the *Residential Tenancies Act, 2006*, S.O.2006, c. 17, that the unit is identified as a subsidized unit that was developed or acquired under a municipal capital facility by-law for housing and is subject this Agreement;
 - (iv) a statement that the rent increases which can be imposed by the Proponent are controlled by the City, and cannot exceed the prevailing rent increase guideline established each calendar year pursuant to the *Residential Tenancies Act, 2006*, S.O. 2006, c. 17 or any successor legislation, to an amount not to exceed Average Market Rent
- (n) ensure that the City will be provided with access to all information obtained

from the tenant concerning the Household Income and family composition of each Unit, which information the City may verify;

- (o) ensure compliance with the provisions of MFIPPA, in its collection and sharing of any MFIPPA Protected Information, collected and shared, in accordance with the terms of this Agreement;
- (p) establish a capital asset replacement reserve fund for the Project, in accordance with the terms of the Sublease.
- (q) comply with the requirements of the *Human Rights Code*, R.S.O. 1990, c. H.19 (the "Ontario Human Rights Code") in its leasing of the Units to Eligible Households. Except as expressly permitted by the Ontario Human Rights Code, the Proponent shall not, in the allocation of any Unit, discriminate against any person by reason of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, gender identity, gender expression, age, marital status, family status, disability or the receipt of public assistance. The Proponent shall at all times indemnify and save harmless the City, its councillors, officers, employees, agents, successors and assigns (all of which are hereinafter called the "City Indemnitees") from and against any claims, demands, losses, costs, charges, expenses and penalties arising from any and all complaints, investigations, settlements, inquiries, hearings, applications, orders, prosecutions or other proceedings and all appeals from or judicial reviews of any of the foregoing (collectively referred to as "Actions") whatsoever made or brought against, suffered by or imposed on the City Indemnitees, directly or indirectly arising out of, resulting from or sustained as a result of the Proponent's failure to comply with the requirements of the Ontario Human Rights Code.

ARTICLE 9 MONTHLY OCCUPANCY COSTS CHANGES

9.1 Monthly Occupancy Costs Increases

Subject to Section 9.2, the Proponent may adjust the Monthly Occupancy Costs, with respect to a Unit, if at least twelve (12) months have elapsed:

- (a) since First Occupancy of the Unit; or
- (b) since the day of the last rent increase with respect to the Unit, if there has been an increase,

by no more than the lower of (1) any Average Market Rent increase, as a result of the CMHC Annual Rental Market Survey, if applicable; and (2) the prevailing Rent Increase Guideline, to an amount not to exceed Average Market Rent. The Proponent acknowledges that, if the Rent Increase Guideline does not apply to the Project under the *Residential Tenancies Act, 2006*, S.O. 2006, c. 17, the Proponent agrees that the Rent

Increase Guideline applies by virtue of the contractual terms of this Agreement. In the event the Rent Increase Guideline is repealed and not replaced with similar legislation, Monthly Occupancy Costs may be adjusted by no more than the lower of (1) any Average Market Rent increase, as a result of the CMHC Annual Rental Market Survey, if applicable; and (2) any annual change to the Consumer Price Index - not seasonally adjusted, for all items - in January of each year for the Toronto Census Metropolitan Area (or, where available, the City of Toronto) as reported by Statistics Canada (the "**CPI Adjustment**"), to an amount not to exceed Average Market Rent.

9.2 Affordability Criteria

The actual Monthly Occupancy Costs paid by the tenant for any one Unit, after the application of Housing Benefits, if any, shall not exceed 30% of the tenant's Household Income or the shelter allowance of their Ontario Works or Ontario Disability Support Program benefits.

ARTICLE 10 FINANCIAL RECORDS, RIGHT TO AUDIT AND RIGHT TO ACCESS

10.1 The Proponent shall keep proper books of account and records of the financial management of the Project (including records related to rent collection and tenant income and eligibility verification) or compliance with this Agreement for a period of not less than seven (7) years from the end of each fiscal year of the Housing Secretariat to which the records relate. The accounts and records shall include all invoices, receipts, vouchers and other documents relating to Project expenditures and revenues, including funding from all other sources.

10.2 The Proponent shall submit to the City within five months following the end of each fiscal year of the Proponent, an Annual Information Return in the form established by the City from time to time under this Agreement and the audited statements consisting of a balance sheet and a statement of revenue and expenditures for the year.

10.3 The Proponent shall retain all books, accounts, records (including records related to rent collection and tenant income and eligibility verification), receipts, vouchers and other documents, that pertain to the Project for a period of not less than seven (7) years from the end of each fiscal year of the Proponent to which the records relate.

10.4 The Proponent will make such books, accounts and records available at all reasonable times for audit and inspection by the auditor for the City, the Province of Ontario, CMHC or anyone designated in writing by the auditor to ensure compliance with the terms and conditions of this Agreement and verify costs claimed by the Proponent.

