

Additional Rent Guidelines

Your commercial Lease is a Triple Net Lease. The amount of rent you pay every month is made of two parts: Minimum Rent and Additional Rent (plus HST/sales tax. Sorry.).

Minimum Rent is also known as NET rent. This is a fixed part of your Lease negotiated when the Lease was signed and these costs are specifically excluded from Additional Rent. This is the amount you pay for the building space itself, including –

- Initial acquisition, development, and construction costs.
- Mortgage payments and other property financing; ground lease rents.
- Late charges, interest and penalties on delinquent payments by the landlord.
- Legal fees, leasing commissions, marketing in leasing space in the property.
- Costs related specifically to another tenant's space.

Additional Rent is also often referred to as CAM (Common Area Maintenance) or TMI (Taxes, Maintenance & Insurance). This amount is made up of a number of different items that are billed in different ways and amortized over different periods. These costs are related to the ongoing operations and maintenance of the buildings.

Thanks to our ability to pool costs over multiple properties and through adequate reserve funding, we are able to keep rates stable and predictable. We pride ourselves ensuring rates that are competitive to other properties in the area, and making sure you're happy. The precise breakdown of costs is determined through our proprietary formula, but this document lays out some of the things and how they may be accounted for.

<i>Cost</i>	<i>Charged As</i>	<i>Period</i>
<u>Administrative Expenses</u>		
Property Taxes	CAM	Current Year
Insurance	CAM	Current Year
Management	CAM	Current Year
Accounting / Legal	CAM	Current Year
Financing	CAM	Amortized over equal period

For large items, such as roofing or parking, where budgeted reserves are inadequate for the year of implementation, financing of that article will be paid for via CAM over the relevant financing period. This is separate from the financing of property acquisition, which is not Additional Rent)

Reserve Fund	CAM	Current Year
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While Additional Rent can be changed at any time, it is our preference that Tenant have stability and predictability of Additional Rent amounts. As, for example, property taxes rise every year, our Additional Rent rates do not, as we have a buffer to shield tenants for constant increases.

Additional Rent Guidelines

Hardscaping & Landscaping

Landscaping New large plantings & redesigns	CAM	Amortized 5 years
Re-paving	CAM	Amortized 10 year
Site furnishings Including holiday decor	CAM	Amortized 3 years

Utilities

See your Lease for how your Premises is billed. Where excess consumption is detected in CAM paid Tenant usage, the Tenant will be billed for excess usage.

Gas / Heat	CAM / Tenant	Current Year
Water / Sewer	CAM / Tenant	Current Year
Tenant is responsible for process loads (laundry, beverage manufacture, etc. Hygiene uses are CAM)		
Storm Water	CAM	Current Year
Electricity, CAs	CAM	Current Year
Electricity (Tenant Use)	CAM / Tenant	Current Year

Routine Maintenance

Snow & Ice Management Tenant is responsible for area immediately by Tenant controlled doors	CAM	Current Year
Green Maintenance Mowing lawns, pruning trees, fertilizing, flowerpots & decor and suchlike	CAM	Current Year
Pest Control CAM paid, unless a specific Tenant is found to be responsible for infestation.	CAM / Tenant	Current Year
Signage, Parking & CAs	CAM	Current Year
Parking Maintenance Includes Lines, cleaning, pothole repairs & sealant	CAM	Current Year
Waste Removal Building specific. Tenant is responsible for their own trash removal, except where otherwise specified. If a common trash bin is provided, that will be paid for via CAM.	Tenant / CAM	Current Year
Legislative Changes Highly variable, but also very infrequent. This could be the forced implementation of accessibility measures or environmental changes.	Tenant / CAM	Situational

Additional Rent Guidelines

Building Envelope & Structure

Where a repair is found to have been caused by damage, the party who caused the damage will be billed directly.

