

## LEASE TERMS AND CONDITIONS

<b>Landlord:</b>	The City of Edmonton ("City")
<b>Tenant:</b>	Arts Habitat Association of Edmonton ("Arts Habitat")
<b>Form of Agreement:</b>	Lease
<b>Term:</b> <b>Commencement Date:</b> <b>Expiry Date:</b>	Five Years July 1, 2024 (pending project completion) June 30, 2029
<b>Extension Term:</b>	Three options of five years each Potential total term of 20 years
<b>Termination:</b>	Both parties have the right to terminate on 90 days' notice. The City can terminate if the tenant fails to abide by the funding agreement.
<b>Premises:</b>	Ortona Armoury building A municipally designated historic resource
<b>Basic Rent:</b>	\$1 per year
<b>Operating and Maintenance Costs:</b>	Responsibility of the tenant \$105,300 per year Reconciled to actual costs annually
<b>Capital Repair and Maintenance Costs:</b>	Responsibility of the tenant
<b>Capital Reserve Account:</b> **	Responsibility of the tenant \$75,000 per year plus any surplus funds from the operations of the building in any given year
<b>Property Taxes:</b> **	Responsibility of the tenant Estimated at \$175,000 per year.
<b>Use:</b>	An arts community hub, where Edmontonians can commune to explore, share and create. Providing non-market studio spaces for local artists. Providing non-market assembly (programming) rooms and multi-purpose spaces for artists, as well as the broader community. Providing a vibrant arts and community hub that supports flexible spaces for individual artists, as well as community bookable spaces across multiple disciplines.

## Attachment 1

<b>Funding Agreement:</b>	<p>The agreement under which the City provides the tenant funding for the operation and repair and maintenance of the building which may include funds for the Capital Reserve Fund and Property Taxes obligations under this Lease.</p> <p>Any default by the tenant under the funding agreement shall be deemed to be a default of this lease.</p>
<b>Licenses issued by the tenant:</b>	<p>The form of license agreement used must be approved by the City.</p> <p>The tenant may offer short-term licenses to non-profit organizations, professional artists, or art organizations solely for the purposes of accommodating resident artists, holding social, art promotional or recreational events, including meetings, art displays or dinners.</p> <p>The license fee charged must be reasonable.</p> <p>All revenue derived from licenses shall be used exclusively toward the annual Operating and Maintenance Costs and the maintenance, repair and replacement of the premises as prescribed by the lease.</p> <p>The tenant shall provide the Landlord with a semi-annual written report of all licenses granted by the tenant in the preceding 6 months.</p>
<b>Historic Resource Considerations:</b>	<p>The City's maintenance personnel and contractors perform any work at the site.</p> <p>The municipal historic resource maintenance procedures must be respected and employed.</p> <p>The conditions of the designation must be respected and observed.</p>
<b>Rossdale Area Redevelopment Plan:</b>	<p>The Tenant acknowledges that the Premises are located in an area under redevelopment.</p> <p>Certain parts of the Premises may be required for other uses and to allow for special projects. At the discretion of the City, the tenant may be required to surrender portions of the Premises to facilitate the other uses and/or special project(s).</p>
<b>Sustainability:</b>	<p>The tenant shall participate in the City's Building Energy Benchmarking Program.</p> <p>The tenant shall take all necessary steps to ensure that the City can obtain and maintain any sustainable certifications.</p>

**\*\*** The funding agreement provides for these amounts for the first three years of the lease should the building's operations not cover these costs.

## **Attachment 1**

The Lease Agreement and any ancillary agreements resulting from the lease of the Premises shall be in a form acceptable to Employee and Legal Services, and in content acceptable to the Branch Manager of Real Estate (the "Branch Manager"). The approval of the Lease Agreement shall include the approval of such corrective, conformance and incidental amendments to the terms and conditions of the Lease Agreement and the approval of any ancillary agreements that are reasonably required or desirable to give effect to or implement the lease of the Premises, as may be subsequently approved by the Branch Manager.