LEASE AGREEMENT

THIS LEASE made effective as of November 01, 2017.

BETWEEN:

THE CITY OF REGINA,
a city continued under *The Cities Act* (Saskatchewan)
(the **"City"**)

- and -

SASK SPORT INC.,
a non-profit corporation continued under
The Non-profit Corporations Act, 1995 (Saskatchewan)
("SaskSport")

WHEREAS:

A. The City is the registered owner of the lands and buildings as outlined within the drawings attached as Schedule "A" to this Agreement (hereinafter such lands and buildings are referred to as the "**Premises**");

B. As part of the "Regina Revitalization Initiative" the City has constructed the Stadium and other related facilities and amenities on the Premises;

C. Pursuant to the Memorandum of Understanding, the Province and the City desire that the amateur sport community is provided with field and facility access at the Stadium, and SaskSport has been selected by the Province to facilitate that access;

D. The parties entered into the Offer to Lease in respect of SaskSport's prospective lease of certain premises in the Stadium;

E. In consideration of the payment of the Rent, SaskSport shall lease from the City, and the City shall lease the Leased Premises to SaskSport and provide SaskSport a license to use the Licensed Areas, upon the terms and conditions set forth in this Agreement; and

F. In consideration of SaskSport's facilitation of the Annual Grant the City shall make available to SaskSport Users, amateur sports associations and members of the public and community at large access to, egress from and use of the Stadium and the field of play upon the terms and conditions set forth in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and promises hereinafter contained, and for other good and valuable consideration now paid and delivered by each party to the other, the receipt and sufficiency of which is hereby

acknowledged by each of the parties hereto, the City and SaskSport each agree with the other as follows:

ARTICLE 1
INTERPRETATION

1.1 **Definitions.** Whenever used in this Agreement, including the recitals and schedules hereto, the following terms shall have the meanings set out below:

(a) "**Additional Rent**" has the meaning ascribed in section 3.5 of this Agreement

(b) "**Agreement**" means this Lease, all recitals, exhibits, schedules and appendices hereto, and any and all supplements and amendments hereto or thereto;

(c) "**Annual Grant**" has the meaning ascribed in section 3.2 of this Agreement;

(d) "**Applicable Laws**" means, in respect of any person, property, transaction or event, (a) all present or future applicable laws, statutes, regulations, treaties, judgments, and decrees, (b) all present or future applicable published directives, rules, guidelines, policy statements and orders of any Governmental Authority and (c) all applicable orders and decrees of courts and arbitrators of like application which, in the case of (b) and (c) above, are legally binding on or have the force of law over such person, property, transaction or event;

(e) "**Basic Rent**" means the rent payable by SaskSport to the City pursuant to section 3.3 of this Agreement;

(f) **"Booking Fee"** means any fees or charges to be paid by users of the Stadium in accordance with the City's then current bylaw relating to community and leisure service fees, as such fees and bylaws may be amended from time to time;

(g) "**City**" means The City of Regina, a city continued under the provisions of *The Cities Act* (Saskatchewan);

(h) "**Common Areas and Facilities**" means (a) those areas, facilities, utilities, improvements, equipment and installations in the Stadium which, from time to time, are not designated or intended by the City to be leased to tenants of the Stadium and (b) those areas, facilities, utilities improvements, equipment and installations which serve or are for the benefit of the Stadium, whether or not located within, adjacent to, or near the Stadium and which are designated from time to time by the City as part of the Common Areas and Facilities. Common Areas and Facilities includes, without limitation, all areas, facilities, utilities, improvements, equipment and installations which are provided or designated (and which may be changed from time to time) by the City for the use or benefit of the tenants, their employees, customers and other invitees in common with others entitled to the use or benefit thereof in the manner and for the purposes permitted

by this Agreement. For further certainty, the Common Areas and Facilities shall not include any of the Licensed Area(s).

Without limiting the generality of the foregoing, Common Areas and Facilities includes driveways; truck ways; related areas; pedestrian sidewalks; landscaped and planted areas; public seating and service areas; corridors; equipment, furniture, furnishings and fixtures; stairways, escalators, ramps and elevators and other transportation equipment and systems; tenant common and public washrooms; electrical, telephone, meter, valve, mechanical, mail storage, service and janitor rooms and galleries; music, fire prevention, security and communication systems; general signs; columns; pipes; electrical, plumbing, drainage, mechanical, and all other installations, equipment or services located therein or related thereto as well as the structures housing the same (including, without limitation, the heating, ventilating and air-conditioning system of the Stadium);

(i) "**Commencement Date**" has the meaning ascribed in section 2.4 of this Agreement;

(j) "**Communications Room**" has the meaning ascribed in section 7.3 of this Agreement;

(k) "**Confederation Park**" means the municipal park named Confederation Park that is located on Surface Parcel #202956699, Blk/Par H Plan No. 14513, Extension 1;

(l) "**Confidential Information**" means any and all information and knowledge regarding the business of the City or of SaskSport, including without limitation all information and knowledge which each party acquires from the other or has access to as a result of this Agreement, including, but not limited to, information about the party's proprietary methods, methodologies and disciplines, technical data, trade secrets, intellectual property, know-how, research and development information, product plans, products, services, clients, client lists, prospective clients, employees, employee lists, books and records, corporate relationships, suppliers, markets, computer software, computer software development, inventions, processes, formulas, technology, designs, drawings, technical information, source codes, business plans, and matters of a business nature such as information regarding marketing, recruiting, costs, pricing, finances, financial models and projections, billings or other similar business information. "Confidential Information" does not include any of the foregoing items which has become publicly known and made generally available through no act of either party;

(m) "**Consumer Price Index**" means the "Consumer Price Index for All Items-Regina" published by Statistics Canada or a comparable successor to such price index should "Consumer Price Index for All Items-Regina" be discontinued;

(n) "**Escalation Factor**" means the amount of the annual adjustment to the Rent calculated as 100% of the percentage increase in the Consumer Price Index over the previous year of the Term;

(o) "**Events of Default**" has the meaning ascribed in section 11.1 hereof;

(p) "**Expert**" has the meaning ascribed in section 12.3(b)(i) of this Agreement;

(q) **"Fixturing Period"** means the period designated for the implementation of SaskSport's improvements and moving in to the Leased Premises as set out in section 2.5 herein;

(r) "**Force Majeure**" means an event beyond the reasonable control, and not attributable to the negligence or willful misconduct of the party affected, including but not limited to the following: flood, earthquake, storm, lightning, fire, drought, flood, explosion, war, riot, civil disturbance, strike, sabotage or electrical outage, provided, however, that Force Majeure shall not include any equipment failure due to normal wear and tear or due to neglected maintenance or repair;

(s) "**General City Services**" collectively means the services provided by the City, the Operator or their respective contractors or agents in relation to the general maintenance, operation, repair, replacement and administration of the Stadium and the Premises, including without limitation and without duplication:

(i) insuring the Premises, the Stadium and the improvements and equipment and other property servicing the Stadium from time to time, owned or operated by the City or for which the City is legally liable, in such manner and form, with such companies and such coverage and in such amounts as the City, from time to time determines;

(ii) cleaning (including window cleaning), snow removal, garbage and waste collection and disposal within all Common Areas and Facilities and the Licensed Areas and provision of access to the bulk waste collection and recycling facilities maintained for the Stadium subject to the requirements in section 5.2(c)(iv) of this Agreement

(iii) arranging for policing, security, supervision and traffic control within all Common Areas and Facilities and the Licensed Areas, save and except for SaskSport Events and Special Events;

(iv) provision of any equipment, signs, and supplies used in the maintenance and operation of all Common Areas and Facilities and the Licensed Areas;

(v) providing electricity, hot and cold water, heating, ventilating and air-conditioning of the Stadium, climate control and telephone and other utility costs, used in the maintenance and operation of the Stadium; and

(vi) all maintenance and repairs as prescribed in Article 6 of this Agreement.

For further certainty, the General City Services represent the services being provided by the City for the general operation of the all Common Areas and Facilities and the Licensed Areas within the Stadium and the Premises and do not include the specific services being provided by the City to the Leased Premises or for any SaskSport Events or Special Events. The specific services being provided by the City to the Leased Premises are prescribed within this Agreement as the Leased Premises Services (as such term is hereinafter defined).

(t) "**Governmental Authority**" with respect to any person, property, transaction or event means any federal, provincial, regional, municipal or local government authority or body, any political subdivision thereof or any other governmental, judicial, public or statutory authority, instrumentality, body, agency, bureau or entity having authority over such person, property, transaction or event or any person acting or purporting to act under the authority of any of the foregoing or any other authority charged with the administration of Applicable Laws;

(u) "**Goods and Services Tax**" means the tax imposed under part IX of the *Excise Tax Act* (Canada) or any similar tax hereafter imposed in substitution therefor or in addition thereto;

(v) "**IT Systems**" has the meaning ascribed in section 7.2 of this Agreement;

(w) "**Leased Premises**" means the portions of the Stadium and improvements thereto to be leased hereunder to, and used and exclusively occupied by SaskSport for administrative and office uses as more particularly shown in Schedule "B" hereto;

(x) "**Leased Premises Services**" has the meaning ascribed in section 5.2(c) of this Agreement;

(y) **"License Agreement"** means the Agreement for the Distribution of Funds from the Saskatchewan Lotteries Trust Fund for Sport, Culture, and Recreation dated March 25, 2014, made between Her Majesty the Queen, SaskSport, SaskCulture Inc. and Saskatchewan Parks and Recreation Association Inc.;

(z) "**Licensed Area(s)**" means those areas of the Stadium and any improvements thereto, not including the Leased Premises, respecting which SaskSport (including any sublicensees) has a licence to occupy, either exclusively or non-exclusively,

for SaskSport Events pursuant to this Agreement as such areas are prescribed in Schedule "C" hereto, including the Parking Spaces;

(aa) "**Memorandum of Understanding**" means the memorandum of understanding between the Province, the City and SRFC dated July 14, 2012;

(bb) "**Offer to Lease**" means the offer to lease dated August 12, 2013 made between the City and SaskSport;

(cc) "**Operator**" means the party contracted by the City from time to time to operate the Stadium;

(dd) "**Parking Spaces**" means the parking spaces to be made available to SaskSport as provided for in section 9.4 hereof;

(ee) "**Party Representative**" has the meaning ascribed in section 12.1 of this Agreement;

(ff) "**Premises**" has the meaning ascribed in recital A of this Agreement;

(gg) "**Province**" means the Government of the Province of Saskatchewan;

(hh) "**Rent**" means the Basic Rent and Additional Rent payable by SaskSport to the City pursuant to Article 3 of this Agreement;

