

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

Terms and Conditions of Lease

- a) Landlord: City of Toronto.
- b) 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,
- c) Tenant: Toronto Equestrian.
- d) Leased Property: As per Appendix B.
- e) Term: Five-year term commencing on January 1, 2025 and ending on December 31, 2029.
- f) Option to Extend: One (1) option to extend for five (5) years conditional on tenant providing written notice between twelve (12) and eighteen (18) months before the expiration of the Term. The option to extend is conditional on tenant not being in default at any point during the term and will on be on the same terms and conditions as the Lease except for the Basic Rent which will be at the then fair market value during the month the option is validly exercised.
- g) Shared Facilities: Tenant will work co-operatively with the Landlord and with other users of the Building with respect to access and the use of the shared facilities. Tenant must be willing to share costs of any maintenance/ repairs with The Toronto Police Services Mounted Unit for the shared portions of the facilities.
- h) Shared use of the Exercise Ring: The Mounted Unit shares the use of the exercise ring, and they schedule around the Tenant programming schedule based on a mutual agreement made between the Mounted Unit and the Tenant.
- i) Basic Rent: The Tenant will pay basic rent as outlined in Confidential Attachment 1 commencing January 1, 2025, and for each remaining year in equal monthly installments, the annual lease rate will be increased by the percentage outlined in Confidential Attachment 1 per lease year. If the Tenant expands the square footage of the Leased Property during the Term through the use of more staff for its operations, the Basic Rent will increase by an amount of \$92.00 (plus HST) per stall per month (except for the months of August and November).

- j) Additional Rent: The Tenant shall pay Additional Rent in accordance with the new Lease.
- k) Payment of Rent: All payments of Basic 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 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: The Tenant shall use the Leased Property solely for the purposes of an Equestrian Riding School. 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.
- n) 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.

- n) Compliance with Collective Agreements at Exhibition Place: Toronto Equestrian shall comply with all agreements in force between the Board and any union or association with respect to Exhibition Place.
- o) Assignment: The agreement between the Board and Tenant shall not be assigned by either party without the consent of the other party, not to be unreasonably withheld.
- p) Leasehold Improvements: All leasehold improvements to the Horse Palace required as part of the Tenant's development proposal will be subject to the prior approval of the Board and be completed at the sole cost of the successful proponent without any contribution from the Board. At the expiration or sooner termination of the Term, all of the improvements to the Leased Property shall become the property of the Landlord.
- 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.
- r) Insurance/Indemnity: Tenant shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board of Governors of Exhibition Place and the City of Toronto, as additional insured with a cross liability/severability of interest clause of standard wording. Insurance shall be primary before any insurance held by the additional insured and the Board shall be entitled to thirty days' notice of any intention to cancel or not to renew the policy. Tenant shall indemnify the Board of Governors of Exhibition Place and the City of Toronto, and their respective elected and appointed officials, directors, officers, employees and agents, with respect to any and all liability arising from any damage or injury as a result of the acts or omissions of then Tenant, or its employees, or any other person for whom it is in law responsible, in the exercise of its rights under the agreement.
- s) Taxes: Tenant shall be responsible for the payment of any and all rates, taxes, or assessments with respect to the location and its operation, which are imposed upon the Board or Toronto Equestrian by any taxing authority having jurisdiction.
- t) Capital Investment: Toronto Equestrian will absorb 1/3 of the capital costs relating to the renovated Horse Palace Ring Wall and Sand Replacement with such amounts as set out in Confidential Attachment 1.