

## OFFER TO LEASE

**BETWEEN:**

**CITY OF TORONTO**

(the “**Landlord**”)

- and -

**[•]**

(the “**Tenant**”)

**Whereas:**

The Landlord intends to develop the Building on the lands municipally known as **11 Brock Avenue, Toronto** (the “**Demised Premises**”), with funding from Canada Mortgage and Housing Corporation, for the purposes of entering into a lease with a non-profit housing provider to operate the Demised Premises as affordable housing with supports;

**Now therefore** in consideration of the mutual covenants hereinafter set out, the parties hereby covenant and agree with each other as follows:

### **1. Tenant Offer to Lease**

- (a) The Tenant hereby offers to lease the Demised Premises from the Landlord, substantially on the terms and conditions set out in the lease attached hereto as Schedule “A” (the “**Lease**”).
- (b) Unless otherwise defined herein, all capitalized terms used in this Offer to Lease (the “**Offer**”) shall have the meaning set out in the Lease;
- (c) This transaction shall be closed on March 25, 2025, unless extended as hereinafter set out (the “**Closing**”).

### **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 Landlord, 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 acceptance of this Offer by the Landlord, or by such extension of that period in accordance with section 3.1, upon:

- (a) the Demised Premises being ready for occupancy by residential tenants;
- (b) the Landlord having declared the Demised Premises surplus;
- (c) the Executive Director, Housing Secretariat having received and approved the Tenant's Access Plan, in the form of the report attached as Schedule "A" to the Contribution Agreement;
- (d) the Landlord being satisfied that the Tenant has sufficient funding to operate Affordable Housing with supports at the Demised Premises;
- (e) the Tenant having provided a current operating budget satisfactory to the Executive Director, Housing Secretariat; and
- (f) the Tenant having 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.

#### **3.1 Extension of Condition Date**

The Landlord shall have the right to extend the period set out in section 3 by giving notice in writing to the Tenant on or before the expiry of that period.

### 3.2 Landlord Condition – Support Services Agreement

The closing of this transaction is conditional upon the Tenant being in compliance with any support services agreement regarding the funding of support services to be provided to residential tenants at the Building (“**Support Services Agreement**”) that is entered into between the Landlord and the Tenant prior to Closing. If an event of default by the Tenant occurs under the terms of any such Support Services Agreement, the Landlord shall have the right to terminate this Offer by notice in writing to the Tenant prior to Closing. Upon such notice, this Offer shall be null and void. In the event that the Landlord does not notify the Tenant within the time so limited, the Landlord shall be deemed to have waived the foregoing condition. The foregoing condition is 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 Lease by the Landlord:

- (a) Cooperate with the Landlord to attend at the Demised Premises in connection with the actions contemplated pursuant to Section 5(a) hereof.
- (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.
- (c) deliver to the Landlord on Closing all deliverables hereinafter set out.

### 5. Landlord’s Covenants

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

- (a) Permit the Tenant or its authorized representatives to have access to the Demised Premises at least fifteen (15) days prior to Closing, accompanied by a representative of the Landlord, at the times specified by the Landlord or, 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, mechanical systems, 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 in the work (the “**Remediation Work**”) under the Landlord’s contract for the manufacture of the Building (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 to be completed by Closing, provided that notwithstanding any other provision in this Offer to Lease, the Landlord's only obligation to complete the Remediation Work shall be to ensure the Remediation Work is completed in accordance with the Construction Contract;
- (c) conduct a formal hand over session, on or before closing at such time determined by the Landlord and the Tenant each acting reasonably, and to deliver to the Tenant at such session (the **"Turnover Deliveries"**):
  - (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) procedure for addressing warrantable deficiencies under the Construction Contract arising after Closing; and
  - (xiv) transfer emergency contact (i.e. elevator per TSSA requirement) to Tenant's contact;
- (d) deliver to the Tenant on Closing all deliverables hereinafter set out.

## 6. Extension of Closing

- (a) In the event the Remediation Work has not been completed by the Closing 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 either of the following events:
  - (i) if the Construction Contract has been 99% completed in the professional 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 the Remediation Work as soon as commercially reasonably possible after Closing having regard to delivery timelines and supplier and contractor availability, subject to subsection (ii) below;
  - (ii) if an occupancy permit or partial occupancy permit in respect of the Building or a part of the Building has been issued by the chief building official of the municipality, but 99% of the Construction Contract has not been completed in the professional opinion of the Payment Certifier acting in accordance with its professional standards as set out in subsection 6(a)(i), 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 the Remediation Work as soon as commercially reasonably possible after Closing. The Tenant acknowledges and agrees that if Closing occurs in accordance with this subsection (ii), the Tenant shall not have access to, possession or use of such areas of the Building as are excluded from the occupancy permit or partial occupancy permit and such other areas of the Demised Premises as may be required by the Landlord to complete the Remediation Work.
- (b) If Closing occurs in accordance with either subsection 6(a)(i) or (ii), the Landlord shall cause any remaining Remediation Work to be completed as soon as possible after Closing using reasonable commercial efforts.
- (c) In the event the Remediation Work has not been completed to the satisfaction of the Tenant in accordance with the undertaking of the Landlord given in accordance with subsection 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 Lease and the Landlord shall complete such Remediation Work required by the arbitrator to the satisfaction of the arbitrator.