(ii) "**Rules and Regulations**" means the rules and regulations adopted and promulgated by the City from time to time acting reasonably as set out the document entitled "Mosaic Stadium Tenant Manual", as amended or replaced from time to time by the City and communicated to SaskSport;

(jj) "**SaskSport**" means Sask Sport Inc., a non-profit corporation continued under *The Non-profit Corporations Act, 1995* (Saskatchewan);

(kk) "**SaskSport Events**" collectively means the events hosted by SaskSport or the SaskSport Users at the Stadium relating to amateur sports and other community events and purposes;

(ll) "**SaskSport Event Services**" has the meaning ascribed in section 4.6(a) of this Agreement;

(mm) "**SaskSport Funds**" has the meaning ascribed in section 3.9 herein;

(nn) "**SaskSport Users**" means SaskSport, its members, affiliates, subsidiaries and such other non-profit sport organizations and amateur sports teams listed in Schedule "D" to this Agreement (and as such list may be amended from time to

time upon the mutual agreement of the parties) that are permitted to access the Licensed Areas pursuant to Article 4 of this Agreement;

(oo) "**SRFC**" means the Saskatchewan Roughrider Football Club Inc., a non-profit corporation incorporated under *The Non-profit Corporations Act, 1995* (Saskatchewan);

(pp) "**Scheduling Protocol**" means the protocol referred to in section 4.2 of this Agreement which is established by the City and SaskSport for the booking and scheduling of the Licensed Areas, including the Stadium field of play and other areas on the Premises as such protocol may be revised and amended from time to time;

(qq) "**Special Events**" means amateur regional, national and international sporting events that may be hosted or facilitated by SaskSport or the SaskSport Users;

(rr) "**Special Event Services**" has the meaning ascribed in section 4.6(b) of this Agreement;

(ss) "**Stadium**" means the approximately 33,000 seat open air stadium located on the Premises known as "Mosaic Stadium" as more particularly outlined in Schedule "A" hereto, including all concession buildings, locker rooms, press areas, kitchens, offices, maintenance and service areas and all associated electrical, plumbing, mechanical, heating, cooling, ventilating, drainage, safety, security, communication and other building systems;

(tt) "**Stadium Lounges and Premium Seating**" means the club level, suites and premium seating, the general admission lounge and the club-level lounges within the Stadium as are identified in Schedule "A" of this Agreement;

(uu) "**Taxes**" means all real property taxes, rates, duties and assessments (including local improvement taxes), imposed charges or levies or agreements to pay such amounts in lieu, whether general or special, that are levied, rated, charged or assessed against the Stadium, the Premises or any part thereof from time to time by any lawful taxing authority, whether federal, provincial, municipal, school or otherwise, and any taxes or other amounts which are imposed in lieu of, or in addition to, any such real property taxes whether of the foregoing character or not and whether in existence at the Commencement Date or not, and any such real property taxes levied or assessed against the City on account of its interest in the Stadium and the Premises or any part thereof; and

(vv) "**Term**" has the meaning ascribed in section 2.4 of this Agreement.

1.2 **References.** For all purposes of this Agreement, except as otherwise expressly provided, or unless the context otherwise requires:

(a) the headings are for convenience of reference and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions;

(b) any reference to a currency is a reference to Canadian currency;

(c) "in writing" or "written" includes printing and typewriting, which may be communicated by facsimile or other electronic means;

(d) the word "including", when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather is to be construed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter;

(e) any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding such statute or such regulation; and

(f) words importing the masculine gender include the feminine or neuter gender and words importing the feminine gender include the masculine or neuter gender and words in the singular include the plural, and words importing the neuter gender include the masculine or feminine gender and words in the plural include the singular.

1.3 **Invalidity of Provisions; Severability**. If any covenant, obligation or agreement of this Agreement, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement to persons, or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each covenant, obligation and agreement of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

1.4 **Governing Law, Attornment**. This Agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein and the parties hereto hereby irrevocably attorn to the jurisdiction of the Courts of Saskatchewan.

1.5 **Interpretation Not Affected by Party Drafting**. Each party hereto acknowledges that its legal counsel has reviewed and participated in settling the terms of this Agreement, and the parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the interpretation of this Agreement.

1.6 **Schedules.** The following are the schedules attached to and incorporated in this Agreement by reference and deemed to be part hereof:

Schedule A - Description and Drawings of Premises and Stadium
Schedule B - Description and Drawings of Leased Premises
Schedule C - Description and Drawings of Licensed Areas
Schedule D - SaskSport Licensed Area Users
Schedule E - Parking Spaces

ARTICLE 2
GRANT OF LEASE AND LICENSES

2.1 **Grant of Lease.** In consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part of SaskSport to be paid, kept, observed and performed, the City has demised and leased, and by these presents does demise and lease the Leased Premises to SaskSport upon the terms and conditions of this Agreement.

2.2 **Use of Additional Areas.** The use and occupation of the Leased Premises by SaskSport in accordance with section 2.1 herein includes for the purposes of carrying on its business, the non-exclusive license of SaskSport, its employees, agents, invitees, suppliers, and persons having business with SaskSport (including without limitation SaskSport Users) entitled or permitted to the use of the following:

(a) the entrance, foyer, lobby and elevators of the Stadium;

(b) the corridors on the floor or floors of the Stadium on which the Leased Premises are situated, together with the public entrance doors, halls, stairways, passages, elevators and lavatories on the floor of the Stadium on which the Leased Premises are situate; and

(c) the Common Areas and Facilities,

provided however, the non-exclusive license granted hereunder shall not include or apply to any areas of the Stadium occupied by a single tenant or substantially occupied by a single tenant.

2.3 **Grant of License.** In consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part of SaskSport to be paid, kept, observed and performed, the City grants SaskSport and its employees, agents, invitees, suppliers, and persons having business with SaskSport (including without limitation SaskSport Users) the right and licence to occupy and use the Licensed Areas at the times and subject to the terms and conditions hereinafter set forth.

2.4 **Commencement Date & Term.** The term of this Agreement shall commence on and become effective as of April 1, 2017 (the "**Commencement Date**") and shall continue for a term of thirty (30) years or until earlier terminated by either party pursuant to the terms of this Agreement (the "**Term**").

2.5 **Fixturing Period**. SaskSport will be given a Fixturing Period commencing on March 14, 2017 and continuing until March 31, 2017 for access to the Leased Premises for the installation of leasehold improvements and move-in of staff. SaskSport shall not pay any Rent during the Fixturing Period but shall pay for any utility costs during the fixturing period that are in excess of the normal quantity consumed in the normal operation of the Leased Premises. Where SaskSport requires utilities in excess of normal quantities during the fixturing period, such excess quantities shall be at the sole expense of SaskSport.

2.6 **No Extension of Term.** The City and SaskSport each acknowledge and agree that no express extensions or renewals of the Term are contemplated within this Agreement and that any further lease or license of the Leased Premises or the Licensed Areas shall be subject to mutual agreement between the parties and City Council approval.

2.7 **Overholding**. If SaskSport remains in possession of the Leased Premises after the end of the Term with the consent of the City but without having executed and delivered a new lease or an extension of Term agreement, there is no tacit renewal of this Agreement or the Term hereby granted and, notwithstanding any statutory provisions or legal presumption to the contrary, SaskSport shall be deemed to be occupying the Leased Premises as a tenant from month to month at a monthly Rent payable in advance on the first day of each month equal to twice the monthly amount of Rent payable during the last month of the Term, and otherwise, upon the same terms, covenants and conditions as are set forth in this Lease (including the payment of all other charges required to be paid pursuant to this Agreement), so far as these are applicable to a monthly tenancy.

2.8 **Quiet Enjoyment of Leased Premises**. If SaskSport fully performs all of its obligations under this Agreement, then SaskSport shall be entitled, subject to the provisions of this Agreement, to peaceful and quiet enjoyment of the Leased Premises for the Term.

ARTICLE 3
ANNUAL GRANT, RENT AND TAXES

3.1 **Covenant to Pay.** SaskSport shall pay Rent and facilitate the payment or transfer of the Annual Grant as herein provided.

3.2 **Annual Grant**. As contemplated in the License Agreement, SaskSport receives the sum of $2,500,000.00 (the "**Annual Grant**") annually, from the Saskatchewan Lotteries Trust Fund. The City and SaskSport each acknowledge and agree that the Annual Grant is being provided to SaskSport for payment to City in consideration for the use of the Leased Premises pursuant to this Agreement (including portions of the related payments of Rent and Taxes as further detailed in section 3.9 herein) and for the City providing to amateur sports associations and members of the public and the community at large, access and ingress to, egress from and use of the Stadium and the field of play comprised in the Stadium.

3.3 **Basic Rent**. SaskSport shall throughout the Term, pay to the City at its office or such other place designated by it or to such other person during the Term, the Basic Rent in the annual amounts as hereinafter calculated, in advance, commencing upon the Commencement Date and on the first day of each month thereafter in equal installments of $29,166.66 (during the first year of the Term), calculated on the following basis:

(a)	annual rent for Leased Premises -	$350,000.00
(b)	Escalation Factor -	$ calculated in accordance with section 3.4
	TOTAL ANNUAL BASIC RENT	$350,000.00 + Escalation Factor.

In each calendar year of the Term after 2017, the total annual Basic Rent shall be adjusted by the Escalation Factor in accordance with section 3.4 of this Agreement. Basic Rent as herein provided does not include any applicable Goods and Services Tax or other consumption or value added taxes thereon and SaskSport shall pay as and when Basic Rent is payable any Goods and Services Tax or other consumption or value added taxes applicable to the Basic Rent in accordance with section 3.8 of this Agreement or as may be otherwise required by applicable authorities.

3.4 **Basic Rent Escalation Factor**. Each of the City and SaskSport acknowledge and agree that the Basic Rent payable shall be adjusted annually, beginning in 2018 and continuing each year thereafter by applying the Escalation Factor, and the resulting amount shall then be deemed to be the Basic Rent for that year of the Term.

3.5 **Additional Rent**. In addition to the Basic Rent provided for in section 3.3 herein, SaskSport shall be responsible during the Term for (i) any Taxes as may be assessed and payable in accordance with section 3.6 herein, (ii) any property taxes assessed on applicable real property by the City, and (iii) any costs associated with any SaskSport Events which are not related to the SaskSport Event Services and related to the provision of services necessary to support SaskSport Events (collectively, the "**Additional Rent**").