10.5 The Proponent acknowledges and agrees that all accounts and records pertaining to payments of fees or other compensation for the solicitation, negotiating or obtaining of this Agreement shall be subject to the accounts and audit provisions of this Agreement, as they pertain to the Project.

10.6 The Proponent shall permit the City's and/or CMHC's and/or the Province of Ontario's representatives to make copies and take extracts from such books and records

and shall furnish the City with such additional information as it may require with reference to such books and records, as they pertain to the Project.

10.7 CMHC or a third party representative may conduct onsite visits to inspect and monitor the operation of the Units and compliance with the terms and conditions of this Agreement. All site visits are for CMHC's program and risk management purposes only and are not to be considered a technical inspection to confirm the quality of the work or the Proponent's compliance with applicable laws.

10.8 For the purposes of this article, audit includes any type of audit.

10.9 This Article shall survive the termination of this Agreement.

ARTICLE 11 INDEMNITY

11.1 The Proponent hereby agrees that it shall, from time to time, and at all times hereafter, well and truly save, keep harmless and fully indemnify the City, the Province of Ontario, the Government of Canada and CMHC, and their elected and appointed officials, officers, directors, employees, agents, representatives, successors and assigns (collectively, the "Indemnified Parties"), from and against any and all actions, claims and demands whatsoever which may be brought against or made upon the Indemnified Parties and against any and all loss, liability, claims, judgments, costs, demands or expenses whatsoever which the Indemnified Parties may sustain, suffer or be put to resulting from or arising out of or in connection with:

- (a) this Agreement;
- (b) the Project;
- (c) the obligations of the Proponent hereunder;
- (d) the failure of the Proponent, its officers, consultants, contractors, agents, servants or employees to exercise reasonable care, skill or diligence in carrying out any work in respect of the Project;
- (e) any act or omission of the Proponent, its officers, agents, servants, consultants, contractors, employees or by anyone for whom the Proponent is at law responsible relating to any work, any service or any other thing required to be performed or rendered hereunder by the Proponent;
- (f) all insured and uninsured loss or damage to property installed, property in transit and contractors' tools and equipment during the course of renovation or repair work to the Project; and/or
- (g) death or economic loss, caused by or in any way related to any of the Proponent's obligations under this Agreement;

provided that the Proponent shall not be liable for any actions, loss, liability, claims,

judgements, costs, demands or expenses which result from negligent or wrongful acts of the Indemnified Parties or for those whom in law the Indemnified Parties are responsible.

ARTICLE 12 RESTRICTIONS ON CHANGES

12.1 The Proponent shall not Transfer the Project without obtaining the prior written consent of the City, which consent may be unreasonably or arbitrarily withheld, conditioned or delayed. Any request for consent shall be accompanied by such information and documentation as reasonably required by the City. The City may, in its sole discretion, charge a commercially reasonable administration fee for such request.

12.2 The Project shall not be the subject of a Transfer unless the Transferee has first entered into an assignment and assumption agreement with the City assuming the covenants set forth herein, which agreement shall be duly executed by the Transferee and delivered to the City prior to the Transfer.

12.3 Notwithstanding anything herein contained, the Proponent may lease Units in the Project to residential tenants, without complying with Section 12.1 and Section 12.2.

ARTICLE 13 DEFAULT AND REMEDIES

13.1 Upon the expiration of any cure periods contemplated in Section 13.2, the following shall be considered events of default under this Agreement:

- (a) the Proponent has, in the opinion of the City, acting reasonably, failed to proceed with the implementation and/or the operation of the Project in a timely manner, except where such failure is due to causes which, in the opinion of the City, acting reasonably, are beyond the control of the Proponent;
- (b) the Proponent has failed to achieve First Occupancy of the Project by May 30, 2023
- (c) the Proponent ceases to operate the Project pursuant to the terms and conditions of this Agreement;
- (d) the Proponent knows or ought reasonably to have known, in the opinion of the City, acting reasonably, that a Unit is being provided to a tenant whose Household Income exceeded the Initial Income Limit, or has not been verified under the terms of this Agreement or that the household composition has been misrepresented;
- (e) the Proponent knows or ought reasonably to have known, in the opinion of the City, acting reasonably, that the average Monthly Occupancy Costs for the Project exceed 80% of Average Market Rent, or that the average

Monthly Occupancy Costs for any one Unit exceed 100% of Average Market Rent; or that the actual Monthly Occupancy Costs paid by the tenant for any one Unit, after the application of Housing Benefits, if any, exceed 30% of the tenant's Household Income or the shelter allowance of their Ontario Works or Ontario Disability Support Program benefits;

