

CITATION: Parking Specialists Inc. v. York Condominium Corp. No. 194, 2026 ONSC 4424
COURT FILE NO.: CV-26-00011317-0000
DATE: August 5, 2026

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: Parking Specialist Inc., Plaintiff

AND:

York Condominium Corporation No. 194, Defendant

BEFORE: Mathen J.

COUNSEL: *John Polyzogopoulos and Dallas Hayes-Nairne*, for
the Plaintiff

Christopher Selby and Jonathan Shepherd, for the
Defendant

HEARD: July 14, 2026

ENDORSEMENT

OVERVIEW

[1] For over twenty-five years, the Plaintiff Parking Specialists (“PS”) has operated a parking business on the surface lot of a condominium complex located at 600 Sherbourne Street. The complex, owned by the Defendant, York Condominium Corporation 194 (“YCC”), is a commercial property consisting of professional offices such as doctors and dentists, as well as a LifeLabs medical laboratory.

[2] PS says it has a valid lease renewal from July 1, 2024, to June 30, 2029, signed by the Board’s long-time President and director of the Defendant’s board, Dr. Anton Kacicnik “Dr. K.”. Dr. K. died in 2025.

[3] In January 2025, one of the new members appointed to YCC’s board began looking into the corporation’s operations and finances, including the parking lot. Only then, YCC says, did the board become aware of the 2024 lease renewal. YCC argues that neither the renewal nor the underlying lease comply with the *Condominium Act*, 1998, S.O. 1998, c.19.

[4] On July 16, 2025, YCC began telling PS that the lease renewal was void.

[5] On May 27, 2026, YCC sent the PS a letter requiring the PS to vacate the Parking Facility by June 30, 2026. YCC advised PS of its intention to seek a new, five-year lease at fair market value, and invited PS to submit a proposal.

[6] PS launched an action on June 5, 2026, seeking, among other things:

- a. a declaration that the 2024 Renewal is “valid, binding and enforceable”; and
- b. an interlocutory injunction to prevent YCC from evicting PS, and to keep the lease in place until trial.

[7] Briefly, I find that an injunction is not merited. There is a serious issue to be tried, and eviction from the current agreement arguably will deprive the plaintiff of a property right. However, in part because of the weakness of the property right, PS cannot show that the balance convenience favours the injunction.

PARTY POSITIONS

Parking Specialists

[8] In 1975, YCC passed By-Law No. 3, which authorized an agreement for the management and operation of the Parking facility by a third-party parking operator. That By-Law “put all unit owners on notice that the Parking Facility could be commercially operated by a third-party operator pursuant to an agreement with YCC 194”.

[9] The plaintiff has operated the parking lot at 600 Sherbourne since 1998. Throughout that time, PS dealt with different property managers. That includes Avi Goldschmidt, PS’s principal contact between 2014 and 2024. In 2024, YCC terminated his employment.

[10] In 2016, the parties’ arrangement changed from a management-fee structure to a fixed monthly rent agreement. YCC accepted monthly rent payments without objection. YCC’s directors and unit owners “received periodic financial information showing how much revenue it was generating from the Parking Facility”, which implies that they knew there was an agreement in place.

[11] Sometime in June 2024, PS decided to seek “the security of a written agreement” after having operated without one for several years. Mike Catsiliras, PS’s operations manager, prepared and signed a form of lease renewal and provided it to Mr. Goldschmidt, who left the document at Dr. K.’s medical office. A couple of days later, someone in that office advised Mr. Goldschmidt to pick up an envelope. Mr. Goldschmidt delivered the envelope to Mr. Catsiliras without opening it.

[12] According to Mr. Catsiliras, the envelope contained a copy of a fully executed lease renewal, apparently signed by Dr. K., that:

- a. renews the lease for a five-year term from July 1, 2024, to June 30, 2029;
- b. provides an option for a further five-year term at Parking Specialists' discretion;
- c. sets a monthly rent of \$9,000, plus HST, with rent to increase in later years; and
- d. can be terminated by YCC only upon a material breach that is not cured.