Doors, exterior, repair	CAM	Current Year
Exterior doors, replacement	CAM	10 year amortization
Roofs, replacement	CAM	10-year amortization
Roofs, repair	CAM	Current Year
Windows, curtain walls	CAM	10-year amortization
Envelope refurb/replace	CAM	15-year amortization
Upgrades to Tenant spaces	Tenant	

This might include upgrading to operable windows, widening doors and suchlike.

Heating, Ventilating & Air Conditioning

Where an air conditioner is installed by a tenant or previous tenant and heating is provided by another system (i.e., suspended gas units), the maintenance of the A/C falls to the Tenant.

A/C Maintenance	CAM/Tenant	Current Year
Heating Maintenance	CAM	Current Year
Heating/Cooling replacement	CAM	10-year amortization
System controls	CAM	Current Year
Upgrades to Tenant spaces	Tenant	

This might include installing new A/C systems for a specific unit, or industry-specific equipment

Additional Rent Guidelines

Interior Construction

Tenant is responsible for everything inside of the Rented Premises. Any construction (Walls, doors, etc.) inside a Rented Premises as provided as-is, where-is and no responsibility is taken for its repair or maintenance.

These things include (But are not limited to):

- Partitions, millwork, fittings, equipment
- Interior doors, door closers and door operators (for accessibility or otherwise)
- Interior walls, cleaning, painting and other finishes
- Floors: Finishes, cleaning, repairs
- Ceilings: repair, cleaning
- Windows: cleaning & plate glass insurance
- Window coverings
- Washroom accessories, supplies & cleaning
- Interior stairs
- Signage & Wayfinding
- Caretaking supplies, janitorial, mats & interior pest control
- Any chattels, inventory, belongings or assets of the Tenant
- Any damages caused by the failure of any part of the building
- Any damages caused by an insurable loss
(whether paid by insurance or not. For example, fire, flood, theft, earthquake)

Plumbing

BFPD	CAM	Current Year
Fixtures	Tenant	Tenant
Water Heater & Tanks	CAM	Current Year
Water Softeners	CAM	Current Year
Storm water management	CAM	Current Year
Clogs	Tenant	Tenant
Upgrades to Tenant spaces	Tenant	

This might include adding employee showers, eye wash stations and so on

Additional Rent Guidelines

Electricity & Lights

Transformer, Primary	Utility Provider	Utility Provider
Metering	Utility Provider	Utility Provider
Sub-Metering	CAM	Current Year
Building Distribution	CAM	Current Year
Bulbs	Tenant	Tenant
Except for rentals where Tenant electricity consumption is part of Additional Rent.		
Ballasts	CAM	Current Year
Fixtures	CAM/Tenant	5 year

CAs are CAM. Where Electricity is paid by Tenant, light fixture in their unit will be paid for by Tenant. Where Electricity is part of Additional Rent, basic lighting is part of CAM; specialized or decorative lighting remains responsibility of Tenant.

Fire, Life & Property Safety

Specialized systems for tenant use are managed and paid for by Tenant (e.g., spray booths, kitchens). Where Tenant's industry has specific requirements above and beyond those provided by Landlord, costs shall be borne by Tenant.

Inspections	CAM	Current Year
Fire safety equipment	CAM	Current Year
Alarm monitoring	CAM	Current Year
Water Softeners	CAM	Current Year
Surveillance Systems	CAM	3-year amortization
New/upgrades. Repairs & replacements are billed in current year		
Clogs	Tenant	Tenant
Policing	CAM	Current Year

Supervision, security and traffic control, except for special events generating other revenue streams.

Definitions & Notes

All articles are based on routine maintenance and "wear and tear." In cases where an exact source of damage or breakage can be determined (i.e., truck backing into a door or damage to a door that was left open on a windy day) will be billed directly to the tenant or person who caused the damage, and will not become a part of the CAM.

All of the above are guidelines and some events may be handled differently as the situation warrants.

CAs – Common areas (hallways, lobbies, stairs, parking, etc)