

APPENDIX "B"
Major terms and Conditions
Below Market Rent (BMR) Lease at 1 Dundas Street East

Landlord:

City of Toronto

Tenant:

Toronto Performing Theatre Alliance

Premises:

Comprising an area of approximately 300 square feet of space within the property municipally known as 1 Dundas Street East, Toronto, Ontario.

Commencement Date:

The Commencement Date shall be May 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 basic rent ("**Basic Rent**") of \$2.00 per annum (\$10.00 in total for the 5-year term) payable at the commencement date of the lease agreement plus all applicable taxes

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.

Use:

The Leased Premises shall be used and shall continually be operated throughout the term for the purpose of selling theatre, sporting event and other entertainment tickets operating under the name "T.O. TIX", as set out in its Service Contract 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.

NSF Charges:

The Tenant will pay Thirty-Five dollars (\$35.00) for every cheque that is not honoured by the bank on which it is drawn (the "NSF Fee"). The NSF Fee may be increased from time to time by the Landlord so that it is equal to the fee charged by

the Landlord in respect of cheques tendered in payment of municipal tax and water charges that are not honoured by the banks on which they are drawn.

Late Payment Charges:

For any late amount by the Tenant, interest on the amount outstanding from time to time shall bear simple interest at the rate of 1.25% per month (15% per year). Subject to City Council approval, the default rate of interest may be increased by the Landlord from time to time, by notice to the Tenant.

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:

At the appropriate time, the parties agree to expeditiously execute a Lease in the Landlord's Standard Form, acceptable to the Landlord's solicitor.

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.