



Negotiations Outcome for Therme Lease

Duration of Lease Term	<ul style="list-style-type: none"> • 95 years • (75 years + option for 20-year extension) • Commencing ~2025 	
Ownership of Lands	<ul style="list-style-type: none"> • No land sale. • All leased lands remain in Provincial ownership. • The Enhanced Minister’s Zoning Order permits Therme Canada to operate a waterpark and wellbeing destination and requires the construction of 16 acres of public park space. • Therme Canada’s facility at Ontario Place cannot be a casino, shopping mall or condominium. 	
Taxes	Property Tax	Tenant pays 100% of property tax
	Commercial Tax	Tenant will pay corporate taxes, sales taxes, and any fees due – like other companies.
Tenant Capital and Operations and Maintenance	<ul style="list-style-type: none"> • Tenant is solely responsible for all costs on the leased areas. 	
Utilities	<ul style="list-style-type: none"> • Tenant is responsible for obtaining and paying for its own on-site utilities. 	
Rent	<ul style="list-style-type: none"> • From the period of 2034 to 2044, once Therme Canada starts paying Performance Rent, payments to the province from Therme Canada are estimated to be a total of \$84 million, comprised of approximately \$47 million in rent and \$37 million in maintenance. • Tenant will be responsible for land improvements, rent, and fees over the term of the lease including: <ul style="list-style-type: none"> - It will pay Minimum Rent at 3.5% of the assessed land value, indexed to inflation. This is estimated to be \$1.95 million in 2032. - Beginning in year 6 of operation (estimated 2034), Therme Canada will also pay Performance Rent when 2.45% of Therme Canada’s gross revenues exceed the Minimum Rent. 	



	<ul style="list-style-type: none"> - The total of the Minimum Rent and Performance Rent payable in any year is, however, limited to 8% of the land value. In 2034, it is estimated the Performance Rent will be an additional \$2.07 million.
<p>Private Sector Overall Financial Contribution to Government*</p> <p>[including rents, capital spending on site and contribution to ongoing site maintenance after construction]</p>	<p>Minimum of approximately \$1.96 billion over duration of lease term</p> <ul style="list-style-type: none"> • \$1.1 billion in rent payment (nominal) • \$855 million in maintenance payments to government, including after construction (nominal)
<p>Private Sector Capital Contribution During Construction</p>	<p>A minimum of \$700 million comprised of:</p> <ul style="list-style-type: none"> • \$500 million for the Therme Canada Facility • \$200 million for shoreline works and new public parkland space
<p>Opportunity for additional revenues to Government</p>	<p>Yes. Potential for government to participate in additional rent based on business performance.</p>
<p>Site Readiness Obligations</p>	<ul style="list-style-type: none"> • As part of landlord’s site readiness obligations, Province will make contributions to flood mitigation and shoreline repair measures (up to \$15 million) and as well as contributions to select public elements of landscape design on West Island, such as the extension of public William G Davis Trail across West Island (up to \$10 million). • No operating subsidy provided by the province. • No capital contribution to construction of facility by the province.
<p>Financial Reporting</p>	<ul style="list-style-type: none"> • The tenant is contractually bound to be transparent with the province in its financial reporting to ensure rents are being accurately calculated and paid. • The tenant must provide the province with quarterly statements, annual reports with auditing requirements.



Economic Benefits Generated During Construction**:

GDP	<ul style="list-style-type: none"> • A minimum of \$294 million
Provincial Tax Revenue	<ul style="list-style-type: none"> • A minimum of \$48 million
# of Jobs Created	<ul style="list-style-type: none"> • Approximately 2,000

Economic Benefits Generated During Operations**:

Annual GDP	<ul style="list-style-type: none"> • A minimum of \$128 million
Annual Provincial Tax Revenue	<ul style="list-style-type: none"> • A minimum of \$17 million
# of Jobs Created	<ul style="list-style-type: none"> • Approximately 800

Other Facts:

Landlord Termination Rights	<ul style="list-style-type: none"> • Landlord has right to early terminate tenant with 5 years' notice following their tenth year of operations ('Termination for Convenience'). • If tenant defaults on lease provisions and fails to cure within a defined time limit, the landlord may have an ability to terminate. • In addition, for certain key obligations, if Therme Canada does not achieve them in accordance with the terms of the lease, they are required to pay liquidated damages to the Government.
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Parking Obligation	<ul style="list-style-type: none"> • The lease requires a minimum of 1,800 parking spaces. The government is proposing 2,500 parking spaces to meet demand for all users and tenants. • Of the 2,500 proposed spaces, the lease stipulates a requirement of 1,600 dedicated spaces for Therme Canada to meet user demand. • A portion of Therme Canada's allocated parking spaces will be shared with Live Nation during Live Nation events.
Other Benefits	<ul style="list-style-type: none"> • Government retains ownership of the land at all times – before, during and after the lease. • Therme Canada is creating nearly 16 acres of new, publicly-accessible parkland space – about the size of 20 football fields and more than double the size of the existing Trillium Park at Ontario Place. • Full environmental rehabilitation of site, bringing Ontario Place up to current environmental, code + accessibility standards (AODA). • Across entire site, public will have unrestricted access to the waterfront at all times. • Within leased areas, there is guaranteed public access outside of private spaces ('Public Areas'), including ~16 acres on West Island from Therme Canada. • Tenant to also contribute proportional share to maintenance and upkeep of broader Ontario Place site outside their leased area.

* Forecast based on assumptions in ticketing and ancillary sales to inform revenue share component of payments to government.

**Information based on 2019 Call for Development Submissions.