Report of the Commissioner of Finance, in accordance with Regional Capital Financing and Debt Policy and Section 9 of Ontario Regulation 266/02.

Re: Three year lease extension agreement for 15,029 sq. ft. for the existing Court Services office located on the 2nd floor at The Tannery Mall 465 Davies Drive in the Town of Newmarket

1. A comparison between the fixed and estimated costs and the risks associated with the proposed lease and those associated with other methods of financing;

Not applicable. The lease is for real property at a fixed base rent and capped utility charges. Compared to limited lease alternatives the rate is advantageous. Long-term options could be more advantageous, but are not possible at the present time.

2. A statement summarizing, as may be applicable, the effective rate or rates of financing for the lease, the ability for lease payment amounts to vary, and the methods or calculations, including possible financing rate changes, that may be used to establish that variance under the lease;

Not applicable – See 1 above

3. A statement summarizing any contingent payment obligations under the lease that in his or her opinion would result in a material impact for the municipality, including lease termination provisions, equipment loss, equipment replacement options and guarantees and indemnities;

Pursuant to the usual tenant's covenants, the only contingent payment obligations that could arise are related compensation for damages and tenant's indemnity coming up from any act or omission of the tenant or any assignee, contractor, employees, invitee, etc. We do not, however, anticipate any material contingent payment.

4. A summary of the assumptions applicable to any possible variations in the lease payment and contingent payment obligations;

The base lease rent is fixed at $17/sq. ft. The utility costs are capped at $1.50/sq. ft.

5. Any other matters the Commissioner of Finance or Council considers advisable.

There are no other material matters to report on this lease.

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Commissioner of Finance Date