3.6 **Taxes**. If there is a separate real property tax bill and separate real property assessment notice for the Leased Premises or any part thereof SaskSport shall:

(i) pay as Additional Rent to the City or to the taxing authorities if the City so directs and discharge during the Term and within the times provided for by the taxing authorities, all Taxes that are levied, rated, charged or assessed from time to time, respectively;

(ii) provide the City within Ten (10) days after receipt of such separate real property tax bill and separate assessment notice with a copy of any separate tax bill or separate assessment notice for the Leased Premises or any part thereof; and

(iii) promptly deliver to the City receipts evidencing the payment of all such Taxes payable to any such taxing authorities as aforesaid and furnish such other information in connection therewith as the City reasonably requires

(b) If there is not a separate real property tax bill and separate real property assessment notice for the Leased Premises, SaskSport shall pay monthly in advance or otherwise as the City directs its proportionate share of all such Taxes which are levied, rated, charged or assessed by any lawful authority against, or in relation to the Stadium and the Premises.

3.7 **Payment of Rent, Taxes and Annual Grant**

(a) The Basic Rent payable by SaskSport pursuant to section 3.3 and section 3.4 hereof shall be paid in monthly installments in advance during each year of the Term, commencing on the 1st day of April 2017 and continuing on the 1st day of each month thereafter.

(b) The City shall provide an invoice to SaskSport or the applicable SaskSport User on a monthly or such longer period but not less frequently than semi-annually for the amounts payable by SaskSport or SaskSport Users as Additional Rent and Taxes pursuant to sections 3.5 and 3.6 hereof, together with supporting invoices or information. SaskSport agrees to pay or to cause the SaskSport User to pay the City such expenses as invoiced during the Term as Additional Rent and Property Taxes and to make payment to the City within thirty (30) days of receiving an invoice requesting payment. In the event that SaskSport or the SaskSport User fails to pay all sums owing to the City within thirty (30) days from the date that such payment becomes due and payable, interest shall accrue and be payable by the party in question to the City, calculated at the rate of five per cent (5%) per annum, calculated monthly, not in advance, from and after the due date for payment to the date of actual payment.

(c) SaskSport shall pay or cause the Annual Grant to be paid or transferred to the City at its office or such other place designated by it or to such other person as the City designates from time to time in lawful money of Canada yearly and every year during the Term. The Annual Grant shall be paid in advance commencing upon the Commencement Date of the Term and on the first day of each calendar month thereafter in equal monthly installments, such funds to be allocated in accordance with section 3.9 herein.

3.8 **Goods and Services Tax**. Despite any other section or clause of this Agreement, SaskSport shall pay to the City upon demand an amount equal to any and all Goods and Services Tax in respect of Rent, it being the intention of the parties that the City shall be fully reimbursed by SaskSport with respect to any and all Goods and Services Tax at the full tax rate applicable from time to time in respect of the Rent payable for the lease of the Leased Premises and use of the Licensed Areas pursuant to this Agreement. The amount of the Goods and Services Tax so payable by SaskSport shall be calculated by the City in accordance with the applicable legislation and shall be paid to the City at the same time as the amounts to which such Goods and Services Tax apply and is payable to the City under the terms of this Agreement or upon demand at such other time or times as the City from time to time determines. Despite any other section or clause in this Agreement, the amount payable by SaskSport under this paragraph shall be deemed not to be Rent, but the City shall have all of the same remedies for and rights of recovery of such amount as it has for recovery of Rent under this Agreement. It is understood and agreed that the Annual Grant pursuant to section 3.2 hereof, shall at no time be subject to Goods and Services Tax.

3.9 **Allocation of Funds.**

(a) The City and SaskSport each acknowledge and agree that SaskSport will be funding its obligations under this Agreement solely through receipt of the Annual Grant and by payment of an additional $50,000 directly financed through SaskSport (the "**SaskSport Funds**"). Therefore Basic Rent calculated in accordance with 3.3 and 3.4 and Additional Rent calculated in accordance with 3.5 and 3.6 can not exceed the Annual Grant plus $50,000.

(b) In order to ensure proper tax treatment and the payment of input taxes relating to this Agreement, SaskSport and the City each acknowledge and agree that the funds received by the City from SaskSport in relation to Rent payable pursuant to this Agreement shall be applied as follows:

(i) Firstly, the SaskSport Funds shall be applied as against the Basic Rent calculated in accordance with sections 3.3 and 3.4 herein;

(ii) Secondly, portions of the Annual Grant shall be applied as against the remaining Basic Rent calculated in accordance with sections 3.3 and 3.4 herein;

(iii) Thirdly, portions of the Annual Grant shall be applied as against the Additional Rent and Taxes calculated in accordance with sections 3.5 and 3.6 herein; and

(iv) Fourthly, the remaining portions of the Annual Grant shall be deemed to be funds received by the City pursuant to section 3.2 herein for providing amateur sports associations, members of the public and the community at large, access and ingress to, egress from and use of the Stadium and the Stadium field of play.

ARTICLE 4
USE OF LICENSED AREAS BY SASKSPORT

4.1 **Stadium License for SaskSport Events and Special Events.** In consideration of the Annual Grant to be paid or transferred to the City as provided for in this Agreement, the City shall provide SaskSport and the SaskSport Users an exclusive licence to occupy the Stadium and the Licensed Areas, including public portions thereof, as required for SaskSport Events and Special Events, together with the right of ingress and egress of all portions of the Stadium as may be required for the conduct of the SaskSport Events and Special Events. For further certainty, in addition to any amounts payable under this Agreement, all SaskSport Events and Special Events shall be subject to the payment of Booking Fees.

4.2 **Scheduling of SaskSport Events and Special Events**. SaskSport and the City each acknowledge and agree that the use of the Stadium and scheduling of events and activities, including the SaskSport Events and Special Events shall be undertaken and completed in

accordance with the Scheduling Protocol in existence for the Stadium from time to time. It is acknowledged that SaskSport or SaskSport Users shall receive a minimum of 600 hours in each calendar year of the Term for SaskSport Events, at such times as may be mutually agreed to by the City, or it's designate, and SaskSport. For further certainty, Special Events shall not be included within the minimum allotment of 600 hours to be provided to SaskSport as contemplated in this section 4.2. The parties agree that they shall cooperate to prevent, to the extent possible, to avoid and to rectify any scheduling conflicts. The Scheduling Protocol may be amended from time to time as the City and SaskSport may each agree, acting reasonably, and with regard to the intention of the parties as outlined herein.

4.3 **Use of Common Areas and Facilities**. As part of its use of the Licensed Areas for events other than SaskSport Events, SaskSport and the SaskSport Users shall have the right to joint use of the Common Areas and Facilities at such times as mutually agreed to by the City, or its designate and SaskSport and in accordance with the Scheduling Protocol. Save and except for Additional Rent, no other Rent or user fees will be required to be paid by SaskSport for any access provided to the Common Areas and Facilities in accordance with this section 4.3.

4.4 **Use of Stadium Lounges and Premium Seating and Confederation Park**. For further certainty, the license rights granted to SaskSport and the SaskSport Users pursuant to this Article 4 do not include the use of the Stadium Lounges and Premium Seating or Confederation Park. Any use of the Stadium Lounges and Premium Seating or Confederation Park by SaskSport or the SaskSport Users shall be subject to such additional charges and fees and booking protocols as may be established by the City or its Operator from time to time.

4.5 **SaskSport Events and Special Events**. Save and except as expressly provided for in section 4.6 of this Agreement, SaskSport or the relevant SaskSport Users shall be solely responsible for any and all costs relating to any SaskSport Event or Special Event. In respect of SaskSport Events and Special Events, SaskSport or the relevant SaskSport Users shall operate such portions of the Stadium as it is licensed or otherwise authorized to operate in a sound, clean, safe and attractive manner, meeting or exceeding the manner of operation of first-class comparable activities.

4.6 **City Support of SaskSport Events and Special Events**. In order to facilitate the SaskSport Events and Special Events, the City or its Operator shall provide or otherwise be responsible for the costs of, the following services, such services to be provided as part of the Basic Rent and at no additional cost to SaskSport or the relevant SaskSport Users:

(a) For SaskSport Events (the "**SaskSport Event Services**"):

i. all set-up, take-down, activation and delivery of food and beverage services including mobile food and beverage concessions that may be typically or reasonably required for the size of event in question;

ii. all general janitorial and custodial services to the Stadium, including recycling and waste disposal services and washroom supplies;

iii. the provision of all utilities to the Stadium (save and except for those items that are Additional Rent) and general building maintenance, including but not limited to utilities required for all Stadium video and ribbon boards;

iv. designated parking spaces as may be reasonably required;

v. tradespersons available to provide emergency building support and maintenance;

vi. turf maintenance and repair;

vii. seating maintenance and repair;

viii. general operations and Stadium set-up; and

ix. Stadium security during regular business hours, with additional security requirements outside of regular business hours subject to additional charges as prescribed below.

(b) For Special Events (the "**Special Event Services**"):

i. custodial and washroom supplies;

ii. the provision of all utilities to the Stadium (save and except for those items that are Additional Rent) and general building maintenance, including but not limited to utilities required for all Stadium video and ribbon boards and

iii. Stadium security during regular business hours, with additional security requirements outside of regular business hours subject to additional charges as prescribed below.

For further certainty:

(c) if a SaskSport Event or Special Event requires any of the services specified in subsection (a) that are not provided pursuant to subsection (b), the City or the Operator shall provide such additional services upon such terms and conditions and at such cost as may be agreed to by SaskSport, the City and the Operator from time to time, the parties agreeing that any such services shall be provided on a cost recovery basis; and

(d) where SaskSport requires additional services that are not related to the general maintenance or the general operation of the Stadium base building and are outside of those specified in subsections (a) and (b) above and if (c) above does not apply to such services (the "**Additional Services**"), SaskSport will first consider utilizing the City or the Operator to provide such Additional Services, which the City or the Operator as the

case may be shall provide on a cost recovery basis. Subject only to such first consideration as stated in this subsection (d), SaskSport retains the full and unfettered discretion to select the party or parties to provide such Additional Services, and to establish the terms related thereto, including but not limited to the provision of such Additional Services on a voluntary basis, as SaskSport may in its sole discretion determine.

(e) In the event of any disagreement between SaskSport and the City or Operator as to whether any Additional Services are or are not part of the services provided by the City or the Operator as set forth in sections 4.6(a) or 4.6(b) of this Agreement, the parties agree that the issue shall be subject to the dispute resolution provisions under Article 12 of this Agreement.

Notwithstanding the foregoing, SaskSport shall not have any right or ability to contract for the delivery of any food and beverage services by any party other than the Operator, unless otherwise agreed by the City.

