

# EP13.4 Appendix A

## APPENDIX "A" MATERIAL TERMS AND CONDITIONS OF LEASE (the "Term Sheet")

### Background:

- A. By a lease dated June 15, 2016, The Board of Governors of Exhibition Place (the "Board") leased to the Tenant the Leased Property consisting of the Building known as the Music Building at 285 Manitoba Drive, Toronto, for a term of three years, six months, expiring on December 14, 2019 (the "Existing Lease") to ;
- B. Pursuant to Section 3.2 of the Existing Lease, the Tenant surrendered the portion of the Building known as Pod 1 from the Leased Property, effective December 14, 2016.
- C. The Tenant has proposed to enter into a new lease (the "Lease") on the terms and conditions set out below.
- D. 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: Toronto Centre for the Promotion of Fashion Design, operating as the Toronto Fashion Incubator.
- e) Leased Property: Part of the Building known as the Music Building, consisting of Pods 2 and 3, as shown on Schedule A and B of the Existing Lease,
- f) Term: Two (2) years, commencing December 15, 2019 and expiring December 14, 2021.
- g) Extension Options: Provided it is not then and has not been in default under the Lease, the Tenant shall have two (2) one-year extension options, exercisable on not less than six (6) months' prior written notice.

- h) Early termination option: The Tenant shall have the option, on not less than two (2) months' prior written notice, to terminate the Lease effective June 1, 2021 and June 1st of each renewal option year, if exercised,
- i) Section 3.2 of the Existing Lease, Partial Surrender of Lease, shall be deleted in its entirety.
- j) Basic Rent: See Confidential Attachment 1
- k) Additional Rent: The Tenant shall pay Additional Rent in accordance with the Existing Lease.
- l) Payment of Rent: All payments of Basic Rent and Additional Rent shall, unless the Landlord advises otherwise, be paid to the Board.
- m) 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.
- n) Use of Leased Property: The Tenant shall use the Leased Property solely for the purposes of a small business centre for the support of fashion entrepreneurs including offices and design and production studios and events, presentations, sales centre, training centre, web cast, library resource centre, showroom, sample centre and seminars ancillary thereto, and the filming thereof when related to its primary business and ancillary thereto. The Tenant shall comply at its sole cost with all local by-laws governing same and the Landlord shall not be responsible for any damages or additional costs incurred by the Tenant as a result of any changes to these by-laws.
- o) 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 the BMO Field, Arts, Crafts and Hobbies Building ("Medieval Times Dinner Tournament"), Coliseum Arena (Coca Cola Coliseum), renovated Automotive Building (Conference Centre), Ontario

Government Building (Liberty Grand Entertainment Complex) and Horticulture Building (Toronto Event Centre - Muzik Clubs). Without limitation to the foregoing and any restrictions set out in paragraph (l) above, the Tenant agrees that neither it nor any Permitted Sublease nor Permitted License shall permit the use of the Leased Property 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, save and except where such shows and activities are directly related to the Tenant's business and are limited to twenty-five (25) or fewer exhibitors;
  - (iii) conferences, weddings or social events or receptions;
  - (iv) professional sports events;
  - (v) banquets;
  - (vi) a casino; and
  - (vii) a nightclub/concert venue.
- p) 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.
- q) 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.