Appendix "A" - Major Terms & Conditions, 2340 Dundas Street West

Landlord:

690981 Ontario Limited (property is managed by Creccal Investments Ltd. on behalf of the Landlord).

Demised Area:

Approximately 33,900 square feet on the ground floor, plus 1,040 square feet on the basement level, Unit G-42.

Extension Term:

The Extension Term shall be for a period of five (5) years, commencing Dec. 14, 2011 and expiring December 13, 2016.

Parking:

The Landlord will continue to provide 20 reserved parking spaces at no additional cost. The Landlord will supply an additional 80 reserved parking spaces at a rate of $70.00 per space per month plus HST for the entire extension term.

Financial Implications for Extension Term (2011 to 2016):
Total cost over 5 year term = $5,042,559.50 (breakdown below)

Minimum Rent:  Total = $3,983,250.00
   Year 1 – $22.50 per square foot or $762,750.00 per annum
   Year 2 – $23.00 per square foot or $779,700.00 per annum
   Year 3 – $23.50 per square foot or $796,650.00 per annum
   Year 4 – $24.00 per square foot or $813,600.00 per annum
   Year 5 – $24.50 per square foot or $830,550.00 per annum

Operating Expenses: Total Utilities and Parking estimated at $1,059,309.50
   Year 1 – $206,190.00 per annum
   Year 2 – $208,969.80 per annum
   Year 3 – $211,805.20 per annum
   Year 4 – $214,697.30 per annum
   Year 5 – $217,647.25 per annum
**Landlord's Work:**

The Landlord will replace 18 windows with double pane thermal glass units by September 30, 2012 at its own expense. If window replacement fails to correct heating/cooling concerns, the Landlord will carry out further remedial HVAC work to separate areas within the Premises into separate distinct zones that can be more accurately controlled.

The Landlord will implement a program of pest control services using government approved, industry-wise used chemicals and methods, on a quarterly basis and, when warranted, on call within 24 hours if possible.

**Option Term:**

The City has the option to renew for a further term of five (5) years commencing Dec.14/2016 and expiring Dec.13/2021.

**Financial Implications for Option Term (2016 to 2021):**

**Total cost of option term = $5,541,592.10** (breakdown below)

**Minimum Rent: Total = $4,407,000.00**

- Year 1 – $25.00 per square foot or $847,500.00 per annum
- Year 2 – $25.50 per square foot or $864,450.00 per annum
- Year 3 – $26.00 per square foot or $881,400.00 per annum
- Year 4 – $26.50 per square foot or $898,350.00 per annum
- Year 5 – $27.00 per square foot or $915,300.00 per annum

**Operating Expenses: Total Utilities and Parking estimated at $1,134,592.10**

- Year 1 – $220,656.19 per annum
- Year 2 – $223,725.31 per annum
- Year 3 – $226,855.82 per annum
- Year 4 – $230,048.94 per annum
- Year 5 – $233,305.92 per annum