- (f) the Proponent has breached Article 6, 8 and 9 in whole or in part of this Agreement;
- (g) the Proponent is in default under the terms of the Sublease, which default has gone uncured in the time period given by the City;
- (h) the Proponent, in its Proposal or in connection with this Agreement, has made materially false or misleading representations or statements, or provided materially false or misleading information to the City;
- (i) an order is made or resolution is passed for the winding up or dissolution of the Proponent, or the Proponent is dissolved;
- (j) the Proponent becomes bankrupt or insolvent or takes the benefit of any legislation now or hereafter in force for bankrupt or insolvent debtors or fails under any proposal or makes any assignment for creditors or any arrangement or compromise;
- (k) receiver or receiver-manager is appointed for the Project by a creditor;
- (l) the Proponent commits fraud, misconduct, criminal acts, gross negligence or willful misconduct; or
- (m) there is, in the opinion of the City, acting reasonably, a material adverse change in risk in the Proponent's ability to carry out its roles and responsibilities under this Agreement with respect to the implementation and/or the operation of the Project.

13.2 If there is an event of default by the Proponent that is continuing, and the default has not been remedied within thirty (30) days of receipt by the Proponent of written notice of an event of default or within such longer period as is required and the City may allow, the City may, in its absolute discretion, without restricting any remedies otherwise available:

- (a) require the Proponent to provide additional information or documents to the City;
- (b) rescind the tax exemption by-law passed with respect to the Project;
- (c) correct the breach itself or by retaining a third party and the reasonable cost of so doing shall be payable forthwith by the Proponent to the City and may be retained from any unpaid portion of the funding being provided pursuant to this Agreement or may be recovered in any court of competent jurisdiction

as a debt due to the City;

- (d) appoint or seek the appointment of a manager and/or receiver for the Project, whether an officer, employee or agent of the City or not, if the City has determined that there are serious financial matters that could result or have resulted in the Proponent being unable to pay its debts as they become due;
- (e) terminate the Agreement by giving written notice to the Proponent; and/or
- (f) seek any additional remedy available to the City at law or in equity.

13.3 For the purposes of this Section, the Proponent will be found to have remedied the default if, for the purposes of Subsection 13.1(e), the Proponent submits a plan satisfactory to the Executive Director, Housing Secretariat attempting to prevent future defaults.

13.4 If the City gives the Proponent written notice of an event of default, the City may suspend the provision of any further City Benefits under this Agreement until the breach is remedied.

13.5 Upon providing a notice of termination, the City shall have no obligation to provide City Benefits to the Proponent, and the City shall have no obligation to provide the Housing Benefits except as set out in Section 6.10.

13.6 All rights and remedies of the City under this Agreement shall be cumulative and not alternative.

ARTICLE 14 RECEIVERSHIP

14.1 Where a Receiver is appointed by the City pursuant to Section 13.2(d), the Receiver shall have the power to:

- (i) take control, direction and possession, or any of them, of the Project, the revenue and the assets of the Proponent, the operation and books, records and accounts of the Proponent or any part of them;
- (ii) take control and direction of the employees and agents of the Proponent;
- (iii) receive and recover and use all revenues and assets of the Proponent;
- (iv) incur and pay liabilities;
- (v) maintain, operate and repair the Project; and
- (vi) execute and prosecute all suits, proceedings and actions which the Receiver considers necessary for the proper protection of the Project, to defend all suits, proceedings and actions against the Proponent or the

Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action, then pending or thereafter instituted and to appeal any suit, proceeding or action.

14.2 The City may at any time and from time to time change, terminate or renew the mandate of the Receiver or replace or reinstate the Receiver and fix the reasonable remuneration of the Receiver who may deduct the same out of the revenues of the Project.

14.3 Without limiting any rights of the City under this Agreement, the City acknowledges that it is the intention of the City to reinstate the Proponent whenever feasible, as determined by the City, as a self-governed entity retaining substantial control of the management of the Project within sixty days after the receivership becomes effective.

14.4 The Receiver shall be deemed to be the agent or attorney of the Proponent and the City shall not be responsible for the Receiver's acts or omissions.

14.5 The Proponent undertakes to ratify and confirm whatever the Receiver may do pursuant to the Receiver's mandate.

ARTICLE 15 CONFIDENTIALITY AND PERSONAL INFORMATION

15.1 The Proponent, its officers, agents and employees shall treat all information which is obtained by the Proponent through its performance of this Agreement, as confidential and shall not disclose same, unless required by law, other than in accordance with this Agreement, without the prior written approval of the City, unless required by law, provided, however, that the Proponent shall notify the City immediately upon learning of the possibility of any such requirement in order to allow the City or CMHC a reasonable opportunity to contest or limit the scope of such required disclosure (including application for a protective order or other remedy).

15.2 Notwithstanding Subsection 15.1, the Proponent may disclose information to its lawyers, accountants and other professionals, provided that such persons require the information in order to properly perform their duties.

15.3 The Proponent shall not, unless required by law, release information pertaining to tenants and applicants for tenancy at the Project to third parties without first obtaining the written consent of the affected tenant or applicant.

