

APPENDIX "A"
Major Terms and Conditions
Below-Market Rent Lease Agreement at 157 King Street East

Landlord:

City of Toronto

Tenant:

Atelier Theatre Society (o/a Opera Atelier)

Premises:

Comprising an area of approximately 3,168 square feet of space on two portions of the 4th floor at the property municipally known as 157 King Street East (St. Lawrence Hall), Toronto, Ontario (the "Leased Premises").

Commencement Date:

The Commencement Date shall be September 1st, 2010.

Term:

The Term of the Lease shall be five (5) years from the Commencement Date.

Annual Net Rent:

The Tenant shall pay to the Landlord net rent ("Net Rent") of \$15,840.00 per annum, payable in monthly instalments of \$1,320.00.

Additional Rent:

The Lease shall be **Net** to the Landlord. During the term or any extension thereafter, in addition to Net Rent, the Tenant shall be responsible for all applicable costs and expenses incurred, assessed or billed with respect to the Leased Premises including without limitation the real property taxes, insurance premiums, costs for maintaining and repairing the Premises, janitorial and cleaning services.

Use:

The Premises shall be used and shall continually be operated throughout the term for rehearsal/dance studio and supporting offices as set out in the Tenant's Service Agreement with the Landlord's Economic Development & Culture Division. The Tenant shall not permit to store or use any hazardous or environmentally sensitive materials in the premises and the property.

Option to Extend:

The Tenant shall have the option to extend the lease for a further five (5) year term, provided that the tenant pays the rent and performs all the covenants contained in the lease.

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 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; or

The Landlord shall have the right to terminate the Lease for any purpose at any time during the lease term and any renewal/extension thereafter upon providing the Tenant with three (3) month's prior written notice.

Standard Lease:

The Landlord's solicitor shall draft the Lease document which shall contain such further revisions and other terms and conditions as may be satisfactory to the Chief Corporate Officer, all in form acceptable to the City Solicitor. The Tenant shall expeditiously execute the Lease when it is delivered by the Landlord.

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.