

EP9.10

Appendix A

APPENDIX "A" Fountain Dining Room MATERIAL TERMS AND CONDITIONS OF LEASE (the "Term Sheet")

Background:

- A. By a lease dated November 1, 2010 (the "Existing Lease"), The Board of Governors of Exhibition Place (the "Board") leased to the Tenant the Leased Property consisting of certain parts of the Building known as the Fountain Dining Room and related areas, as set out in the Existing Lease.
- B. The Tenant has proposed to enter into a new lease (the "Lease") on the terms and conditions set out below. The terms and conditions below supersede those terms and conditions adopted by the Board pursuant to Item EP6.14 at its meeting dated September 19, 2019.
- C. All terms and conditions 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: 16730801 Ontario Inc.
- e) Leased Property: Part of the Building known as the Fountain Dining Room and related areas as shown on Schedules B & C, and excluding those parts of the Building as shown on Schedules B & C and providing a right of access by the Landlord to those areas identified and discussed in section 17.1 of the original Lease.
- f) Term: Ten (10) years, commencing May 1, 2020 and expiring April 30, 2030 (the "Term").
- g) Option to Extend: Provided that the Tenant is in occupation of the whole of the Leased Property, is not in default and has not been in default during the Term, then, upon delivery of written notice exercising this right given to the Landlord not more than twelve (12) months and not less than six (6) months before the expiration of the Term,

the Tenant shall have the right to extend the Term of the Lease for the whole of the Leased Property for a period of ten (10) years commencing May 1, 2030 and expiring April 30, 2040 (the "Extended Term"). The Extended Term shall be on the same terms and conditions as the Term, including, without limitation, the obligation to pay Percentage Rent, save and except:

- (a) there will be no further right to extend the Extended Term;
- (b) the Basic Rent for the Extended Term shall be the then fair market basic rent rate for comparable premises in the area, provided that in no event shall such rate be less than the Basic Rent payable during the last twelve (12) month period immediately preceding the commencement of the Extended Term;
- (c) there shall be no leasehold improvement allowance, Landlord's work, rent free period, or other inducements; and
- (d) the parties shall execute a lease extension agreement prepared by the Landlord to reflect the terms of the Extended Term or at the Landlord's option, the Tenant shall execute the Landlord's then standard form of lease.

If the parties are unable to agree on the Basic Rent for the Extended Term on or before the date that is sixty (60) days prior to the commencement of the Extended Term, then such Basic Rent shall be determined by arbitration in accordance with the Lease.

- h) Basic Rent: Per Confidential Attachment 1 of Item 6.14, adopted by the Board at its meeting of September 19, 2019.
- i) Percentage Rent: Per Confidential Attachment 1 of Item 6.14, adopted by the Board at its meeting of September 19, 2019.
- j) Additional Rent: The Tenant shall pay Additional Rent in accordance with the Existing Lease.
- k) Payment of Rent: All payments of Basic Rent, Percentage Rent and Additional Rent shall, unless the Landlord advises otherwise, be paid to the Board.
- l) 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.

m) Use of Leased Property: Section 5.1

The Tenant shall use the Leased Property solely for the purposes permitted under, and in full compliance with, Section 5.1 of the Existing Lease and all other provisions of the Existing Lease governing the Tenant's use of the Leased Property. Without limitation to the foregoing, the Tenant acknowledges that its use and occupation of the Leased Property is not permitted to violate the Horticulture Building Restriction, and that it shall continue to honour and comply with all provisions in the Existing Lease regarding the Horticulture Building Restriction.

n) Landlord's Environmental Policies

Section 5.8 of the Existing Lease shall be 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 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.

o) Leasehold Improvements: Section 6.1 of the Existing Lease is deleted and replaced with the following:

6.1 Leasehold Improvements

The Tenant accepts the Leased Property in its "as is, where is" condition 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. Plans for all improvements require the prior approval of the Landlord and the Board. The Tenant covenants and agrees to make significant investments in the Leased Property and, as a minimum, to spend approximately Four Hundred Fifty Thousand Dollars (\$450,000.00) in leasehold improvements to the kitchen / bar area, front lobby / entrance, and washroom fixtures within the first twelve (12) months of the Term. The Tenant agrees to provide the Landlord with copies of receipted invoices demonstrating the extent of the Tenant's investment in the leasehold improvements upon request by the Landlord from time to time. The Tenant acknowledges that the Queen Elizabeth Theatre is located adjacent to the Leased Property and that the Theatre is a venue for numerous concerts and live theatre productions throughout the year. Matters relating to sound penetration and the shared use of the U-driveway at the south side of the Building will require the co-operation of the Tenant with the tenant or operator from time to time of the Queen Elizabeth Theatre. The Landlord makes no representation or warranty regarding quiet enjoyment of the Leased Property in respect of the potential noise penetration arising from events held at the Queen Elizabeth Theatre. As part of

