

EP6.13

Appendix A

APPENDIX "A" Canadian National Exhibition Association ("Tenant") MATERIAL TERMS AND CONDITIONS OF LEASE (the "Term Sheet")

Background:

- A. By a lease dated November 1, 2016, The Board of Governors of Exhibition Place (the "Board") lease to the Tenant the Leased Property consisting of Queen Elizabeth Executive Offices (since renamed Withrow Common) and certain ancillary areas (the "Existing Lease").
- B. The Tenant has offered to enter into a new lease (the "Lease") on the terms and conditions set out below.
- C. All capitalized terms not defined herein have the meaning given them in the Existing Lease.

Terms and Conditions of Lease:

- a) Existing Lease: The Lease shall be materially on the same terms and conditions as the Existing Lease, save as modified or amended in this term sheet and subject to any necessary changes to reflect the City of Toronto, rather than the Board, as Landlord.
- b) Landlord: City of Toronto.
- c) Board Execution: The Board will also execute the Lease and, unless the Landlord advises otherwise and save as expressly otherwise provided in the Lease, all rights, covenants and obligations of the Landlord may be exercised, performed or complied with by the Landlord and/or the Board,
- d) Tenant: Canadian National Exhibition Association (CNEA)
- e) Leased Property: The Building known as the Queen Elizabeth Executive Offices now called Withrow Common and ancillary areas of the Building such as Main Floor Lobby, as shown on Schedule "B", subject however to certain rights herein reserved by the Board within the Existing Lease.
- f) Term: Five (5) years, commencing October 31, 2020 and expiring October 30, 2025 (the "Term")
- g) Basic Rent: See Confidential Attachment 1
- h) Additional Rent: The Tenant shall pay Additional Rent in accordance with the Existing Lease.

- i) Payment of Rent: All payments of Basic Rent, Percentage Rent and Additional Rent shall, unless the Landlord advises otherwise, be paid to the Board.
- j) Net Lease: As in the Existing Lease, the Lease is a carefree and absolutely net lease to the Landlord, except as expressly set out, and that the Landlord shall not be responsible during the Term or Extension Term for any costs, charges, expenses, and outlays of any nature whatsoever arising from or relating to the Leased Property, the contents, the use or occupancy thereof, or the business carried on therein. The Tenant shall pay all charges, impositions, costs and expenses of every nature and kind, extraordinary as well as ordinary and foreseen as well as unforeseen, relating to the Leased Property. Any amount and any obligation relating to the Leased Property not expressly declared in the Lease to be the responsibility of the Landlord shall be the responsibility of the Tenant.

k) Use of Leased Property: Section 5.1

- (i) The Leased Property shall be used solely as a multi-purpose office and community event space that is utilized during the annual CNE and balance of the year. During the CNE, the Leased Property houses customer service areas such as guest relations in the Building and security and audit services all in an effort to enhance guest experience and facilitate improved site planning. More generally, the main space is used to stage intimate and exclusive workshops and events in the Tenant's strategic areas of innovation, urban agriculture, environment, sustainability and the arts and culture in order to complement the existing programming of the CNE. Further, the Leased Property serves as a community hub in which the Tenant hosts community workshops and interactive events. The Tenant shall not use the Leased Property for any purpose other than as described in the original Proposal.
- (ii) Schedule "B" attached to this term sheet indicates equipment areas within the Building which are excluded from the Leased Property and ownership remain in the control of the Landlord. Except in cases of emergency, the Landlord will ensure that its access to or work within these excluded areas is performed so as not to unduly interfere with the Tenant's Use of the Leased Property.
- (iii) The following rights are hereby reserved by the Landlord:
 - a. The right of the Landlord, its authorized employees and agents to pass through the Leased Property to gain access to the IT Hub room shown on Schedule "B" for the operation, maintenance, repair, removal and replacement of equipment contained therein, and to the electrical panel in the south wall. Such rights will be exercised on not less than 24 hours' prior notice to the Tenant, except in the case of emergency, when no notice shall be required. The Landlord shall be responsible for any

damage caused to the Tenant's property or the Leased Property by the Landlord's employees or agents who pass through the Leased Property in the exercise of such access rights;

- b. If the Landlord leases the Parking Services Office to a third party at any time during the term of the Lease, and such third party will require access to the washrooms within the Leased Property, the Landlord shall advise the third party that a cost sharing agreement shall be required related to the costs for the cleaning and maintenance of the washrooms.
- c. The right of the Landlord, the tenant(s) of the Queen Elizabeth Theatre and the Fountain Dining Room and their employees and invitees, to use the corridor at the rear of the Leased Property as an emergency exit from those premises.