## 7. Closing Deliveries

- (a) The Tenant shall duly execute and deliver on Closing:

- (i) the Lease, the commencement date of which will be the date of Closing;
  - (ii) the Contribution Agreement, substantially in the form of the agreement attached hereto as Schedule "B";
  - (iii) evidence the Reserve Fund Account has been established as required under the Lease together with written agreement by the Tenant, in a form acceptable to the Landlord acting reasonably, securing the amount required to be contributed monthly to the Tenant's reserve account to fund the Capital Repair Cost;
  - (iv) evidence of insurance as required under the Lease;
  - (v) certified copy of the directors' resolution of the Tenant authorizing the transaction;
  - (vi) an acknowledgement the Remediation Work has been completed to the Tenant's satisfaction except as set out in Section 6 above;
  - (vii) an acknowledgement that all Turnover Deliveries have been provided to it;
  - (viii) Declaration of Compliance with Anti-Harassment/Discrimination Legislation & City Policy attached to the Contribution Agreement as Schedule "G";
  - (ix) evidence of transfer of utilities; and
  - (x) 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 Lease on title to the Demised Premises
- (b) The Landlord shall duly execute and deliver on Closing:
- (i) the Lease;
  - (ii) the Contribution Agreement;
  - (iii) the Turnover Deliveries;
  - (iv) such keys, combination or other access devices required to access the Demised Premises; and
  - (v) 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 Lease on title to the Demised Premises.

## 8. Notice

- (a) Unless otherwise provided in this Offer or any notice, approval or other communication required or permitted to be given ("**Notice**") shall be in writing and shall be personally delivered or sent by prepaid registered mail or email, and addressed as follows:

**in the case of the Landlord:**

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  
 Email: [HSS@toronto.ca](mailto:HSS@toronto.ca)

**In the case of the Tenant:**

●

Attention: ●

- (b) Any Notice so given shall be deemed to have been effectively given on the next business day following the date of such delivery. 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. In the event “including” or other words of inclusion are used herein, same shall be deemed to include “without limiting the generality of the foregoing.”

## **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 Lease 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 Lease 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 shall not 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 Landlord 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 Landlord may (as agent and attorney of the Tenant) cause the removal of the Tenant’s Registration from the title to the Demised Premises.

## **15. Landlord as Municipal Corporation**

- (a) Nothing in this Offer derogates from or interferes with or fetters the exercise by the Landlord of all of its rights as a municipality, or imposes any obligations on the Landlord, in its role as a municipality, and the Landlord 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 Landlord’s officers, employees, agents, representatives or elected and appointed officials of all of their rights, or imposes any obligations on the Landlord’s officers, employees, agents, representatives or elected and appointed officials, other than as expressly set out in this Offer.
- (b) No communication or dealing between the Tenant and any department, committee, body, officer, employee, agent, representative or elected or appointed official of the Landlord that is not clearly in respect of and in accordance with this Offer will be deemed to be a communication or dealing under the provisions of this Offer between the Tenant and the Landlord as



parties to this Offer or to affect the Landlord with notice of any such communication or dealings. It is intended and agreed that the Landlord acts solely in a private capacity under this Offer and any communication or dealing between the Landlord 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 Landlord 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 Landlord 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.

- (c) Any of the rights and obligations of the Landlord 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 Landlord of Toronto within the Province of Ontario in which such court (or, if applicable, tribunal of competent jurisdiction) convenes.

## **17. Schedules**

The following Schedules shall be incorporated herein:

Schedule "A"	Lease
Schedule "B"	Contribution Agreement

All Schedules noted above form part of this Agreement, even if they are not attached hereto. 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.

By signing this Offer, the Tenant acknowledges receipt of the attachments that form the Schedules to this Agreement.

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

## **19. Amendments**

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

## **20. Counterparts and Electronic Signatures**

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 and 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.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

### **TENANT**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I/We have the authority to bind the Corporation

The Landlord accepts this Offer the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

### **CITY OF TORONTO**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Schedule “A”**

**LEASE**

**Schedule “B”**  
**CONTRIBUTION AGREEMENT**