

APPENDIX "A"  
Major terms and Conditions  
Lease at 1115 Queen Street West

**Landlord:**

City of Toronto

**Tenant:**

The Theatre Centre

**Premises:**

Comprising an area of approximately 9,300 square feet of space at the building municipally known as 1115 Queen Street West – Toronto, Ontario.

**Commencement Date:**

The Commencement Date shall be the later of October 1<sup>st</sup>, 2011 or the date in which the Tenant obtains vacant possession of the building (to be agreed upon by both parties acting reasonably).

**Term:**

The Term of the Lease shall be ten (10) years from the Commencement Date.

**Option to Renew:**

Provided the Tenant is not in default during the Term and continues to meet the Eligibility Criteria, the Tenant shall have two (2) options to renew the lease for a further five (5) years each (10 years in total).

**Annual Net Rent:**

The Tenant shall pay to the Landlord basic rent ("**Basic Rent**") of \$2.00 per annum (\$20.00 in total for the 10-year term) payable at the commencement of the lease agreement.

**Net Lease:**

The Lease shall be entirely **Net** to the Landlord. The Tenant shall be responsible for all applicable realty taxes, building insurance, utilities, operating costs and maintenance.

**Tenant's Work:**

The Tenant will inspect the Property and will accept the Property in its present condition. The Tenant, as of the Commencement Date, shall, at its sole expense, repair, improve, or renovate the Property to suit its intended use subject to the prior written approval of the Chief Corporate Officer or his/her designate, which

consent may be unreasonably withheld. The Tenant shall not install any signage or perform any work or repair, renovation, improvement, decoration, or re-decoration without first submitting detailed plans and specifications and construction methods/procedures along with a cost estimate to the Chief Corporate Officer or his/her designate for prior written approval, if applicable. All work shall be performed by qualified and reputable contractors and subject to the Landlord's fair wage policies.

**Funding Requirement:**

The lease is conditional upon the Tenant providing evidence satisfactory to the Landlord (the City) that it has raised sufficient funding to complete all necessary renovations to the Premises, on or before the Commencement Date. If the Tenant fails to satisfy this condition on or before the Commencement Date, any lease entered into between both parties will be null and void.

**Use:**

The Leased Premises shall be used and shall continually be operated throughout the term as a performing arts centre as set out in its Service Contract with the Landlord's Economic Development, Culture & Tourism Division. The Tenant shall not permit to store or use any hazardous or environmentally sensitive materials in the premises and the property.

**Early Termination:**

The Landlord shall have the right to terminate the lease agreement if the Tenant is, at any time during the lease term including any renewals and extensions thereafter, no longer Below Market Rent (BMR) eligible or financially viable, in each instance as determined by the City acting reasonably, and provided that the City has not waived, or is not willing to waive the relevant BMR eligibility criteria. A termination resulting from a failure to remain BMR eligible shall not result in contractual damages for the Tenant notwithstanding any balance remaining in the term of the lease agreement.

The Landlord shall have the right to terminate the Lease at any time during the lease term and any renewal/extension thereafter upon providing the Tenant with at least two (2) month's prior written notice.

**Standard Lease:**

The lease document shall be prepared by the Landlord, on the Landlord's Standard Form, and executed by the Tenant within 30 days of receipt.

**Insurance:**

The Tenant is to provide prior to the commencement of the term of this agreement and on an annual basis, proof of insurance in accordance with the Landlord's insurance requirements outlined in the Lease.