[13] PS argues that:

- a. YCC has never alleged a material breach of the lease renewal.
- b. Until July 2025, PS continued to pay \$9000 (plus HST) a month, which YCC accepted without incident or complaint.
- c. Because PS obtained a renewal, it did not pursue other business opportunities as vigorously as it might have otherwise.

[14] Therefore, the lease renewal is *prima facie* valid and enforceable. PS says that conclusion is especially strong given that PS has operated the parking lot without issue or complaint for so long. Accordingly, PS has acquired property rights which should be enforced pending the final determination of this action, where the onus will be on YCC 194 to prove that the 2024 Lease Renewal is invalid and unenforceable.

[15] In addition:

- a. YCC's decision to terminate the lease is *ultra vires*. Article III, para 3(a) of YCC's Declaration requires an 80% vote of unit owners to make substantial changes to the assets of the corporation and s. 97(4) of the *Condominium Act* requires two-thirds vote of the unit owners before any substantial change to the assets of the corporation can be made. No such vote was taken in this case.
- b. A contract entered into by a condominium corporation may be ratified by conduct without the formal process of holding a Board meeting and passing a by-law. The fact that the directors and unit owners "were content receiving monthly rent for the Parking Facility" is evidence that shows that they "have ratified all agreements entered into [with PS] over the last 25 years."
- c. YCC has other contracts it says are questionable, "including an elevator maintenance agreement signed on behalf of YCC by Mr. Goldschmidt and Mr. Goldschmidt's employment agreement signed on behalf of YCC by Dr. Kacicnik."

[16] Furthermore:

- a. The "common law indoor management rule applies" to PS's reliance on YCC's property manager to represent YCC in all dealings with PS. PS was also entitled to rely on the authority of Dr. K.

- b. YCC 194's own internal governance and management issues cannot be grounds to affect innocent third-party rights and allow YCC 194 to resile from the 2024 Lease Renewal.
- c. There is no reason why the common law of agency as it relates to corporations generally would not apply to YCC.

YCC

[17] In early 1975, YCC was created by a condominium declaration that established the corporation and defined its legal structure (the "Declaration"). The Declaration provides that YCC may, by a vote of members owning 66 2/3 per cent of the common elements, pass by-laws governing the use of the common elements and the governance of the board.

[18] As a result, YCC enacted three by-laws:

- a. By-law 1 governs meetings and general composition of the board;
- b. By-law 2 authorizes directors to borrow money or mortgage property; and
- c. By-law 3 authorizes YCC to enter into certain agreements, including a management agreement for the above ground parking lot.

[19] For 18 years, PS managed the above ground parking lot under written management agreements ("MA"s). The 1988 MA provides that PS was required to remit all monthly revenues to YCC subject to allowable expenses including a management fee of \$800 a month.

[20] In 2014, YCC did not approve PS's request to increase the management fee to \$1500.

[21] PS says the agreement underwent the following changes:

- a. In 2013, the MA was replaced by a lease on verbal terms only with a monthly payable amount to YCC of \$15,000.
- b. For several months during COVID-19, PS reduced its payments to \$0.
- c. PS resumed payments at a reduced amount of \$7500 in July 2020.
- d. PS increased payments to \$9000 effective September 1, 2021.

[22] YCC's Board members were not aware of the above changes and did not approve them.

[23] Mr. Catsiliras states that he only ever had discussions about the above changes with YCC's property manager, Mr. Goldschmidt. However, under cross-examination, Mr. Goldschmidt contradicted his own statement and said he did not participate in discussions or negotiations with Mr. Catsiliras about: the Verbal Lease, the COVID Reduction, the 2020 Verbal Increase, or the 2021 Verbal Increase. Mr. Goldschmidt's evidence is that he believed Mr. Catsiliras negotiated with Dr. K.

[24] Under cross-examination, Mr. Goldschmidt agreed that he would have expected YCC's board to have to approve the verbal lease before the lease was entered into. Mr. Goldschmidt confirmed he did not have authority to enter into contracts for YCC without board approval.

[25] While the financial statements provided to the board over the years do show an amount under "Parking Income", the amount is the same under the management agreements and the purported verbal lease.