15.4 The collection, use and disclosure of information by the City shall be governed by MFIPPA.

15.5 Notwithstanding that the *Housing Services Act, 2011* ("HSA") does not apply to the Project, the Proponent agrees, as a contractual obligation, that it shall comply with the standards prescribed under section 169 of the HSA for the collection, use, disclosure and safeguarding of privacy of personal information and for a person's access to his or her personal information, including personal information which the Proponent has obtained

from the City. The Proponent shall comply with all other applicable legislative requirements concerning the safeguarding of personal information, including personal health information, including, as applicable, the requirements of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and the *Personal Health Information Protection Act*, 2004 S.O.. 2004, c. 3, Schedule A.

15.6 The Parties shall hold confidential any information clearly identified and marked as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure. Nothing in this Agreement shall be construed in a manner that would contravene the access to information and privacy legislation that applies to the Parties.

15.7 The Proponent consents to the collection, use and disclosure of information submitted to CMHC by the City for the following purposes: (i) to assess the Proponent's eligibility under the RHI; (ii) for analytics, policy analysis, auditing and research by CMHC; (iii) to communicate to the Proponent possible opportunities under other CMHC programs, or possible collaboration opportunities with third parties; (iv) for evaluation of the RHI; (v) for use by CMHC in and the Government of Canada for purposes related to the *National Housing Act* (Canada); and (vi) for information verification and due diligence purposes, including to detect and protect CMHC from errors and fraud.

ARTICLE 16 PUBLIC ACKNOWLEDGEMENT OF FUNDS

16.1 The Proponent shall ensure that in any and all communication activities, internet web site information, publications, advertising, signs and press releases referring to the Project, there is included an appropriate acknowledgement, in accordance with the guidelines and instructions provided by the City to the Proponent, of the contributions made by all three levels of government. The Proponent shall notify the City in advance of any and all communication activities, including media and fundraising events, publications, advertising and press releases.

16.2 The Proponent shall display such signs, plaques or symbols as one or more of the three levels of government may provide in such locations on its premises as the City may designate.

16.3 The Proponent shall co-operate with representatives of all three levels of government during any official ceremonies relating to the promotion of the Project.

ARTICLE 17 DISPUTE RESOLUTION

17.1 The City and Proponent agree that alternate dispute resolution processes such as mediation, appointment of a neutral third party evaluator or arbitration may be preferable to litigation as a way to resolve disputes that may arise under this Agreement and they agree to give good faith consideration to having resort to an alternate dispute resolution process before initiating legal or other proceedings to deal with any such disputes.

17.2 In the event the Parties agree to arbitration, the arbitration shall be governed by the provisions of the *Arbitration Act, 1991*, S.O.1991 c.17.

**ARTICLE 18
NOTICES**

18.1 Unless otherwise provided in this Agreement, any notice, approval or other communication required or permitted to be given (“Notice”) shall be in writing and shall be personally delivered, sent by prepaid registered mail, or sent by fax and, in the case of Notice to the City, addressed as follows:

(a) if to the City, at:

City of Toronto
Metro Hall, 55 John Street, 7th Floor
Toronto, ON M5V 3C6

Attention: Executive Director, Housing Secretariat
Fax No: (416) 397-9155

with a copy to the City Solicitor, at

City of Toronto
55 John Street, Stn.1260
26th Floor, Metro Hall
Toronto, ON M5V 3C6

Attention: City Solicitor
Fax No: (416) 397-5624

(b) if to the Proponent, at:

[ADDRESS]

Attention:
E-mail:
Fax No: ()

18.2 Any Notice shall be deemed to have been validly and effectively given and received: if personally delivered, on the date of delivery; if sent by prepaid registered mail, on the third (3rd) business day next following the date of mailing, provided, however, that during any postal disruption or threatened postal disruption, delivery shall be in person; and if sent by fax, on the business day next following the day on which it was sent.

18.3 Any Notice permitted or required to be given by the City may be given by the Deputy City Manager. However, the Deputy City Manager specifically reserves the right to submit the issue of the giving of any Notice, or of the contents of any Notice, to City Council for its determination.

18.4 Either Party under this Agreement may from time to time by Notice to the other party change its address for service under this Agreement.

ARTICLE 19 CONTRACTUAL STATUS OF THE PARTIES

19.1 The Proponent shall be solely responsible for the payment of any person or entity employed, engaged or retained by the Proponent for the purpose of carrying out the Project or otherwise assisting it in the discharge of its obligations under this Agreement.

19.2 The Proponent shall ensure that any contract entered into by it in respect of the Project is in its own name and is in no way purports to be binding upon the City.

19.3 The Proponent acknowledges that it is not the agent or representative of the City and has no authority to make a promise, agreement or contract on behalf of the City in respect of the Project.

19.4 The Parties agree that, in respect of any work on the Project undertaken by the Proponent, the City is not an "Owner" within the meaning of the *Construction Act*.