The City shall (or the City shall cause its Operator to) perform all services in a sound, clean, safe and attractive manner, meeting or exceeding the manner of operation and delivery of first-class comparable activities.

4.7 **Revenue from SaskSport Events**. SaskSport and the SaskSport Users will retain revenues directly generated by events hosted by or through this Article 4, provided however, the City shall retain all other revenue rights and opportunities related to the Stadium, including but not limited to food and beverage and any parking revenues.

4.8 **Sponsorships**. (a) SaskSport acknowledges and agrees that:

(i) this Agreement and the right to use the Licensed Areas does not confer the right to SaskSport or the SaskSport users to sell sponsorships to the Stadium or for events taking place at the Stadium;

(ii) SaskSport and the SaskSport Users shall be subject to any existing sponsorships that may be in existence within the Stadium or on the Premises from time to time as may have been or will be agree to by the City or its agents; and

(b) In the event there is a sponsor for a Special Event that is a conflict with an existing sponsorship provided to or obtained by the City or the SRFC, the City agrees to work collaboratively with SaskSport to balance the interests of the City in having the Special Event occur at the Stadium and the interests of the sponsor and the SRFC in preserving the exclusive rights and signage benefits, it being agreed that having the proposed Special Event occur will be the common objective, with the parties working to maintaining the least amount of impact on exclusive rights and signage as is reasonably possible.

ARTICLE 5
COVENANTS AND CONTROL OF PREMISES AND STADIUM

5.1 **SaskSport Covenants**. SaskSport hereby covenants with the City:

(a) to pay when due the Rent pursuant to the terms of this Agreement;

(b) to observe and perform all of the covenants and obligations of SaskSport under this Agreement; and

(c) at SaskSport's expense, to promptly comply with and observe the requirements of all statutes, by-laws, laws, ordinances, regulations and orders at any time in force during the Term which are applicable to SaskSport or the condition, maintenance, use or occupation of the Leased Premises by SaskSport.

5.2 **City Covenants**. The City hereby covenants, represents and warranty with SaskSport as follows:

(a) SaskSport shall peaceably and quietly hold and enjoy the Leased Premises for the Term demised without hindrance or interruption by the City, or any other person or persons lawfully claiming by, through or under the City, subject, nevertheless, to the terms and conditions of this Agreement;

(b) to observe and perform all of the covenants and obligations of the City under this Agreement;

(c) The City shall provide the following services to SaskSport and the Leased Premises during the Term (collectively, the "**Leased Premises Services**"):

(i) climate control to the Leased Premises to maintain a temperature adequate for occupancy having regard to SaskSport's approved plans and specifications, except during the making of repairs, alterations or improvements and provided that the City shall have no responsibility or liability for failure to supply climate control service when stopped as aforesaid or when prevented from so doing by strikes or causes beyond the City's reasonable control;

(ii) subject to the Rules and Regulations, the City shall furnish, except when repairs are being made, elevator service during regular office hours to SaskSport in common with other Stadium users, provided that SaskSport and its employees and all other persons using the same shall do so at their own risk. There shall be no liability on the City for any claim in respect of any failure by the City to provide elevator service during any power failure or other cause beyond the control of the City or by reason of the

carrying out of any repairs, maintenance or replacement of elevators, nor shall there be, consequent upon the foregoing, any repayment or reduction in the Rent reserved hereby;

(iii) when reasonably necessary from time to time cause the Common Areas to be cleaned, polished and dusted. The City shall be responsible for any act or omission or commission on the part of the persons employed to perform such work and such work shall be done at the City's direction without interference by SaskSport and its servants or employees; and

(iv) use of and access to the bulk waste collection and recycling facilities maintained for the Stadium, provided that if SaskSport's operations create waste or recycling in excess of normal business or operational quantities, facilities to supply such excess quantities may be provided by the City at the sole expense of SaskSport or if such excess waste collection or recycling facilities are beyond the capabilities of the City and the existing structure of the Stadium, SaskSport acknowledges that the City may require SaskSport to obtain alternate waste collection and recycling facilities, at the sole cost and expense of SaskSport;

(v) water and electricity shall be available in the normal quantity, provided that if SaskSport's equipment requires utilities in excess of normal quantities, facilities to supply such excess quantities may be provided by the City at the sole expense of SaskSport subject to the following conditions and provided that:

(i) the City or its consultant determines that such excess facilities are so required by SaskSport's equipment;

(ii) it is within the capabilities of the City and the existing structure of the Stadium to provide such excess utilities;

(iii) the City shall have the right of refusal to supply such excess utilities if the supplying of additional facilities shall in any way affect the operation, the aesthetics or the structure of the Stadium, or in any way reduce the efficiency of existing electricity, water or other utilities supplied to the Stadium as a part of the whole thereof;

(iv) the supplying of additional facilities in order to make the required facilities available to SaskSport shall be subject to compliance with all provisions of law including without limitation, federal and provincial legislative enactments, building by-laws and other governmental or municipal regulations which in any way relate to the work necessary to be undertaken to make the said utilities available;

(v) save and except where the City is found to be grossly negligent, in no event is the City to be liable for, nor is the City to have any obligation with respect to any interruption or cessation of, or failure in the supply of, any such utilities, services or systems in, to or serving the Stadium or the Leased Premises, whether or not supplied by the City or others; and

(d) to provide the General City Services in a good and proper manner.

(e) For further certainty, the following services shall not be included within the services that are provided by the City to SaskSport and the Leased Premises during the Term and may be provided by the City to SaskSport from time to time at such rates and expense as the City and SaskSport may reasonably agree from time to time:

(i) use of forklifts, lifting equipment or other small machinery present at the Stadium;

(ii) use of the *StadiumVision* platform and systems;

(iii) use of additional storage areas located outside of Leased Premises; and

(iv) use of phone lines and hardwired internet connections.

5.3 **Control of Premises and Stadium by City.**

(a) The Premises and the Stadium are at all times subject to the exclusive control, management and operation of the City. Without limiting the generality of the preceding sentence, the City has the right, in its control, management and operation of the Premises and the Stadium and by the establishment of Rules and Regulations and general policies with respect to the operation of the Premises and the Stadium or any part thereof, at all times throughout the Term, to:

(i) obstruct or close off all or any part of the Premises and the Stadium for the purpose of maintenance, repair, replacement or construction;

(ii) construct improvements in or to the Premises and the Stadium and make alterations thereof, additions thereto, subtractions there from, rearrangements thereof (including all entrances and exits thereto) and construct additional facilities adjoining or proximate to the Stadium or on the Premises;

(iii) relocate or rearrange the various facilities and improvements comprising the Stadium or erected on the Premises from those existing at the Commencement Date; and

(iv) do and perform such other acts in and to the Stadium as, in the use of good business judgment, the City determines to be advisable for the more efficient and proper operation of the Stadium.

(b) Notwithstanding anything contained in this Agreement, it is understood and agreed that if as a result of the reasonable exercise by the City of its rights set out in this section 5.3, or otherwise, the facilities in or improvements to the Stadium or the Premises are diminished or altered in any manner whatsoever, the City is not subject to any liability, nor is SaskSport entitled to any compensation, nor shall any alteration or diminution of the facilities or improvements in or to the Premises or the Stadium be deemed to be constructive or actual eviction, or a breach of any covenant for quiet enjoyment contained in this Agreement. Provided, however, that the City shall use its best efforts to not interfere with the access and ingress rights, or egress rights granted to SaskSport or SaskSport Users under this Agreement.

5.4 **Service Standards**

The City and SaskSport acknowledge and agree that it is important to establish service standards respecting matters related to the Stadium and the SaskSport operations, such service standards to deal with matters such as food and beverage services, IT services, custodial services and other services. The parties each further acknowledge and agree that the performance of services to the Stadium and the Premises shall be consistent with and in compliance with the applicable service standards and generally as follows:

(a) that these service standards shall be prepared in written form in consultation between the City, the Operator and SaskSport;

(b) services will be monitored and reviewed with regard to the standards and provisions contained in the applicable service standard;

(c) the service standards shall address the creation of remedial procedures to manage and improve services that do not meet the applicable service standards and to establish a process to create a remedial plan, to thereafter to elevate the performance deficiencies to management of the applicable parties for review and direction, which may include the imposition of costs as a consequence of such deficiencies, and as a last resort, termination of the service provider, at each level to establish reasonable consequences for any inability of the applicable supplier of the services to meet the required service standards;

(d) the City and SaskSport shall each reasonably perform the services that they are to provide to each other in accordance with the applicable service standards;

(e) the City shall cause the Operator to be a party to or to be otherwise bound by those service standards as are applicable to the services that the Operator will provide in respect of the Stadium and the City will cause the Operator to agree with the City and SaskSport to perform those services in accordance with applicable standards; and

(f) the service standards will be reviewed from time to time to assess whether any changes to the standards therein are required.

ARTICLE 6
REPAIRS AND MAINTENANCE

6.1 **Maintenance and Repairs by SaskSport.** SaskSport shall at all times, and at its sole cost and expense:

(a) keep and maintain its exterior and interior signs and the whole of the Leased Premises including without limitation, all interior partitions, doors, fixtures, shelves, equipment and appurtenances thereof, and improvements thereto (excluding electrical, lighting, wiring, plumbing fixtures and equipment and the heating, ventilating and air-conditioning systems and equipment within the Leased Premises, which shall be maintained by the City), and all telephone outlets and conduits and special equipment within or serving the Leased Premises in good order, first-class condition and repair (which shall include, without limitation, periodic painting and decoration), as reasonably determined by the City, and SaskSport shall make all needed repairs and replacements with due diligence and dispatch; and

(b) leave the Leased Premises in a reasonably tidy condition at the end of each business day in order that the City's services can be performed. The City acknowledges and agrees that SaskSport (or its janitorial staff or contractors) shall have after-hours access to the Leased Premises for the purposes of cleaning and janitorial services.

6.2 **City Approval of SaskSport Repairs.** SaskSport shall not make any repairs, alterations, replacements, decorations or improvements to any part of the Leased Premises without first obtaining the City's written approval. No repairs, alterations, additions, decorations or improvements to the Leased Premises by or on behalf of SaskSport shall be permitted which may weaken or adversely affect the condition or operation of the Leased Premises or the Stadium or diminish the value thereof, or exceed, restrict or reduce coverage for zoning purposes, or cause the City to buy out or provide additional parking spaces. In seeking approval pursuant to this section 6.2, SaskSport shall submit to the City:

(a) details of the proposed work including drawings and specifications prepared by qualified architects or engineers and conforming to good engineering practice;

(b) such indemnification against liens, costs, damages and expenses as the City requires; and

(c) evidence satisfactory to the City that SaskSport has obtained, at its expense, all necessary consents, permits, licenses and inspections from all governmental and regulatory authorities having jurisdiction.