[26] Mr. Catsiliras deposed that he had "discussions" with the property manager about the renewal. However, on cross-examination Mr. Catsiliras said there were no negotiations, that he did not recall discussing the terms with Mr. Goldschmidt before delivering the lease renewal, and that Mr. Catsiliras told Mr. Goldschmidt what the terms would be.

[27] Mr. Catsiliras deposed that he had "dealings" with Dr. K. but, when asked about it in cross-examination, said they were not "full conversations" but more like pleasantries. He claims he never discussed the lease renewal with Dr. K.

[28] There is no verifiable evidence that Dr. K. actually signed the lease renewal. Mr. Catsiliras confirmed that he wrote, in the lease renewal under Dr. K's signature line, the phrase "I have authority to bind the above corporation". Mr. Catsiliras admitted that he did not actually know whether Dr. K had that authority.

[29] Even if Dr. K. signed the lease renewal, he did so without board approval, and in the absence of an authorizing by-law. Mr. Goldschmidt admits that he knew the document was a renewal for a verbal lease, he never raised the renewal with the board, and he never provided the document to any other board member.

[30] According to affidavits sworn by other YCC board members:

- a. the title of "president" was largely nominal;
- b. the board operated as a unit; and
- c. Dr. K. did not have authority to enter into agreements without board approval.

[31] Dr. K. was in declining health throughout 2024. He died in February 2025 at age 87.

[32] The 2024 Lease Renewal was economically unfavorable to YCC. Prior management agreements guaranteed YCC minimum monthly revenues of \$10,000. The "lease" was renewed at a rate 40% lower than the alleged verbal lease rent of \$15,000 per month.

ANALYSIS

[33] The facts as I find them, on a balance of probabilities, are contained in the following analysis.

Does the Plaintiff have unclean hands?

[34] A party seeking equitable relief, like an injunction, must come to court with clean hands. The doctrine applies broadly to conduct involving a breach of good faith, or “deceit and fraud or concealment of information for personal use”: *Boni v. Leonardo Worldwide Corporation*, 2018 ONSC 1875, at para. 73. In the treatise *Injunctions and Specific Performance* (Canada Law Book: Aurora, 2008, loose leaf edition), Robert Sharpe, J.A. writes that no relief lies in equity if, in securing an agreement, a party engaged in misrepresentation or lacks candour.

[35] YCC argues that PS comes to the within motion with unclean hands. PS’s witnesses offer contradictory evidence of events like who negotiated the verbal lease and the lease renewal, and the extent of Dr. K’s involvement. Therefore, PS’ transactions around the Verbal Lease and lease renewal “are tainted by deceit and lack of candour”.

[36] I am not persuaded that YCC’s complaints about PS’s witnesses establish unclean hands. The situation might be different if YCC had pointed to evidence suggesting that the 2024 lease renewal is a fraud. YCC does not make that allegation. The most it will say is that PS’s efforts to secure a written agreement, after operating without one for several years, are suspicious, in part because those efforts coincided with Dr. K.’s declining health. I note, however, that YCC also seems to downplay any relationship between Mr. Catsiliras and Dr. K. If true, the lack of a relationship or familiarity would undermine the idea that PS knew enough to take advantage of an ailing board member.

[37] Therefore, I decline to make a finding of unclean hands based solely on witnesses’ cross-examinations. On the record before me, there is insufficient evidence to conclude that those witnesses were untruthful.

The test for an interlocutory injunction

[38] A party may seek an interlocutory injunction under s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, and Rule 40 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194. The moving party must establish that:

- a. their action raises either a serious issue to be tried or a strong *prima facie* case;
- b. they will suffer irreparable harm if an injunction is not granted until the completion of the trial; and
- c. the balance of convenience favours granting the relief sought because they would suffer greater harm than the responding party if the injunction is not granted.

RJR-MacDonald Inc. v. Canada (Attorney General), 1994 CanLII 117 (SCC), [1994] 1 S.C.R. 311, at pp. 348-349; *R. v. Canadian Broadcasting Corporation*, 2018 SCC 5, [2018] 1 S.C.R. 196, at paras. 12-13).

[39] The above criteria are interrelated, not self-contained; and weakness in one may be compensated for by strength in another (*Circuit World Corp. v. Lesperance* (1997), 1997 CanLII 1385 (ON CA), 33 O.R. (3d) 674 (C.A.)).