ARTICLE 20 UNCONTROLLABLE CIRCUMSTANCES

20.1 Except as expressly provided for in this Agreement, no party shall be in default under this Agreement or liable to the other party for any loss, damage or delay to the extent it results from an uncontrollable circumstance if such circumstance is not caused by the default or act of commission or omission of such party or avoidable by the exercise of reasonable effort or foresight provided that nothing excuses a delay caused by lack of funds or other financial circumstances or excuses a party from payment of any amount payable hereunder when due.

20.2 For the purpose of this Article, the words "uncontrollable circumstance" means any force majeure, strike, walkout, labour dispute, civil commotion, war or similar event, invasion, the exercise of military power, act of God, change in laws, government regulations or controls, court order, or any cause beyond the reasonable control of the party, unless any such lack of control results from deficiency in financial resources.

ARTICLE 21 GENERAL PROVISIONS

21.1 This Agreement may be changed only by written amendment duly executed by authorized representatives of both parties.

21.2 In this Agreement, words in or implying the singular include the plural and vice versa, and words having gender include all genders.

21.3 The insertion of headings and the division of this Agreement into articles and

subdivisions thereof is for convenience of reference only and shall not affect the interpretation hereof.

21.4 Any reference in this Agreement to an “article” or any subdivision thereof shall, unless the context otherwise requires, be taken as a reference to the correspondingly-labelled provision of this Agreement.

21.5 Time shall in all respects be of the essence of all matters provided for in this Agreement, provided that the time for the doing or completing of any matter may be extended or abridged by an agreement, in writing, executed by the City and the Proponent, or by their respective solicitors, who are expressly appointed for that purpose.

21.6 The waiver by a party of strict compliance or performance of any of the terms and conditions of this Agreement or of any breach on the part of any other party shall not be held or deemed to be a waiver of any subsequent failure to comply strictly with or perform the same or any other term or condition of this Agreement or of any breach thereof.

21.7 No waiver of any breach of any provision of this Agreement will be effective or binding unless it is in writing and signed by an authorized representative of the party purporting to give such waiver and, unless otherwise provided, will be limited to the specific breach waived.

21.8 This Agreement shall not be assigned by the Proponent without the prior written consent of the Executive Director, Housing Secretariat which consent may be withheld or given subject to such terms and conditions as the Executive Director, Housing Secretariat deems appropriate.

21.9 Should any provision of this Agreement be declared or found to be illegal, unenforceable, legally ineffective or void, then each party shall be relieved of any obligation arising from such provision, but the balance of this Agreement, if capable of performance, shall remain in full force and effect.

21.10 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

21.11 Each obligation of the City or of the Proponent expressed in this Agreement, even though not expressed as a covenant, is considered to be a covenant for all purposes.

21.12 The covenants, representations, warranties and indemnity of the Proponent set forth in this Agreement shall survive for a period of six (6) months following the expiry of the Affordability Period.

21.13 Wherever any consent, agreement or approval of the City is required under the terms of this Agreement, unless otherwise provided and subject to any specific provision respecting such consent, agreement or approval, the City shall not unreasonably or arbitrarily withhold its consent, agreement or approval.

21.14 Notwithstanding any consent or approval given by the City with respect to any plans, specifications or other construction-related matter, the City will not be in any way

liable for the design or construction of any proposed structure, and the party that has obtained the consent or approval of the City shall be wholly liable for such design and construction.

21.15 Nothing in this Agreement derogates from or interferes with or fetters the exercise by the City of all of its rights as a municipality, or imposes any obligations on the City, in its role as a municipality, and the City shall not be prevented from or prejudiced in carrying out its statutory rights and responsibilities, including planning rights and responsibilities. Nothing in this Agreement derogates from or interferes with or fetters the exercise by the City's officers, employees, agents, representatives or elected and appointed officials of all of their rights, or imposes any obligations on the City's officers, employees, agents, representatives or elected and appointed officials, other than as expressly set out in this Agreement.

21.16 No communication or dealing between the Proponent and any department, committee, body, officer, employee, agent, representative or elected or appointed official of the City will be deemed to be a communication or dealing under the provisions of this Agreement between the Proponent and the City as Parties to this Agreement, or to affect the City with notice of any such communication or dealings. It is intended and agreed that the City acts solely in a private capacity under this Agreement and any communication or dealing between the City and the Proponent as Parties to this Agreement will only be effective if delivered in accordance with the notice provisions set out in this Agreement. No communication or dealing between the City as a Party to this Agreement and the Proponent as a Party to this Agreement will relieve the Proponent from the responsibility of discharging its lawful obligations to the City imposed by statute, regulation, by-law or in any other lawful manner separate and apart from the obligations of the Proponent imposed by this Agreement.

