

OFFER TO LEASE

TO: CITY OF TORONTO (the "Landlord")

FROM: _____ (the "Tenant")

RE: 1337-1345 Queen Street West, Toronto (the "Demised Premises")

WHEREAS:

It is intended that a residential rental building, together with Community Spaces will be built on the Demised Premises;

The Landlord will enter into a sublease with the Tenant to lease back the Community Spaces, upon completion of the Proposed Development;

The Tenant will work with the Landlord to design the Proposed Development, in general and the Community Spaces, specifically, in accordance with the terms of the Project Agreement;

1. Tenant Offers to Lease

- (a) The Tenant hereby offers to lease the Demised Premises (the "Offer") from the Landlord and to construct Proposed Development substantially on the terms and conditions set out in the Key Terms Sheet attached hereto as Schedule "A" (the "Terms");
- (b) Throughout this Offer, the term "**Landlord**" shall be used to refer to the City of Toronto in its role as landlord pursuant to this Offer, and the term "**City**" shall be used to refer to the City of Toronto in its roles as a municipality, an approval authority pursuant to the *Planning Act* and the *City of Toronto Act, 2006*,";
- (c) Unless otherwise defined herein, all capitalized terms used in this Offer to Lease shall have the meaning set out in the Terms.

2. Conditions

2.1. Due Diligence Conditions

- (a) Within thirty (30) days following the Landlord's acceptance of this Offer, the Tenant shall execute and deliver to the Landlord the Landlord's standard form of Access Agreement attached hereto as Schedule "B" (the "Access Agreement"). If the Access Agreement is not delivered by the expiry of the time period set out in this section 2.1(a), as may be amended by notice in writing from the _____, this Offer shall automatically terminate and shall be null and void.
- (b) Sixty (60) days following the Landlord's execution of the Access Agreement delivered by the Tenant pursuant to section 2.1(a) above (the "Due Diligence Period"), the Tenant shall satisfy itself as to all aspects of the Demised Premises and all Official Plan amendments and zoning by-law amendments and draft plan of subdivision approvals, if applicable, required with respect to the Proposed Development (collectively, the "Existing Approvals"). The Tenant shall have the right to terminate this Offer by notice in writing to the Landlord on or before the expiry of the Due Diligence Period. Upon such notice, this Offer shall be null and void. In the event that the Tenant does not notify the Landlord within Due Diligence Period, 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.

2.2. Tenant's Conditions

The closing of the transaction contemplated in this Offer (the "Transaction") is conditional, for a period of eighteen months from the date of acceptance of this Offer by the Landlord, and subject to section 2.1(a) and (b) above, upon:

- (a) the Tenant's board of directors or its members authorizing the Transaction;
- (b) the Tenant obtaining confirmation that mortgage financing is available on terms and conditions satisfactory to the Tenant;
- (c) the Tenant being satisfied it has sufficient funding to complete the construction of the Building;
- (d) the Tenant having received notice of approval conditions through the site plan approval process;
- (e) the City having passed a by-law exempting the eligible portion of the Demised Premises from taxation for municipal and school purposes;
- (f) the Landlord being in a position to offer vacant possession of the Demised Premises;
- (g) the Landlord shall have secured the access easements over the lands municipally known as 245 Dunn Avenue, Toronto (the "245 Dunn Lands")

that, in the Tenant's opinion, are required to carryout the Proposed Development; and

- (h) the Landlord shall have secured relief from parking requirements on the Demised Lands as set out in the Existing Approvals

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.

2.3. Landlord's Conditions

The closing of the Transaction is conditional, for a period of eighteen months from the date of the Landlord's acceptance of this Offer, upon:

- (a) the Demised Premises have been vacated by the current tenant;
- (b) the Tenant shall have provided the Landlord with confirmation that financing is available on terms and conditions satisfactory to the Landlord;
- (c) the Landlord is satisfied that the Tenant has sufficient funding to complete the construction of the Proposed Development;
- (d) the Tenant shall have received notice of approval conditions through the site plan approval process for the Proposed Development;
- (e) the Tenant shall have provided current operating and capital budgets satisfactory to the Executive Director, Housing Secretariat;
- (f) the Tenant shall have provided an up-to-date and comprehensive work plan and cash flow chart that includes the construction start date and anticipated date of First Occupancy (as defined in the Contribution Agreement, a form of which is attached as Schedule C), satisfactory to the Executive Director, Housing Secretariat;
- (g) the Tenant shall have provided proof that the Tenant's board of directors has authorized the Transaction;
- (h) the Tenant shall have provided the final design set of design drawings and specifications for the Building, incorporating the City's Affordable Housing Guidelines, the City's Accessibility Design Guidelines all details of the Community Spaces and other requirements of the Project Agreement and the Contribution Agreement, to the satisfaction of the Executive Director,

Housing Secretariat, and the Chief Planner and Executive Director, City Planning, the Executive Director, Development Review and the Executive Director, Social Development and Finance Administration;

- (i) 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 construction or the financing of the Project or the business, property, assets, liabilities, conditions (financial or otherwise) or prospects of the Proponent;
- (j) the Landlord shall have secured the access easements over 245 Dunn Lands, that are in the Landlord's opinion, required to carryout the Proposed Development;
- (k) the Landlord shall have secured relief from parking requirements on the Demised Lands as set out in the Existing Approvals; and
- (l) the Tenant shall have provided such additional information and documentation, as required by the Executive Director, Housing Secretariat, with respect to status of construction and any other matters deemed relevant to the success of the Proposed Development;

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 Landlord 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.

3. Tenant's Covenants

- (a) The Tenant shall design the Building, substantially in accordance with its proposal, dated _____, made in response to the request for proposals issued by the Landlord with respect to the Demised Premises.
- (b) The Tenant acknowledges and agrees that the Landlord has obtained all Existing Approvals and the Tenant agrees to satisfy all conditions and obligations pursuant to the Existing Approvals. The Tenant shall be responsible for securing and have carriage of all other approvals required to develop the Demised Premises and construct the Proposed Development as contemplated in the Terms, including but not limited to the site plan application and any and all other land use and building approvals, licenses and permits not already secured by the Landlord (the "**Tenant's Approvals**") and shall diligently and continuously proceed with same. The Tenant agrees to (1) keep the Landlord informed of all developments with

respect to the Tenant's Approvals; (2) provide the Landlord with copies of the Tenant's Approvals and all amendments thereto and all reports, including but not limited to, reports, studies and such other documents available in connection therewith; (3) permit the Landlord to attend all meetings with Governmental Authorities held in connection therewith; and (4) make enquiries of Governmental Authorities respecting same.

- (c) The Tenant agrees that the Project Agreement attached as Schedule D to this Offer form obligations under this Offer and the lease to be negotiated and entered into in accordance with the Terms, and the Tenant shall ensure that all building plans and specifications comply with the terms of the Project Agreement, the Offer, and the Terms.
- (d) The Tenant agrees that it will diligently and in good faith, prepare and submit, in accordance with plans and specifications submitted to the Landlord, for its prior written approval, all Tenant's Approvals. The Tenant shall comply with all obligations of the Landlord and the Tenant pursuant to the Tenant Approvals. Notwithstanding anything to the contrary, no consent or approval of the Landlord to the Tenant's Approvals, including any application or variance or amendments thereto, shall be construed as endorsement by the Landlord in its regulatory capacity of such Tenant's Approvals, applications, variance or amendments, which the Tenant acknowledges shall be subject to the normal City planning approvals processes.
- (e) The Tenant shall have carriage of the Tenant's Approvals and shall diligently and continuously proceed with same. The Tenant agrees to (1) keep the Landlord informed of all developments with respect to the Tenant's Approvals; (2) provide the Landlord with copies of the Tenant's Approvals and all amendments thereto and all reports, including but not limited to, planning reports, studies and such other documents available in connection therewith; (3) permit the Landlord to attend all meetings with governmental authorities held in connection therewith; and (4) make enquiries of governmental authorities respecting same.
- (f) The Tenant agrees that as a condition of constructing on the Demised Premises, the Tenant shall present to the Landlord, for its approval before the Landlord consents to the submission of applications for Tenant Approvals to the City, the Tenant's plan for the design development and community consultation process as part of the Tenant's development timelines. The Tenant should expect to have more than one public consultation.
- (g) The Tenant shall submit its initial financing application to any lender with whom the tenant may be working as soon as reasonably possible, and in

any event no later than three (3) months from the date of acceptance of this Offer by the Landlord.

4. Closing

This Transaction will close on the thirtieth (30) day after the last of the conditions (the "Closing Date"), in favour of the Tenant and the Landlord have either been met or waived. On the Closing Date:

- (a) the Landlord and the Tenant shall duly execute and deliver to one another:
 - (i) a lease agreement incorporating the Terms (the "Lease"), the commencement date of which will be the Closing Date, or such other date as approved by the Landlord by notice in writing, in its sole discretion;
 - (ii) the Contribution Agreement, substantially in accordance with the form of the Contribution Agreement attached hereto as Schedule "C";
 - (iii) the Project Agreement, substantially in accordance with the form of Project Agreement attached hereto as Schedule "D"; and
 - (iv) 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 Tenant will deliver to the Landlord:
 - (i) a certified copy of the directors' or members resolution authorizing the Transaction;
 - (ii) any assignment and assumption agreements as required by the Landlord, in its sole discretion, for the Tenant to assume the rights, obligations and responsibilities of the Landlord as it relates to access easements over the 245 Dunn Lands;
 - (iii) a signed Declaration of Compliance with Anti-Harassment/Discrimination Legislation & City Policy substantially in the form of the declaration attached hereto as Schedule "E"; and
 - (iv) proof of insurance as required by the Lease.

5. Notice

(a) 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 9th 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, Station 1260
 Toronto Ontario M5V 3C6
 Attention: City Solicitor
 Fax No.: (416) 397-5624

to the Tenant:

Attention: _____
 Fax No.: _____
 Email: _____

(b) 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 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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 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.

12. City as Landlord

- (a) 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.
- (b) 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.
- (c) Any of the rights and obligations of the City under this Offer may be exercised and performed, respectively, by the Chief Corporate Officer from time to time, or by his or her successors and designate(s) from time to time.

13. 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.

14. 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.

15. Entire Agreement

This Offer, including any Schedules attached to this Offer shall constitute the entire agreement between the parties concerning the Transaction. 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.

16. 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 Landlord in a file format acceptable to the Landlord. 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.

17. Offer

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

DATED the day , 2025.

The “Tenant”

by: _____

Name:

Title:

by: _____

Name:

Title:

We have the authority to bind the Corporation

The Landlord accepts this Offer the day of , 2025.

CITY OF TORONTO

APPROVED AS TO FORM

.....
For Wendy Walberg, City Solicitor
File # 4318-203- _____

by: _____

Name:

Title:

by: _____

Name:

Title:

Authorized by Executive Committee Item No. EX1.1 as adopted by City of Toronto Council at its meeting held on January 30 and 31, 2019 and Planning and Housing Committee Item No. 2021.PH28.2 adopted as amended by City of Toronto Council at its meeting held on November 9, 10 and 12, 2021, and Planning and Housing Committee Item 2023.PH3.6 adopted as amended by City of Toronto Council at its meeting held on May 10, 11 and 12, 2023.

Schedule "A"

Key Terms

Parkdale Hub, Phase 1 – West Block – Key Terms Sheet

	Heading	Terms
1.a)	Landlord	<p>City of Toronto</p> <p>Throughout this Key Terms Sheet, the term “Landlord” shall be used to refer to the City of Toronto in its role as landlord pursuant to this Key Terms Sheet, and the term “City” shall be used to refer to the City of Toronto in its roles as a municipality, an approval authority pursuant to the <i>Planning Act</i> and the <i>City of Toronto Act, 2006</i>, and a counter-party to the affordable housing City Contribution Agreement.</p>
1.b)	Tenant	<p>The Tenant must meet the definition of “Non-profit” under the Development Charges Act and in accordance with the Rental Housing Supply Program.</p>
1.c)	Demised Lands	<p>Parkdale Hub - West Block (Block A), shown as Parts 1 and 2 on Plan 66R-34409, as attached here as Schedule A, and as provided in Appendix 7 of the RFP.</p> <p>The Tenant acknowledges that it shall accept the Demised Lands in “as is, where is, with all faults” condition. The Landlord makes no representations or warranties relating to the Demised Lands or the Tenant's use thereof. The Landlord makes no representations or warranties relating to the fitness for use, physical condition, environmental condition, soil condition, or quality of the Demised Lands or the extent of utilities servicing the Demised Lands. The Tenant shall be obligated to accept the Lease and the Demised Lands subject to all permitted encumbrances, as outlined in the Lease.</p> <p>The Demised Premises will include access easements over the south-abutting lands at 245 Dunn Avenue.</p> <p>For the purposes of this Key Terms Sheet, “Proposed Development” means the development intended to be implemented on the Demised Lands by the Tenant, in accordance with the Existing Approvals, the list of drawings provided by the Landlord to the Tenant, and this Term Sheet.</p>
1.d)	Lease	<p>The Tenant acknowledges that to the Landlord will provide it with a draft lease that includes the requirements of this Key Terms Sheet and such other terms as are required by the Landlord as it applies to the development of the Parkdale Hub. The lease to be entered into pursuant to this Key Terms Sheet is hereinafter referred to as the “Lease”. The parties shall be required to finalize and execute the Lease (and the applicable confirmations and agreements contained in schedules thereto), the Contribution Agreement and the Project Agreement, in accordance with the terms and conditions of the Offer to Lease, failing which, subject to any mutually agreed extension, the parties will discontinue negotiations.</p>
2.	Commencement Date	<p>The date (the “Commencement Date”) on which the Landlord provides written notice to the Tenant confirming delivery of vacant possession of the Demised Lands to the Tenant.</p>

	Heading	Terms
3.	Term	99 years from the Commencement Date
4.a)	Basic Rent	Nominal
4.b)	Additional Rent	Completely net and carefree lease to the Landlord. Tenant to be responsible for all costs, expenses and outlays of any kind relating to the Demised Lands and Tenant's use thereof. Tenant to be responsible for any land transfer tax payable with respect to any leases, sublease, surrenders or other conveyances required pursuant to this Key Terms Sheet or the Lease.
5.a)	Use	<p>Tenant shall construct, use, manage and operate the Demised Lands continuously, actively and diligently for the principal purpose of the provision of rental housing, including at least 50% of residential units as net-new affordable rental housing, and such ancillary uses as are provided for in the OPA 659 (adopted by By-law 1146-2023) the site-specific zoning by-law (By-law 1145-2023) and Schedule B.</p> <p>This must include, without limitation, the affordable rental housing requirements set out in Schedule B and the City Contribution Agreement, all enhancements referenced in Section 19 – Enhancements hereof and the Tenant's Proposal (defined herein), all requirements of this Term Sheet and Schedule B hereto, and the requirements of any additional incentives provided by the City to the Tenant.</p>
5.b)	City Contribution Agreement	The Tenant shall enter into the City's standard form Contribution Agreement for affordable rental housing, a copy of which is attached to the RFP.
6.a)	Proposed Development	<p>Toronto Green Standard</p> <p>Tenant acknowledges that it is required to develop the Proposed Development on the Demised Lands to include the Site Specific Requirements set out in Schedule B. Tenant acknowledges that the Proposed Development shall meet or exceed the requirements of the Toronto Green Standard Version 4 Tier 2 energy performance level and a minimum 25% decrease in energy consumption and greenhouse gas (GHG) emissions over the 2015 national building and energy codes.</p> <p>Accessibility</p> <p>The Tenant acknowledges that it is required to construct, operate and manage the Proposed Development such that a minimum of twenty percent (20%) of the affordable rental housing units and a minimum of fifteen (15%) of the market rental housing units satisfy the accessibility standards set out in the <i>Building Code Act, 1992</i>, S.O. 1992, c. 23, and its associated regulations (the "Building Code"), and all common areas shall be completely free of any barriers in accordance with the Building Code.</p> <p>Market Rent Controls</p>

Heading	Terms
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The Tenant acknowledges that it is required to operate and manage the Proposed Development such that annual rental increases for in-situ tenants of market rental units shall not exceed the rent increase guideline of the *Residential Tenancies Act, 2006* (the “**Provincial Guideline**”) plus two percent (2%), and that in subleasing residential dwelling units, it must comply with the Residential Tenancies Protocol which will be incorporated into the lease and is incorporated Schedule E below.

Community Benefits Plan

Tenant acknowledges that it shall be required to:

- (i) develop a Community Benefits Plan jointly with the City; oversee the Community Benefits Plan implementation and track progress through data collection and analysis with guidance from the City; and provide quarterly updates to the City throughout construction and initial occupancy of the Proposed Development to monitor progress and address matters related to the implementation of the Community Benefits Plan;
- (ii) ensure a minimum of 10% of total construction trade person hours are allocated to Community Benefit Hires;
- (iii) agree with the City on an annual minimum headcount of professional, administrative, technical (“**PAT**”) Community Benefit Hires and ensure that such agreed upon minimum headcount of PAT Community Benefit Hires are employed during the construction and initial occupancy of the Proposed Development; and
- (iv) ensure a project procurement target dollar value representing 10% of total construction costs are procured from local or diversely owned businesses.

For the purposes of this Section 6.a):

“**Community Benefit Hire**” is defined as a person hired through Local Hiring or Social Hiring, who is newly hired for the project, or employed with the employer for less than 60 of 100 working days prior to the start of the project.

“**Social Hiring**” refers to targeted recruitment efforts that aim to hire qualified candidates who face unique barriers to employment or who self-identify as Black Torontonians, Indigenous persons, or people from equity-deserving groups. Social Hiring approaches are typically achieved through coordinated processes with community-based employment service providers who are affiliated with the City.

“**Local Hiring**” refers to the hiring of people who live in a particular geographical or postal code-specific area. Use of this term and its definition is to be determined based on the particular context or project.

