

APPENDIX "A"
MAJOR TERMS AND CONDITIONS
5 BARTONVILLE AVENUE EAST

Tenant: UrbanArts Community Arts Council

Leased Premises: 5 Bartonville Avenue East

Term: Five (5) years

Commencement Date: July 08, 2009

Rental Rate: \$2 p.a.

Net to the Landlord - the Landlord is not responsible during the term or any extension for any operating costs, charges, expenses and outlays of any natures whatsoever arising from or relating to the use and occupancy of the Property of the contents thereof or the business carried on therein; the Tenant shall be responsible for and pay all operating charges, impositions, costs and expense of every nature and kind relating to the Property and the use and occupancy thereof, except as otherwise provided herein.

Operational Costs:

The Tenant shall pay all operating costs related to the property. Operating Costs means: the total of all costs and expenses attributable to the maintenance, repair, administration, management and operation the property including, without limited the generality of the foregoing:

- (a) charge for utilities and similar services;
- (b) costs in connection with maintenance, repair and operation of the Property and of complying with all applicable laws, direction, rules and regulations;
- (c) cost of providing security, supervision, landscaping, window cleaning and waste collection, disposal and recycling, snow removal and other costs of maintenance and operation;
- (d) costs of direct supervision and management and indirect expenses to the extend applicable to the maintenance and operation of the leased premises and;
- (e) costs of insuring the leased premises
- (f) any and all taxes, levies or other charges applicable to the leased premises or the tenant operations therein.

Capital Improvement Costs:

Tenant shall pay any and all capital improvements costs as required to maintain the building in a state of good repair and meet all building code requirements, with the immediate affect for items related to health and safety, as determined by the City, in adherence to the City's building condition assessment and any other subsequent related studies and reports. The Landlord shall keep or cause to be kept in good order, condition

and repair, the foundation of the building, exterior weather walls, the structural portions of bearing walls, structural columns and beams, structural sub-floor, and roof. In addition, the Landlord will be responsible only for the replacement of the HVAC system, and not for the general maintenance and repairs of the HVAC system, which falls under operating costs and is the Tenants responsibility. The City's approval shall be required in order to construct any improvements and such approval shall be subject to adherence, as required, with the City's policies and requirements as they relate to Fair Wage and Labour Trades Contractual Obligations.

Option to Renew:

The Tenant shall have the option to renew the lease for one five-year term on the same terms and conditions as long as the lease has not been previously terminated; the Tenant is not in default; the Tenant continues to meet the BMR policy eligibility; and the property has been kept in the state of repair and condition stipulated under the lease.

Termination:

The City shall only have the right to terminate tenancy with 12 months prior written notice, or should the Tenant fail to remain as BMR eligible or the Tenant fails to meet the BMR Service Agreement or other eligibility requirements, then the tenancy is automatically terminated.

Documentation:

The Lease shall be on the City's form of lease and shall be prepared by the City Solicitor or her designate, subject to such amendments and revisions as may be determined appropriate by and satisfactory to the City Solicitor or her designate.