its leasehold improvements, the Tenant shall be responsible to install or create any necessary sound proofing barriers or alterations to the Leased Property to ensure there are no sound related issues affecting the Tenant's use and enjoyment of the Leased Property due to events held at the Queen Elizabeth Theatre.

p) Services Requested by Tenant:

Section 10.6 of the Existing Lease shall be deleted in its entirety.

q) Compliance with Collective Agreements at Exhibition Place:

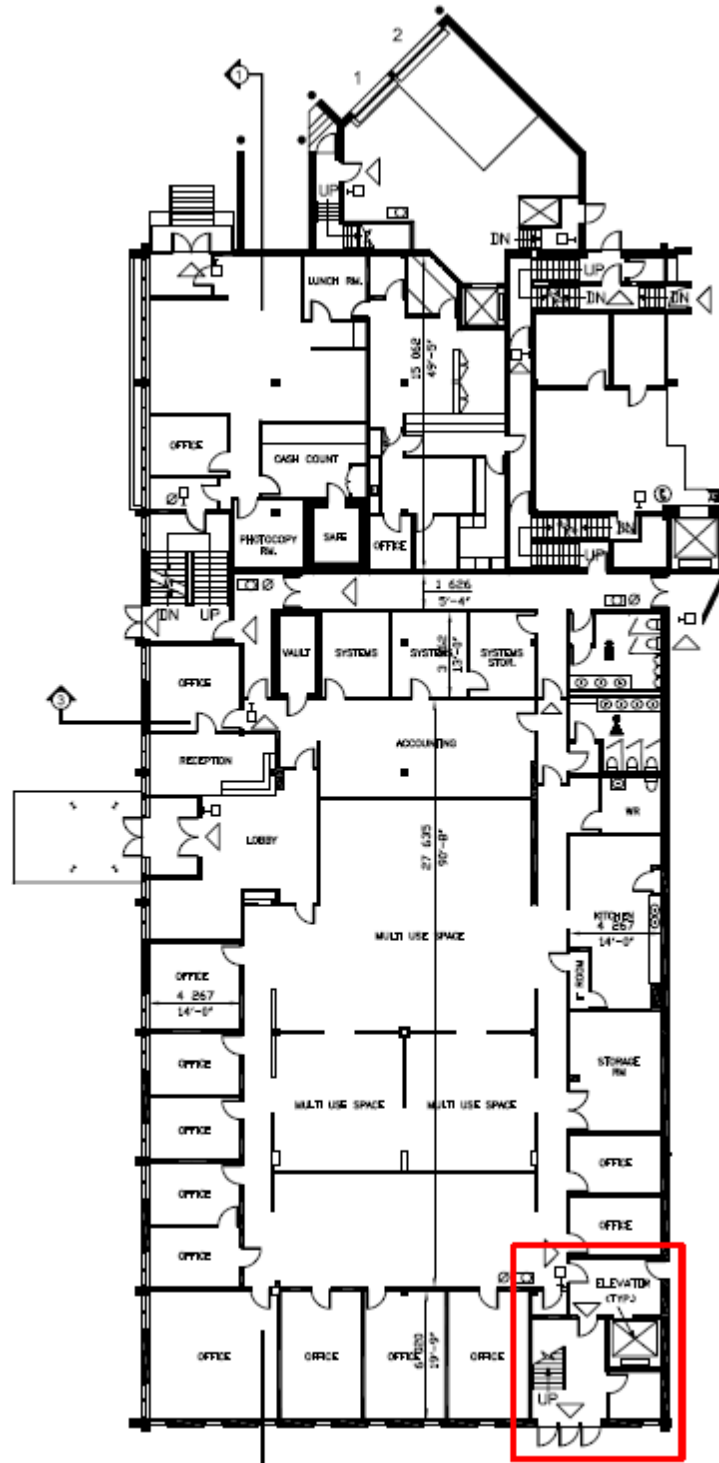
Section 15.1 of the Existing Lease shall be deleted and replaced with the current standard clause for Exhibition Place leases regarding compliance with Collective Agreements at Exhibition Place.

r) Schedule "F" of the Existing Lease shall be deleted and replaced with Schedule F attached hereto.

s) Schedule "I" of the Existing Lease shall be deleted in its entirety.