	Heading	Terms
		The Tenant shall be obligated to certify compliance with all requirements of this Section 6.a) and provide evidence of such compliance to the City as further set out in the Lease.
6.b)	Existing Approvals	<p>Tenant acknowledges that the Landlord has obtained, or will obtain prior to the Commencement Date, subject to appeals, all Official Plan amendments and zoning by-law amendments and draft plan of subdivision approvals, if applicable required with respect to the Proposed Development (collectively, the “Existing Approvals”).</p> <p>Tenant is required to satisfy (i) all conditions and obligations pursuant to the Existing Approvals, and (ii) all conditions and obligations which, pursuant to the City’s planning approval process, would have been included as conditions and obligations of the owner pursuant to the Existing Approvals had the City not been the owner of the Demised Lands.</p>
6.c)	Tenant Approvals	<p>Tenant shall diligently and in good faith prepare, submit and pursue all site plan applications and other approvals required in connection with the Proposed Development and not already secured by Landlord, all in accordance with plans and specifications as approved by Landlord (the “Tenant Approvals”). Tenant shall not submit any applications for Tenant Approvals without the prior approval of the Landlord with respect to the plans and specifications. Tenant is required to comply with all obligations of the owner and tenant pursuant to the Tenant Approvals.</p>
6.d)	No Applications	<p>Tenant shall not have the right to apply to the City for any Official Plan amendment, zoning by-law amendment, draft plan of subdivision, if applicable, or consent at any time until after the Tenant has completed the construction of the entire Demised Lands and that right is subject to the prior written consent of the Landlord, which may be withheld in the Landlord’s sole and unfettered discretion. Despite the application restrictions stated and subject to the requirements of the <i>Planning Act</i>, the Tenant may apply for minor variances to the Existing Approvals, provided:</p> <ul style="list-style-type: none"> • The prohibition on appeals set out in Section 6.e) shall apply to all decisions and non-decisions made with respect to such applications; and • The Tenant shall work collaboratively with the Landlord in preparing its application material. <p>The Tenant shall not submit any such applications until such time as it has received the prior written approval of the Landlord, which may be withheld by the Landlord in its sole and unfettered discretion</p>
6.e)	No Appeals	<p>In the event the Tenant appeals any decision or non-decision of the City or the Committee of Adjustment with respect to the Existing Approvals, the Tenant Approvals or otherwise, to the OLT, TLAB or to any court without the prior written consent of the Landlord, which may be withheld in the Landlord’s sole and unfettered discretion, this shall constitute a default under the Lease and the Landlord shall have the</p>

	Heading	Terms
		right to terminate the Lease. Nothing in the Lease shall derogate from the authority of the City as the applicable planning authority to review and approve the Proposed Development.
6.f)	Easements	<p>The Tenant acknowledges and agrees as follows:</p> <ul style="list-style-type: none"> (i) where this Key Terms Sheet or the Lease or any Schedule thereto references an easement interest, and such easement cannot be granted by the Tenant owing to the nature of its leasehold property interest, the Tenant's leasehold interest shall nonetheless be subject to such similar and comparable rights in favour of the applicable third party (excluding the City) who would otherwise benefit from such easement. The Tenant further acknowledges and agrees that, prior to the Commencement Date or such other date as may be set out in the Lease or any Schedule thereto, the Tenant shall enter into an agreement on the Landlord's standard form or provide such other assurance as may be required confirming the terms of such easement or rights in the nature of an easement; and (ii) where this Term Sheet or the Lease or any Schedule hereto references an easement interest in favour of the City, prior to the Commencement Date or such other date as may be set out in the Lease or any Schedule thereto, the Tenant shall: <ul style="list-style-type: none"> a. grant to the City such easement interest over the Tenant's Leasehold Interest, in form and content satisfactory to the City, together with any postponements required by the City related thereto; and b. prepare and cause to be registered a reference plan of survey on title to the leasehold parcel for the Demised Lands to describe the portion of the Demised Lands that is subject to such easement, <p>all at the sole cost and expense of the Tenant.</p>
7.	General & Capital Repairs & Maintenance	<p>The Tenant shall provide Landlord with short-term (3-year) and long-term (10-year) capital plans. Tenant shall construct and maintain the Proposed Development to the standard resulting in a facility condition index score of not greater than ten percent (10%), as verified by an independent third party duly qualified consultant or through an independent third party building condition assessment, and to a standard of operation, care, finishes and fixtures for similar residential buildings of a similar age and size in the general vicinity of the Demised Lands ("Maintenance Standard") and bear, save as expressly set forth in the Lease, all costs associated with maintenance, repair and replacement during the Term. This obligation includes all capital repairs and replacements including</p>

	Heading	Terms
		<p>without limitation major repairs and replacements to elevators, roofs, exterior windows and cladding, parking structures, chillers, boilers, etc. and renovations required to maintain the Maintenance Standard.</p> <p>The Tenant shall provide the Landlord with building condition assessments ("BCA"), together with all inspection, testing and maintenance records for the Proposed Development, every five (5) years during the Term at the sole cost and expense of the Tenant to confirm compliance with the facility condition index requirements in this Section 7. Following receipt of written notice from the Landlord, the Tenant shall be obligated to promptly rectify any deficiencies identified in the building condition assessment and provide the Landlord with satisfactory evidence that such deficiencies have been rectified.</p> <p>Beginning not later than 30 days prior to the issuance first occupancy permit, the Tenant shall establish a capital asset replacement reserve fund in a trust account in the name of the Landlord (the "Reserve Fund") for the maintenance and repair of the Demised Premises and shall pay into the Reserve Fund in each year of the Term the amount of a minimum of five (5%) per cent of annual the gross revenues for the Demised Premises, including any subsidies. Annual contributions to the Reserve Fund shall be in addition to any interest earned by the Reserve Fund. Interest earned in the Reserve Fund is to accrue in the Reserve Fund. All amounts in the Reserve Fund shall revert to the City, as landlord, absolutely at the end of the Lease. The Tenant may, with prior written consent of the Landlord, withdraw amounts from the Reserve Fund to fund Capital Improvements to maintain the same in the condition required to be maintained under the lease or under the most recent BCA reviewed by the Landlord.</p>
8.	Condition of Demised Lands at end of Term	<p>At the expiration or earlier termination of the Lease, at the Landlord's option, Tenant to either: (i) surrender the Demised Lands to Landlord in good order, condition and repair, apart from reasonable wear and tear consistent with the building age, maintained to the Maintenance Standard required by the Lease; or (ii) demolish all buildings and improvements on the Demised Lands and return the Demised Lands in the condition they were at the Commencement Date, provided that the Landlord shall not be entitled to require a demolition of any portion of the Demised Lands in respect of which applicable law prohibits the Tenant from terminating any existing subleases with residential subtenants that have not been terminated or surrendered voluntarily by the subtenants. Tenant shall not have the right to demolish any buildings or improvements on the Demised Lands without the prior written consent of the Landlord.</p>
9.	Tenant Covenant to Complete Proposed Development	<p>The Tenant shall diligently prosecute and complete the construction of the Proposed Development. In particular, the Tenant shall:</p> <ul style="list-style-type: none"> • satisfy all Construction Commencement Conditions (in accordance with the terms of Section 19 below) no later than three (3) months following the Commencement Date;

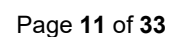
	Heading	Terms
		<ul style="list-style-type: none"> commence construction of the Proposed Development no later than thirty (30) days from the later of (i) receipt of the first building permit (including any conditional building permit) with respect to the Proposed Development and (ii) satisfaction of all Construction Commencement Conditions; be responsible for securing all the required permissions involving properties outside the Demised Lands, such as easements or tie-back agreements as necessary, that are required to enable the construction and operation of the Proposed Development, except for those required over 245 Dunn Avenue. For clarity: the Landlord will not accept any encumbrances on its fee simple interest over the Demised Lands; achieve substantial performance of the Proposed Development no later than 4 years after the issuance of the Statement of Approval from the Executive Director, Development Review Division, or their designate. <p>The Tenant shall submit to the Landlord for approval, its schedule for the Proposed Development, which shall include site plan submission timelines, commencement of construction and completion of construction.</p> <p>If, subject to force majeure or delays attributable to the Landlord in its capacity as Landlord and not in its capacity as a municipality, the Tenant fails to meet any of the above timelines, the Landlord shall have the right to terminate the Lease.</p>
10	Performance Security for Construction Obligations	<p>The Tenant shall deliver to the Landlord in accordance with Section 19 below:</p> <ul style="list-style-type: none"> (i) in the event the Tenant is receiving Rental Construction Financing or financing pursuant to another comparable CMHC program for the Proposed Development, evidence that the performance security required by CMHC to secure the financing is in place, and shall remain in place for as long as is required by CMHC; or (ii) in the event the Tenant is not receiving Rental Construction Financing or financing pursuant to another comparable CMHC program, the Tenant shall deliver to the Landlord the Performance Security, which shall remain in place until substantial performance of the Proposed Development. <p>“Performance Security” means security in one or more of the following forms, to the satisfaction of the Landlord:</p> <ul style="list-style-type: none"> (a) satisfactory labour and material or performance bonds in respect of the Major Subcontracts for the Tenant's Initial Work issued by a surety and in amounts acceptable to the Landlord, acting reasonably; (b) an irrevocable, unconditional standby letter of credit, from a Canadian Chartered Bank, in a form satisfactory to the Landlord in its sole and unfettered discretion; and

	Heading	Terms
		<p>(c) such other form of security as may be acceptable to the Landlord, acting reasonably.</p> <p>The Tenant acknowledges that additional financial security obligations relating to construction of required parks, roads and services and matters specific to the site plan approval process will be further set out in the Lease and/or the site plan agreement as applicable and will be required to be provided in the form of the City accepted form of letter of credit or certified cheque.</p>
11.	No-Subordination and Ground Lease Acknowledgment Agreement	Lease shall not be subordinated by Landlord to Tenant's secured financing; however, in the event that the Tenant finances the Property, the Landlord shall, upon request of the Tenant and its Lender, enter into a ground lease acknowledgment agreement (in a form to be negotiated and attached to the lease).
12.	Leasehold Mortgages / Loans	Leasehold Mortgages permitted without Landlord Consent but subject to Landlord approval of the lender, acting reasonably, and subject to certain leverage ratios and customary lease provisions with respect to the granting of leasehold mortgages, subject to reasonable negotiation when such lenders may be involved in financing the project.
13.	Assignment and Subletting	No assignment, sublease (other than to residential tenants and community space tenants provided for in Schedule B) or other transfer, including transfers by operation of law, by Tenant without Landlord consent, acting reasonably, the assignee must be a qualified non-profit housing provider. Landlord shall be permitted to unreasonably or arbitrarily withhold consent to an assignment in its sole discretion until completion of all phases of the Proposed Development.
14.	Non-Disturbance and Attornment Agreement	Non-Disturbance agreements to be provided in favour of retail and commercial sub-tenants in the Proposed Development on the Landlord's standard form of non-disturbance agreement, as long as the sub-tenants agree to attorn to the Landlord.
15.	Subway Interference	<p>Lease to include City's standard interferences confirmation and release.</p> <p>Tenant will include TTC and Metrolinx standard interferences clause, where applicable, in all leases/subleases with residential, retail and commercial tenants/subtenants.</p>
16.a)	Confirmation and Release	Lease to include City's standard confirmation and release language regarding all claims, including environmental claims, which language requires the Tenant to assume full responsibility for the environmental condition of the site and indemnify the Landlord for any claims made with respect to such environmental condition past or present.

	Heading	Terms
16.b)	Environmental	<p>The Tenant shall either (i) comply with all obligations of the owner pursuant to any Risk Assessment, Certificate of Property Use and/or Record of Site Condition with respect to all or any part of the Demised Lands, and/or (ii) at the Landlord's option, pay to the Landlord all costs incurred by the Landlord in complying with all or any obligations of the owner pursuant to any Risk Assessment, Certificate of Property Use and/or Record of Site Condition with respect to all or any part of the Demised Lands. With respect to any work completed by the Tenant pursuant to Section 16.b)(i) the Landlord may, at its options, and at the Tenant's sole cost, appoint a qualified person to monitor the Tenant's compliance with the Risk Assessment, Certificate of Property Use and/or Record of Site Condition.</p> <p>The Tenant is obligated to comply with City policy that the acceptable un-impacted material barrier thickness "soft" and "hard" caps in City parks, roads and right-of-ways must be at least 1.5 meters in depth, and greater if required.</p> <p>Upon surrender, release or conveyance of any part of the Lease or the Demised Lands to the Landlord (eg. roads, parks), the Tenant shall provide to the Landlord such evidence as is necessary to satisfy the Landlord, acting reasonably, that the Tenant has complied with the requirements of any applicable Risk Assessment, Certificate of Property Use and/or Record of Site Condition, and has not caused further contamination of the Demised Lands.</p>
17.a)	Affordable Rental Housing	<p>At least fifty-percent (50%) of the total residential units is to be dedicated to net-new Affordable Rental Homes for 99 years.</p> <p>Tenant acknowledges that the Demised Lands to include the Site-Specific Requirements set out in Schedule B.</p>
17.b)	Rent-Controlled Housing	<p>Annual rent increases for existing tenants of the rent-controlled rental homes will be limited to the provincial guideline plus 2% for the entire Term of the Lease and in accordance with the Rental Housing Supply Program requirements and the Site-Specific Requirements set out in Schedule B.</p>
17.c)	Market Housing	<p>Rent increases for existing tenants of the market rental homes will comply with the Residential Tenancies Protocol, which will form part of the lease and is attached here as Schedule E.</p>
18.	Enhancements	<p>A Community Economic Benefits Plan is required, substantially in accordance with the terms of Schedule D.</p> <p>The Tenant shall develop and operate the Proposed Development in accordance with the Tenant's Request for Proposals Response, as clarified by its response to Clarification Questions (collectively the "Proposal").</p>
19.	Construction Commencement Conditions	<p>The following conditions will be required prior to the commencement of any work to be performed by the Tenant to complete the Proposed Development under this Lease:</p> <p>(a) the Tenant shall have received Site Plan Approval for the Proposed Development;</p>

Heading	Terms
	<p>(b) the Tenant shall have provided proof that all major contracts have been entered into in accordance with normal business practices, including using a competitive process, where appropriate. If normal business practices have not been followed, a business case for not following such practices must have been approved by the Executive Director, Housing Secretariat;</p> <p>(c) the Tenant shall have provided a copy of a fully executed contract, in the form of the Canadian Construction Document Committee ("CCDC"), with a construction contractor for the completion of the Project, which contract shall include the bonds required by the City and provide for standard warranties, satisfactory to the Executive Director, Housing Secretariat;</p> <p>(d) the Tenant shall have provided the evidence required or delivered the Performance Security required pursuant to Section 10, which in any event shall be comprised of at least the following with terms to the satisfaction of the City:</p> <p style="padding-left: 40px;">(i) a performance bond in the amount of fifty (50%) per cent of the contract price of the fully executed CCDC to deliver the Proposed Development; and</p> <p style="padding-left: 40px;">(ii) a labour and materials payment bond in the amount of fifty (50%) per cent of the contract price for labour, materials and/or services; and</p> <p>(e) The Tenant shall have obtained first mortgage financing on terms and conditions satisfactory to the City.</p>

Plan 66R-34409



SCHEDULE B

SITE SPECIFIC REQUIREMENTS

When referred to herein, “Tenant” means the Successful Proponent of the RFP and Leaseholder of the Lease for Parkdale Hub – West Block (Block A).

1. RENTAL HOUSING

The Demised Lands will include a minimum of 50% net-new affordable rental units where subject to City Council approval being obtained, the monthly shelter costs are at or below the lesser of the City’s Affordable Rents and the Provincial Affordable Rents as more particularly set out in the City’s Contribution Agreement. Note that at least 10% of the net-new affordable rental units will be subject to a maximum rent of 40% AMR.

If the Tenant proposes to provide rent-controlled units as part of the Proposed Development, rent charged to a new residential tenant must be at or below one hundred fifty percent (150%) of AMR.

The total number of market, rental replacement, rent-controlled and affordable rental units will be optimized within the massing established by the Existing Approvals.

The Demised Lands will include at least nine replacement rental units, equating to at least 682 square metres of residential Gross Floor Area as follows:

- Five one-bedroom units, which shall have a minimum unit size of at least 68 square metres; and
- Four two-bedroom units, which shall have a minimum unit size of at least 81 square metres.
- The unit layouts and sizes will be finalized in the context of the Site Plan Application review process for the West Block building, to the satisfaction of the Executive Director, Development Review, in consultation with the Chief Planner, City Planning. The terms and conditions for the nine replacement rental units, including rents, amenities and storage lockers, are prescribed in the adopted Decision Report, [2023.PH7.5 at Attachment 9](#).

With respect to the market rental housing, the Tenant is required to:

- meet the [Growing Up: Planning for Children in Vertical Communities](#) guidelines;
- ensure that a minimum of 25% of the total number of market units contain 2 bedrooms; with a minimum of 15% of the total market units having a minimum interior floor area of 87 square meters; and
- ensure that a minimum of 10% of the total number of market units contain 3 bedrooms; with a minimum interior floor area of 100 square meters.

2. COMMUNITY SPACE

The Tenant will construct, complete and finish approximately 23,300 square feet (2,164 square metres) of community space (the “Community Space”) in accordance with the general specifications outlined in Schedule C – Community Space Sublease Terms and Conditions and such further specifications as provided in Housing Secretariat’s [Open Calls for Affordable Housing Initiatives](#).

The Community Space will be subleased to the City. The Community Space sublease shall be for a term equal to the remainder of the Term of the Lease less one day at an annual base rental rate of \$2.00, on the City’s standard form of Community Space Sublease, which will include without limitation the terms and conditions set out in Schedule C – Community Space Sublease Terms and Conditions. The City will be responsible for operating costs and realty taxes, if applicable, for the Community Space.

a. STANDARDS

- i. All construction and finishes with respect to the Community Space shall be to current City standards as approved by the Executive Director, Social Development, Finance &

Administration (SDFA) and Executive Director, Corporate Real Estate Management (CREM).

- ii. All contractors, including sub-contractors, must be acceptable to the Executive Director, Corporate Real Estate Management (CREM), in consultation with the City's Fair Wage Office.
- iii. the Tenant shall comply with the City's Fair Wage Policy and Labour Trades Contractual Obligations Policy in the Construction Industry, as same may be amended from time to time. Prior to entering any contract for work in relation to the construction of the Community Space, the Tenant shall forward information on the proposed contract to the City's Fair Wage Office at 100 Queen Street West, City Hall, 18th floor, West Tower, Toronto, Ontario M5H 2N2, Fax No. (416) 392-0801, for review. The Tenant shall ensure that such work is performed in compliance with any collective agreement to which the City is bound in the construction industry, and which apply at the time that construction commences. The Tenant further acknowledges that any violations of any collective agreement may result in grievances being filed against the City and/or applications being made to the Labour Relations Board. The Tenant agrees to indemnify the City for any costs, damages, settlements and/or legal expenses associated with any violations of any collective agreements to which the City is bound in the construction industry as a result of a breach by the Tenant of its obligations in this subsection.
- iv. All components of the Community Space will be designated, constructed, delivered and installed in accordance with all relevant governing legislation, regulations, guidelines and standards applicable to the intended use for public buildings including the Occupational Health and Safety Act, and that the most current codes, standards and practices for good construction at the time of construction shall prevail.

3. EASEMENTS AND RIGHTS IN THE NATURE OF EASEMENTS

- a. The Tenant's interest in the Demised Lands shall be at all times subject to a right in favour of the Landlord, to keep in place all existing services, including but not limited to the services identified below, and to put in place such services as may be determined by the City in its sole discretions, (collectively, the "City Services"), together with a right of access to and use of the Demised Lands at any time and from time to time to survey, lay, install, erect, operate, use, maintain, inspect, alter, remove, replace, reconstruct, repair, enlarge and expand the City Services as may be reasonably required from time to time, provided that the exercise of such rights shall be at the sole option and discretion of the Landlord, and the reservation of same shall not impose upon the Landlord any obligation to maintain such services for the benefit of the Demised Lands:
 - i. Sanitary sewer - located to the west of the Demised Lands running north/south on Dunn Avenue;
 - ii. Storm Sewer - located to the north of the Demised Lands running east-west on Queen Street West;
 - iii. Toronto Hydro Equipment above and below grade - located along the south-west side of the Demised Lands; and
- b. The Tenant's interest in the Demised Lands shall be subject at all times to a restriction against the use of, or construction of any above-grade improvements on, daylighting triangles, except with the prior written consent of the Landlord;
- c. The Tenant shall grant to third parties all easements as may be required to facilitate the Proposed Development, which easements shall be registered against the leasehold parcel, once created, in favour of such third parties;
- d. The Tenant, as its sole expense shall relocate, decommission and/or abandon any existing services as may be required to facilitate the Proposed Development, all subject to the prior written consent of the City;
- e. The Tenant's interest in the Demised Lands shall be, at all times, subject to a right in favour of the City for public access and use over the entirety of the PAS pedestrian connection referred to in 4

below and the Tenant shall grant such rights in the nature of a non-exclusive easement or equivalent rights to the Landlord against the leasehold parcel, once created, as may be required.

4. PUBLICLY ACCESSIBLE SPACE - PEDESTRIAN CONNECTION

- a. The Tenant, at its sole expense, shall design, construct and maintain an exterior publicly accessible space (PAS) of a minimum 2.1 metre width, the pedestrian connection, along the southern portion of the Demised Property, which will connect Dunn Avenue and the southwest corner of the Masaryk-Cowan Community Recreation Centre. The design, size, location and configuration of the PAS will be determined through the site plan approval process.