All such repairs, replacements, alterations, decorations or improvements by SaskSport to the Leased Premises approved of by the City shall be performed:

(i) at the sole cost of SaskSport;

(ii) in a good and workmanlike manner;

(iii) in accordance with the drawings and specifications approved by the City; and

(iv) subject to the reasonable regulations, controls and inspection of the City.

Any such repair, replacement, alteration, decoration or improvement made by SaskSport without the prior written consent of the City or which is not made in accordance with the drawings and specifications approved by the City, shall, if requested by the City, be promptly removed by SaskSport at SaskSport's expense and the Leased Premises returned to their previous condition. Failing such removal, the City shall be entitled to remove same forthwith without notice at SaskSport's sole cost and expense.

6.3 **Maintenance and Repairs by the City**.

(a) The City shall at all times, and at its sole cost and expense maintain and repair, or cause to be maintained and repaired, as would a prudent owner of a reasonably similar building, the structure of the Stadium, including, without limitation, the foundations, exterior wall assemblies including weather walls, sub-floor, roof, bearing walls, and structural columns and beams of the Stadium and the mechanical, electrical and other base building systems of the Stadium. Notwithstanding the foregoing, if the City is required, due to the business carried on by SaskSport from the Leased Premises, to make such repairs or replacements by reason of the application of laws or ordinances or the direction, rules or regulations of any duly constituted regulatory body, or by reason of any act, omission to act, neglect or default of SaskSport or those for whom SaskSport is in law responsible, then, in any such event, SaskSport shall be liable and responsible for the total cost of any such repairs or replacements plus a reasonable sum representing the City's overhead, which shall immediately become due and payable to the City within thirty (30) days after demand.

(b) SaskSport acknowledges and agrees that the City is not liable for any damages, direct, indirect or consequential, or for damages for personal discomfort, illness or inconvenience of SaskSport or its servants, clerks, employees, invitees or other persons by reason of failure of any equipment, facilities or systems servicing the Stadium or the Premises for any cause whatsoever or reasonable delays in the performance of any repairs, replacements and maintenance for which the City is responsible pursuant to this Agreement.

(c) If SaskSport refuses or neglects to carry out any repairs properly as required pursuant to section 6.1 hereof, and to the reasonable satisfaction of the City, the City may, but shall not be obligated to, make such repairs without being liable for any loss or damage that may result to SaskSport's business by reason thereof, and upon completion thereof, SaskSport shall pay to the City a reasonable sum representing the City's overhead, which shall immediately become due and payable within thirty (30) days after demand. SaskSport agrees that the making of any repairs by the City pursuant to this section 6.3 is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Agreement.

6.4 **Surrender of the Leased Premises.** At the expiration or earlier termination of the Term, SaskSport shall peaceably surrender and yield up the Leased Premises to the City in as good condition and repair as SaskSport is required to maintain the Leased Premises throughout the Term (reasonable wear and tear excepted), and SaskSport shall surrender all keys and access cards for the Leased Premises to the City at the place then fixed for the payment of Rent and shall inform the City of all combinations of locks, safes and vaults, if any, in the Leased Premises. SaskSport shall, however, remove all its trade fixtures and any alterations or improvements if requested by the City as provided in section 6.6 hereof, but only to the extent required to return the Leased Premises to the state thereof at the commencement of this Lease (reasonable wear and tear excepted), before surrendering the Leased Premises as aforesaid, and shall forthwith repair any damage to the Leased Premises caused by their installation or removal. SaskSport's obligation to observe and perform this covenant shall survive the expiration of the Term or earlier termination of this Agreement.

6.5 **SaskSport Not to Overload Facilities or Floors**

(a) SaskSport shall not install any equipment which will exceed or overload the capacity of any utility, electrical or mechanical facilities in the Leased Premises or install any utility, electrical or mechanical facility or service which the City does not approve. SaskSport agrees that if any equipment installed by SaskSport requires additional utility, electrical or mechanical facilities, the City may, in its sole discretion, if they are available, elect to install them at SaskSport's expense and in accordance with plans and specifications to be approved in advance in writing by the City.

(b) In order to ensure that the electrical capacity in the Leased Premises is not exceeded and to avert possible adverse effect upon the electrical service of the Stadium or any part thereof, SaskSport shall not, without the City's prior written consent in each instance, connect any additional fixtures, appliances or equipment (other than normal office electrical fixtures, lamps, computers and similar office machines) to the electrical distribution system of the Stadium or any part thereof, or make any alteration or addition to the electrical system of the Leased Premises existing at the Commencement Date. As a condition to granting such consent, the City may require SaskSport to agree to an increase in the Rent for electricity by an amount which will reflect the increased cost to the City of the additional services to be furnished by the City to the Leased Premises.

(c) SaskSport shall not bring into the Stadium or the Leased Premises or any part thereof, any machinery, equipment, article or thing that by reason of its weight, size or use, might in the opinion of the City damage the Stadium or the Leased Premises and shall not at any time overload the floors of the Leased Premises. If any damage is caused to the building or the Leased Premises by any machinery, equipment, object or thing or by overloading, or by any act, neglect, or misuse on the part of SaskSport, or any of its servants, agents, or employees, or any person having business with SaskSport, SaskSport will forthwith repair such damage, or at the option of the City, pay the City within thirty (30) days after demand, the cost of repairing such damage plus a reasonable sum representing the City's overhead.

6.6 **Removal and Restoration by SaskSport**

(a) All alterations, additions and improvements made by SaskSport, or made by the City on SaskSport's behalf (other than SaskSport's trade fixtures and decorations) shall immediately become the property of the City upon affixation or installation, without compensation therefor to SaskSport, but the City is under no obligation to repair, maintain or insure such alterations, additions or improvements. Such alterations, additions or improvements shall not be removed from the Leased Premises either during or at the expiration or earlier termination of the Term except that:

(i) SaskSport may during the Term in the usual or normal course of its business and with the prior written consent of the City (which consent shall not be unreasonably withheld) remove its trade fixtures and decorations, provided such trade fixtures have become excess for SaskSport's purposes or SaskSport is substituting new and similar trade fixtures or decorations therefor, and provided that in each case, (1) SaskSport is not in default under this Agreement and (2) such removal is done at SaskSport's sole cost and expense; and

(ii) SaskSport shall, at the expiration of the Term, at its own cost, remove all of its trade fixtures, decorations and such of its leasehold improvements and fixtures installed in the Leased Premises as the City requires to be removed.

(b) If SaskSport does not remove its trade fixtures or decorations at the expiration or earlier termination of the Term, the trade fixtures and decorations shall, at the option of the City, become the property of the City and may be removed from the Leased Premises and sold or disposed of by the City in such manner as it deems advisable.

(c) SaskSport shall, in the case of every such installation or removal either during or at the expiration of the Term effect the same at times designated by the City and promptly make good any damage caused to the Leased Premises or the Stadium or any part thereof by the installation or removal of any such alterations, decorations, additions or improvements.

(d) For greater certainty, SaskSport's trade fixtures shall not include any (i) heating, ventilating or air-conditioning systems, facilities and equipment in or serving the Leased Premises; (ii) floor covering affixed to the floor of the Leased Premises; (iii) light fixtures; (iv) internal stairways and doors, if any; and (v) all fixtures, improvements, installations, alterations

or additions, which in accordance with generally accepted accounting practices, are considered to be leasehold improvements. For further certainty, all of the foregoing shall be deemed to be leasehold improvements.

6.7 **Signage**. SaskSport shall not paint, affix, display or cause to be painted, affixed or displayed, any sign, picture, advertisement, notice, lettering or decoration on any part of the outside of the Stadium, on the Premises or in the interior of the Leased Premises which is visible from the outside of the Stadium without the prior written consent of the City. The City will prescribe a uniform pattern of identification signs to be placed on the outside of the doors leading into the Leased Premises and other than such identification signs, SaskSport shall not paint, affix, display or cause to be painted, affixed or displayed any sign, picture, advertisement, notice, lettering or decoration on the outside of the Leased Premises for exterior view without the written consent of the City. Any such signs that are erected with the City's permission shall remain the property of SaskSport and shall be maintained at SaskSport's sole cost and expense. At the expiration of the Term or earlier termination of this Agreement, SaskSport shall remove any such sign, picture, advertisement, notice, lettering or decoration from the Leased Premises at its sole expense and shall promptly repair all damage caused by its installation and removal. SaskSport's obligation to observe and perform this covenant shall survive the expiration of the Term or earlier termination of this Agreement.

ARTICLE 7
PYRO AND STADIUM IT SYSTEMS

7.1 **Pyrotechnics at Stadium**. SaskSport acknowledges and agrees that the use and detonation of any pyrotechnics within the City of Regina and at the Stadium is currently regulated by the *Regina Fire Bylaw* and requires a permit to be obtained from the City or its applicable delegated authority. Where using pyrotechnics at the Stadium, SaskSport shall obtain or require any third parties undertaking or using such pyrotechnics to obtain all required permits and will indemnify and save the City and its Operator harmless from and against any and all liability, claims, demands, actions and causes of action of any nature, and all expense related to such use of pyrotechnics.