What is the standard under the first step?

[40] The first step of the test requires the moving part to show they have either a serious issue to be tried, or a strong *prima facie* case. Establishing a strong *prima facie* case is more onerous than establishing a serious issue.

[41] The parties do not agree on the standard that should be applied. The plaintiff argues that it need only show a serious issue, although it submits that it has a strong *prima facie* case in any event. The defendant urge the court to require a strong *prima facie* case – meaning that the plaintiff must show that it has “a case of such merit that it is very likely to succeed a trial”: *R. v. Canadian Broadcasting Corporation*, 2018 SCC 5 (CanLII), [2018] 1 S.C.R. 196, at para. 17.

[42] For injunctive relief, the more common standard is to merely establish a serious issue. The higher threshold of a strong *prima facie* case is required in specific situations. One situation is where the outcome of the interlocutory injunction, practically speaking, “will make proceeding to trial pointless for one party”: *LivingArt Kitchens Inc. v. Merenich*, 2024 ONSC 3088 (CanLII) at para. 77. Another is when “the plaintiff’s right can be exercised only immediately or not at all”: *LivingArt Kitchens*, *ibid*. Yet more situations triggering the higher standard include: where an injunction enforces a restrictive covenant that would restrain an individual’s ability to make a living and to use his or her knowledge and skills obtained during employment; allegations related to breach of an employee’s common law fiduciary duties; cases in which the factual record is largely settled; and cases where a party seeks a mandatory injunction: *R. v. Canadian Broadcasting Corp.*, 2018 SCC 5 (CanLII), [2018] 1 SCR 196 at para. 17. The above examples are not exhaustive.

[43] This case does not involve a restrictive covenant, common law fiduciary duties, or a largely settled factual record.

[44] In addition, PS does not seek a mandatory injunction. PS is still operating the parking lot. It wants to ensure that, prior to trial, YCC does not evict it, and grant a lease to someone else. That is prohibitory relief against YCC. While PS’s draft order does seek a declaration that the lease is valid, I do not find that sufficient to characterize the relief PS seeks as mandatory.

[45] The injunction would continue the lease renewal agreement, on its current terms. YCC argues that this makes the underlying application pointless as PS would not have an incentive to move forward with the hearing. I find that argument speculative. The lease renewal document is for a five-year term with a five-year option to renew. Dragging things out will not give PS the certainty it claims to want. In addition, any concerns about delay can be addressed by procedural relief.

[46] Accordingly, I find that the case does not require the higher threshold of a strong *prima facie* case.

Has the standard been met?

[47] The standard of proving a serious issue is low. It requires that the plaintiff have a viable claim. Generally, it “negates the need of any intensive review of the merits at the preliminary phase of the proceedings.”: *LivingArt Kitchens* at para. 79. However, “if its consideration of the other

elements of the test is inconclusive, the court may revisit the question of the strength or merits of the plaintiff's case as an aspect of the balance of convenience factor.”: *LivingArt Kitchens*, *ibid*.

Application

[48] I am persuaded that PS has a serious issue to be tried. The issue it raises is not frivolous or vexatious. PS has a written lease renewal document that apparently was signed by the President of YCC's board. At the same time, YYC raises valid points going to the strength of the claim, that are relevant to the overall test. I will return to those points at the final step of the test.

Will the Plaintiff suffer irreparable harm?

[49] The next step is to assess whether PS will suffer irreparable harm if the injunction is not granted. PS must adduce sufficient evidence to show that it will suffer harm that “either cannot be quantified in monetary terms or which cannot be cured, usually because one party cannot collect damages from the other” (*RJR-MacDonald*, at p. 341). The word “irreparable” describes the nature of the harm, rather than its magnitude (*RJR-MacDonald*, at p. 341). I must consider the question of irreparable harm in the context of the specific facts of this case.

Analysis

[50] PS argues that being forced to vacate the parking lot will cause it to suffer irreparable harm because:

- a. PS is trying to enforce a property right, for which damages are an inadequate remedy.
- b. If a new parking operator is installed before trial, PS's property right will be “lost forever”.
- c. The parking facility represents 85% to 90% of PS's total revenue, such that its loss likely will permanently destroy PS's business.
- d. YCC cannot satisfy an award against PS in the amount PS is claiming which is more than a million dollars.