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SCHEDULE C

COMMUNITY SPACE SUBLEASE TERMS AND CONDITIONS

The Community Space will be first offered to existing agency partners of 1313 Queen St. W, Masaryk Cowan CRC and Toronto Public Library.

Additional community spaces will be leased to agencies selected through a Request for Expression of Interest (REOI) by the City's Social Development, Finance & Administration Division.

When referred to herein, "Tenant" means the Successful Proponent of the RFP and Leaseholder of the Lease for Parkdale Hub – West Block (Block A).

1. COMMUNITY SPACE DESCRIPTION

- Tenant is responsible for the design and construction of the Community Space (basement, ground, and mezzanine levels built to the specifications outlined in the future Project Agreement) pursuant to the Lease Terms as approved by the Executive Director, Corporate Real Estate Management (CREM) the Chief Engineer and Executive Director, Engineering and Construction Services and/or the General Manager, Social Development, Finance and Administration, as the case may be.
- The finished Community Space will be made available to City at nominal cost in a condition acceptable to CREM.
- The term of the Community Space lease shall be for a minimum of 99 years or run concurrently as the Lease between the Successful Proponent and the City. The Community Space will be made available at no cost to the City and/or its selected non-profit organizations.
- The City shall be responsible for all property taxes, if applicable, utility costs, and for its proportionate share of common area costs.

2. SELECTION PROCESS: REOI

- Through an REOI process, the City will select a non-profit service provider(s) and agencies with a proven track record of providing local community services.
- The non-profit service provider(s) and agencies will be chosen before the plans for the space are finalized to provide operational feedback on the final form and finishing of the space to suit the agencies.
- The City and the non-profit agency partners will operate the Community Space.

3. COMMUNITY SPACE DESIGN

- Community Space will be designed to be welcoming and inviting to the public and staff.
- Community Space must be designed to maximize the programming potential and use of the space.
- Community Space shall be a self-contained unit(s) within the building or stand alone, located at grade with direct entrance from the street, with sound attenuation between it and other uses on the site, and will be able to be accessed by staff and the public 24 hours a day and 7 days a week.
- Community Space may include as floor area permits: appropriate space for office, reception, administration, lobby, washrooms, kitchens (with fittings and chattels), storage, flexible multipurpose space(s), minimum one large meeting/community programming room, client/consultation rooms, studios, performance areas, display areas, and other adequate circulation as the non-profit service provider(s) and agencies may need to support their programming.
- Outdoor spaces may be associated with the Community Space as an opportunity to support the community space program.
- Access to shipping/service area and storage as required by the non-profit service provider(s) and agencies.
- Dedicated parking spaces associated with the Community Space, and as applicable to "Block A" will be provided to the City and/or non-profit service provider(s) and agencies.
- Visitor pick-up/drop-off areas, service access and garbage pick-up required for the Community Space in accordance with the most current by-laws, standards and codes.
- Tenant shall provide all associated mechanical, plumbing, security and electrical systems and devices.
- Community Space must be easily recognizable with appropriate signage and fully serviced.

- Community Space (and the associated components of the building in which the Community Space is located) must be fully accessible for the disabled, in accordance with the City's Accessibility Guidelines, and include ramp, elevators and accessibility signage.
- Community Space will be designed to maximize the programming potential and use of the space.

The Tenant shall ensure that the City, the non-profit service provider(s), and partner agencies are able to fully participate in all phases of the design and construction process for the Community Space. All phases of the design and construction process are subject to the prior approval of the City and the non-profit service provider(s).

4. COSTS

- The City shall be responsible for the design and construction cost of the fit-up of the Community Space to base-building standards acceptable to the City.
- The City will be obligated to pay all taxes and levies for the provision of the space, unless otherwise exempt and its proportionate share of operating costs for the building in which the Community Space is located.

6. SERVICE PRIORITIES

Tenant agrees and provides consent that the Community Space(s) may operate for such use, all in accordance with plans and specifications as approved by the City. The Service Priorities will be listed in the forthcoming REOI that SDFA will release.

SCHEDULE D

COMMUNITY ECONOMIC BENEFITS AND WORKFORCE DEVELOPMENT

The Tenant shall

1. Develop a Community Economic Benefits Plan jointly with the City prior to construction tendering and once finalized, comply with all requirements in the Community Economic Benefits Plan such as measurable targets and quarterly reporting schedules. The Tenant will have access to and use the City's Community Economic Benefits implementation toolkit which includes an employment service provider directory to help reach community benefits hires, as well as various templates, data collection forms, and guiding resources. Alternative tools and templates may be used upon City approval.
2. Achieve a tenant-proposed, target number or percentage of 'person year' jobs / full time equivalents for community benefits hires (City requires a minimum target of 10% of total hiring or equivalent number).

"Community Benefits Hires" may be recruited with the support of employment service providers or community partners. Community benefits hires are defined as people from Indigenous, Black and equity-deserving communities that face systemic, institutional, and societal barriers to equitable access and opportunities due to histories of colonization, racism, and discrimination in Canada. Eligibility for Community Benefits Hires includes people who are from the local community and/or Indigenous and/or Black and/or identify with an intersectionality of equity-deserving identities including women, 2SLGBTQ+ communities, youth (16-29), racialized communities, newcomers/recent immigrants (less than 5-years in Canada), persons with a disability including mental health, persons with low income or living in a Neighbourhood Improvement Area postal code, and persons who have been in conflict with the law.

3. Achieve a tenant-proposed, minimum, annual procurement target for local business (City requires a minimum target of 10% local procurement).
4. Achieve a tenant-proposed, minimum, annual procurement target for supply chain diversity, including social enterprises (City requires a minimum target of 10% diverse suppliers).

SCHEDULE E

RESIDENTIAL TENANCIES PROTOCOL

Part I – Adjustments to Rent Payable

1. The Tenant may adjust the rent payable by a residential tenant with respect to a Market Rental Unit only in accordance with this Protocol.

2. The Tenant may adjust the rent payable by a residential tenant with respect to a Market Rental Unit, if at least twelve (12) months have elapsed:

(a) since the residential tenant first moved into the Market Rental Unit; or

(b) since the day of the last rent increase with respect to the Market Rental Unit, if there has been an increase,

by no more than the rent increase guideline of the *Residential Tenancies Act, 2006* (the "**Provincial Guideline**") plus two percent (2%) (the "**Maximum**"). The Tenant acknowledges that, if the Provincial Guideline applies during the term of the Lease to the Market Rental Units, the Tenant agrees that it will abide by the most restrictive increase.

In the event the Provincial Guideline or any successor legislation is repealed and not replaced with similar legislation, annual rent adjustments may be made based on annual changes 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.

Part II – Annual Reporting

3. No later than December 31st of each year during the term of the Lease, the Tenant is required to provide the Deputy City Manager, Corporate Services, with a confirmation letter that the rent for each Market Rental Unit was not increased by more than the Maximum. If deemed necessary by the Deputy City Manager, Corporate Services, acting reasonably, the Tenant must make such books, accounts and records available at all reasonable times for audit and inspection by the Deputy City Manager, Corporate Services, or anyone designated in writing by the Deputy City Manager, Corporate Services, to ensure compliance.

Part III – Application for Rent Increases above Maximum

3. The Tenant may apply to the Deputy City Manager, Corporate Services for a consent permitting the rent charged to be increased by more than the Maximum for any or all of the Market Rental Units on the Demised Lands in any or all of the following cases:

(1) An extraordinary increase in the cost for municipal taxes and charges for the Demised Lands.

(2) Eligible capital expenditures incurred respecting the Demised Lands or one or more of the Market Rental Units in it.

(3) Operating costs related to security services provided in respect of the Demised Lands by persons not employed by the Tenant.

4. An application to the Deputy City Manager, Corporate Services pursuant to this Protocol will be made at least 120 days before the effective date of the first intended rent increase referred to in the application.

5. The Tenant shall include with an application under this Protocol a summary of each of the following, if applicable:

(1) Any item in a work order that has not yet been completed, regardless of whether or not the compliance period has expired.

(2) Any item in a work order that relates to one or more elevators in the Building and that has not yet been completed, regardless of whether or not the compliance period has expired.

(3) Any item in an order made under section 21 of the *Technical Standards and Safety Act, 2000* that relates to one or more elevators in the Building and that has not yet been completed, regardless of whether or not the compliance period has expired and regardless of whether the order was made against the Tenant or another person or entity.

(4) Any specified repairs or replacements or other work ordered by the Landlord and Tenant Board under paragraph 4 of subsection 30 (1) of the *Residential Tenancies Act, 2006* that relates to one or more elevators in the Building and that has not yet been completed, regardless of whether or not the compliance period has expired.

6. A summary referred to in Section 5 of this Protocol shall include the following information:

(1) A description of the work that was ordered to be carried out.

(2) The person or entity who was ordered to carry out the work and the time for compliance specified in the order.

(3) The person or entity who made the order and the date the order was made.

(4) Such additional information as may be requested by the Deputy City Manager, Corporate Services, acting reasonably.

7. If an application is made under this Protocol and the Tenant has given a notice of rent increase as required, until a consent authorizing the rent increase for the Market Rental Unit takes effect, the Tenant shall not require the residential tenant to pay a rent that exceeds the lesser of,

(a) the new rent specified in the notice; and

(b) the greatest amount that the Tenant could charge without applying for a rent increase.

8. Despite Section 7, the residential tenant may choose to pay the amount set out in the notice of rent increase pending the outcome of the Tenant's application and, if the residential tenant does so, the Tenant shall owe to the residential tenant any amount paid by the residential tenant exceeding the amount allowed by the consent of the Deputy City Manager, Corporate Services.

9. Subject to Sections (10) to (13), in an application under this Protocol, the Deputy City Manager, Corporate Services will make determinations in accordance with this Protocol with

respect to all of the grounds of the application and, if the Deputy City Manager, Corporate Services is satisfied that a consent permitting the rent charged to be increased by more than the Maximum is justified, will provide a consent,

(a) specifying the percentage by which the rent charged may be increased in addition to the Maximum; and

(b) subject to this Protocol, specifying a 12-month period during which an increase permitted by clause (a) may take effect.

10. If the Deputy City Manager, Corporate Services is satisfied that a consent permitting the rent charged to be increased by more than the Maximum is justified and that the percentage increase justified, in whole or in part, by operating costs related to security services and by eligible capital expenditures, is more than 3 per cent,

(a) the percentage specified under Subsection 9(a) that is attributable to those costs and expenditures shall not be more than 3 per cent; and

(b) the consent made under Section 9 shall, in accordance with this Protocol, specify a percentage by which the rent charged may be increased in addition to the Maximum in each of the two 12-month periods following the period specified under Subsection 9(b) but that percentage in each of those periods shall not be more than 3 per cent.

11. Section 13 applies to a Market Rental Unit if the Deputy City Manager, Corporate Services determines that,

(a) the Tenant,

(i) has not completed items in work orders regardless of whether or not the compliance period has expired and which are determined by the Deputy City Manager, Corporate Services to be related to a serious breach of a health, safety, housing or maintenance standard;

(ii) has not completed specified repairs or replacements or other work ordered by the Landlord and Tenant Board under paragraph 4 of subsection 30 (1) of the *Residential Tenancies Act, 2006* regardless of whether or not the compliance period has expired;

(iii) has been found by the Landlord and Tenant Board to be in serious breach of the Tenant's obligations under subsection 20 (1) or section 161; or

(iv) is in serious breach of the Tenant's obligations under any applicable City by-laws, or federal or provincial statutes or regulations relating to health, safety, housing or maintenance standards; and

(b) the Market Rental Unit is affected by,

(i) one or more items referred to in subclause (a) (i) that have not been completed,

(ii) one or more repairs or replacements or other work referred to in subclause (a) (ii) that has not been completed, or

(iii) a serious breach referred to in subclause (a) (iii) and/or subclause (a) (iv).

12. Section 13 applies to a Market Rental Unit if the Deputy City Manager, Corporate Services determines that,

(a) the Tenant has not completed items in work orders regardless of whether or not the compliance period has expired and which relate to one or more elevators in the Building;

(b) the Tenant or another person or entity, as applicable, has not completed items in orders made under the section 21 of the *Technical Standards and Safety Act, 2000* regardless of whether or not the compliance period has expired and which relate to one or more elevators in the Building; or

(c) the Tenant has not completed specified repairs or replacements or other work ordered by the Landlord and Tenant Board under paragraph 4 of subsection 30 (1) of the *Residential Tenancies Act, 2006* regardless of whether or not the compliance period has expired and which relates to one or more elevators in the Building.

13. If this Section applies to a Market Rental Unit, the Deputy City Manager, Corporate Services will:

(a) dismiss the application with respect to the Market Rental Unit; or

(b) provide, in any consent provided under Section 9, that the rent charged for the Market Rental Unit shall not be increased pursuant to the consent until the Deputy City Manager, Corporate Services is satisfied, by a supplementary application made by the Tenant within the time period specified by the Deputy City Manager, Corporate Services, on notice to the residential tenant of the Market Rental Unit, that,

(i) all items referred to in Subsection 11(a)(i) that affect the Market Rental Unit have been completed or have ceased to apply as provided for by any final appeal decision, if a finding was made under that Subsection, (ii) all repairs, replacements and other work referred to in Subsection 11(a)(ii) that affect the rental unit have been completed or have ceased to apply as provided for by any final appeal decision, if a finding was made under that Subsection,

(iii) the serious breach referred to in Subsection 11(a)(iii) or Subsection 11(a)(iv) no longer affects the rental unit, if a finding was made under either Subsection,

(iv) all items referred to in Subsection 12(a) have been completed or have ceased to apply as provided for by any final appeal decision, if a finding was made under that Subsection,

(v) all items referred to in Subsection 12(b) have been completed or have ceased to apply as provided for by any final appeal decision, if a finding was made under that Subsection, and

(vi) all repairs, replacements and other work referred to in Subsection 12(c) have been completed or have ceased to apply as provided for by any final appeal decision, if a finding was made under that Subsection.

14. A consent from the Deputy City Manager, Corporate Services under Section 9 with respect to a Market Rental Unit ceases to be of any effect on and after the day a new residential tenant enters into a new tenancy agreement with the Tenant in respect of that Market Rental Unit if that agreement takes effect on or after the day that is 90 days before the first effective date of a rent increase in the consent.

15. The factor to be applied for the purposes of paragraph 6 of Subsection 26 (2) and paragraph 2 of Subsection 27(2) is determined by dividing the total rents of the Market Rental Units in the Building that are subject to the application and are affected by the operating cost by the total rents of the Market Rental Units in the Building that are affected by the operating cost. The rent for a Market Rental Unit that is vacant or that is otherwise not rented shall be deemed to be the average rent charged for the Market Rental Units in the Building.

16. An application under Section 3 of this Protocol must be accompanied by the following material:

(a) if the application is based on an extraordinary increase in the cost for municipal taxes and charges,

(i) evidence of the costs for the base year and the reference year and evidence of payment of those costs, and

(ii) evidence of all grants, other forms of financial assistance, rebates and refunds received by the Tenant that effectively reduce those costs for the base year or the reference year,

(b) if the application is based on capital expenditures incurred,

(i) evidence of all costs and payments for the amounts claimed for capital work, including any information regarding grants and assistance from any level of government and insurance, resale, salvage and trade-in proceeds,

(ii) details about each invoice and payment for each capital expenditure item, in the form approved by the City, and

(iii) details about the rents for all Market Rental Units in the Building that are affected by any of the capital expenditures, in the form approved by the City,

(c) if the application is based on operating costs related to security services, evidence of the costs claimed in the application for the base year and the reference year and evidence of payment of those costs

(d) all applications must include two additional photocopies of the application, along with either a compact disc containing the material, or a USB drive containing the material.

17. If an application under section 3 of this Protocol is based on capital expenditures, the Tenant must:

(a) upon the request of a residential tenant, provide the tenant with either:

(i) a compact disc containing the material, or a USB drive containing the material, for a charge of not more than five dollars; or

(ii) a photocopy of the material provided under Subsections 16(a) and (b), for no more than the Tenant's reasonable out-of-pocket costs for the photocopying; or

(iii) an e-mail of the material provided under Subsection 16(a) and (b) in portable document format, at no charge to the residential tenant.

(b) if the Tenant has an office in or close to the Building, provide during normal business hours and at no charge, a photocopy of the material provided under Subsection 16(a) and (b) available for viewing by residential tenants subject to the application; and

(c) in the application, inform every residential tenant subject to the application of the ways in which a residential tenant may obtain access under this section to the material provided under Subsection 16(a) and (b).

18. In determining the amount of any capital expenditures or the amount of operating costs in an application under Section 3 of this Protocol, the Deputy City Manager, Corporate Services will:

(a) include any provincial sales tax and harmonized sales tax paid by the Tenant in respect of the capital expenditures or operating costs;

(b) exclude any penalties, interest or other similar charges for late payment of any amount paid by the Tenant in respect of the capital expenditures or operating costs;

(c) exclude any amount that has already been included in calculating the amount of a capital expenditure or operating cost in the same application or for which the Tenant has obtained relief in a previous consent under this Protocol; and

(d) subtract the amount of all grants, other forms of financial assistance, rebates and refunds received by the Tenant that effectively reduce the operating costs.

19. If a Building forms part of a larger project, the operating costs for the project and the amount of capital expenditures which benefit both the Building and the other parts of the project shall be allocated between the Building and the other parts of the project in accordance with one or more of the following factors at the City's choice:

(a) the area of each part of the project;

(b) the market value of each part of the project; and/or

(c) the revenue generated by each part of the project.

20. If the allocation of operating costs and capital expenditures in accordance with section 19 of this Protocol would be unreasonable considering how much of the costs and expenditures are attributable to each part of the project, the operating costs and capital expenditures shall be allocated among the parts of the project in reasonable proportions according to how much of the costs and expenditures are attributable to each part of the project.

21. If the Tenant incurs a cost arising out of a transaction that is not an arm's length transaction, the Deputy City Manager, Corporate Services shall consider only that part of the Tenant's Cost that is less than or equal to the costs that would arise from a similar market transaction.

22. For the purposes of this Protocol, one corporation is related to another corporation if,

- (a) one of the corporations is controlled by the other corporation;
- (b) both of the corporations are controlled by the same person or group of related persons each member of which is related to every other member of the group;
- (c) each of the corporations is controlled by one person and the person who controls one of the corporations and the person who controls the other corporation are related persons;
- (d) one of the corporations is controlled by one person and that person is related to any member of a group of related persons that controls the other corporation;
- (e) one of the corporations is controlled by one person and that person is related to each member of an unrelated group that controls the other corporation;
- (f) any member of a group of related persons that controls one of the corporations is related to each member of an unrelated group that controls the other corporation; or
- (g) each member of an unrelated group that controls one of the corporations is a related person to at least one member of an unrelated group that controls the other corporation.

23.(1) The rules set out in this section apply to the Deputy City Manager, Corporate Services in making determinations relating to capital expenditures.

(2) A rent increase shall not be consented to in respect of a capital expenditure unless the work was completed during the 18-month period ending 120 days before the effective date of the first intended rent increase referred to in the application.

(3) The value of the Tenant's own labour in carrying out the work involved in the capital expenditure is equal to the amount of time spent multiplied by a rate of pay that is reasonable given the Tenant's experience in the market and skill in the type of work done but,

(a) if the amount of time spent exceeds the amount of time that would be reasonable given the Tenant's experience and skill, the latter amount of time shall be used in the calculation of the value of the Tenant's own labour;

(b) only that part of the value of the Tenant's own labour that does not exceed the amount a person in the business of doing such work would charge shall be considered; and

(c) the value of the Tenant's own labour does not include any amount with respect to the management and administration of the work involved in the capital expenditure.