7.2 **Stadium IT Systems**. SaskSport and the City each acknowledge and agree that the Stadium has been constructed to include certain information technology systems that are available throughout the Premises and which have been installed and will be supported by a contracted third party (the "**IT Systems**"). The IT Systems will include all internet connection services and technology, computer platforms, computer systems, servers and related equipment and technology, but will not include any information technology installed by or for SaskSport in the Leased Premises. The IT Systems shall be maintained and replaced by the City to ensure the continued functionality of the IT Systems at least to the industry standard required to support the end uses of such IT Systems by SaskSport, and such maintenance and replacement shall include the City reasonably implementing available updates to the IT Systems. In consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part of SaskSport to be paid, kept, observed and performed, the City grants SaskSport and any SaskSport Users the right and licence to connect with and utilize the IT Systems for SaskSport's or the SaskSport Users' internal business operations upon the following terms and conditions:

(i) except as expressly stated herein, the City makes no representation, warranty or guarantee is provided relating to functionality, security, performance or the appropriateness of the IT Systems to support the reasonably end uses of such IT Systems by SaskSport or any SaskSport Users;

(ii) in providing maintenance and replacement services to the IT Systems, the City warrants that such services will be completed in accordance with industry standards in a good and workman-like manner and with that degree of care, skill and diligence normally provided in the performance of services of a similar nature with those contemplated. Such warranty is provided by the City expressly in lieu of all other warranties, conditions or representations of any kind;

(iii) in no event shall the City be liable to SaskSport, the SaskSport Users or any other party including users of the IT Systems for any loss of profits, loss of use, loss of data, interruption of business or indirect, special, incidental or consequential damages of any kind in connection with or arising out of the use of the IT Systems pursuant to this Agreement, whether alleged as a breach of contract or tortious conduct. The limitation of liability specified in this paragraph applies regardless of the cause or circumstances giving rise to such losses or damages, including without limitation, whether the other party has been advised of the possibility of damages, the damages are foreseeable, or the alleged breach or default is a fundamental breach or breach of a fundamental term of this Agreement;

(iv) without limiting the generality of the foregoing, the City shall have no liability to SaskSport or any SaskSport Users for any claim, loss or damage arising from the IT Systems or from any information technology installed by or for SaskSport or the SaskSport Users in the Leased Premises, unless such claim, loss or damage is directly caused by the gross negligence of the City or the omission or breach by the City or any party for which the City is legally responsible pursuant to this Agreement

(v) SaskSport and the SaskSport Users each acknowledge and agree that the IT Systems were designed, installed and are operated and maintained through a third party contractor. The City agrees to take all reasonable steps to enforce the contracts in place with the third party in relation to the operation and maintenance of the IT Systems but makes no representation, warranty or guarantee relating to the effectiveness or appropriateness of the enforcement of such contractual rights in relation to the IT Systems. Should such contracts with this third party be unenforceable, the City shall take reasonable steps to obtain or otherwise arrange for a replacement for the IT Systems with at least equivalent functionality and quality to the IT Systems that are being replaced when such IT Systems were properly functional.

7.3 **Access to Communications Rooms.** In consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part of SaskSport to be paid, kept, observed and performed, the City grants SaskSport and any SaskSport Users the right and licence to access and locate any servers or other reasonable information technology infrastructure

within the communications room (the "**Communications Room**") appurtenant to the Leased Premises upon the following terms and conditions:

(a) SaskSport and the SaskSport Users acknowledge and agree that the access and operations within the Communications Room are controlled by SaskTel and that any access to or information technology infrastructure located within the Communications Room may be subject to rules, requirements and costs as may be assessed and implemented by SaskTel from time to time;

(b) the City shall have no liability to SaskSport or any SaskSport Users for any claim, loss or damage arising from access to or information technology infrastructure being located within the Communications Room; and

(c) SaskSport and the SaskSport Users shall indemnify and save the City harmless from and against any liability, claims or damages in relation to the access and use of the Communications Room pursuant to this section 7.3 and SaskSport agrees that if any damage is caused to the Stadium IT Systems or SaskTel property or by any act, neglect, or misuse on the part of SaskSport or any of the SaskSport Users, or any of its servants, agents, or employees, SaskSport will forthwith or cause the SaskSport Users to repair such damage, or at the option of the City, pay the City within thirty (30) days after demand as Additional Rent, the cost of repairing such damage.

ARTICLE 8
DAMAGE AND DESTRUCTION

8.1 Damage and Destruction.

(a) If during the Term, the Leased Premises or any portion thereof is damaged or destroyed by fire or by other casualty against which the City is required to insure hereunder, Rent shall abate in that proportion that the area of the portion of the Leased Premises which, in the reasonable opinion of the City's independent architect, is thereby rendered unfit for the purposes of SaskSport bears to the area of the whole of the Leased Premises, until the Leased Premises is restored and rebuilt and SaskSport is able to operate its business from the whole of the Leased Premises. The City agrees that it will, with reasonable diligence, repair, restore and rebuild the Leased Premises. The City's obligation to rebuild and restore the Leased Premises shall not include the obligation to rebuild, restore, replace or repair any chattel, fixture or any other thing that is the property of SaskSport, (in this section collectively called "Leasehold Improvements"). The Leased Premises shall be deemed restored and rebuilt ninety (90) days after the date when the City's independent architect certifies that the Leased Premises has been restored and rebuilt to the state where SaskSport could occupy it for the purpose of rebuilding, restoring, replacing or repairing the Leasehold Improvements. The issuance of the architect's certificate shall not relieve the City of its obligation to complete the rebuilding and restoration as aforesaid.

(b) Notwithstanding the provisions of section 8.1(a) hereof:

(i) if the Leased Premises or any substantial portion thereof is damaged or destroyed by any cause whatsoever and cannot in the reasonable opinion of the City or SaskSport be rebuilt or made fit for the purposes of SaskSport as aforesaid within one hundred and eighty (180) days from the date of damage or destruction, or,

(ii) if the Leased Premises is damaged or destroyed by a peril against which the City is not required to insure hereunder,

either the City or SaskSport in respect of paragraph (i) or (ii) above may, at its option, terminate this Agreement by giving to the other within thirty (30) days after the date of such damage or destruction, written notice of termination and thereupon the Annual Grant and Rent shall be apportioned and paid to the date of such damage or destruction and SaskSport shall immediately deliver up possession of the Leased Premises to the City. If neither the City nor SaskSport elects to terminate the Agreement, the City shall repair and rebuild the Leased Premises and the Annual Grant and Rent shall abate in accordance with the provisions of section 8.1(a) hereof.

ARTICLE 9
USE AND PARKING

9.1 **Use of the Leased Premises**. The Leased Premises shall be used solely for administrative and business offices, and for no other purposes, provided that in any event such purposes comply with the terms, covenants and conditions of this Agreement and all Applicable Laws, by-laws, regulations or other governmental ordinances from time to time in existence.

9.2 **Conduct of Business**. SaskSport shall conduct its business in the Leased Premises in the best interests of the Premises and Stadium as a whole and conduct its business in a reputable and first-class manner at all times throughout the Term. Any business, conduct or practice promulgated, carried on or maintained by SaskSport, which in the opinion of the City, acting reasonably, may harm or tend to harm the business or reputation of the City or reflect unfavorably on the whole or any part of the Stadium, the Premises, the City or other tenants in the Stadium, or which may tend to confuse, mislead, deceive or be fraudulent to the public, shall be immediately discontinued by SaskSport at the request of the City.

9.3 **Rules and Regulations**. The Rules and Regulations adopted and promulgated by the City from time to time are hereby made a part of this Agreement as if they were embodied herein, and SaskSport and the SaskSport Users shall comply with and observe the same. The Rules and Regulations will be adopted and promulgated by the City acting reasonably and in such manner as would a prudent landlord of a reasonably similar building. SaskSport's or any SaskSport User's failure to keep and observe the Rules and Regulations now or from time to time in force constitutes a default under this Agreement in such manner as if the same were contained herein as covenants. Subject to the aforementioned considerations, the City reserves the right from time to time to amend or supplement the Rules and Regulations applicable to the Leased Premises or the Stadium as in the City's judgment are from time to time needed for the safety, care, cleanliness and more efficient operation of the Stadium and for the preservation of

good order therein. Notice of the Rules and Regulations and amendments and supplements, if any, shall be given to SaskSport and SaskSport shall thereupon comply with and observe all such Rules and Regulations provided that no Rules and Regulations shall contradict any terms, covenants and conditions of this Agreement.

9.4 **Parking.** During the Term and in consideration of the Rent paid hereunder, SaskSport (and its tenants and employees) shall be entitled at no extra charge, to the use of, and is hereby granted a non-exclusive license to use and occupy, forty (40) parking spaces allocated within the areas identified in red as Tenant Parking areas #1 and #2 on the attached Schedule "E". Notwithstanding the foregoing, such parking spaces shall be available to SaskSport only on weekdays between 8am and 6pm and may be otherwise restricted from time to time by deemed necessary by the City to accommodate events occurring at the Stadium or the adjacent exhibition grounds and in accordance with the Rules and Regulations.

ARTICLE 10
INSURANCE AND INDEMNITY

10.1 **SaskSport Insurance Requirements.**

(a) SaskSport covenants and agrees that it shall secure and maintain at all times during the Term a policy of General Liability Insurance in a form and amounts acceptable to the City, such policy to have not less than $5,000,000 per occurrence and to include the following provisions or endorsements:

(i) the City of Regina shall be named as an Additional Insured Party;

(ii) a waiver of rights of subrogation of the Insurer against all named Insureds and Additional Insureds;

(iii) cross-liability coverage;

(iv) blanket contractual liability coverage;

(v) host liquor liability coverage;

(vi) a requirement for 30 days' notice to each Insured Party prior to cancellation of the coverage, in whole or part, in respect of any Named Insured.

(b) SaskSport further covenants and agrees to secure and maintain:

(i) Tenants' legal liability insurance in a form and in amounts satisfactory to the City but not in any event in an amount less than $500,000; and

(ii) All Risk Property Insurance for property of every description and kind, including all betterments and improvements made by or on behalf of SaskSport to the Leased Premises and keep them insured for the benefit of the City and SaskSport

against loss, damage or destruction by fire and other perils, hazards and risks, usually carried by persons carrying on operations similar to that of SaskSport, with one or more insurance companies approved by the City and licensed to do business in Canada, as SaskSport may elect, in an amount equal to the replacement value of the Leased Premises and to produce to the City for inspection and retention of the City a certificate from the insuring agents or the original copy of every policy of insurance or other appropriate evidence of insurance satisfactory to the City. In the event of cancellation, SaskSport shall secure replacement insurance in accordance with the requirements of this section.

(iii) Auto liability insurance covering liability arising out of use and operation, of automobiles (including owned, hired, and non-owned autos) with a limit of liability of not less than $2,000,000.

(c) SaskSport will pay as they become due all premiums or other moneys for maintaining the insurance and to assign to the City the benefit of all policies and contracts of insurance which cover the Leased Premises and the Licensed Areas, in whole or part, or to cause the insurance moneys to be made payable, in case of loss, to the City, or to otherwise deal with the policies and contracts of insurance as the City may direct so as to enable the City to collect and receive insurance proceeds payable in respect of loss or damage to the Leased Premises or the Licensed Areas.

10.2 **City Insurance Requirements**. The City shall at all times throughout the Term carry: (a) insurance on the Premises and the Stadium against damage by fire and extended perils coverage in such reasonable amounts and such reasonable deductions as would be carried by a prudent owner of a reasonably similar building, having regard to size, age and location; (b) public liability and property damage insurance with respect to the City's operations on the Premises and in the Stadium in such reasonable amounts and with such reasonable deductions as would be carried by a prudent owner of a reasonably similar building having regard to size, age and location; (c) such other form or forms of insurance as the City reasonably considers advisable. Notwithstanding the City's covenant contained in this section 10.2, SaskSport acknowledges and agrees that (i) SaskSport is not relieved of any liability arising from or contributed to by its negligence or its wilful acts or omissions, and (ii) no insurable interest is conferred upon SaskSport under any policies of insurance carried by the City and SaskSport has no right to receive any proceeds of any such insurance policies carried by the City.