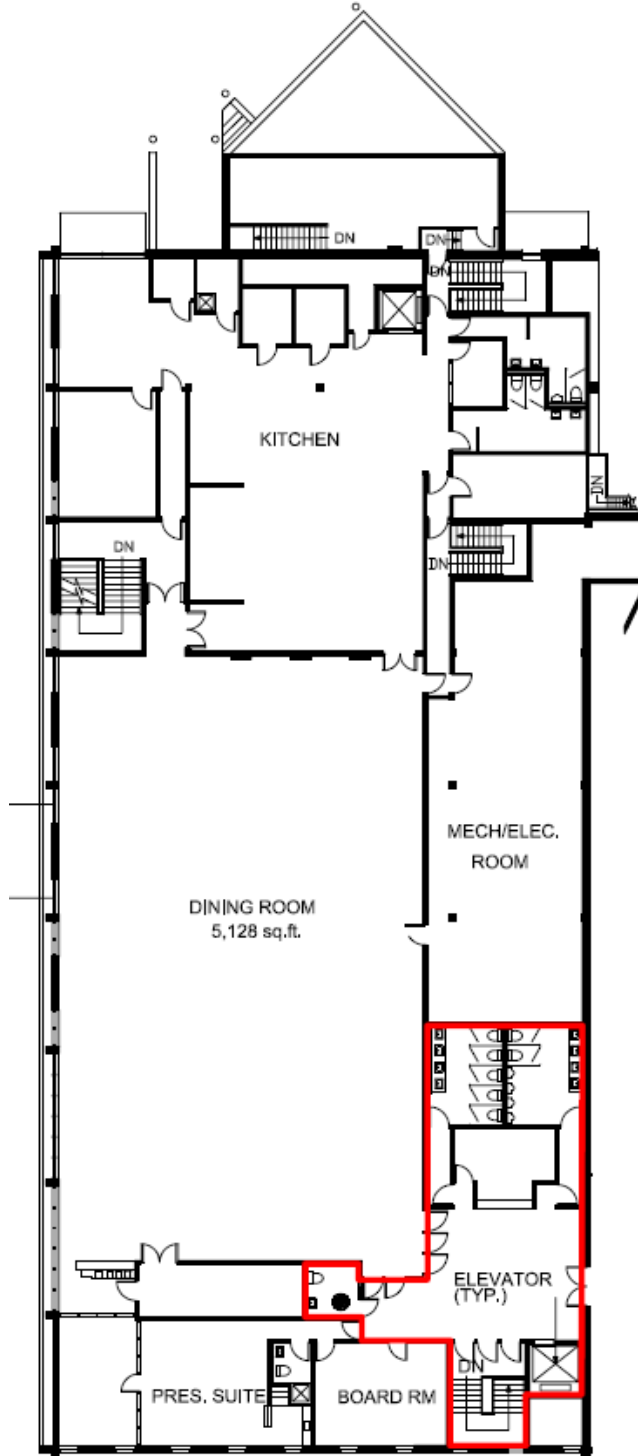
t) Lease Documentation: If the Tenant's proposal to enter into the Lease is authorized and accepted by the City of Toronto, the lease agreement shall be prepared by the Landlord on the Landlord's standard form and shall incorporate the terms set out herein. The Tenant shall execute the Lease within thirty (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.

Schedule B
FountainBlu Shared Foyer Vestibule & Elevator
Lower Level



Withrow Common Street Entrance to FountainBlu Dining Room

**Schedule C
FountainBlu Dining Room**



FOUNTAINBLU - DINING ROOM

Schedule F
KITCHEN EQUIPMENT

- 1 Ice Machine
- 1 Hobart Dishwasher
- 1 Pitco Fryer
- 1 Vulcan Fryer
- 1 Double Oven with 4 burners
- 1 Double Pizza Oven
- 1 Blodgett stacked convection ovens
- 3 Hatch holding units
- 2 Portable fryer's (missing vents) (not working)
- 2 Double Stainless Steel Fridges (working)
- 1 Walk-in fridge (not working)
- 1 Walk-in freezer (not working)