(4) The cost of a leased asset is the fair market value of the leased asset at the commencement of the lease.

(5) The amount of a capital expenditure is calculated as follows:

(a) Add the following amounts:

(i) The purchase prices.

(ii) The cost of any leased assets.

(iii) The installation, renovation and construction costs.

(iv) The value of the Tenant's own labour as determined under subsection (3).

(b) Subtract from the amount determined under paragraph (a) any grant or other assistance from any level of government and any insurance, salvage, resale or trade-in proceeds related to the work undertaken or the item purchased.

(6) For each Market Rental Unit that is subject to the application, the percentage rent increase that is justified by capital expenditures shall be determined in accordance with the following rules.

(a) Determine which capital expenditures affect the unit.

(b) For each capital expenditure that affects the unit, multiply the amount of the capital expenditure determined under subsection (5) by the rent for the unit, and divide that result by the sum of the rents for all Market Rental Units in the Building that are affected by the capital expenditure.

(c) If the Deputy City Manager, Corporate Services is of the opinion that the amount determined under paragraph (b) for a capital expenditure does not reasonably reflect how the unit is affected by the capital expenditure,

(i) paragraph (b) does not apply, and

(ii) the Deputy City Manager, Corporate Services will determine an amount by another method that, in the opinion of the Deputy City Manager, Corporate Services, better reflects how the unit is affected by the capital expenditure.

(d) Add the amounts determined under paragraph (b) or (c), as the case may be, for all of the capital expenditures that affect the unit.

(e) Amortize the amount determined under paragraph (d) over the weighted useful life of the capital expenditures that affect the unit, as determined in paragraph (f), in equal monthly instalments of blended principal and interest over the weighted useful life of the asset.

(f) The weighted useful life of all capital expenditures that affect the unit shall be determined in accordance with the following rules:

(i) For each capital expenditure that affects the unit,

A. divide the amount determined under paragraph (b) or (c), as the case may be, for the capital expenditure by the amount determined under paragraph (d), and

B. multiply the amount determined under sub-subparagraph A by the useful life of the capital expenditure, as determined under section 24.

(ii) Add the results determined under sub-subparagraph i B for all capital expenditures that affect the unit and round to the nearest full year.

(g) The amortization under paragraph (e) shall be calculated using the interest rate determined under Subsection 31(o).

(h) The percentage rent increase that is justified for the unit by capital expenditures is determined by dividing the amortized amount determined under paragraph (e) by the monthly rent for the unit, and multiplying the result by 100.

24.(1) The useful life of work done or a thing purchased will be determined from the Schedule subject to the following rules:

(a) Where the useful life set out in Column 3 of the Tables in the Schedule is less than 10 years, the useful life of work done or a thing purchased shall be deemed to be 10 years.

(b) If, when a thing is purchased, it has previously been used, the useful life of the thing shall be determined taking into account the length of time of that previous use.

(c) If the work done or thing purchased does not appear in the Schedule, the useful life of the work or thing shall be determined with reference to items with similar characteristics that do appear in the Schedule.

(d). Despite paragraphs (b) and (c), for the purposes of making a determination under this section, the useful life of work done or a thing purchased shall not be determined to be less than 10 years.

(2) If the useful life of work done or a thing purchased cannot be determined under subsection (1) because the work or thing does not appear in the Schedule and no item with similar characteristics appears in the Schedule, the useful life of the work or thing shall be what is generally accepted as the useful life of such work or thing but in no case shall the useful life be determined to be less than 10 years.

25.(1) An increase in the cost for municipal taxes and charges is extraordinary if it is greater than the Maximum plus 50 per cent of the Maximum.

(2) For the purposes of subsection (1), the Maximum is the Maximum for the calendar year in which the effective date of the first intended rent increase referred to in the application falls.

(3) Despite subsection (1), if the Maximum is less than zero, any increase in the cost for municipal taxes and charges is deemed to be extraordinary.

26.(1) The rules set out in this section apply to the Deputy City Manager, Corporate Services in making determinations related to extraordinary increases in the cost for municipal taxes and charges.

(2) The amount of the allowance for an extraordinary increase in the cost for municipal taxes and charges is calculated as follows:

(a) Adjust the reference year costs for municipal taxes and charges by the Maximum plus 50 per cent of the Maximum determined in accordance with subsection 25(2).

(b) If municipal taxes and charges for a tax year are increased as a result of an appeal of a tax assessment, add to the base year costs for municipal taxes and charges the amount of the increase resulting from the appeal.

(c) If a tax notice respecting the reference year municipal taxes and charges is issued on or after November 1 in the base year, add to the base year costs for municipal taxes and charges the amount, if any, by which the reference year municipal taxes and charges exceed the municipal taxes and charges for the year preceding the reference year.

(d) If a tax notice respecting the reference year municipal taxes and charges is issued on or after November 1 in the base year and if the reference year municipal taxes and charges are increased as a result of an appeal of a tax assessment, the amount of the increase resulting from the appeal,

(i) shall be included in determining the amount by which the reference year municipal taxes and charges exceed the municipal taxes and charges for the year preceding the reference year for the purpose of paragraph (c), and

(ii) shall not be added under paragraph (b).

(e) Subtract the reference year costs for municipal taxes and charges, as adjusted under paragraph (a), from the base year costs for municipal taxes and charges, as adjusted under paragraphs (b), (c) and (d).

(f) Multiply the amount determined in paragraph (e) by the factor determined under Section 15.

(3) Despite Section 15, if the Maximum is less than zero per cent, for the purposes of the calculations in subsection (2), the Maximum is deemed to be zero per cent.

(4) An increase in municipal taxes and charges as a result of an appeal of a tax assessment shall not be considered under subsection (2) if the application for the rent increase was filed more than 12 months after the decision on the appeal was issued.

27.(1) This section applies to the Deputy City Manager, Corporate Services when making determinations respecting operating costs related to security services.

(2) The amount of the allowance for operating costs related to security shall be calculated as follows:

(a) Subtract the operating costs for security services in the reference year from the operating costs for security services in the base year.

(b) Multiply the amount determined under paragraph (a) by the factor determined under Section 15.

(3) The Board shall exclude from the calculation under subsection (2) any operating costs for security services that are no longer being provided to the tenant at the time the application is heard.

28. The percentage rent increase above the Maximum for each Market Rental Unit that is the subject of the application shall be calculated in the following manner:

(a) Divide the amount of each allowance determined under subsection 29 (2) and section 30 by the total rents for the Market Rental Units that are subject to the application and are affected by the operating cost.

(b) If the Deputy City Manager, Corporate Services is of the opinion that the amount determined under paragraph (a) for an allowance does not reasonably reflect how the Market Rental Units that are subject to the application are affected by the operating cost to which the allowance relates,

(i) paragraph (a) does not apply in respect of the allowance, and

(ii) the Deputy City Manager, Corporate Services will determine an amount by another method that, in the opinion of the Deputy City Manager, Corporate Services, better reflects how the Market Rental Units that are subject to the application are affected by the operating cost to which the allowance relates.

(c) Determine the percentage that each allowance referred to in paragraph (a) represents of the total rents for the Market Rental Units that are subject to the application and are affected by the operating cost by multiplying each of the amounts determined under paragraph (a) or (b), as the case may be, by 100.

(d) Add together the percentages determined under paragraph (c) for each allowance referred to in paragraph (a) that relates to an operating cost that affects the Market Rental Unit.

(e) Add the percentage determined under paragraph (d) and the percentage determined under paragraph 8 of Subsection 23(6).

29.(1) Subject to section 30 of this Protocol, if the Deputy City Manager, Corporate Services consents to a rent increase for a Market Rental Unit under section 9 of this Protocol, that rent increase may only be taken within 12 months of the first intended rent increase referred to in the application for a Market Rental Unit in the Building.

(2) Subject to section 30 of this Protocol, the rent increases provided for under Section 10 of this Protocol may only be taken during the subsequent 12-month periods which begin and end on the same days of the year as the 12-month period referred to in subsection (1).

(3) Despite subsection (1), if the unit is subject to Subsection 13(b) of this Protocol, the rent charged for the Market Rental Unit shall not be increased before the date specified by the Deputy City Manager, Corporate Services under Subsection 13(b) of this Protocol, and the increase may only be taken within 12 months after that date.

(4) Despite subsection (2), if the Market Rental Unit is subject to Subsection 13(b) of this Protocol, the rent increases provided for under Section 10 of this Protocol may only be taken during the subsequent 12-month periods which begin and end on the same days of the year as the 12-month period referred to in subsection (3).

30.(1) If a consent with respect to a Market Rental Unit that increases the lawful rent is made under section 9 of this Protocol with respect to capital expenditures or operating costs for security services before the time for taking any rent increases under one or more previous consents has expired, the Tenant may annually increase the lawful rent being charged by no more than the Maximum plus 3 per cent of the previous lawful rent, until such time as no rent increase with respect to capital expenditures or operating costs related to security services consented to under section 5 of this Protocol remains to be taken.

(2) If a Tenant fails to take a rent increase in accordance with subsection (1) in any 12-month period in which the Tenant was entitled to take such a rent increase, the Tenant may not take that rent increase in any subsequent time period.

(3) If a Tenant takes a rent increase in accordance with subsection (1) that is less than the amount the Tenant was entitled to take, the Tenant may not take the amount of the rent increase which the Tenant failed to take in any subsequent time period.

(4) This section does not prevent a Tenant from increasing the rent charged by more than 3 per cent of the previous lawful rent charged with respect to an extraordinary increase in the cost for municipal taxes and charges in accordance with a consent under Section 9 of this Protocol.

Part IV – Definitions

31. For the purposes of this Protocol, the following definitions shall apply:

(a) “arm’s length” means the persons involved are not related persons;

(b) “base year” means,

(i) when determining rent increases due to an extraordinary increase in the cost for municipal taxes and charges, the last completed calendar year immediately preceding the day that is 90 days before the effective date of the first intended rent increase referred to in the application,

(ii) when determining rent increases due to operating costs related to security services, the annual accounting period of one year in length chosen by the Tenant which is most recently completed on or before the day that is 90 days before the effective date of the first intended rent increase referred to in the application, and

(iii) despite clauses (i) and (ii) above, if a consent has previously been provided with respect to the Building under Section 9 of this Protocol in which relief was granted or for operating costs related to security services, the base year shall begin and end on the same days of the year as the base year used in the previous consent;

(c) “Building” has the same meaning as in the lease between the City of Toronto and the Tenant;

(d) "capital expenditure" means an expenditure for an extraordinary or significant renovation, repair, replacement or new addition, the expected benefit of which extends for at least five years including,

(i) an expenditure with respect to a leased asset if the lease qualifies as determined under Section 32 of this Protocol, and

(ii) an expenditure that the Tenant is required to pay on work undertaken by a municipality, local board or public utility, other than work undertaken because of the Tenant's failure to do it,

but does not include,

(iii) routine or ordinary work undertaken on a regular basis or undertaken to maintain a capital asset in its operating state, such as cleaning and janitorial services, elevator servicing, general building maintenance, grounds-keeping and appliance repairs, or

(iv) work that is substantially cosmetic in nature or is designed to enhance the level of prestige or luxury offered by a unit or Building;

(e) "Consumer Price Index" means 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;

(f) "control" means direct or indirect ownership or control either alone or with a related person of,

(i) more than 50 per cent of the issued share capital of a corporation having full voting rights under all circumstances, or

(ii) issued and outstanding share capital of a corporation in an amount that permits or may permit the person to direct the management and policies of the corporation;

(g) "Demised Lands" has the same meaning as in the lease between the City of Toronto and the Tenant;

(h) "eligible capital expenditures" is a capital expenditure that:

(i) is necessary to protect or restore the physical integrity of the Building or part of it;

(ii) is necessary to comply with subsection 20 (1) of the *Residential Tenancies Act, 2006*;

(iii) is necessary to maintain the provision of a plumbing, heating, mechanical, electrical, ventilation or air conditioning system;

(iv) provides access for persons with disabilities;

(v) promotes energy or water conservation; or

(vi) maintains or improves the security of the Building;

- (i) "Deputy City Manager, Corporate Services" means the Deputy City Manager, Corporate Services for the City of Toronto, and includes the Deputy City Manager's designates or successors, if any;
- (j) "elevator" means an elevator intended for use by residential tenant;
- (k) "extraordinary increase" means extraordinary increase as defined by or determined in accordance with this Protocol.
- (l) "family", in relation to a person, means,
 - (i) the person's spouse,
 - (ii) the parents or other ancestors or the children or other descendants of the person or the person's spouse,
 - (iii) the brothers and sisters of the person or the person's spouse, and the children and other descendants of those brothers and sisters,
 - (iv) the aunts and uncles of the person and the person's spouse and the children and other descendants of those aunts and uncles,
 - (v) the spouses of the person's sons and daughters;
- (m) "harmonized sales tax" means any tax imposed under Part IX of the *Excise Tax Act (Canada)*;
- (n) "incurred" means, in relation to a capital expenditure,
 - (i) the payment in full of the amount of the capital expenditure, other than a holdback withheld under the *Construction Act*,
 - (ii) if the expenditure relates to a lease, the assumption, when the lease commences, of the obligations under it, or
 - (iii) if the expenditure relates to work undertaken by a municipality, local board or public utility, when the work is completed.
- (o) "interest rate" means the prevailing rate as quoted by the Bank of Canada.
- (p) "Market Rental Units" has the same meaning as in the lease between the City of Toronto and the Tenant;
- (q) "physical integrity" means the integrity of all parts of a structure, including the foundation, that support loads or that provide a weather envelope and includes, without restricting the generality of the foregoing, the integrity of,
 - (i) the roof, exterior walls, exterior doors and exterior windows,
 - (ii) elements contiguous with the structure that contribute to the weather envelope of the structure, and

- (iii) columns, walls and floors that support loads.
- (r) "reference year" means the 12-month period immediately preceding the base year.
- (s) "related person", where used to indicate a relationship with any person, includes,
 - (i) a member of the family of such person,
 - (ii) an employer or employee of such person,
 - (iii) a partner of such person,
 - (iv) a trust or estate in which such person has a beneficial interest,
 - (v) a trust or estate in which such person serves as a trustee or in a similar capacity,
 - (vi) a trust or estate in which persons related to such person, as otherwise determined under this definition, have a beneficial interest,
 - (vii) a corporation controlled by such person,
 - (viii) a corporation controlled by such person and persons related to such person, or
 - (ix) a corporation controlled by a person related to such person;
- (t) "rent" includes the amount of any consideration paid or given or required to be paid or given by or on behalf of a residential tenant to the Tenant or the Tenant's agent for the right to occupy a Market Rental Unit and for any services and facilities and any privilege, accommodation or thing that the Tenant provides for the residential tenant in respect of the occupancy of the Market Rental Unit, whether or not a separate charge is made for services and facilities or for the privilege, accommodation or thing;
- (u) "similar market transaction" means an arm's length transaction that occurs or may reasonably be expected to occur under the same or comparable terms and conditions and in the same general geographic location; and
- (v) "Tenant" has the same meaning as in the lease between the City of Toronto and the Tenant.

32. For the purposes of the definition of "capital expenditure" in subsection 23(d), a lease qualifies if substantially all the risks and benefits associated with the leased asset are passed to the lessee and, when the lease commences, any one or more of the following is satisfied:

- (a) the lease provides that the ownership of the asset passes to the lessee at or before the end of the term of the lease;
- (b) the lease provides that the lessee has an option to purchase the asset at the end of the term of the lease at a price that is less than what the market value of the asset will be at that time;

(c) the term of the lease is at least 75 per cent of the useful life of the asset, as determined in accordance with section 24 but without regard to any part of section 24 that prevents the useful life from being determined to be less than 10 years; and/or

(d) the net present value of the minimum lease payments is at least 90 per cent of the asset's fair market value at the commencement of the lease where the net present value is determined using the interest rate determined under Subsection 31(o).

33.(1) For the purposes of this Protocol, a capital expenditure to replace a system or thing is not an eligible capital expenditure for the purposes of this Protocol if the system or thing that was replaced did not require major repair or replacement, unless the replacement of the system or thing promotes,

(a) access for persons with disabilities;

(b) energy or water conservation; or

(c) security of the Building or part of it.

(2) For the purposes of this Protocol, a capital expenditure is not an eligible capital expenditure with respect to a Market Rental Unit for the purposes of this section if a new residential tenant entered into a new tenancy agreement in respect of the Market Rental Unit and the new tenancy agreement took effect after the capital expenditure was completed.

Schedule “B”
Access Agreement

THIS LICENCE AGREEMENT made as of the ____ day of _____, 20____,

BETWEEN:

CITY OF TORONTO

(hereinafter called the "City")

OF THE FIRST PART

and

[NTD: Insert Name]

(hereinafter called the "Licensee")

OF THE SECOND PART

WITNESSES THAT IN CONSIDERATION OF the mutual covenants herein contained and the sum of TWO DOLLARS (\$2.00) paid by the Licensee to the City, the receipt and sufficiency of each of which is hereby acknowledged, the parties hereto hereby agree as follows:

Section 1

- (1) The City hereby grants to the Licensee, on the terms and conditions herein contained, a licence (hereinafter called the "*Licence*") to enter upon that property known municipally as **[NTD: insert municipal address]**, City of Toronto and the as shown on the attached Sketch and as more particularly described on Schedule "A" (the "*Licensed Area*").
- (2) The Licensee acknowledges and agrees that the *Licensed Area* is licensed in its present condition and shall be used by the Licensee only for the purpose of conducting due diligence investigations as more particularly set out in Schedule "B" (the "*Work*").

Section 2

- (1) The term of the *Licence* shall be **[NTD: Insert length of licence ()]** WEEKS during the period between **[NTD: insert start date]**, 20X and **[NTD: insert end date]**, 20Y and shall be mutually arranged between the Licensee and the City, upon at least 48 hours' notice (the "*Term*").
- (2) During the *Term* of this *Licence*, either the Licensee or the City's Deputy City Manager, Corporate Services or his or her designate (hereinafter called the "*DCM, CS*") shall have the right to terminate the *Licence*, in its or her sole discretion, upon giving ONE (1) DAYS' written notice thereof to the Licensee. In the event of such notice, this *Licence* shall terminate, and the Licensee shall restore the *Licensed Area* to its original condition in accordance with section 4 herein.