- l) Prohibited Uses: Section 5.2 of the Existing Lease shall be deleted and replaced by the following:

5.2 Prohibited Uses

The use of the Leased Property by the Tenant shall be subject to all existing contractual obligations of the Landlord respecting the use of the Lands, including rights granted with respect to Coca Cola Coliseum (formerly Ricoh Coliseum Arena (Maple Leaf Sports and Entertainment Ltd.)), BMO Field (Maple Leaf Sports and Entertainment Ltd.), Ontario Government Building (Liberty Grand Entertainment), Horticulture Building (Muzik), Gossip Restaurants, QE Theatre, QE Fountain Dining Room. In addition and without limitation to the foregoing and any restrictions is paragraph (k) above, the Tenant agrees that the Leased Property shall not be used for any of the following purposes:

- i. a themed dinner theatre;
- ii. trade and consumer shows and any activities (including the provision of food and beverages) related to trade and consumer shows;
- iii. conferences, weddings or social events and receptions;
- iv. professional sports events;
- v. formal sit-down banquets;
- vi. a casino; and
- vii. a nightclub/concert venue.

- m) Landlord's Environmental Policy: Section 5.8 of the Existing Lease is deleted and replaced by the following:

5.8 Landlord's Environmental Policy

The Tenant acknowledges that the Landlord is promoting the implementation of “green”, environmentally-sensitive practices throughout the Lands, and has adopted or may adopt an environmental policy for the Lands. The Tenant agrees to use reasonable best efforts to comply with the Landlord’s environmental policy as it may be amended from time to time, and to implement environmentally-friendly practices, including adopting procedures and systems in the conduct of its business at the Leased Property which will promote adherence to the Landlord’s environmental policy.

n) Leasehold Improvements: Section 6.1 of the Existing Lease shall be deleted and replaced by the following:

6.1 Leasehold Improvements

The Tenant accepts the Leased Property “as is”, and agrees that it shall be solely responsible for the cost of construction of any improvements or structures required for the purposes of its use and occupation of the Leased Property. Prior to making any leasehold improvements, the Tenant shall obtain the prior written approval of the Landlord and will be subject to consideration of the impact of such improvements on the other parts of the Queen Elizabeth Complex. The Landlord shall use reasonable efforts to respond to any request by the Tenant for approval of construction plans within ten (10) business days of submission thereof. At the expiration or sooner termination of the Term all of the improvements to the Leased Property shall become the property of the Landlord, but any improvements in the nature of trade (exhibit) chattels and fixtures (such as but not limited to the Tenant’s signage, bulletin boards, special lights and temporary interior partition walls) may be removed by the Tenant at any time, provided that the Tenant is not in default of any of the terms and conditions of this Lease.

o) Compliance with Collective Agreements at Exhibition Place: Section 15 of the Existing Lease shall be deleted and replaced with the current standard clause for Exhibition Place leases regarding compliance with Collective Agreements at Exhibition Place.

p) Schedule "G" of the Existing Lease shall be deleted in its entirety.

q) Lease Documentation: If the Tenant's offer to enter into the Lease is authorized and accepted by the City of Toronto, the lease agreement shall be prepared by the Landlord on the Landlord's standard form and shall incorporate the terms set out herein. The Tenant shall execute the Lease within thirty (30) days after receipt. The Tenant acknowledges that this term sheet contains the basic terms and conditions upon which the Landlord will lease the Leased Property to the Tenant, and that supplementary terms and conditions and revisions to the terms and conditions of this term sheet may be contained in the Lease. Without limitation to the foregoing, the Tenant acknowledges that certain provisions in the Landlord's standard form have been amended or updated since the Existing Lease documentation. All documentation shall be in a form and content satisfactory to the City Solicitor.