10.3 **City's Liability**. The City shall not be liable for any death or injury arising from or out of any occurrence in, upon, at or relating to, the Stadium or the Premises, or damage to property of SaskSport or of others located on the Leased Premises or elsewhere in the Stadium or upon the Premises, nor shall the City be responsible for any loss of or damage to any property of SaskSport or others from any cause whatsoever, except where such death, injury, loss or damage results from the negligence of the City, its agents, servants or employees or other persons for whom it may, in law be responsible. The City shall not be liable for any such damage caused by other tenants or persons in the Stadium or on the Premises, or the public, or caused by construction or by any private, public or quasi-public work, except where such death, injury, loss or damage results from the negligence of the City, its agents, servants or employees or other

persons for whom it may, in law, be responsible. All property of SaskSport kept or stored on the Leased Premises shall be so kept or stored at the risk of SaskSport only and (subject to the limitations for negligence herein) SaskSport shall indemnify the City and save it harmless from any claims arising out of any damages to the same including, without limitation, any subrogation claims by SaskSport's insurers.

10.4 **Indemnification.**

Each party covenants to indemnify the other against all liability, claims, demands, actions and causes of action of any nature, and all expense incident thereto, for injury to or death of persons or loss of or damage to property, occurring on the Leased Premises or Licensed Areas (in the case of the latter areas only while SaskSport or any SaskSport Users and their respective contractors or sublicensees are in occupation or control of the same) or in any manner growing out of or in connection with that party's contractor's or sublicensee's said operations in or use or occupation of the Leased Premises or Licensed Areas or arising out of any breach of the covenants hereunder or out of work being done on or about the Leased Premises or Licensed Areas.

10.5 **Synthetic Turf.** SaskSport agrees that the synthetic turf at the Stadium is used by SaskSport, the SaskSport Users, their respective employees, agents and invitees on an "as is – where is" basis and that indemnification provisions set forth herein shall apply to any claim, demand, action or cause of action held or asserted against the City by reason of any personal injury (including death) arising or alleged to have arisen during periods of SaskSport or the SaskSport User's licensed use of the Stadium by reason of the condition of the synthetic turf and appurtenances thereto, including subsurface components of the playing field.

ARTICLE 11
DEFAULT AND REMEDIES

11.1 **Events of Default.** The following shall be events of default under this Agreement (the "**Events of Default**"):

(a) SaskSport fails to facilitate the payment of the Annual Grant or fails to pay Rent or other sums due hereunder on the day or dates appointed for the payment thereof (provided the City first gives thirty (30) days' prior written notice to SaskSport of any such failure); or

(b) SaskSport fails to observe or perform any other of the terms, covenants or conditions of this Agreement to be observed or performed by SaskSport provided the City first gives SaskSport thirty (30) days', or such shorter period of time as is otherwise provided herein, written notice of any such failure to perform and SaskSport within such period of time fails to commence diligently and thereafter to proceed diligently to cure any such failure to perform; or

(c) SaskSport or any agent of SaskSport falsifies any report or statement required to be furnished to the City pursuant to this Agreement; or

(d) SaskSport becomes bankrupt or insolvent or takes the benefit of any act now or hereafter in force for bankrupt or insolvent debtors or files any proposal or makes any assignment for the benefit of creditors or any arrangement or compromise; or

(e) a receiver or a receiver and manager is appointed for all or a portion of SaskSport's property; or

(f) any steps are taken or any action or proceedings are instituted by SaskSport or by any other party including, without limitation, any court or governmental body of competent jurisdiction for the dissolution, winding-up or liquidation of SaskSport or its assets; or

(h) SaskSport abandons or attempts to abandon the Leased Premises, or sells or disposes of the trade fixtures, goods or chattels of SaskSport or removes them from the Leased Premises so that there would not in the event of such sale or disposal be sufficient trade fixtures, goods or chattels of SaskSport on the Leased Premises subject to distress to satisfy all rent due or accruing hereunder for a period of at least three (3) months; or

(j) SaskSport assigns, transfers, encumbers, sublets or permits the occupation or use or the parting with or sharing possession of all or any part of the Leased Premises by anyone except in a manner permitted by this Agreement.

11.2 **City's Rights and Remedies**. In addition to all other remedies which the City may have at law, where an Event of Default occurs, the City shall have the following rights:

(a) the immediate right of re-entry upon the Leased Premises and it may repossess the Leased Premises and enjoy them as of its former estate and may expel all persons and remove all property from the Leased Premises and such property may be removed and sold or disposed of by the City as it deems advisable or may be stored in a public warehouse or elsewhere at the cost and for the account of SaskSport, all without service of notice or resort to legal process and without the City being considered guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby;

(b) where the Event of Default is related to the failure of SaskSport in payment of Rent, the City shall have the right, after thirty (30) days written notice to SaskSport of such default and within which time SaskSport has failed to remedy such default to terminate this Agreement;

(c) for any other Event of Default, which SaskSport fails to remedy within thirty (30) days after receipt of written notice from the City specifying such default (or such longer period as may be reasonably necessary under the circumstances), the City may, in addition to such other remedies as it may have at law, including the right to damages or specific performance terminate this Agreement or take such

reasonable steps as may be necessary to remedy such default, and for that purpose the City shall have the right to enter onto the Leased Premises, and all costs incurred by the City in so doing shall be promptly paid to it by SaskSport;

(d) as an alternative to its rights under sub-clauses (a), (b) and (c), the City shall, if it so elects, without terminating this Agreement or relieving SaskSport of any of its covenants or obligations under this Agreement, have the right to enter into and upon the Leased Premises to take possession and, as the agent of and in the name and at the risk and expense of SaskSport, to repair or alter the Leased Premises as may reasonably be necessary or appropriate for the purposes of subletting same, and to sublet the Leased Premises as the City shall see fit, acting reasonably; and SaskSport shall promptly reimburse the City for all costs and expenses incurred by it in doing so, including legal fees and realtor's commissions; and the City shall be entitled to receive and apply all rents and other proceeds derived from such subletting against the then and continuing indebtedness and obligation of SaskSport to the City.

11.3 **Waiver of Exemption from Distress.** SaskSport hereby agrees with the City that notwithstanding any statute or rule of law to the contrary, none of the goods and chattels of SaskSport or its subtenants at any time during the continuance of the Term hereby created on the Leased Premises shall be exempt from levy by distress for Rent in arrears by SaskSport as provided for by statute or at law, and that if any claim is made for such exemption by SaskSport or its subtenants or if a distress is made by the City, this covenant and agreement may be pleaded as an estoppel against SaskSport or its subtenants in any action brought to test the right to the levying upon any such goods are named as exempted in any statute or rule of law, SaskSport waiving, as it hereby does all and every benefit that could or might have accrued to SaskSport under and by virtue of any such statute or rule of law but for this covenant. SaskSport shall include a similar waiver of distress as part of any sublease(s) that SaskSport may enter into in relation to the Leased Premises as permitted by this Agreement.

11.4 **Lien on Trade Fixtures**. If SaskSport, at any time during the period of time SaskSport is given possession of the Leased Premises, or throughout the Term, or at the expiration or earlier termination of the Term, is in default under any covenant or obligation contained in this Agreement, the City has a lien on all stock-in-trade, inventory and fixtures, equipment and facilities of SaskSport as security against loss or damage resulting from any such default by SaskSport and said stock-in-trade, inventory, fixtures, equipment and facilities shall not be removed by SaskSport until such default is cured, unless otherwise permitted in writing by the City. The provisions of this section 11.4 shall survive the expiration of the Term or earlier termination of this Agreement.

11.5 **Default in Rent**. If SaskSport is in default in the payment of any amounts or charges required to be paid pursuant to this Agreement, they shall if not paid when due, be collectable as Rent within thirty (30) days after demand, but nothing herein contained is deemed to suspend or delay the payment of any amount of money at the time it becomes due and payable hereunder, or limit any other remedy of the City. SaskSport agrees that the City may, at its option, apply or

allocate any sums received from or due to SaskSport against any amounts due and payable hereunder in such manner as the City sees fit.

11.6 **Remedies Generally.** Mention in this Agreement of any particular remedy of the City in respect of an Event of Default does not preclude the City from any other remedy in respect thereof, whether available at law or in equity or by statute or expressly provided for in this Agreement. No remedy shall be exclusive or dependent upon any other remedy, but the City may from time to time exercise any one or more of such remedies generally or in combination, such remedies being cumulative and not alternative. Whenever SaskSport seeks a remedy in court to enforce the observance or performance of one of the terms, covenants and conditions contained in this Agreement on the part of the City to be observed or performed, SaskSport's only remedy shall be for damages SaskSport shall be able to prove in a court of competent jurisdiction that it has suffered as a result of a breach (if established) by the City in the observance or performance of any of the terms, covenants and conditions contained in this Agreement on the part of the City to be observed or performed.

11.7 **Termination of Agreement by SaskSport.**

(a) Notwithstanding anything to the contrary in this Agreement, where SaskSport does not receive or is not entitled to receive, pursuant to the License Agreement, or otherwise, in any year or years during the Term, all or any portion of the Annual Grant, or any other sum agreed to be provided by the Province to SaskSport in lieu thereof, as provided for in section 3.2 of this Agreement, SaskSport may terminate this Agreement upon providing the City with 365 days prior written notice

(b) The parties each acknowledge and agree to use all reasonable efforts to seek alternative sources of funding such that this Agreement or an alternative arrangement may continue to ensure continued access and use of the Stadium and the Stadium field of play for amateur sports associations, members of the public and the community at large.

(c) For further certainty, in the event of occurrence of a termination as contemplated by section 11.7(a) herein, SaskSport shall have no further or other obligation or liability to the City in respect of all or any portion of the Annual Grant or Rent (provided that Rent shall be prorated to the date of termination) and the City shall have no further right or obligation to provide access or use of the Stadium to SaskSport or the SaskSport Users. In the event of a conflict between this section 11.7 and any other provision of this Agreement, or any other document ancillary hereto, this section 11.7 shall be paramount.

ARTICLE 12
DISPUTE RESOLUTION

12.1 **Initial Dispute Resolution.** In the event of a dispute in relation to this Agreement, representatives from each party (each, a "**Party Representative**" and, collectively, the "**Party Representatives**") shall promptly and diligently make all reasonable bona fide efforts to resolve the dispute. Each Party Representative shall provide to the other, on a without prejudice basis, frank, candid and timely disclosure of relevant facts, information and documents (except such

documentation that is subject to legal privilege) as may be required or reasonably requested by the other Party Representative to facilitate the resolution of the dispute.