Section 3

- (1) The Licensee covenants and agrees that it will:
 - (a) use the *Licensed Area* only for the purpose as outlined in section 1(2) above in accordance with Schedule "B";
 - (b) be responsible, at its sole expense, for all operating costs related to the use of the *Licensed Area* by the Licensee including the cost of all repairs, maintenance and utilities in relation to the Licensee's use of the *Licensed Area* as set out in section 3(1)(a) above, and all costs

directly or indirectly incurred by the City, acting reasonably, in relation to this *Licence* save and except that during the *Term* the Licensee shall not be required to pay any realty taxes or utilities (other than utilities requested by the Licensee);

- (c) expeditiously repair at its own expense, to the satisfaction of the *DCM, CS* all damage to any City owned property and improvements thereon caused by any exercise of the Licensee's rights under this Agreement;
- (d) permit the City and its staff, employees, agents and contractors access to the *Licensed Area* at any time as may be required. In this respect, the City covenants and agrees to use reasonable efforts not to interfere with the Licensee's work during the *Term* of the Licence;
- (e) not install or erect any fences, signs, structures and/or fixtures on the *Licensed Area* or make any changes in surfacing, grading or landscaping to the *Licensed Area* without the prior written approval of the *DCM, CS*;
- (f) not use, store or deposit, upon the *Licensed Area*, any substance which is hazardous to persons or property and includes, but is not limited to, substances declared to be hazardous or toxic under any law or regulation made by any governmental authority having jurisdiction over the *Licensed Area*, the City or the Licensee, nor will it do any other thing which may result in damage and/or soil contamination of the *Licensed Area* and/or adjoining lands and, without limiting the generality of the foregoing, shall not store flammable or combustible materials at or on the *Licensed Area*;
- (g) protect all public works, services and/or utility easement(s) and all mature trees, if any, on and adjacent to the *Licensed Area*, and the Licensee shall be liable for any damage occurring in relation thereto as a result of any act or omission by the Licensee;
- (h) not permit any rubbish, refuse, debris or other objectionable material to be stored or to accumulate in or on the *Licensed Area* and will ensure that nothing is done and kept at or on the *Licensed Area* which is or may be considered a nuisance, or which causes disturbance, damage or interference to the normal usage of any adjoining property;
- (i) solely bear all costs of the environmental and soil stability assessments and the preparation of any reports relating thereto but such report(s) and the results of soil testing shall be prepared for, addressed to and provided to both the City and the Licensee;
- (j) hold all information, results and reports obtained by the Licensee and the City, in consequence of the drilling, soil testing and designated substance survey results conducted on *Licensed Area*, in the strictest confidence and shall not disclose or release same to any third party without the express written consent of the City;
- (k) at its sole expense, comply with all Federal, Provincial and Municipal laws, by-laws, rules, codes and regulations (including, without limitation, zoning by-laws, the Ontario Fire Code, the *Environmental Protection Act* and any other environmental legislation, including Ontario Regulation 153/04 "Records of Site Condition – Part XV.I of the Act" under the *Environmental Protection Act* affecting the *Licensed Area* and/or its operation and use by the Licensee and those authorized by or under the Licensee, and shall obtain any necessary permits and licences that may be required for the Licensee's intended use of the *Licensed Area*, and shall save the Licensors harmless from any and all liabilities and costs suffered by the Licensee or the Licensors as a result of the Licensee's failure to so comply;
- (l) not assign or otherwise transfer this *Licence* or any part thereof without the prior written consent of the City; and

- (m) pay such fee for administration as City Council may from time to time, approve (either directly or by a delegated authority).
- (2) The Licensee will be given access to the building on the *Licensed Area* only during that part of the *Term* when the Licensee necessarily requires access to the building itself and provided such time is acceptable to the DCM, CS.
- (3) The Licensee, at its sole expense, shall be responsible for installing anything necessary for its operations. Prior to the commencement of any changes to the *Licensed Area*, the Licensee shall, at its sole expense, submit detailed plans and specifications of all such changes to the DCM, CS for approval.
- (4) The Licensee shall not commence any work prior to the execution of this *Licence* by both parties hereto.
- (5) The Licensee covenants and agrees that material default in compliance with section 3(1)(a) or (b) hereof shall entitle the City to terminate the *Licence* forthwith.

Section 4

Upon expiry or termination of this *Licence* for any reason whatsoever, the Licensee shall forthwith remove all fixture(s), equipment, structure and debris from the *Licensed Area* and shall restore the *Licensed Area* to as close as is practicable to its original condition immediately prior to the Licensee's occupancy at the Licensee's sole cost and expense, all to the satisfaction of the DCM, CS, acting reasonably.

Section 5

- (1) The Licensee shall at all times indemnify and save harmless the City from any and all manner of claims, demands, losses, costs, charges, actions and other proceedings whatsoever, made or brought against, suffered by or imposed on the City or its property in respect of any loss, damage or injury (including fatal injury) to any person or property including, without restriction, employees, agents and property of the City or of the Licensee directly or indirectly arising out of or resulting from or sustained as a result of either the Licensee's occupation of or use of the *Licensed Area*, or the condition of the *Licensed Area*; or the effect of such condition upon adjoining properties.
- (2) The Licensee shall fully indemnify and save harmless the City from and against all liens and other claims under the *Construction Act* or any successor legislation related to any work performed by or at the direct or indirect request of the Licensee at the *Licensed Area*, and shall at its own expense see to the removal from the registered title to the *Licensed Area* and/or surrounding lands, by discharge or Order, of any claim for such lien or Certificate of Action in connection therewith, promptly and in any event within TEN (10) Days of being notified in writing by the City to do so, failing which the City may see to such removal and recover the expense and all attendant costs from the Licensee as owing and in arrears.
- (3) The Licensee shall, prior to the start of any work, deliver to the City an original signed certificate of insurance evidencing that the Licensee's environmental consultants, **[NTD: insert name of consultants]** (or such other consultant that may be carrying out the *Work* who is acceptable to the DCM, CS acting reasonably), has obtained a policy of insurance for the conduct of the *Work* on the *Licensed Area*, providing coverage in an amount of not less than **[\$NTD: Insert amount as approved by Risk Management]** per occurrence. The policy of insurance shall name the City as an insured, provide cross-liability coverage and waiver of subrogation, and contain a clause providing that the Licensee shall not change or cancel the insurance during the *Term* of this Licence.

Section 6

- (1) The Licensee shall not commit, cause or permit any nuisance or any waste or injury to the *Licensed Area*, or any of the improvements or fixtures thereon, any overloading of the *Licensed Area*, or any nuisance in or about the *Licensed Area*. Without limiting the generality of the foregoing, the Licensee shall not use or permit the use of any portion of the *Licensed Area* for any dangerous, illegal, noxious, odorous or offensive trade, business or occurrence.
- (2) The Licensee shall keep the *Licensed Area* free of:
 - (a) debris or anything of dangerous, noxious, odorous or offensive nature or which could create a fire hazard (through undue load on electrical circuits or otherwise);
 - (b) undue vibration, heat or noise; and
 - (c) hazardous materials and all potential contaminants.

Section 7

The City shall not be liable for any interference with, or damage to any part of the *Licensed Area* or to any property of the Licensee within the *Licensed Area* or for any inconvenience to the Licensee, or for any financial loss suffered by the Licensee, howsoever caused, except to the extent caused by the gross negligence of the City or those for whom it is responsible at law.

Section 8

The Licensee shall provide the City with copies of any and all reports provided to it upon completion of the work contemplated hereunder. The reports shall be addressed to the City and shall be accompanied by authorizations from the Licensee and from the preparer of the reports permitting the City to use the reports for any purpose. The City shall be entitled to utilize any such report(s) in any manner it sees fit and the Licensee shall ensure that any such report(s) remain confidential and are not disclosed to any other person or party for any purpose whatsoever;

Section 9

- (1) Any notice pursuant to any of the provisions of this Agreement shall be deemed to have been properly given if delivered in person, sent by fax, or mailed by prepaid registered post addressed:

in the case of the City, to:

Director, Transaction Services of Real Estate Services
 City of Toronto
 55 John Street, 2nd Floor
 Metro Hall
 Toronto, Ontario
 M5V 3C6

Attention: Director, Transaction Services of Real Estate Services
 Facsimile: (416) 392-1880

with a copy to:

City of Toronto, Legal Services
 Metro Hall
 55 John Street, 26th Floor
 Toronto, Ontario
 M5V 3C6

Attention: City Solicitor

in the case of the Licensee, to:

[NTD: Insert full mailing particulars]

or to such other address in each case as either party may notify the other in writing. Such notice shall be deemed to have been received if personally delivered on the date of delivery, if sent by facsimile on the business day next following the day on which it was sent, and in the case of mailing, in the absence of a major interruption in postal service affecting the delivery/handling thereof, on the third business day (excluding Saturday and Sunday and statutory holidays) next following the date of mailing.

- (2) Where either party to this Agreement has notified the other in writing of a change of address for the purposes of this paragraph, the address set out in the latest such notice of change of address, shall replace and supersede any prior address of the notifying party for such purposes.

Section 10

Nothing in this Agreement nor any conduct of the parties hereto shall create any relationship other than that of licensor and Licensee and the City shall not be deemed to be a partner of the Licensee in the conduct of the Licensee's business or a joint venturer with the Licensee.

Section 11

This Agreement 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 Agreement 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.

Section 12

Nothing in this Agreement nor any conduct of the parties hereto shall be construed to imply that the Licensee has any right to an extension of this Agreement or to any further or subsequent dealings with the City respecting the *Licensed Area*.

Section 13

The authority of the *DCM, CS* shall not be deemed to be exhausted by any individual exercise thereof, and in the matters for which she is to be responsible under this Agreement, the *DCM, CS* shall be the sole judge whose opinion and exercise of discretion shall not be subject to review in any manner whatsoever except as expressly otherwise indicated in this Agreement.

Section 14

- (1) All amounts payable to the City under this *Licence* will bear simple interest at the rate of 1.25% per month (15% per year) (the "*Default Rate of Interest*"). Interest will be calculated and payable from and including the day after the day the amount is due until payment in full of the overdue amount is received by the City. Interest will be calculated only on the principal amount outstanding from time to time, and interest charges will not be added to the outstanding principal amount for purposes of calculating interest. Payments received by the City will be applied first to outstanding interest charges and the balance (if any) will be applied to the outstanding principal amount.

- (2) The *Default Rate of Interest* may be increased by the City from time to time by notice to the Licensee. The rights of the City to charge and receive interest in accordance with this paragraph are without prejudice to any of the other rights of the City at law or otherwise.

Section 15

The Licensee will pay to the City, immediately on demand, a charge of forty dollars (\$40.00) for every cheque tendered by the Licensee to the City that is not honoured by the institution on which it is drawn (the "*Returned Cheque Fee*"). The *Returned Cheque Fee* may be increased by the City from time to time by notice to the Licensee, so that it is at all times equal to the charge payable in respect of cheques tendered in payment of tax, water and court service charges that are not honoured by the institution on which they are drawn.

Section 16

The Licensee shall pay to the City all the City's reasonable legal costs, on a solicitor-and-client basis, of all actions or other proceedings in which the City participates in connection with, or arising out of the obligations of the Licensee under the Agreement or arising out of the Licensee's use or occupation of the *Licensed Area*.

Section 17

- (1) No condonation, excusing or overlooking by the City of any default, breach or non-observance of any of the Licensee's obligations under this Agreement at any time or times shall affect the City's remedies or rights with respect to any subsequent (even if by way of continuation) default, breach or non-observance.
- (2) No waiver shall be inferred from or implied by anything done or omitted by the City.
- (3) Any written waiver by the City shall have effect only in accordance with its express terms.

Section 18

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.

Section 19

No communication or dealing between the *Licensee* 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 Licensee 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 Licensee 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 Licensee as a party to this Agreement will relieve the Licensee 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 Licensee imposed by this Agreement.

Section 20

Any of the rights and obligations of the City under this Agreement may be exercised and performed, respectively, by the *DCM*, *CS*, or by her designate(s) from time to time.

Section 21

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 22

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and approved assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

SIGNED, SEALED AND DELIVERED

<p align="center">APPROVED AS TO FORM</p> <p>_____</p> <p>For Wendy Walberg, City Solicitor</p> <p>File No. _____</p> <p>Print Name: _____</p>
<p>Authorized by Article 2 of City of Toronto Municipal Code Chapter 213, Real Property</p> <p>DAF Tracking No. _____</p>

OR

CITY OF TORONTO

Per: _____
 Name: _____
 Title: _____

c/s

Per: _____
 Name: _____
 Title: _____

I/We have authority to bind the corporation.

[NTD: Insert Name]

Authorized by _____ _____ Committee, Item _____, as adopted by City of Toronto Council on _____ _____ City Clerk

By: _____
Name:
Title:

c/s

By: _____
Name:
Title:

I/We have authority to bind the corporation.

SCHEDULE "A"

LANDS

SCHEDULE "B"

WORK

Schedule "C"
Contribution Agreement

CITY OF TORONTO

- and -

XXXXXXXX

CONTRIBUTION AGREEMENT

XXXXXXXX, Toronto

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This Agreement is made effective _____, 2025 (the “Effective Date”).

BETWEEN:

CITY OF TORONTO

(the “City”)

- and -

XXXXXXXXXX

(the “Proponent”)

Background

- A. The Proponent applied for assistance with the development of affordable rental housing located at XXXXXX, Toronto, Ontario under the City’s Rental Supply Housing Program;
- B. 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 purposes land or a portion of land on which municipal capital facilities are located;
- C. 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;
- D. The City of Toronto passed By-law No. 713-2024, To enact a new Municipal Housing Facility By-law and to repeal By-law 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;
- E. At its meeting held on June 26, 27 and 28, 2024, City Council adopted Item PH13.8 and approved the Rental Housing Supply Program and the provision of financial assistance and benefits to fund XXXXXX affordable rental units be developed on the property municipally known in 2025 as XXXXXX, Toronto and approved the City entering into a municipal capital facility agreement with the Proponent;

- F. At its meeting held on November 13 and 14, 2024, City Council adopted Item EX 18.2 to provide additional incentives as part of the Rental Housing Supply Program for affordable rental units and rent-controlled units developed by a non-profit community housing provider; and
- G. The Parties wish to enter into this Agreement to set out the terms and conditions of the financial assistance 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 and how information about such process is disseminated to the public, attached as Schedule “G” to this Agreement;

“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;

“Affordability Period” means [to be inserted - minimum 40 years] years from the date of First Occupancy, including a five (5) year Phase-Out Period;

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

“Affordable Housing Unit” means a Housing unit in which Affordable Rent is charged;

“Affordable Rent” or “Affordable Rents” means Monthly Occupancy Costs at or below the lesser of the City’s Affordable Rents and the Provincial Affordable Rents;

“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;

“Business Day” means a day other than a Saturday, Sunday or any other day which the City has elected to be closed for business;

“City’s Affordable Rents” means Monthly Occupancy Costs, as determined by the City and published on the City’s website, that are at or below the lesser of Average Market Rent or 30% of the before-tax monthly income of renter households in the City as follows:

1. studio units: one-person households at or below the 50th percentile income;
2. one-bedroom units: one-person households at or below the 60th percentile income;
3. two-bedroom units: two-person households at or below the 60th percentile income;
4. three-bedroom units: three-person households at or below the 60th percentile income.

“City Benefits” has the meaning given to it in Section 4.1;

“City Charge” means the charge/mortgage of land referred to in Section 4.2 hereof;

[WHERE APPLICABLE] “City Funds” has the meaning given to it in Subsection 4.1(a);

“City Incentives” means the fees and charges exemptions outlined in Subsections 4.1(b) to 4.1(e);

“CPI Adjustment” has the meaning given to it in Section 9.1;

“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;

“Deputy City Manager” means the Deputy City Manager, Development and Growth for the City of Toronto, and includes the Deputy City Manager’s designate or successor, if any;

“Development” means the Lands, together with the building(s) to be developed on the Lands;

“Director, Housing Stability Services” means the Director responsible for the Housing Stability Services unit and includes the Director’s designate or successor, if any;

“Event of Default” has the meaning given to it in Section 14.1;

“Executive Director, Housing Secretariat” means the division head responsible for the administration of the City’s Housing Secretariat Division and includes the Executive Director’s designate or successor, if any;

“First Occupancy” means the first day of the first month immediately following the month in which an Affordable Housing Unit in the Project is rented for the first rental period following Substantial Completion;

“Governmental Authority” means any federal, provincial, municipal or local government, parliament or legislature, or any regulatory authority, agency, tribunal, commission, board or department of any such government, parliament or legislature, or any Court or other law, regulation or rule-making entity, or any arbitrator, each having or reasonably purporting to have jurisdiction in the relevant circumstances, including, for greater certainty, any Person acting or reasonably purporting to act under the authority of any Governmental Authority;

“Household Income” means total household income from all sources of all persons who reside in an Affordable Housing Unit or Rent Controlled Unit or who will reside in an Affordable Housing Unit or Rent Controlled Unit if it is rented to them as defined by the City, 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(s) including the Coordinated Access System, Centralized Waiting list, and other affordable housing access system(s) as may be determined by the City and approved as part of the Access Plan; and 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 payable by a tenant and the rent payable to the landlord for a residential unit;

“Incentives Letter” means the letter issued to the Proponent by the Executive Director, Housing Secretariat and addressed to City Divisions confirming the exemptions and waivers set out in Subsections **Error! Reference source not found.** to 4.1(e);

“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 an Affordable Housing Unit or Rent Controlled Unit regardless of whether it was previously rented;

“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;

“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;

“Municipal Housing Facility By-law” means City of Toronto By-Law No. 713-2024 or its successor;

“Non-profit Corporation” means:

- (a) a corporation to which the *Not-for-Profit Corporations Act, 2010* applies, that is in good standing under that legislation whose primary purpose is to provide housing; or
- (b) a corporation without share capital to which the *Canada Not-for-profit Corporations Act* applies, that is in good standing under that legislation whose primary purpose is to provide housing.

[WHERE APPLICABLE] “Non-profit Housing Co-operative” means a non-profit housing co-operative that is in good standing under the *Co-operative Corporations Act*, and to which section 171.0.1(2) of that legislation applies;

“Notice” has the meaning given to it in Section 19.1;

“Parties” means the City and the Proponent 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;

“Phase-Out Period” means the last five (5) years of the Affordability Period;

“Principal Amount” has the meaning given to it in Section 4.2;

“Project” means the Affordable Housing Units and/or Rent Controlled Units be developed and operated by or on behalf of the Proponent in accordance with the terms and conditions of this Agreement, as outlined in ARTICLE 3;

“Proposal” means the Proponent’s proposal dated [insert date] and submitted to the City to apply for assistance under the City’s Rental Housing Supply Program for the Project and any attachments, correspondence or other documentation provided by the Proponent to the City in connection with the application process;

“Provincial Affordable Rents” means the affordable rents by bedroom type set out in the “Affordable Residential Units for the Purposes of the *Development Charges Act, 1997* Bulletin”, as it is amended from time to time, that is published by the Minister of Municipal Affairs and Housing pursuant to section 4.1(2) of the *Development Charges Act, 1997*, S.O. 1997, c. 27, or successor legislation.

“Public Benefit Corporation” means a public benefit corporation as defined in the *Not-for-Profit Corporations Act (Ontario)*, 2010, S.O. 2010, c. 15 or a soliciting corporation as defined in the *Canada Not-for-Profit Corporations Act*, S.C. 2009, c. 23.

[WHERE APPLICABLE] “Rent Controlled Rent” means Monthly Occupancy Costs that are at or below one hundred fifty percent (150%) of the Average Market Rents when first charged to a new tenant, and that are increased in respect of a tenancy not more than annually and by no more than the Rent Increase Guideline plus two per cent;

[WHERE APPLICABLE] “Rent Controlled Unit” means a Housing unit or units at Rent Controlled Rent;

“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;

[WHERE APPLICABLE] “Rent Supplement Agreement” means a contract for a non-portable Housing Benefit provided directly to landlords for households living in a specific housing unit;

“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.