21.17 This Agreement may be executed in any number of counterparts (including counterparts delivered electronically) and all such counterparts taken together will be deemed to constitute one and the same instrument. This Agreement may be executed by electronic signature that is received by the City in a file format acceptable to the City. Such electronic signature shall be deemed to be an original signature for the purpose of this Agreement with the same legal effect as an original signature.

21.18 This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

[Remainder of this page left intentionally blank.]

IN WITNESS WHEREOF the parties hereto have affixed their respective corporate seals attested to by the hands of their proper signing officers in that behalf duly authorized.

DATED this day of , 202_.

CITY OF TORONTO

Per: _____
Name:
Title:

DATED this day of , 202_.

PROPONENT

Per : _____
Name:
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

SCHEDULE "A"
ACCESS PLAN TEMPLATE

ACCESS PLAN -

This is the Access Plan for the project indicated below. The Access Plan includes, but is not limited to, a project description; mandates/target groups; depth of affordability and initial occupancy costs; relevant policies; housing benefit allocations and partnerships, as applicable. The access plan also identifies how the project will be marketed (if applicable), along with how tenants will be selected to lease units using a fair and transparent process.

This Access Plan and any amendments must be approved by the Director of Housing Stability Services.

PART 1 PROJECT DESCRIPTION

1. Contact Information:

Proponent Name:

Proponent Phone Number:

Proponent Email Address:

Property Manager Name:

Property Manager Phone Number:

Property Manager Email Address:

2. Project Address (including nearest major intersection):

3. Council Approval:

4. Contribution Agreement Date of Execution:

5. Initial Occupancy Date:

6. Project Features (e.g. accessibility features, common area amenities, etc.):

Communal balcony/terrace

Smoke free

On-site management office

Air Conditioning

Fitness facilities

Playground

Elevator

Mail room

Outdoor communal space (e.g. courtyard, rooftop terrace, etc.)

Stair only

Wheelchair accessible building

Bicycle storage

Indoor parking

On-site laundry

Storage/lockers

Outdoor parking

Meeting/party room

Visitor parking

7. List/describe any other project features and/or community amenities within the larger development, if applicable, not mentioned above:

8. **Utilities:** Provide an explanation on which utilities are provided by the landlord and which the tenant is responsible for paying, along with any utility charges or allowances as applicable.

Utility	Provided by landlord	Tenant pays
Hydro		
Heat		
Water		
Hot water		

PART 2 TARGET POPULATION AND UNIT TYPE

1. **Mandate/Target Group:** Identify if the project, or a specific number of units in the project, has an approved mandate, i.e. Indigenous, seniors, persons with disabilities, Victims of Domestic Violence, etc.

Mandate/Target Group	No. of Units

2. **Unit Type:** Complete the chart below and identify the following details, if applicable:

Affordable Units*					
UNIT TYPE	TOTAL UNIT COUNT	# Barrier Free	# Fully Accessible	# with Rent Supplement Benefits	# Under Referral Agreement or Head Lease
Bachelor					
1-bed					
2-bed					
3-bed					
4-bed					
5-bed					

***Note:** Units indicated in the “Total Unit Count” column may fall into none or multiple categories within the same row, therefore unit counts in these columns may not add up to the total number listed in the Total Unit Count column.

3. Provide any other additional explanation or further details regarding unit type or allotment:

PART 3 INITIAL MONTHLY OCCUPANCY COST AND RENT INCREASES

- The AMR and Utility Allowances are updated annually and are available on the City's [website](#).
- Utility allowances are subtracted from monthly occupancy costs if tenants are required to pay their utilities.
- The annual increase must not be greater than the prevailing [Rent Increase Guideline](#) established each calendar year pursuant to the Residential Tenancies Act, 2006 or any successor legislation.
- Acceptable adjustments to Monthly Occupancy Costs are outlined in Section 11.1 of the Affordable Housing Administration Manual.

1. Indicate the initial depth of affordability by entering the number of units by unit type, as outlined in the Contribution Agreement:

Unit Type	60% AMR	80% AMR	100% AMR		
Bachelor					
1-bed					
2-bed					
3-bed					
4-bed					
5-bed					

2. Indicate the initial rent per unit type along with utility allowances if applicable. Figures reflected below should be based on current year AMRs, and will be updated based on the date of initial occupancy:

Unit Type

Initial Rent

Utility Allowance

PART 4 BASIC ELIGIBILITY REQUIREMENTS

All applicants must meet the basic eligibility requirements. Full details of the requirements are outlined in Section 4 of the Affordable Housing Administration Manual.

Any landlord screening practices beyond the review of basic eligibility must be fair, reasonable, in compliance with the [Ontario Human Rights Code](#), and ensures that tenants are not arbitrarily refused units. Minimum income criteria may not be used as sole criteria for refusal. Factors that improve affordability such as a household's receipt of a housing allowance or child tax credits, and availability of a guarantor must be considered. If refused an offer, all applicants that have completed the full application process should receive a written response. Full details of the requirements are outlined in Section 8 of the Affordable Housing Administration Manual.