[51] Except for the loss of an asserted property right, I am not convinced that the harm is irreparable.

[52] First of all, in support of the claim that PS's business will be “destroyed”, Mr. Catsiliras deposes that:

- a. For the six-month period immediately preceding YCC's letter that PS vacate the parking lot, PS generated a monthly profit of \$12,000.
- b. The lot is PS's principal operation and largest source of revenue, constituting approximately 85-90% of the total.

- c. If PS is evicted from the facility on July 1, 2026, “its viability as a business will be in jeopardy, and it could well go out of business.”
- d. It is “not easy to replace the Parking Facility with another one. It can take years to find suitable locations in which to operate a parking facility that is profitable”.

[53] The above arguments are not persuasive. This is not a case where the lessee has acquired particular goodwill in the leased property, such as a restaurant or boutique, that would be difficult to replicate elsewhere: *12814307 Canada Inc. v. 2700688 Ontario Inc. et al*, 2025 ONSC 4951 (CanLII) (“*Hymus*”) at para. 27. PS operates parking lots. I am not satisfied that PS will be so prejudiced seeking alternate locales that it will suffer irreparable harm. In addition, PS’s six months of financial records does not constitute the kind of “particularized financial evidence in support of an allegation of financial harm”: *Reyes v. Morales*, 2021 ONSC 5111, at para. 43; *Rosen v 2740309 Ontario Inc.*, 2024 ONSC 6693, at paras. 49 - 51. For example, it is not clear what PS’s assets or holdings are, or its financial arrangements with other companies.

[54] If YCC is correct that the parking lot could attract a much higher rent, PS may have difficulty securing an alternate lease on similar terms as the 2024 renewal. That, however, is a question for damages.

[55] PS argues that YCC cannot satisfy an award of damages. It points to YCC’s financial statements which show that YCC has cash on hand of approximately \$300,000. As I explain in the next section, I am not persuaded that that evidence is sufficient to prove that YCC is unrecoverable.

[56] At the same time, PS says it has a valid lease which grants it a property right, which is something for which damages are an inadequate remedy: *1465152 Ontario Limited v. Amexon Development Inc.*, 2015 ONCA 86 (CanLII); *Hymus*, at paras. 25-27 and 38. YCC has an offer to lease from a third party that effectively would destroy PS’s interest. Because I have found that there is a serious issue to be tried on whether there is a lease, on that basis alone, I will accept that PS would suffer irreparable harm, in the loss of its lease, if the injunction is not granted.

Does the balance of convenience favour the Plaintiff?

[57] The balance of convenience step considers the effect on the parties of the court granting or not granting the interlocutory injunction: *Synergism Arithmetically Compounded Inc. v. 1130163 Ontario Inc.*, 1997 CanLII 12381 (ON CTGD), [1997] O.J. No. 4271 (Gen. Div.); *American Cyanamid Co. v. Ethicon Ltd.*, 1975 CanLII 2598 (FC), [1975] A.C. 396 (H.L.).

[58] The court must compare and contrast the harm that the plaintiff may suffer if the interlocutory injunction is refused with the harm that the defendant would suffer that would not be reparable by the plaintiff’s undertaking as to damages if the interlocutory injunction is granted. The factors in assessing the balance of convenience, and the weight to be given to them, are indeterminate and will vary from case to case: *RJR-MacDonald Inc. v. Canada (Attorney General)*, 1994 CanLII 117 (SCC), [1994] 1 S.C.R. 311; *GS International Holdings Ltd. v. Smart Vision Direct Inc.*, 2019 ONSC 6338.

[59] If the plaintiff's case seems weak, "then the undoubted convenience of an injunction may not balance the inconvenience of the defendant suffering the interference with his or her rights based on a doubtful claim.": *LivingArt Kitchens* at para. 84.