“Start of Construction” means that date on which the Proponent has delivered the sworn Start of Construction Affidavit to the City;

“Substantial Completion” means the Project has achieved Substantial Performance as contemplated in the *Construction Act*, R.S.O. 1990, c. C.30;

“Tax Exemption” shall have the meaning given to it in Section 4.1(b);

“Transfer” means a sale or lease 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, receivership proceedings, seizure by legal process and transfer by operation of law), but does not include the entering into of a mortgage;

“Transferee” means the Person or Persons to whom a Transfer is or is to be made; 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”	Proponent's Annual Occupancy Report
Schedule “B”	Charge/Mortgage of Land
Schedule “C”	Legal Opinion
Schedule “D”	Start of Construction Affidavit
Schedule “E”	Subsequent Legal Opinion
Schedule “F”	Declaration of Compliance with Anti-Harassment/ Discrimination Legislation and City Policy
Schedule “G”	Access 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 facility agreement pursuant to the City's By-law No. 713-2024 "To enact a new Municipal Housing Facility By-law and to repeal By-law No. 183-2022."
- 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:	Address PIN XXXXXX
	Legal Description (the " Lands ")
Affordable Housing Units:	XX units consisting of: XX Studio units XX One Bedroom units XX Two Bedroom units XX Three Bedroom units

[WHERE APPLICABLE] Rent Controlled Units:	XX units consisting of: XX Studio units XX One Bedroom units XX Two Bedroom units XX Three Bedroom units
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Monthly Occupancy Costs:

- (a) For the Affordable Housing Units, Monthly Occupancy Costs for such units shall not exceed the lesser of the City's Affordable Rents and the Provincial Affordable Rents;

- (b) **[WHERE APPLICABLE]** For Rent Controlled Units, Monthly Occupancy Costs for such units shall not exceed one hundred fifty (150%) of Average Market Rents when first charged to a new tenant; and

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**"):

Funding [WHERE APPLICABLE]

- (a) **City Funds.** Subject to the provisions hereof, the City will advance the amount of XXXXXX, as a grant by way of forgivable loan, which funds are to be used solely to fund the development of the Project and to enhance the affordability of the Affordable Housing funded hereunder. The City Funds will be advanced in accordance with ARTICLE 5 and at the milestones set out in Section 4.4 upon the conditions set out in **Section 4.6**, either being satisfied or waived;

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 Affordability Period beginning from First Occupancy (the "**Tax Exemption**"). The Tax Exemption cannot be implemented until the City has received all of the information and documentation set out in Section 4.7, as well as further information and documentation as it may reasonably require in order to provide the Municipal Property Assessment Corporation with the information it requires;
- (c) **Planning Application Fees.** The City shall waive all planning application fees with respect to the Project, if not already paid;
- (d) **Building Permit Fees.** The City shall waive all building permit fees with respect to the Project, if not already paid;
- (e) **Toronto District School Board Levies.** The City shall waive payment of Toronto District School Board levies with respect to the Project if not already paid. (Please note: Toronto Catholic School Board levies are payable.);
- 4.2 Security.** The Proponent shall register or cause to be registered on the Lands a Charge/Mortgage of Land (the "**City Charge**") to secure the obligations of the Proponent hereunder. The City Charge shall be:

- (a) endorsed in favour of the City;
- (b) in the amount equal to the total value of the City Benefits (excluding the value of the Tax Exemption) determined in each case as of the date the City Incentives would otherwise be required to be paid to the City (but which as of the date of this Agreement is estimated at XXX (the "**Principal Amount**")); and
- (c) shall include the terms set out in Schedule "B".

In the event the City Charge has been registered prior to the date the City Incentives would otherwise be required to be paid to the City and there is a subsequent increase or decrease to any one or more of the amounts making up the City Incentives, the Proponent shall advise the City, and, upon the City's request, shall increase or decrease the amount of the City Charge to reflect the correct Principal Amount, forthwith.

4.3 Forgiveness. The balance of the Principal Amount will be reduced on each anniversary of First Occupancy by the amount that is equal to the original Principal Amount multiplied by a factor calculated by dividing one by the length of the Affordability Period, until fully forgiven, if the Proponent is in good standing under the terms of this Agreement. Once the Principal Amount has been fully forgiven, the City shall discharge the City Charge and this Agreement and the obligations of the Parties hereunder will terminate.

4.4 Payment. City Funds will be paid as follows, in accordance with Article 5:

MILESTONE	PAYMENTS
Within 45 days of the later of the signing of this Agreement and the date all applicable conditions precedent under Section 4.6 that have not been met, have been waived	15%
Within 45 days of the later of the issuance of the first building permit for the Development and the date all applicable conditions precedent that have not been met, have been waived	25%
Within 45 days of the later of receipt by the City of written confirmation that structural framing is 50% complete and the date all applicable conditions precedent that have not been met, have been waived	40%
Within 45 days of the later of receipt by the City of confirmation of First Occupancy and the date all applicable conditions precedent that have not been met, have been waived	20%

4.5 City Incentives Conditions Precedent. Upon receipt of a letter from the Proponent to the Executive Director, Housing Secretariat, the City will provide the Incentives Letter to the Proponent, conditional upon the Proponent satisfying the following conditions, unless waived in writing by the City:

- (a) the City Charge has been registered and an opinion satisfactory to the City Solicitor, substantially in the form of the Legal Opinion attached hereto as Schedule "C" is provided to the City from the Proponent's solicitor;
- (b) 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;
- (c) the Proponent shall have provided proof of commercial general liability insurance of not less than Two Million Dollars (\$2,000,000.00) endorsing the City as an additional insured; and
- (a) the Proponent shall have provided the City with an up-to-date capital budget and operating budget satisfactory to it;
- (b) the Proponent shall have provided the City with an up-to-date and comprehensive development schedule including the construction start date and anticipated date of First Occupancy;
- (d) the proposed location and sizes of the Affordable Housing Units have been approved by the Executive Director, Housing Secretariat;
- (e) 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 "F";
- (f) 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 construction, development or operation of the Project, all of which shall be in full force and effect;
- (g) 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;
- (h) 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 construction or the financing of the Project or the business, property, assets, liabilities, conditions (financial or otherwise) or prospects of the Proponent.

4.6 City Funds Conditions Precedent. The City will make the advances of the City Funds as set out in Section 4.4 upon the Proponent satisfying the following conditions unless waived in writing by the City:

- (c) the City Charge has been registered and an opinion satisfactory to the City Solicitor, substantially in the form of the Legal Opinion attached hereto as

Schedule "C" is provided to the City from the Proponent's solicitor or, where this condition has been previously met under Section 4.5, the City shall have received from the Proponent's solicitor a subsequent legal opinion satisfactory to the City Solicitor updating the original legal opinion, substantially in the form of the subsequent opinion attached hereto as Schedule "E", which notwithstanding section 4.4, shall be delivered within two (2) business days prior to the release of each advance of the City Funds;

- (d) a sworn Start of Construction Affidavit, substantially in the form of the affidavit attached hereto as Schedule "D" will have been provided to the City;
- (e) the Proponent shall have received and provided the City with a copy of the first building permit for the Development;
- (f) the Proponent shall have provided the City with an up-to-date capital budget and operating budget satisfactory to it;
- (g) the Proponent shall have provided the City with an up-to-date and comprehensive development schedule including the construction start date and anticipated date of First Occupancy;
- (h) the Proponent shall have provided a copy of the final design set of drawings and specifications for the Project incorporating all compliance requirements of the City's Building Division and following the City's Affordable Rental Housing Design Guidelines, where appropriate. The City acknowledges that this condition shall be waived with respect to the first advance;
- (i) 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 construction, development or operation of the Project, all of which shall be in full force and effect;
- (j) 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; and
- (k) 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 construction or the financing of the Project or the business, property, assets, liabilities, conditions (financial or otherwise) or prospects of the Proponent.

4.7 Tax Exemption While the Tax Exemption for the Project will be effective as of the date of First Occupancy or the date of the first meeting of Toronto City Council following the date of First Occupancy, taxes will be payable until the following information and documentation is provided to the City and the tax roll for the

Property has been amended:

- (a) a letter to the Executive Director, Housing Secretariat providing ninety (90) days' notice of anticipated First Occupancy, which shall include the following information:
 - (i) the number of units in the building;
 - (ii) the number of Affordable Housing Units and Rent Controlled Units
 - (iii) the anticipated rents for the all of the units;
 - (iv) details of unit types for all of the units;
 - (v) a description of the unit type;
 - (vi) the gross leasable area;
 - (vii) a copy of a typical lease/occupancy agreement;
 - (viii) information about auxiliary income, i.e. laundry, convenience store located on the property;
 - (ix) confirmation as to whether the rents include heat, hydro and water; and

any other documentation or information the City may reasonably require to satisfy the requirements of any Governmental Authority for the purpose of implementing the Tax Exemption.

The Proponent acknowledges that failure to provide the information required in this Section could result in the Tax Exemption being implemented after the date of First Occupancy. The City is not responsible for any costs incurred by the Proponent as a result of a delay in the implementation of the Tax Exemption.

4.8 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.

4.9 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 ADVANCE OF CITY FUNDS

5.1 Requesting an Advance. A written request for an advance must be made on the Proponent's letterhead and must:

- (a) specify the amount of the advance being requested and which milestone has been reached in accordance with the funding schedule set out in Section 4.4;
- (b) include documentation to substantiate the achievement of the milestone (example: copy of the building permit); and
- (c) include a statement that all insurance coverage remains in place.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 The Proponent represents and warrants that: **[NOTE: THESE STATEMENTS WILL CHANGE DEPENDING ON THE CORPORATE STRUCTURE OF THE PROPONENT]**

- (a) it is duly incorporated under the laws of Ontario or Canada;
- (b) the Board of Directors of the Proponent has 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 primary purpose of providing housing or its ability to perform its obligations under this Agreement without the prior written consent of the City;
- (d) where the Proponent is incorporated as a Non-profit Corporation, it shall comply with all provisions in the applicable governing legislation that apply to a Public Benefit Corporation throughout the Affordability Period, whether or not the Proponent meets the definition set out in the applicable governing legislation; **[NOTE IF THE PROPONENT IS A NON-PROFIT HOUSING CO-OPERTIVE, DIFFERENT STATEMENT WILL APPLY]**
- (e) no member of 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
- (f) 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 – GENERAL

7.1 The Proponent shall:

- (a) proceed diligently with the development of the Project;
- (b) provide a sworn Start of Construction Affidavit, substantially in the form of the affidavit attached hereto as Schedule "D" within eighteen (18) months of execution of this Agreement;
- (c) obtain and provide the City with a copy of the first building permit for the Development within ten (10) days of the issuance of the permit;
- (d) provide a copy of the final set of drawings and specifications for the Project incorporating all compliance requirements of the City's Building Division and following the City's Affordable Rental Housing Design Guidelines, where appropriate, within ten (10) days of obtaining the first building permit for the Development;
- (e) at the time the Start of Construction Affidavit is provided, insurance requirements set out in Article 12 hereof shall be true and correct and the Proponent shall have delivered a certificate or certificates to such effect;
- (f) at the time the Start of Construction Affidavit is provided, the Proponent shall have provided the City with a signed commitment for the first mortgage for construction financing, satisfactory to the City;
- (g) ensure Substantial Completion of the Project is reached by no later than [insert date], or such other date as determined by the Executive Director, Housing Secretariat acting reasonably;
- (h) comply with all applicable federal, provincial and municipal laws, regulations and by-laws;
- (i) no later than six (6) months prior to First Occupancy, have an Access Plan approved by the Executive Director, Housing Secretariat;
- (j) comply with the requirement in Section 4.5 within thirty (30) days of the date of First Occupancy;
- (k) ensure all Affordable Housing Units meet the size requirements of the Affordable Housing Design Guidelines, unless otherwise approved in writing by the Executive Director, Housing Secretariat;
- (l) provide quarterly reports to the Executive Director, Housing Secretariat, from the date this Agreement is signed until First Occupancy, setting out

construction progress, projected date of First Occupancy, and such other information requested or required by the City, acting reasonably; and

- (m) provide such information, within ten (10) days of such written request, with respect to the Project, such as construction progress, projected date of First Occupancy, as requested or required by the City, acting reasonably, from time to time.

ARTICLE 8

OBLIGATIONS OF THE PROPONENT DURING THE AFFORDABILITY PERIOD

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

- (a) **[INCLUDE WHERE RECEIVING CAPITAL FUNDING]** Establish a capital asset replacement reserve fund for the Project and pay into the reserve fund in each year of the Affordability Period the amount of four (4%) of the gross revenues for the Project or such lesser amount as agreed to by the Director in his absolute discretion, acting reasonably. Annual contributions to the reserve fund shall be in addition to any interest earned by the reserve fund. Interest earned in the fund is to accrue in the fund.”
- (b) if required by the City at any time during the Affordability Period, make up to XX% of the Affordable Housing Units available to tenants who are the recipients of Housing Benefits, in accordance with the terms and conditions of this Agreement or any other agreement entered into with the City with respect to those Affordable Housing Units
- (c) take commercially reasonable steps, when entering into a tenancy agreement for an Affordable Housing Unit and [WHERE APPLICABLE] Rent Controlled 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 requirements and in a form acceptable to the Director, Housing Stability Services;
- (d) if required by the City at any time during the Affordability Period, 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 Affordable Housing Unit and [WHERE APPLICABLE] Rent Controlled 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 an Affordable Housing Unit and

[WHERE APPLICABLE] a Rent Controlled 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 in a good state of repair and fit for occupancy in the same manner as a prudent owner would do;
- (h) maintain and repair the Project to the same standard as the balance of the units on the Lands;
- (i) manage the Project so that:
 - (i) the Monthly Occupancy Costs are maintained as set out in Article 3;
 - (ii) if heat, water or hydro costs are separately metered and paid directly by the household of any Affordable Housing 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 Affordable Housing Unit(s) shall not exceed the limits set out in (i) above; and
 - (iii) occupancy is maximized in accordance with Subsection 8.1(f);
- (j) 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 "A", 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 Affordable Housing Units and [WHERE APPLICABLE] Rent Controlled and/or rented to new tenants during the year, in a form acceptable to the Director, Housing Stability Services;

when the calendar year end occurs less than six (6) months after First Occupancy, the first calendar year to which the provisions of this section apply shall be not less than twelve (12) months;

- (k) 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;
- (l) ensure that each lease for an Affordable Housing Unit and [WHERE APPLICABLE] Rent Controlled 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; and
 - (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 to this Agreement; and
 - (iv) for the Affordable Housing Units, 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 the Affordable Rent, and that no above guideline increases are allowed; and
 - (v) for the Rent Controlled Units, 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 plus two percent (2%) and that no above guideline increases are allowed;
- (m) 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 Affordable Housing Unit
- (n) 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; and
- (o) ensure each Affordable Housing Unit meets the size requirement of the Affordable Housing Design Guidelines, unless otherwise approved in writing by the Executive Director, Housing Secretariat.

- 8.2** For the Units in receipt of housing benefits, at all times during the Affordability Period, the Proponent shall comply with the terms and conditions of the Rent Supplement Agreement to be entered into between the City and the Proponent, on terms and conditions satisfactory to the Executive Director, Housing Secretariat.

ARTICLE 9 MONTHLY OCCUPANCY COSTS CHANGES

9.1 Monthly Occupancy Costs Increases for Affordable Housing Units

The Proponent may adjust the Monthly Occupancy Costs, with respect to an Affordable Housing Unit, if at least twelve (12) months have elapsed:

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

by no more than the prevailing Rent Increase Guideline, to an amount not to exceed the Affordable Rent. The Proponent acknowledges that, if the Rent Increase Guideline does not apply to the Project, 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 based on annual changes 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 the Affordable Rent.

9.2 Monthly Occupancy Costs Increases for Rent Controlled Units

The Proponent may adjust the Monthly Occupancy Costs, with respect to a Rent Controlled Housing Unit, if at least twelve (12) months have elapsed:

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

by no more than the prevailing Rent Increase Guideline plus two percent (2%). The Proponent acknowledges that, if the Rent Increase Guideline does not apply to the Project, 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 based on annual changes 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**”).

9.3 Phase-Out Period

Upon an Affordable Housing Unit or Rent Controlled Unit becoming vacant during the Phase-Out Period, the Proponent may rent such unit to a new tenant at any rent agreed to by the Proponent and the new tenant and that is in compliance with then existing rent legislation, and the Proponent shall not be required to comply with Subsection 8.1(c) in respect of such unit.

ARTICLE 10 FINANCIAL RECORDS AND RIGHT TO AUDIT

- 10.1** The Proponent shall keep proper books of account and records of the financial management of the City Benefits and the Project, in accordance with generally accepted business and accounting practices. 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 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.
- 10.3** The Proponent will make such books, accounts and records available at all reasonable times for audit and inspection by the auditor for the City 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. It is acknowledged that the books and records for the Project may be contained within records relating to the Development and the Proponent may fulfill its obligations hereunder by providing such extracts as are necessary to satisfy the auditor appointed by the City.
- 10.4** 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.
- 10.5** The Proponent shall permit the City’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.
- 10.6** 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, and its elected and appointed officials, officers, 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 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 the construction/renovation 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, judgments, 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 INSURANCE

12.1 Building in Course of Construction Insurance. During the period of construction including demolition or construction on the Project, the Proponent shall effect, maintain or cause to be maintained and keep in force, until completion of such work including demolition, repair, alterations, construction, additions and/or renovations, insurance insuring the Proponent and their employees and all those

for whom they are at law responsible from damage to the Project from time to time during the work including demolition and construction (which may be by policies effective from time to time covering the risks during different phases of the work, demolition and construction) by a Builders' Insurance Policy including resultant damage from error or design and faulty workmanship and, to the extent available and as would be obtained by a prudent owner of such a Project, to the replacement cost thereof. The City will be included as a mortgagee and joint loss payee, according to its interest, on the insurance policies required in this Section

12.2 "All Risks" Property Insurance. Except as to any portion of the Project under construction which is insured by the insurance coverage provided pursuant to Section 12.1, the Proponent shall, at all times during the Affordability Period, insure and keep insured the Project and all other insurable property belonging to the Proponent and from time to time located on the Project in an amount not less than the replacement cost thereof against loss or damage by perils of "all risks" (being the perils from time to time included in the standard "all risks" policy and to the extent available and as would be obtained by a prudent owner of such a Project). If a separate policy of insurance is maintained for the boiler and pressure vessels, the policies will include a Joint Loss Agreement between insurers. The boiler and machinery coverage shall be on a repair and replacement basis, in an amount to reflect the replacement cost of the building and the contents and equipment located on the premises. The City will be included as a joint loss payee and mortgagee, according to its interest, on the insurance policies required in this Section 12.2.

12.3 Public Liability Insurance. The Proponent shall, at all times during the Affordability Period, maintain or cause to be maintained comprehensive Commercial General Liability insurance including contractual liability on an occurrence basis against claims for personal or bodily injury, death or property damage suffered by others arising in connection with the Project or out of the operations of the Proponent or its sublessees in, on or about the Project, indemnifying and insuring the Proponent and their employees and all others for whom each of them is at law responsible in such amounts and to such extent as a prudent owner of such a Project would, from time to time, carry (which amount shall initially be not less than Five Million Dollars (\$5,000,000.00), and, during any period of construction, to be written on a Wrap Up form in an amount not less than Ten Million Dollars (\$10,000,000.00) for any personal or bodily injury, death, property damage or other claim in respect of any one accident or occurrence) and, without limiting the generality of the foregoing, with provisions for cross liability and severability of interests. During the course of the work or any other construction, the liability insurance required under this Article shall relate to property damage, death or injury arising out of the performance or non-performance of the work or any other construction or related work and shall include non-owned automobile liability insurance. All liability insurance policies shall cover the costs of defence or adjustment of claims over and above money limitations of the policies. The City will be included as an additional insured on the wrap-up during construction and Commercial General Liability insurance policy which is to be maintained by the proponent following the completion of construction.