1. Outline additional landlord screening practices which will be considered:

Landlord reference
rental history

Income criteria
credit checks

Other:

2. Outline additional landlord screening practices that will be utilized to ensure the inclusion of low or moderate income households, e.g. guarantors, use of housing allowances, etc.

3. Explain any applicable policies or processes that address a refusal to offer housing or appeals process. Attach corresponding documents if applicable.

PART 5 HOUSING BENEFIT ALLOCATION

For housing benefits, Housing Providers are subject to the terms and conditions set forth in the applicable Agreement:

- For non-profit housing providers, the City may enter into an administration agreement or amend a current agreement and the proponent will administer housing benefits as the City's agent
- All housing benefit units will be filled through the centralized wait list (CWL), including upon turnover, unless an appropriate alternative or supportive housing mandate is in place for the building (or number of dedicated units within the building)
- Dedicated alternative or supportive housing units should continue to be filled through the referral pathway outlined in the Access Plan and/or applicable agreement.
- Please list any housing benefits and their funding source that are not being provided by the City of Toronto

1. Describe how housing benefit units will be allocated to tenants by completing the table below.

Target Group	Unit Type	# of Units	Housing Benefit Type	Funding Source	Referral Source (ex: CWL)

2. Provide any other additional explanation, such as any differences when filling a vacancy upon turnover, or any further details (if applicable):

PART 6 TENANT APPLICATION PROCESS

1. Provide detailed information on how your units will be **marketed** (if applicable) and **filled** as per program guidelines. For projects with referral agreements, include this information in Part 7. For units that are promoted publicly, strategic and inclusive marketing principles should be considered to ensure the process to fill units remains fair and transparent. Where applicable, include any infrastructure used for initial occupancy advertising and application submission, including any applicable websites or links, etc.

Note: As per the Contribution Agreement, Housing Providers shall participate in the City's Housing Access System when established, in accordance with the terms of an approved Access Plan.

PART 7 PARTNERSHIPS AND REFERRAL AGREEMENTS

1. Provide details regarding partnerships and/or referral pathways:
 - Describe the source of funding for supports and if applicable, housing benefits
 - Contact details including name, title, email and phone for referral partners
 - Describe how units will be filled via referral pathways
 - Attach any applicable legal agreements such as a Referral Agreements or Head Lease.

PART 8 UNIT ALLOCATION

1. Provide details on how Affordable Housing units will be allocated to applicants who are **not** coming from the Centralized Waiting List (CWL) or alternative or supportive housing referral pathways. Include the following details:
 - Households must be selected using the random draw process outlined in Section 7.4 of the Affordable Housing Administration Manual, unless other referral pathways are approved for housing with supports, housing benefits or mandates
 - The approach and application process used to select tenants
 - Identify how this process and approach will be transparent and fair
 - Identify how tenants will be communicated with and notified of the application process
 - For successful tenants who will receive an Affordable Housing unit, identify how the process will be in compliance with the Affordable Housing Administration Manual

PART 9 FILLING UNIT VACANCIES UPON TURNOVER

1. Provide details on how affordable housing units will be filled upon turnover to applicants who are **not** coming from the Centralized Waiting List (CWL) or alternative or supportive housing referral pathways. Include the following details:
 - The approach used to select tenants
 - If applicable, how the internal waitlist will be leveraged
 - The length of time an applicant remains on the provider's waitlist
 - Identify how this process and approach will be transparent and fair
 - Identify how tenants will be communicated with including timelines
 - For successful tenants who will receive an Affordable Housing unit, identify how the process will be in compliance with the Affordable Housing Administration Manual

PART 10 CONFLICT OF INTEREST POLICY

1. Outline restrictions on eligibility for the organization's staff, Board of Directors (if applicable) and their family. Attach organizational conflict of interest policies, if applicable.

PART 11 INTERNAL TRANSFER POLICY

1. Explain your internal transfer policy, or provide the policy as an attachment.

An internal transfer policy outlines the eligibility requirement and processes for a household transferring from one unit to another in a project.

PART 12 REPORTING

Housing Providers are required to complete reporting as a part of the Affordable Housing Program. Full details of reporting requirements can be found in Section 12 of the Affordable Housing Administration Manual.

PART 13 APPLICATION AND LEASE REQUIREMENTS

A signed Eligibility and Household Income Review Form, found in the Affordable Housing Administration Manual, with all supporting documentation and a signed lease agreement must be on file for each household

For mandatory lease requirements, refer to Section 11.3 of the Affordable Housing Administration Manual.

PART 14 PERSONAL INFORMATION AND RECORD-KEEPING

Housing Providers must ensure that the requirement pertaining to Collecting and Keeping Information and Protecting Personal Information as outlined in Section 10 of the Affordable Housing Administration Manual are met.