Analysis

[60] If the injunction is granted, PS will continue to operate the parking lot. PS says that would preserve the status quo. Relying on *RJR-MacDonald*, YCC argues that preserving the status quo is not relevant in private law cases. At p. 347, *RJR-MacDonald* does cite with approval the idea that preserving the status quo "would seem to be of limited value in private law cases, and, although there may be exceptions, as a general rule it has no merit as such in the face of the alleged violation of fundamental rights." That case concerned restrictions on freedom of expression created by federal legislation – i.e., breaches of constitutional rights. The decision is not really about considerations in private law. At the same time, PS has not cited caselaw to support the notion that the status quo is an important factor. As a result, I find the arguments around the status quo are of little assistance.

[61] YYC has an offer in hand, open until June 2027, to lease the parking lot for \$30,000 a month. PS questions the seriousness of that offer because:

- a. PS's financial information shows that the average monthly profit it earns from the Parking Facility is approximately \$9,000 – an amount that YCC has not adduced any evidence to contradict;
- b. there is no evidence of the financial wherewithal of the third party that would support the *bona fides* of its \$30,000 a month offer; and, accordingly
- c. on the evidence, the offer to pay \$30,000 per month entails a loss of approximately \$12,000 per month.

[62] I do not find the above arguments persuasive. It is not possible on this motion to evaluate PS' financial calculations to know on a balance of probabilities what the parking lot could rent for. I do note that PS says that it would have difficulty finding a comparable arrangement. While PS does not admit it, I find it likely that part of the difficulty lies in securing a lease on the same terms as the 2024 lease renewal. That suggests that the current lease charges a low rent, and counters the suggestion that YCC's current third-party offer lacks *bona fides*.

[63] PS has offered to post security for costs of \$30,000. The amount was calculated on the basis of \$5,000 per month of additional rent that YCC might earn, over six months. That would leave PS with \$4,000 profit.

[64] PS suggests that, with the court's assistance, the case could be fast-tracked so that a summary judgment motion might be scheduled and decided within six months. If the matter cannot be determined within six months, PS offers to pay a further \$5,000 per month in additional security for every additional month it takes to get to a fair decision. PS says that, since YYC's current offer is open until June 30, 2027, so long as the proceedings can be decided within the next twelve months, YYC will not suffer from any loss of economic opportunity should its position ultimately prevail.

[65] At the hearing, PS said it would be open to a different figure from the \$30,000 it offered to post. PS did not give an upper limit, but it is clear that PS is not willing to pay the entire claimed difference in profit – \$21,000 – since that would inflict too much financial hardship on it.

[66] I am not persuaded that PS's requests to fast-track the case properly factors into the analysis. PS has not established that this case merits urgent treatment. In any event, it is not possible to guarantee when the matter could be scheduled, much less decided.

[67] YYC says that granting the injunction would cause it to suffer "serious and unjustified" prejudice by:

- a. clouding the unit owners' title by making the scope of their rights in the common elements uncertain; and
- b. binding YCC and the unit owners to a lease arrangement that was not approved in accordance with statutory requirements .

[68] YCC also objects that PS's security amount is not compliant with Rule 40.03, because the amount offered does not meet the damage YYC would suffer by foregoing its current offer of \$30,000 a month plus HST.

[69] I acknowledge that there are reasonable considerations on either side. Nevertheless, I am not persuaded that the balance of convenience favours granting the injunction.

[70] PS's anticipated prejudice is almost entirely financial, and I am not persuaded that its financial loss cannot be addressed by damages. At the hearing, PS argued that YCC lacks sufficient funds to cover the damages it seeks, which are well over one million dollars. I am not persuaded that that is a relevant factor, because:

- a. The caselaw PS cites for this point – namely, *RJR MacDonald* and *Hymus* – does not support it. In particular, neither case suggests that the court should investigate whether a moving party will be able to "collect" from the responding party.
- b. Even if it is appropriate to consider that factor, PS's argument is speculative. First, PS cites an amount in damages that does not mention any offsets, such as mitigation. Second, I am not persuaded that YCC is an unrecoverable party. YCC has several hundred unit owners who are all ultimately liable for the corporation. PS argues that it would face prohibitive costs to recover damages from each condo owner. The record contains insufficient evidence for me to accept that PS's future recovery efforts – which will in the first instance lie on YCC – would be so excessive as to tilt the balance.