- 12.4 Automobile Liability Insurance.** The proponent will maintain and keep in force or cause to be maintained during the period of construction Automobile Liability insurance in an amount of at least Two Million Dollars (\$2,000,000.00) for all licensed motorized vehicles used in the performance of work.
- 12.5 Other Insurance.** The Proponent shall maintain, or cause to be maintained, and shall keep in force during the Affordability Period such other insurance as may be reasonably required from time to time.
- 12.6 Certificates.** The Proponent shall deliver certificates of insurance to the City, including the renewal or the replacement of the insurance policies, without request or demand by the City.
- 12.7 City Approval.** Such insurance policies shall be provided by an insurer licensed to carry on the business of an insurer in Ontario or satisfactory to the City in its sole and absolute discretion.
- 12.8 Non-Cancellation.** Each of the policies of insurance provided pursuant to this Article shall contain an agreement by the insurer to the effect that it will not cancel the policies whether by reason of non-payment of premium, non-fulfilment of condition or otherwise, except after thirty (30) clear days' prior written notice to the City.
- 12.9 Premiums and Evidence of Payment Thereof.** The Proponent 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. The Proponent will produce to the City as soon as reasonably feasible, and in any event within ten (10) clear days prior to the expiry of any policy of insurance placed pursuant to this Article, evidence of the renewal or replacement of such insurance.
- 12.10 Loss or Damage.** The City shall not be liable for any death or injury arising from, or out of any occurrence in, upon, at, or relating to the Project or damage to property of the Proponent or of others located on the Project, nor shall it be responsible for any loss of or damage to any property of the Proponent or others from any cause, unless and to the extent that any such death, injury, loss or damage, results from the negligence or wrongful acts of the City, its agents, employees, contractors, or others for whom it may, in law, be responsible. Without limiting the generality of the foregoing, the City 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 Project 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 City shall not be liable for any such damage caused by other Persons on the Project 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 Proponent kept or stored on the Project shall be so kept or stored at the risk of the Proponent only and the Proponent releases and agrees to indemnify the City and save it harmless from any claims arising out of any damage to the same including,

without limitation, any subrogation claims by the Proponent's insurers.

ARTICLE 13 RESTRICTIONS ON CHANGES

- 13.1** Provided there is no Event of Default by the Proponent under this Agreement, that is continuing, it is understood and agreed that the City shall subordinate and postpone the City Charge to other charges and all prior and subsequent advances thereunder and enter into any standstill agreement(s) (pursuant to which it agrees, among other things, to take no enforcement action under the City Charge, pending repayment of such prior charge) which may be requested by the Proponent or the holder of a charge on the Land, provided that, in the opinion of the City, sufficient equity remains in the Lands to secure the City Charge. The City reserves the right to request, at the Proponent's expense, such appraisals, financial statements, mortgage statements or other information as it deems appropriate prior to executing the postponement.
- 13.2** Upon the Proponent's request, the City shall provide a status certificate to the Proponent, confirming in writing stating (if such be the case) that this Agreement is unmodified and in full force and effect or if there had been any modifications, stating the modifications and stating whether there are any outstanding events of default under this Agreement and the City Charge and, if so, the nature of the default. Each of the foregoing shall be delivered within fifteen (15) days of a written Notice being made by the Proponent.
- 13.3** Provided the Proponent is in good standing under this Agreement and the Proponent has provided valid proof of insurance required pursuant to Article 12, it is understood and agreed that the City will consent to an assignment of this Agreement to secure a mortgage.
- Please note: The City requires a minimum of three (3) weeks to process requests for the execution of postponements and forbearance documents.**
- 13.4** The City consents to the postponement of this Agreement and the City Charge to any easements agreed to by the Proponent and neighbouring developments and any shared facilities or cost sharing agreement between the Proponent and neighbouring developments required for the proper operation of the Project and the neighbouring developments. Prior to executing any postponement, the City will be entitled to review the easements and shared facilities or cost sharing agreement.
- 13.5** The City consents to the postponement of the City Charge to any service or utility easement required by the City, in its capacity as a municipality or other supplier of a utility being provided to the Development.
- 13.6** The City consents to the postponement of this Agreement and the City Charge to any municipal site plan, development or related agreement required by the City or any other Governmental Authority. Prior to executing any postponement, the City

will be entitled to review the form of agreement to ensure same is satisfactory, as well as the postponement required so that same is in a form satisfactory to the City.

- 13.7** The City consents to partially release this Agreement and to partially discharge the City Charge to the extent that the foregoing encumber any lands required to be transferred and conveyed to the City or any other Governmental Authority for the creation of any roads, parkland dedication and the like, subject to the City being entitled to review the proposed transfers to which the release and partial discharge is being requested and same being in a form satisfactory to the City.
- 13.8** The Proponent shall not Transfer the Project without obtaining the prior written consent of the City, which consent will not be unreasonably or arbitrarily withheld, conditioned or delayed. In determining whether the City is prepared to grant its consent to a Transfer, the City may consider the following factors:
- (a) whether the proposed Transferee is a Non-Profit Corporation [OR NON-PROFIT CO-OPERATIVE];
 - (b) whether the financial standing of the proposed Transferee is sufficient to satisfy the obligations of the Proponent under the Agreement;
 - (c) the reputation and experience of the Transferee or its related corporation, its management and investors in the financing, construction and operation of affordable residential housing developments; and
 - (d) whether the Transfer will decrease the number of Affordable Housing Units and [WHERE APPLICABLE] Rent Controlled in the Project.

The City may, in its sole discretion, charge a commercially reasonable administration fee for such request.

- 13.9** The Project shall not be the subject of a Transfer unless the purchaser or transferee has first entered into an assignment and assumption agreement with the City assuming the covenants set forth herein and the City Charge, which agreement shall be duly executed by the purchaser or the transferee and delivered to the City prior to the Transfer.
- 13.10** Notwithstanding Sections 13.8 and 13.9, the Proponent may effect a Transfer to or with any of the following, without the City's consent, but with Notice of same to the City:
- (a) an Affiliate of the Proponent **[WHERE NO SECTION 4.1 AGREEMENT INCLUDE]** that is a Non-Profit Corporation;
 - (b) a Transfer, whether voluntary or involuntary, by operation of law or otherwise to a corporation or other entity which is a successor of the Proponent, by way of amalgamation, merger, consolidation or other bona

fide reorganization;

- (d) where the Transfer forms part of (i) a going public or going private transaction or where a transfer occurs as a result of the sale or issuance of shares; or (ii) any other form of equity or debt issuance of the Proponent or any other person or entity referred to in subparagraph (a) or (c) above, including, on any public stock exchange; and
- (e) any mortgagee.

13.11 Notwithstanding anything herein contained, the Proponent may lease the Affordable Housing Units and [WHERE APPLICABLE] Rent Controlled in the Project to residential tenants, without complying with Section 13.8 and Section 13.9

13.12 The provisions of this ARTICLE 13 shall not apply to any sale, lease, foreclosure or other disposition which is pursuant to the exercise of any remedy by a mortgagee where such mortgage and security related thereto is in priority to the City Charge.

13.13 Upon the Principal Amount being fully forgiven under Section 4.3 of this Agreement and provided the Proponent has otherwise satisfied its obligations under this Agreement in favour of the City, the City shall promptly execute and deliver to the Proponent, a full and final discharge of the City Charge together with such documentation that will permit the Proponent to register the discharge on title to the Lands.

ARTICLE 14 DEFAULT AND REMEDIES

14.1 Upon the expiration of any cure periods contemplated in Section 14.2, the following shall be considered events of default under this Agreement (each an "**Event of Default**"):

- (a) the Proponent has, in the opinion of the City, acting reasonably, failed to proceed with the implementation, construction 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 provide the City the Start of Construction Affidavit, substantially in the form of the affidavit attached hereto as Schedule "D", by the date outlined in Section 7.1(b) of this Agreement, whichever is earlier
- (c) obtain and provide the City with a copy of the first building permit for the Development within ten (10) days of the issuance of the permit;

- (d) the Proponent has failed to achieve Substantial Completion of the Project by [insert date], or such other date which is three months after the date contemplated by Subsection 7.1(g) as such date may be extended from time to time;
- (e) the Proponent ceases to construct and/or operate the Project pursuant to the terms and conditions of this Agreement or any Rent Supplement Agreement;
- (f) if in the opinion of the City, acting reasonably, the Proponent knows or ought reasonably to have known at Initial Occupancy that an Affordable Housing Unit and [WHERE APPLICABLE] Rent Controlled is being provided to a tenant whose Household Income exceeds the Initial Income Limit or that the household composition has been misrepresented or has not been verified on Initial Occupancy as set out in Section 8.1 hereof and such violation is part of a consistent and persistent series of several and material violations over time such that the Proponent has failed to consistently operate the Project principally for the purposes of Affordable Housing as required by the provisions of this Agreement;
- (g) 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 Affordable Housing Unit and/or AND [WHERE APPLICABLE] Rent Controlled in the Project exceed the applicable Affordable Rent and [WHERE APPLICABLE] the Rent Controlled Rent;
- (h) the Proponent has breached ARTICLE 6, ARTICLE 7, ARTICLE 8 and ARTICLE 9 of this Agreement in whole or in part;
- (i) 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;
- (j) an order is made or resolution is passed for the winding up or dissolution of the Proponent, or the Proponent is dissolved;
- (k) 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;
- (l) a receiver or receiver-manager is appointed for the Project by a creditor; 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.

14.2 If there is an Event of Default by the Proponent that is continuing, and the Event

of Default has not been remedied within thirty (30) days of receipt by the Proponent of 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 repayment of the remaining, unforgiven balance of the Principal Amount;
- (b) require the Proponent to provide additional information or documents to the City;
- (c) rescind the tax exemption by-law passed with respect to the Project;
- (d) 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 recovered in any court of competent jurisdiction as a debt due to the City;
- (e) terminate the Agreement by giving Notice to the Proponent;
- (f) 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;
- (g) enforce its rights pursuant to the City Charge; and/or
- (h) seek any additional remedy available to the City at law or in equity.

14.3 For the purposes of this Section, the Proponent will be found to have remedied the Event of Default if, for the purposes of Subsection 14.1(f), the Proponent submits a plan satisfactory to the Executive Director, Housing Secretariat attempting to prevent future defaults.

14.4 If the City gives the Proponent 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.

14.5 Upon providing a Notice of termination, the City shall have no obligation to provide any City Benefits to the Proponent.

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

ARTICLE 15 RECEIVERSHIP

15.1 Where a Receiver is appointed by the City pursuant to Subsection 14.2, the Receiver shall be appointed with the agreement of any holder of a mortgage in priority to the City Charge. 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 related to the Project;
- (ii) take control and direction of the employees and agents of the Proponent in respect of the Project only;
- (iii) receive and recover and use all revenues and assets of the Project;
- (iv) incur and pay liabilities;
- (v) complete the construction of the Project and 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.

15.2 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.

15.3 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 (60) days after the receivership becomes effective.

15.4 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.

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

ARTICLE 16 CONFIDENTIALITY

16.1 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, 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 a reasonable opportunity to contest or limit the scope of such required disclosure

(including application for a protective order or other remedy).

- 16.2** Notwithstanding Section 16.1, the Proponent may disclose information to a mortgagee of the Project or the Lands in priority to the City Charge, and the Proponent's or such mortgagee's lawyers, accountants and other professionals, provided that such persons require the information in order to properly perform their duties.
- 16.3** 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.
- 16.4** The collection, use and disclosure of information by the City shall be governed by MFIPPA.

ARTICLE 17 PUBLIC ACKNOWLEDGEMENT OF FUNDS

- 17.1** 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 the City. The Proponent shall notify the City in advance of any and all communication activities, including media and fundraising events, publications, advertising and press releases.

ARTICLE 18 DISPUTE RESOLUTION

- 18.1** 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.
- 18.2** 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 19 NOTICES

- 19.1** 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 email to the following addresses:

- (a) if to the City, at:

City of Toronto
 Metro Hall, 55 John Street, 9th Floor
 Toronto, ON M5V 3C6

Attention: Executive Director, Housing Secretariat
 Email: HSS@toronto.ca

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
 Email: legalrec@toronto.ca

- (b) if to the Proponent, at:

[ADDRESS]

Attention:

E-mail:

- 19.2** Any Notice shall be deemed to have been validly and effectively given and received: (1) if personally delivered, on the date of delivery; (2) 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 provided by personal delivery or email; and (3) if sent by e-mail prior to 5:00 p.m. on a Business Day, on the day on which it was sent, or otherwise on the Business Day next following the day on which it was sent.
- 19.3** 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.
- 19.4** 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 20 CONTRACTUAL STATUS OF THE PARTIES

- 20.1** 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.

- 20.2** 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.
- 20.3** 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.
- 20.4** The Parties agree that, in respect of the Project, the City is not an “Owner” within the meaning of the *Construction Act*.

ARTICLE 21 UNCONTROLLABLE CIRCUMSTANCES

- 21.1** 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.
- 21.2** 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 22 GENERAL PROVISIONS

- 22.1** This Agreement may be changed only by written amendment duly executed by authorized representatives of both Parties.
- 22.2** In this Agreement, words in or implying the singular include the plural and vice versa, and words having gender include all genders.
- 22.3** 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.
- 22.4** 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.

- 22.5** 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.
- 22.6** 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.
- 22.7** 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.
- 22.8** 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.
- 22.9** 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.
- 22.10** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- 22.11** 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.
- 22.12** Notwithstanding any other provision of the Agreement, the provisions of the Agreement which by their nature are continuing, including, without limitation, the provisions regarding confidentiality and indemnity, shall survive the termination or expiry of this Agreement.
- 22.13** 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.
- 22.14** 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.

- 22.15** 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.
- 22.16** 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.
- 22.17** 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.
- 22.18** This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

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.

CITY OF TORONTO

Per: _____
 Name: Abigail Bond
 Title: Executive Director, Housing Secretariat

I have authority to bind the City

[PROPONENT]

Per : _____
Name:
Title:

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

SCHEDULE "A"**PROPONENT'S ANNUAL OCCUPANCY REPORT**

For the Year Ended December 31, 20XX

[NOTE: Form will be amended to include annual attestation with respect to Occupancy for Rent-Controlled Units]

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	F
Unit Type	Total Units	Average Actual Occupancy Costs	City's Affordable Rents	Rent Controlled Rents	Occupancy Costs by Unit Type (AxB)	CMHC AMR by Unit Type
Studio		-				
One Bedroom						
Two Bedroom						
Three Bedroom		-				
Four Bedroom		-				
Total	-				-	-

C. 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:

Title:

_____ Date

SCHEDULE "B"

MORTGAGE/CHARGE OF LAND PROVISIONS

LRO # 80 Charge/Mortgage

In preparation on yyyy mm dd at [TIME]

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 1

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

[PROPONENT NAME, ADDRESS, ETC.]

Chargee(s)*Capacity**Share*

Name CITY OF TORONTO
 Acting as a company
Address for Service 55 John Street, 26th Floor
 Toronto, Ontario
 M5V 3C6
 Attention: City Solicitor & Housing Secretariat

Statements

Schedule: See Schedule

Provisions

Principal \$xxxx.xx *Currency* CDN
Calculation Period
Balance Due Date
Interest Rate
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount Full insurable value
Guarantor

Additional Provisions

***** THIS IS AN EXAMPLE ONLY *****

MORTGAGE/CHARGE OF LAND PROVISIONS
(electronic version available on request)

Additional Provisions

(i) It is agreed by the Chargor and the Chargee that this Charge is given as collateral security for the Chargor's performance of its obligations under a Contribution Agreement dated _____, 202__, (herein called the "Agreement"), which Agreement has been entered into with the Chargee and default under the terms of the Agreement, shall constitute default under the terms of this Charge.

(ii) It is agreed that the Chargee's rights hereunder shall in no way merge or be affected by any proceedings which the Chargee may take under the Agreement and/or under any other collateral security securing the performance of obligations under the Agreement and that the Chargee shall not be required to take proceedings under the Agreement, before proceeding under this Charge and conversely, no proceedings under this Charge or other collateral security or any of them shall in any way affect the rights of the Chargee under the Agreement and the Chargee shall not be required to take proceedings under this Charge or any other collateral security before proceeding under the Agreement.

(iii) Paragraph 14 of the set of Standard Charge Terms filed as number 200033 on November 3, 2000 and forming part of this Charge is hereby deleted and the following substituted therefor:

"14. If the Chargor offers, lists, advertises, sells, transfers, disposes of, leases, licenses, mortgages, charges, encumbers or holds out or offers for sale, lease, licence, or disposal the land or any part, or permits any mortgage, charge or other encumbrances to remain outstanding in respect of the Land or any part or revises, alters, renews or amends any mortgage, charge or encumbrance or otherwise deals with the Land or any part other than in accordance with the Agreement, the principal amount secured by this Charge, or such lesser amount as may be outstanding pursuant to the provisions of the Agreement shall, at the option of the Chargee, immediately become due and payable. PROVIDED that no permitted sale or other dealing by the Chargor with the Land or any part shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any person liable for payment of the monies hereby secured."

(iv) Paragraph 16 of the set of Standard Charge Terms filed as number 200033 on November 3, 2000 and forming part of this Charge is hereby deleted and the provisions of section 12 of the Agreement are substituted therefor.

(v) [ONLY APPLICABLE WHERE PROPONENT IS NON-PROFIT] It is understood and agreed that notwithstanding anything in the standard charge terms made part of this Charge or any provisions of any other document or certificate or security provided in connection with this Charge, the Chargor shall not be obligated or liable to repay all or any portion of the indebtedness hereunder including principal, interest, premium, costs of realization, damages or any other monies secured by owing under or in connection herewith, including under any indemnity (collectively for the purpose of this paragraph only the "Indebtedness") and that the recourse of the Chargee to recover the Indebtedness shall be limited and restricted to the right of the Chargee to enforce its security solely against the charged property and the rents, chattels and proceeds (including insurance proceeds) relating to the charged

property and to realize against the interest of the Charge or in the charged property and the proceeds thereof, and that the Chargee shall not be entitled to effect realization against any other property of assets or the Chargor (or any other person, corporation, partnership or entity) any deficiency remaining outstanding after such realization.

SCHEDULE "C"**LEGAL OPINION**

[TO BE ON LETTERHEAD OF SOLICITOR FOR PROPONENT]

DATE

City of Toronto
Legal Division
Station 1260
26th Floor, Metro Hall
55 John Street
Toronto, Ontario M5V 3C6

Attention: Wendy Walberg, City Solicitor

Re: City of Toronto (the "City") and []
(the "Proponent") property located at []
Ontario (the "Property")

We have acted as solicitors to the Proponent in connection with the giving of this opinion and all matters herein described.

We have assisted in the preparation of and acted in connection with the authorization, execution, issuance and delivery by the Proponent of the following documents:

- (a) Contribution Agreement dated _____ between the City and the Proponent ("the Agreement"); and
- (b) a [Leasehold] Charge/Mortgage of Land in the principal amount of [] (the "Charge"); and
- (c) the giving of this opinion and on all matters herein described.

The Agreement and the Charge are collectively referred to as the "**Documents**".

The Charge has been given in favour of the City for the obligations of the Proponent from time to time under the Agreement. All other capitalized terms used herein, but not otherwise defined herein, shall have the meanings ascribed to such terms in the Agreement, unless otherwise specified.

We have examined such corporate records and have made such other searches and enquiries and considered such questions of law as we have considered necessary or desirable for the purposes of the opinions hereinafter expressed. In our examination of all documents, we have assumed:

- (a) the genuineness of all signatures, the requisite legal capacity of all individuals, the

authenticity of all documents submitted to us as originals and the conformity to originals of all documents submitted to us as photocopies, facsimile, certified or notarial copies thereof and that all facts set forth in the official public records, indices and filing systems and all certificates supplied by public officials or otherwise conveyed to us by public officials are complete, true and accurate;

- (b) that each party to the Documents, other than the Proponent, was in existence when the Documents were executed and delivered and had the power and capacity to enter into the Documents;
- (c) that each of the Documents has been duly authorized, executed and delivered by each party thereto, other than the Proponent, whether or not a signatory thereto; and
- (d) that each of the Documents is a legal, valid and binding obligation of each party thereto other than the Proponent.