PART 15 OTHER

1. List any other information pertaining to this project's access plan not already indicated above. List any appendices that will be attached as supplementary information with this access plan:

PART 16 APPROVAL

Per (Authorized Signature)

Print Name

Title:

I / We have the authority to bind the corporation

City of Toronto

Per (Authorized Signature)

Print Name

Director, Housing Stability Services

I / We have the authority to bind the corporation

SCHEDULE "B"
PROPONENT'S ANNUAL OCCUPANCY REPORT
For the Year Ended December 31, 20XX

A. Project Information

Corporation Name:	Contact:
Project Name:	Position:
Project Address:	Email:
Affordability Period:	Phone:
C.A. Expiry Date:	

B. Project Units - Occupancy Costs - Average Market Rents at December 31

	A	B	C	D	E
Unit Type	Total Units	Average Actual Occupancy Costs	CMHC (City of Toronto) Average Market Rents	Occupancy Costs by Unit Type (AxB)	CMHC AMR by Unit Type (AxC)
Bachelor		-			
One Bedroom					
Two Bedroom					
Three Bedroom		-			
Four Bedroom		-			
Total	-			-	-

C. Depth of Affordability

Weighted Average Rents	Project Weighted Average Rent (PWAR) Total of (D) ÷ Total of (A)	CMHC Weighted Average Rent (CMHCWAR) Total of (E) ÷ Total of (A)
	0	0
Depth of Affordability: % of AMR Achieved for Overall Project (PWAR ÷ CMCHWAR) x 100 (not greater than 100% of CMHC AMR)		0.00%

D. Project Certification

I certify, to the best of my knowledge, that the information provided above is true and correct.

I certify that the household income for all new occupants in the reporting year was below the Initial Income Limit (48 x the monthly occupancy costs for the relevant housing unit).

I hereby authorize the City of Toronto to review the rent roll, if deemed necessary.

Name of
Proponent

by:

Name:

Title:

Date

I have authority to bind the Corporation

E. City of Toronto

We have performed the necessary review and tests on the records of the Property pertaining to the rent levels for the reporting period. Our results confirm the information as provided above is true and correct.

by:

Name:

Date

Title:

SCHEDULE "C"
UNITS RECEIVING HOUSING BENEFITS

Housing Project Address:

Total Number of Units with Housing Benefits:

Mandate: Alternative - Support Housing

The following services and appliances shall be provided by the **Housing Provider** and shall be included in the Benchmark Market Rent: Heat; Hydro; Water; Hot Water; Refrigerator; Stove.
The **City** shall not pay for any parking charges.

SCHEDULE "D"

YEARLY ATTESTATION REPORT

Attestation Date:	
Municipal building address	
Total number of affordable units that have been retained	
Building purpose :	
Did changes to the distribution of units among vulnerable groups occur? (If changes occurred, please fill out the following)	
Primary vulnerable population targeted :	
Number of new affordable units/beds created for primary vulnerable population :	
Secondary vulnerable population targeted :	
Number of new affordable units/beds created for secondary vulnerable population :	
Tertiary vulnerable population targeted :	
Number of new affordable units/beds created for tertiary vulnerable population :	
Are the tenants occupying the units (1) pay less than 30% of gross income on the applicable unit, and (2) composed of individuals and families who are, or would otherwise be, in severe housing need, or people experiencing or at high risk of homelessness?	
Is the project meeting the commitment towards number of accessible units?	
Comments - please describe any other material changes to the project or units.	

I confirm that the information contained within this attestation is true to the best of my knowledge and I am hereby authorized to sign this document on behalf of the Proponent

Name

Signature

Date

SCHEDULE "E"**DEFINITION OF PEOPLE AND POPULATIONS WHO ARE VULNERABLE**

"People and Populations Who Are Vulnerable" means the following groups and the individuals belonging to these groups:

- (i) women and children fleeing domestic violence;
- (ii) seniors;
- (iii) young adults;
- (iv) Indigenous peoples;
- (v) people with disabilities;
- (vi) people dealing with mental health and addiction issues;
- (vii) veterans;
- (viii) LGBTQ2S+;
- (ix) racialized groups;
- (x) Black Canadians;
- (xi) recent immigrants or refugees;
- (xii) people in a situation of Homelessness (as defined below); and
- (xiii) individuals or families whose current housing situation will end in the near future and for whom no subsequent residence has been established; and
- (xiv) those in Severe Housing Need (as defined below).

"Homelessness" is described as the situation of an individual, family or community without stable, safe, Permanent (as defined below), appropriate housing, or the immediate prospect, means and ability of acquiring it;

"Permanent" means, with respect to housing, lasting or stable and does not include temporary accommodations where tenancy is limited to a predetermined period of time of three months or less, such as shelters;

SCHEDULE "F"
SUPPORT SERVICES PLAN

To be completed by the Successful Proponent as part of finalizing the Legal Agreements