[71] Finally, the balancing exercise may consider again the strength or weakness of PS's underlying lease claim. YCC argues that the claim is weak in two ways.

The Verbal Lease and the Lease Renewal

[72] PS argues that, whatever the state of YCC's internal governance at the time, "the starting point is that there is an agreement in place which YCC seeks to set aside". YCC argues that, in order for PS to rely on the 2024 lease renewal, the lease agreement PS purported to have renewed must be valid.

[73] In order to create a leasehold interest, a lease must identify the following essential terms: (1) the parties; (2) the premises to be demised; (3) the commencement date; (4) the duration of the term; (5) the rent, if any; and (6) all other material terms that are not merely incidental to the landlord and tenant relationship: *Canada Square Corp. et al. v. VS Services Ltd. et al.* (1982), 1981 CanLII 1893 (ON CA). One cannot grant a lease in perpetuity: *Cheung v. York Region Condominium*, 2017 ONCA 633, at para. 100 (per Weiler JA, dissenting but not on this point). Any lease document which purports to create a tenancy for an uncertain term is *void ab initio*: *Bank of Tokyo-Mitsubishi (Canada) v. Toronto District School Board*, 1999 CarswellOnt 945, at para. 9.

[74] Under the *Statute of Frauds*, RSO 1990, c S.19, only agreements in writing are capable of creating an interest in real property, failing which they are void and unenforceable.

[75] The principal evidence concerning the Verbal Lease is Mr. Catsiliras' affidavit and cross-examination. That evidence shows that the verbal lease did not meet the "invariable" requirements of a lease, because it did not have a set term. According to PS, the verbal lease was in place for eight years with no identified rights of periods for renewal. I am satisfied that that fact, in part, led PS to seek the "certainty" of a written agreement.

The Statutory Requirements

[76] An important issue in this dispute is the effect of the *Condominium Act*, in particular, those provisions governing the leasing of common elements such as a parking lot. YCC argues that, because neither the verbal lease nor lease renewal comply with the *Act* or with YCC's declaration, both are unenforceable.

[77] PS does not dispute that the *Act* is consumer protection legislation: *Harvey v. Talon International Inc.*, 2017 ONCA 267 (CanLII) at para. 61. The protection is for the benefit of the unit owners. As a result, condo corporations are strictly bound by the legislative requirements concerning common elements, and agreements that run afoul of those arrangements are void as against the owners.

[78] YCC argues that, as the alleged lease renewal concerns common elements, section 21(1) of the *Act* requires the corporation to proceed by by-law if it seeks to lease any part of those common elements. YCC says that PS has adduced no evidence that either the verbal lease or lease renewal is compliant with the *Act*. In particular, there is no evidence of an authorizing by-law or evidence that the agreements were presented to the owners.

[79] PS accuses YCC of relying on "technical legal arguments" and YCC's "alleged internal lax governance controls and mismanagement" to try to get out of an agreement that PS entered into in good faith.

[80] Having considered both arguments, I draw the following conclusions:

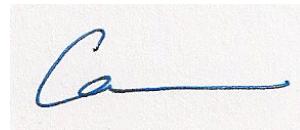
- a. The evidence that, from 2016 to 2024, the parties had a valid verbal lease, is weak.
- b. PS's reliance on general principles of contract and equity do not overcome the statutory requirements with which YCC must comply in order to enter into valid agreements. On the motion, PS did not offer persuasive reasons why the statutory requirements YCC cites are not significant hurdles to the relief that PS seeks: *Rogers Cable Communications Inc. v. Carleton Condominium Corp.* No. 53, 2005 CanLII 5862 (ONSC) at para. 7.

[81] Therefore, given that the only irreparable harm lies in a property right that is weakly supported, I am not persuaded that the balance of convenience favours the relief that PS seeks.

ORDER

[82] In conclusion, I make the following order:

- a. The motion is dismissed.
- b. The parties are urged to come to an agreement on costs. Should they be unable to, they may each within 45 days submit up to three pages of argument together with any offers to settle and bills of costs. There shall be no right of reply.
- c. Within 7 days, either party may submit for my signature an Order consistent with these reasons.



Mathen, J.

Date: August 5, 2026