We have relied on the following documents, which are originals or copies, that are certified or identified to our satisfaction, to provide our opinion, and these documents have been attached for your reference. The documents are part of organization and public records as well as corporate records.

- 1. Certificate of Status of the Proponent dated _____.
- 2. The constating documents and by-laws of the Proponent including a certified copy of the Letters Patent of the Proponent effective _____ and Supplementary Letters Patent the Proponent effective _____, a certified copy of the Borrowing By-law of the Proponent, a certified copy of a resolution of the Proponent authorizing the borrowing and the execution and delivery of the Documents, the minute book and corporate records of the Proponent.
- 3. A Certificate of an Officer of the Proponent strictly with respect to the factual matters set out therein (the "**Certificate**").

We have examined title to the Property and attended to the registration of the Charge, in the Land Registry Division of the Toronto Land Titles Office (No. 66) (the "Land Titles Office"). The detail of all such registration is set out in Schedule "A" attached to this letter and the duplicate registered copy of the Charge is enclosed.

We are solicitors qualified to carry on the practice of law in the Province of Ontario and we express no opinion as to any laws other than the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario in force on the date of this opinion.

Based upon the foregoing and subject to the qualifications set out below, we are of the opinion that as of the date of registration of the Charge:

- 1. the Proponent is a subsisting body corporate under the laws of the Province of Ontario, with the necessary powers to borrow the monies secured by the Charge;
- 2. the Proponent has the necessary power and capacity to execute, deliver and perform its obligations under each of the Documents pursuant to the terms of the Agreement;
- 3. all necessary corporate action has been taken by or in respect of the Proponent to authorize the execution and delivery of the Documents and the performance by the

Proponent of its obligations thereunder and each of the Documents has been duly executed and delivered by the Proponent;

4. no authorization, consent, permit or approval of, or other action by, filing with or notice to any government, governmental agency or authority, regulatory body, court, tribunal or other similar entity having jurisdiction is required at this time in connection with the execution and delivery of the Documents or the performance by the Proponent of its obligations;
5. the execution and delivery of each of the Documents and the fulfillment of the terms thereof by the borrower, do not result in a breach of, or constitute a default under (i) the Proponent's governing legislation; ii) By-laws of the Proponent; or (iii) any statute, regulation or the laws of the Province of Ontario or the federal laws of Canada applicable herein;
6. each of the Documents constitutes a valid and legally binding obligation of the Proponent, enforceable against the Proponent in accordance with its terms;
7. the Proponent is the sole registered and beneficial owner of the Property;
8. the Proponent has good and valid marketable [leasehold] title to the Property, free from all encumbrances or claims of any nature whatsoever, subject only to the qualifications and the Permitted Encumbrances set out in Schedule "B" attached to this letter (the "Permitted Encumbrances");
9. the Charge constitutes a good and valid [second] charge of the Proponent's interest in the Property and all right, title and interest of the Proponent therein, enforceable by the City in accordance with its terms, subject only to the Proponent's right of redemption thereunder and otherwise at law and equity, the Permitted Encumbrances;
10. there are no executions outstanding in the hands of the Sheriff of the City of Toronto which affect the Proponent or the [leasehold] title to the Property and, to the best of our knowledge, without having made independent enquiry, there are no actions or proceedings pending or threatened against the Proponent, before any court or administrative agency;
11. there are no arrears in the payment of taxes with respect to the [leasehold] Property; and
12. the Property has not escheated to the Crown.

The opinions expressed above are subject to the following qualifications:

1. the enforceability of the Documents may be limited by applicable bankruptcy, winding up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting the enforcement of creditor's rights;
2. the enforceability of the Documents may be limited by general principles of equity and the obligation to act in a reasonable manner and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance, injunction and relief from forfeiture) which remedies are only available in the discretion of a court of competent jurisdiction;
3. a court may decline to accept the factual and legal determinations of a party notwithstanding that a contract or instrument provides that the determinations of that party shall be conclusive;
4. no opinion is given as to the enforceability of any provision of the Documents providing for the severance of illegal or unenforceable provisions from the remaining provisions of the Documents;
5. whenever an obligation, act, agreement or instrument is expressed to be "enforceable" or "legal, valid and binding" or words of like effect, we mean that such obligation, act, agreement or instrument is capable of being given legal effect; we express no opinion as to any factors such as financial capacity or title to assets which may make such obligation, act, agreement or instrument unenforceable in fact;
6. the enforceability of the Documents entitling the City to exercise rights or remedies as a result of a default thereunder may be limited by applicable laws requiring creditors and secured parties to give obligors a reasonable time to raise money to pay the indebtedness owing by the obligors prior to taking any action to exercise such rights or remedies;
7. the enforcement of the Documents are subject to:
 - a) applicable limitations periods;
 - b) the statutory power of a court to grant relief from forfeiture;
 - c) the discretion which a court may reserve to itself to decline to hear an action if it is contrary to public policy for it to do so or if it is not the proper forum to hear such action;
 - d) limitations on the right of a party to enforce an agreement on the basis of a default of a minor or non-substantive nature; and
 - e) limitations upon the right of a party to accelerate the maturity of any indebtedness without reasonable notice to the indebted party.
8. provisions of the Documents which provide that delay or failure by a party to exercise any right, remedy or option will not operate as a waiver thereof may not be enforceable;
9. provisions of the Documents which provide for the waiver of certain legal or equitable rights or which absolve or purport to absolve a party from responsibility for its acts may not be enforceable;

10. a court may require discretionary powers expressed to be conferred on the City in the Documents to be exercised reasonably and in good faith notwithstanding any provision to the contrary and may decline to accept as conclusive factual or legal determinations described as conclusive therein;
11. the effectiveness of terms exculpating a party from a liability or duty otherwise owed by it to another and certain remedial terms, and waivers of equitable defences provided for in the Documents, are limited by law;
12. the enforcement of provisions in the Documents providing for the recovery of expenses and costs is subject to the discretion of the courts;
13. notwithstanding any provision of the Documents, any certificate or determination provided thereunder may be subject to challenge in a court on the grounds of fraud, collusion, mistake on the face of the certificate, or mistake on the basis that the certificate differed in a material respect from the certificate contemplated in such provision;
14. we express no opinion as to the enforceability of any provision of the Documents to the effect that:
 - a) modifications, amendments or waivers of or with respect to the Documents that are not in writing will be ineffective;
 - b) relate to delay or omission in the enforcement of remedies by or on behalf of the City;
 - c) purport to appoint any person or an officer or employee thereof as attorney or agent to act on behalf of any other person;
 - d) purport to bind or affect, or confer a benefit upon persons who are not parties to the Documents;
 - e) provide for agreement at a later date;
 - f) purport to restrict the access to, or waive the benefit of, legal or equitable remedies or defences;
 - g) purport to waive or affect any rights to notices; or
 - h) provide a non-judicial foreclosure or self-help remedies or relate to delay or omission of enforcement of remedies.
15. no opinion is expressed as to the enforceability of any provisions in any of the Documents which provide for obligations, rights or remedies which are inconsistent with any other provisions of the Documents or subject or subordinate to, or overridden by, other provisions in the Documents;
16. rights of indemnification provided for in the Documents may be limited under applicable law;
17. we express no opinion as to compliance, and the effect of non-compliance, with any privacy laws; and
18. a receiver, manager or receiver-manager appointed under the Documents, for certain purposes, be held by a court of competent jurisdiction to be acting as an agent or attorney of the City and not as an agent or attorney of the Proponent notwithstanding terms to the contrary therein;

Notwithstanding that our fee for this opinion will be paid by the Proponent, and that we have acted for the Proponent in this transaction, we acknowledge that the City is relying upon this opinion letter and the opinions expressed herein and consent and agree to such reliance

Yours truly,

Solicitor

SCHEDULE "C-A"

The Charge registered on title to the Property in the Land Titles Office for the Toronto Land Titles Office (No. 66):

1. Charge registered on _____, 20____ as Instrument No. _____.

SCHEDULE “C-B”

Permitted Encumbrances:

City of Toronto Charge.

[list of other encumbrances to follow]

SCHEDULE "D"**START OF CONSTRUCTION AFFIDAVIT**

Re: PROPONENTS NAME AND PROJECT ADDRESS

I, [name of authorized signing officer], of the City of _____, in the
Province of Ontario make oath and say:

1. Construction equipment has been mobilized on the property
municipally known as [ADDRESS], Toronto.
2. Attached hereto and marked as Exhibit "A" is a true copy the first
building permit received for the above-mentioned affordable
housing project.
3. I make this affidavit for no improper purpose.

SWORN before me at)	
the City of)	
in the Province of Ontario)	
this day of)	
202__.)	
)	_____
)	[name and title of authorized signing officer]
)	
)	
)	
)	
Commissioner, etc.)	

SCHEDULE "E"

SUBSEQUENT LEGAL OPINION

DATE

City of Toronto
Legal Services Division
55 John Street, Metro Hall
Station 1260, 26th Floor
Toronto, Ontario M5V 3C6

Attention: Wendy Walberg, City Solicitor

Dear Sir/Madame,

**Re: City of Toronto and [Proponents name]
Project's Address – # of advance**

Further to your letter dated [DATE], we wish to advise that we conducted a sub-search of the above noted property and confirm that there were no construction liens registered against the property as of [Date].

We confirm that there are no executions against the Borrower and the City's priority remains in place. We enclose a copy of the PIN report for your records and an execution certificate against the Borrower.

Yours very truly,

Proponent's Solicitor

Enclosures

SCHEDULE “F”



Declaration of Compliance with Anti-Harassment/Discrimination Legislation & City Policy

Background:

Organizations and individuals in Ontario have obligations not to engage in harassment, discrimination, and hate activity. These obligations are captured in the Ontario Human Rights Code, the Occupational Health and Safety Act, the Employment Standards Act, the Accessibility for Ontarians with Disabilities Act, the Criminal Code of Canada and the Charter of Rights and Freedoms.

The City's [Human Rights and Anti-Harassment/Discrimination Policy](#) and [Hate Activity Policy](#) incorporate these obligations not to engage in harassment, discrimination, and hate activity on all prohibited grounds set out in the Ontario Human Rights Code as well as the additional grounds of political affiliation and level of literacy as set out in section 2.3 of the [Human Rights and Anti-Harassment/Discrimination Policy](#).

These policies also require the following Declaration of Compliance with Anti-Harassment/Discrimination Legislation to be signed in order for a contract, permit or other permission to be approved or issued by the City. The name of the individual or organization and the fact that the Declaration was signed may be included in a public report to City Council.

Declaration:

I/We uphold our obligations in accordance with the above provincial and federal legislation and legal obligations. In addition, I/we uphold our obligations under the City's [Human Rights and Anti-Harassment/Discrimination Policy](#) and [Hate Activity Policy](#) that prohibit harassment, discrimination, and hate activity.

The organization or individual acting on behalf of the organization affirms the necessary policies, programs, information, instruction, plans and/or other supports are in place and are consistent with our legally mandated obligations. Additionally, in order to align with City policy, I/we agree to prohibit harassment, discrimination, and hate activity on all prohibited grounds set out in the Ontario Human Rights Code as well as the additional grounds of political affiliation and level of literacy.

I/We have an internal process available to employees, service recipients, and facility users to prevent, address and remedy discrimination, racism, harassment, hate activity and inaccessibility complaints. I/we agree that, upon the request of the City, I/we shall provide evidence of the policies, programs, information, instruction, plans and other supports and an appropriate internal complaint resolution process required under this Declaration which is sufficient to allow the City to determine compliance with policy and legal obligations.

I/We acknowledge that failure to demonstrate compliance with this Declaration to the satisfaction of the operating Division, in consultation with the City Solicitor, may result in the termination of the contract and/or other consequences, such as fines, penalties, or restrictions as set out in the relevant operating Division's procedures and/or contract.



Declarant Information

Contact Information		
<input type="checkbox"/> Organization/Business <input type="checkbox"/> Individual (For Organization/Business representative provide business contact information)		
Organization Name (If applicable)		
Organizational Representative or Individual (First and Last Name)		
<input type="checkbox"/> Check this box if First Name and Last Name do not apply to you because you have either a registered Birth Certificate or Change of Name Certificate bearing a Single Name. Provide your name below.		
Single Name		
Street Number	Street Name	Suite/Unit Number
City/Town	Province	Postal Code
Telephone Number		Email
Signature of Organizational Representative or Individual: x _____		Date (yyyy-mm-dd)

Multilingual Translation Services: 311 and TTY 416-338-0889. For further information, consult this webpage: [Accessibility and Human Rights](#).

SCHEDULE "G"

ACCESS PLAN

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 occupancy costs; relevant policies; housing benefit allocations and partnerships, as applicable. The access plan also identifies how the project is marketed (if applicable), along with how tenants are 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**Contact Information**

Proponent	Proponent Contact Phone Number
Proponent Contact Email Address	Property Manager Phone Number
Property Manager Name	Property Manager Email Address
Project Address	
Council Approval Date Select Date	Contribution Agreement Date
Initial Occupancy Date (expected) Select Date	

Project Features

Project Name and Address

☐ Communal
balcony/terrace

☐ Indoor parking

☐ Fitness facilities

☐ Air Conditioning

☐ Smoke-Free

☐ Mail room

☐ Elevator

☐ Visitor parking

☐ Accessible building

☐ Meeting/party room

☐ On site management
office

☐ Playground

☐ Outdoor communal
space

☐ Locker

☐ Pool

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

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	<input type="checkbox"/>	<input type="checkbox"/>
Heat	<input type="checkbox"/>	<input type="checkbox"/>
Water	<input type="checkbox"/>	<input type="checkbox"/>
Hot Water	<input type="checkbox"/>	<input type="checkbox"/>

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/target group, 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:

Unit Type	Total Unit Count	# Barrier Free	# With Rent Supplement Benefits	# Under Referral Agreement or Head Lease
TOTAL				

***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.
- For rent-geared to income (rent supplement units see Section 2-4 of the [RGI Administration Manual](#)

1. Indicate the depth of affordability by entering the number of units by unit type

Unit Type	80% AMR	100% AMR	____% AMR (specify)	Rent supplement or Rent Geared to Income
Hostel/Dwelling Unit				
Bachelor				
1-bed				
2-bed				
3-bed				
TOTAL				

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	Utility Allowance	AMR Rent	Rent Payable (AMR rent – UA)
Hostel/Dwelling Unit			
Bachelor			
1-bed			
2-bed			
3-bed			

3. Indicate the planned schedule for initial move-ins

Week	1	2	3	4	5	6	7	8	9	10	11	12
Number of Move-ins Per Week												
Cumulative TOTAL												

PART 4 BASIC ELIGIBILITY REQUIREMENTS

All applicants must meet the basic eligibility requirements.

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. 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. For rent supplement units see Section 1 of the [RGI Administration Manual](#).

- 1. Outline additional landlord screening practices which will be considered:**
- 2. Outline additional landlord screening practices that will be utilized to ensure the inclusion of low- or moderate-income households.**
- 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 (rent supplements or housing allowances), 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.
- 1. List any housing benefits and their funding source that are not being provided by the City of Toronto.**



2. 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)

3. 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

Provide detailed information on how your units are 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 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. Describe the source of funding for supports and type of supports being offered, if applicable

Organization	Target Group	Supports Offered	Funding Source	Contact Name, Title and Email

Attach any applicable legal agreements such as a Referral Agreements or Head Lease.

2. List any onsite community program initiatives, if applicable:

PART 8 UNIT ALLOCATION

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. Households must be selected using the random draw process outlined in Section 8.4 of the Affordable Rental Housing Administration Manual, unless other referral pathways are approved for housing with supports, housing benefits or mandates. Include the following details:

- 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 comply with the Affordable Rental Housing Administration Manual

PART 9 FILLING UNIT VACANCIES UPON TURNOVER

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 Rental Housing unit, identify how the process will comply with the Affordable Rental Housing Administration Manual

PART 10 CONFLICT OF INTEREST POLICY

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

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 or between projects within a housing provider's portfolio.

PART 12 REPORTING

Housing Providers are required to complete reporting as a part of the Affordable Housing Program and Rent Supplement Agreements, where applicable. Full details of affordable housing reporting requirements can be found in Section 12 of the Affordable Housing Administration Manual.

PART 13 APPLICATION AND LEASE REQUIREMENTS

A signed application (including Eligibility and Household Income Review) 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 Rental Housing Administration Manual.

Please attach a copy of the application and tenant lease (or occupancy agreement).

PART 14 PERSONAL INFORMATION AND RECORD-KEEPING

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

PART 15 OTHER

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

PART 16 APPROVAL

Provider Address/Name

Per (Authorized Signature)

Print Name

Title:

I / We have the authority to bind the corporation

City of Toronto

Per (Authorized Signature)

Print Name

Executive Director, Housing Secretariat

I / We have the authority to bind the corporation

Schedule “D”
Project Agreement

Schedule "E"

Declaration of Compliance with Anti-

Harrassment/Discrimination

Legislation & City Policy

Declaration of Compliance with Anti-Harassment/Discrimination Legislation & City Policy

For Office Use Only
DECLARATION OF COMPLIANCE WITH ANTI-HARASSMENT/DISCRIMINATION LEGISLATION & CITY POLICY

Date: _____
Group/Vendor/Individual Name: _____

Organizations/individuals in Ontario, including the City of Toronto, have obligations under the Ontario Human Rights Code, the Occupational Health and Safety Act, the Employment Standards Act, the Accessibility for Ontarians with Disabilities Act, the Criminal Code of Canada and the Charter of Rights and Freedoms. In addition, the City of Toronto also has policies that prohibit discrimination on the additional grounds of political affiliation or level of literacy, subject to the requirements of the Charter. Organizations are required to have and post policies, programs, information, instruction, plans and/or other supports, and an appropriate internal process available to their employees and service recipients to prevent, address and remedy discrimination, racism, harassment, hate and inaccessibility complaints under the applicable legislation and including the additional grounds of discrimination prohibited under City policy. Individuals are obliged to refrain from harassment/hate activity.

The City of Toronto requires all organizations and individuals that contract with the City to sign the following Declaration of Compliance with Anti-Harassment/Discrimination Legislation & City Policy. This Declaration must be signed by your organization and submitted with the contract or Letter of Understanding. The name of your organization and the fact that you have signed this declaration may be included in a public report to City Council.

Declaration:

I/we uphold our obligations under the above provincial and federal legislation. In addition, I/we uphold our obligations under City policies which prohibit harassment/discrimination on a number of grounds including political affiliation and level of literacy.

WHERE LEGALLY MANDATED I/we have in place the necessary policies, programs, information, instruction, plans and/or other supports that are consistent with our obligations, and I/we have an internal process available to my/our employees and service recipients to prevent, address and remedy discrimination, racism, harassment, hate and inaccessibility complaints. I/we agree that I/we shall, upon the request of the City, provide evidence of the policies, programs, information, instruction, plans and other supports and an appropriate internal complaint resolution process required under this Declaration which is sufficient to allow the City to determine compliance. I/We acknowledge that failure to demonstrate compliance with this declaration to the satisfaction of the operating Division, in consultation with the City Solicitor, may result in the termination of the contract.

Name of Vendor or Name of Grant Applicant (Organization or Individual): _____

Complete Address: _____ Email: _____

Tel. No. _____

Postal Code: _____ Fax No. _____

Name of Signing Officer or Name of Applicant (Name – *please print*): Position _____

Signature: _____ Date: _____
Authorised Signing Officer or Individual

Multilingual Services: 311 and TTY 416-338-0889. Further information: www.toronto.ca/diversity.ca