

APPENDIX "A"
Major Terms and Conditions
Below-Market Rent Sublease Agreement at 30 Grand Trunk Crescent

Sublandlord:

City of Toronto

Subtenant:

Toronto Cultural Advisory Corporation operates as Toronto Art Council

Premises:

Approximately 5,127 square feet Condo Unit within Toronto Standard Condominium Corporation No. 1855 on the second floor at the property municipally known 30 Grand Trunk Crescent, Toronto, Ontario (the "Subleased Premises").

Commencement Date:

Day following Council approval

Term:

Five (5) years.

Annual Net Rent:

Basic rent ("Basic Rent") of \$2.00 per annum.

Net Sublease:

The City is the tenant of a head lease with Antelope Hills Construction Ltd. dated September 15, 2005 (the "Head Lease"). The subtenant shall be responsible for all applicable costs, taxes, charges (including special assessments or any other charges levied by the Condominium Corporation), expenses and outlays of any nature whatsoever arising from or relating to the use and occupancy of the Subleased Premises, as detailed in the Head Lease.

Operating Costs:

Subtenant shall pay all operating costs related to the Subleased Premises, as detailed in the Head Lease.

Head Lease:

The subtenant shall comply with all of the terms of the Head Lease.

Leasehold Improvements:

The Subtenant shall be responsible for all leasehold improvements and costs associated with such improvements during the term of the sublease. The subtenant shall pay any and all capital improvement cost as required to maintain the premises in state of good repair.

Use:

The Subleased Premises shall be used and shall continually be operated by Toronto Cultural Advisory Corporation throughout the term for providing marketing, promotion, information services, networking, professional development and administrative support to arts organizations and individual artists as set out in the Subtenant's Service Agreement with the Sublandlord's Economic Development and Culture Division. The Subtenant shall not permit to store or use any hazardous or environmentally sensitive materials in the Subleased Premises and the property. For greater certainty, the Subtenant shall comply with the Use clause in the Head Lease.

Early Termination:

The Sublandlord shall have the right to terminate the sublease agreement if the Subtenant is, at any time during the sublease term including any renewals and extensions thereafter, no longer BMR eligible or financially viable or for any purpose at any time upon providing the Subtenant with sixty (60) day's prior written notice.

Standard Sublease:

The Sublandlord's solicitor shall draft the Sublease 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 Subtenant shall expeditiously execute the Sublease when it is delivered by the Sublandlord.

Insurance:

The Subtenant is to provide prior to the commencement of the term of this Subleased premises and on an annual basis, proof of insurance in accordance with the Sublandlord's insurance requirements outlined in the Sublease.