12.2 **Amicable Dispute Resolution by Senior Executives.** If a dispute is not resolved by the Party Representatives within 10 business days, the dispute will then be referred to the City Manager and the Chair of SaskSport's Board of Directors (or its designate) for final resolution. Once a dispute is referred to them, the City Manager and the Chair of SaskSport's Board of Directors (or its designate) shall promptly and diligently make all reasonable bona fide efforts to resolve the dispute. Each party shall provide to the other, on a without prejudice basis, frank, candid and timely disclosure of relevant facts, information and documents (except such documentation that is subject to legal privilege) as may be required or reasonably requested by the other to facilitate the resolution of the dispute.

12.3 **Final Dispute Resolution.** If a dispute is not resolved by the Senior Executives in accordance with section 12.2 of this Agreement within 10 Business Days, the dispute will then be resolved as follows:

(a) Mandatory mediation

(i) In respect of any disputes that remain unresolved following the efforts in sections 12.1 and 12.2 of this Agreement, and before pursuing any additional steps as may be available as set forth below, the parties must first engage in mandatory mediation before a third party mediator agreed to by the parties;

(ii) A representative of the City and a representative of SaskSport with authority to resolve the applicable dispute shall participate in such mediation and the mediator will have thirty (30) days from the date of her or his appointment to help resolve the dispute;

(iii) The parties will share the cost of the mediator equally. The cost of each party's legal and other representation at the mediation shall be each party's individual responsibility.

(iv) The mediator shall work with the representatives and each party shall promptly respond to any written requests from the mediator for information and/or documentation with respect to the dispute, and shall copy the other party with all such responses; and

(v) The mediator shall provide the parties with a written recommendation respecting the dispute. The recommendation of the mediator is not binding but shall be used by the parties for the purpose of attempting to resolve the dispute.

(b) Expert Determination

(i) In respect of any dispute that remains unresolved following the efforts pursuant to escalation or mandatory mediation as set out above, before proceeding to arbitration as prescribed below, the parties may obtain a recommendation on the dispute from an expert who is impartial as between the parties, independent, qualified and experienced with respect to the matters in dispute (an "**Expert**"). The Expert's review will not be required as a prerequisite to arbitration.

(ii) If the parties agree on the Expert, the parties shall jointly appoint the Expert as soon as possible and, in any event, within 5 business days after agreeing that the dispute be resolved by an Expert. If the parties fail to agree or jointly appoint the Expert within such 5 business day period, either party may apply to the Court of Queen's Bench of Saskatchewan to appoint the Expert, in which case the Court shall appoint the Expert at the earliest opportunity from the list of potential Experts submitted by the parties or, if either or both parties fail to submit their list of potential Experts within 7 business days, the Court may appoint such person as the Expert who meets the requirements for qualifications and experience of the Expert.

(iii) The Expert will be appointed on a dispute by dispute basis, with each Expert having the qualifications and experience relevant to the issues in the particular dispute for which the Expert is appointed.

(iv) The Expert will participate in the dispute as follows:

(I) the Expert will conduct a review of the dispute in the manner the Expert decides is most suitable, including inspections and discussions with any persons;

(II) the parties will comply with all reasonable requests from the Expert for additional information and documents which the Expert considers necessary for the review, provided that any information given to the Expert by a party will be given to the other party and all information disclosed shall be deemed confidential information;

(III) the Expert may, with the written approval of the parties, retain others to assist with the review;

(IV) the Expert will deliver to the parties a brief written recommendation on the dispute within 10 business days of referral to the Expert or such longer period as agreed to in writing by both parties;

(V) a recommendation of an Expert is not binding on the parties, and an Expert's review will be sought only for the purpose of assisting the parties to reach agreement with respect to the dispute;

(VI) an Expert who has rendered a recommendation on a dispute may not be retained by either party and may not be called by either parties to give evidence with respect to the dispute in any subsequent arbitration to resolve the dispute, nor will either party refer to or enter into evidence the recommendation of the Expert in such proceeding, unless required by applicable law; and

(VII) the parties will agree to release and indemnify the Expert in respect of certain claims provided the Expert has acted in good faith and in accordance with the agreement among the parties.

(v) Each party shall bear its own costs of the process for resolution of the dispute by the Expert. In addition, the costs of the Expert shall be borne equally by the parties.

(c) Arbitration

(i) If mandatory mediation or Expert determination does not resolve a dispute, either party may submit a dispute to binding arbitration by providing written notice to the other party (the "**Notice of Arbitration**") specifying the matter(s) to be arbitrated and requesting arbitration thereof;

(ii) If the parties are unable to agree upon a single arbitrator within five (5) days after the delivery of a Notice of Arbitration, the party that delivered the Notice of Arbitration shall be entitled to apply, upon notice to the other, to a judge of the Court of Queen's Bench for the Province of Saskatchewan who shall have jurisdiction to nominate such arbitrator and the provisions of *The Arbitration Act, 1992* (Saskatchewan) shall govern such nomination;

(iii) The arbitrator shall have all the powers given by *The Arbitration Act, 1992* (Saskatchewan) and, unless different procedures and process are otherwise agreed to in writing by the parties upon the appointment of the arbitrator, shall conduct the arbitration of a dispute in accordance with *The Queen's Bench Rules* (Saskatchewan), as amended from time to time, and this Article 12. The arbitrator may at any time proceed in such manner as she or he sees fit on such notice as she or he deems reasonable in the absence of either party if such party fails to attend;

(iv) The arbitrator will have the authority to hear and decide motions as necessary;

(v) The arbitrator shall have the authority to issue directives that are injunctive in nature and the parties agree to abide by such injunctive directives and further agree that the arbitrator or a party has the right and ability to seek support for such directives from the Saskatchewan Court of Queen's Bench, and each party agrees that injunctive relief is reasonable as damages may not be an adequate remedy for a party and that each party is entitled under the Agreement to

injunctive or other equitable relief without having to post a bond or security for such relief;

(vi) The arbitrator will issue a written award setting forth the basis for her or his award;

(vii) The parties will share the cost of the arbitrator equally. The cost of each party's legal and other representation at the arbitration shall be each party's responsibility individually. The costs of any proceeding before the Court as contemplated herein shall be determined by the Court; and

(viii) The parties agree that the arbitrator's award shall be final, conclusive and binding upon the parties hereto and that they shall not appeal any such award, provided that nothing herein prevents a party from seeking the assistance of the Court as contemplated above.

ARTICLE 13
CONFIDENTIALITY

13.1 **Protection of Confidential Information.**

(a) The parties will keep strictly confidential all Confidential Information and ensure that its individual partners, employees, contractors, and agents only have access to the Confidential Information or other information as is strictly necessary for the performance of their particular role in performing the party's covenants under this Agreement.

(b) The parties each agree that all Confidential Information shall at all times remain the property of the party that created it and that this Article 13 shall not apply to any information that a party is obligated to produce as a result of a court order or other legal requirement, provided that the party provides the other party with prior notice thereof and a reasonable opportunity to seek a protective order or other appropriate remedy.

13.2 **Limitation**. SaskSport acknowledges and agrees that the City is subject to *The Cities Act* (Saskatchewan) and *The Local Authority Freedom of Information and Protection of Privacy Act* (Saskatchewan) and that the City's obligations under section 13.1 of this Agreement are limited by its public disclosure obligations under such legislation.

ARTICLE 14
NOTICE

14.1 **Notice**. Any notice, document or other communication required or permitted to be given hereunder shall be in writing, and shall be delivered personally, by hand, by prepaid courier, by regular mail, or delivered by facsimile transmission to each of the parties at the address and/or facsimile transmission number for such party set out below, or to such other address in Canada as any party may in writing advise the other. Delivery by hand shall occur upon actual delivery,

delivery by courier shall be deemed to occur on the date of delivery, delivery by regular mail shall be deemed to occur three (3) days after posting, and delivery by facsimile transmission shall be deemed to occur upon transmission.

The City of Regina
Queen Elizabeth II Court
2476 Victoria Avenue
P.O. Box 1790
Regina, Saskatchewan
Canada S4P 3C8
Attention: City Manager

SaskSport
1870 Lorne Street
Regina, Saskatchewan
Canada, S4P 2L7
Attention: Chief Executive Officer

ARTICLE 15
GENERAL

15.1 **Entire Agreement.** This Agreement is the entire agreement between the City and SaskSport regarding the subject matter of this Agreement, and supersedes any previous agreements, negotiations and understandings. There are no agreements, representations, warranties, terms, conditions or commitments regarding the subject matter of this Agreement except as expressed in this Agreement.

15.2 **Time of Essence.** Time shall be of the essence of this Agreement.

15.3 **Certificates.** Each party shall at the reasonable request of the other, for the purpose of giving assurance to any third party which is interested in acquiring an interest in the Property or this Agreement (including any prospective or actual assignee or mortgagee), execute and deliver to the other a statement in writing certifying to such third party whether this Agreement is in full force and effect, whether or not it has been in modified (and if so in what respect), whether there is any existing default on the part of the other party of which the person giving the certificate has notice (and if so, specifying the default), and as to any other matters in connection with this Agreement in respect of which such certificate is reasonably requested.

15.4 **Registration.** SaskSport shall not register an interest, notice or caveat in respect of this Agreement against the Stadium or the Premises without the prior written consent of the City, which consent may not be unreasonably withheld.

15.5 **Permitted Assignment.**

(a) This Agreement shall enure to the benefit of the parties hereto and their respective successors, administrators and (permitted) assigns. This Agreement may be assigned by City to any of its affiliates, associates, subsidiaries, partners and related entities, without the consent of SaskSport, provided that:

(i) written notice is provided to SaskSport of such assignment; and

(ii) any assignment shall require the proposed assignee to agree in writing to assume and perform all of the terms, covenants, conditions and agreements by this Lease imposed upon the City herein in the form acceptable to SaskSport, acting reasonably.

(b) SaskSport shall be permitted to assign this Lease or sublet the whole or any part of the Leased Premises to its members or affiliated provincial sport organizations without the prior consent of the City, provided that:

(i) written notice is provided to the City of such assignment or subletting; and

(ii) any assignment or subletting shall require the proposed assignee or subtenant of this Lease or the Leased Premises to agree in writing to assume and perform all of the terms, covenants, conditions and agreements by this Lease imposed upon SaskSport herein in the form acceptable to the City, acting reasonably.

15.6 **Right of Entry**. SaskSport agrees to permit the City and its authorized representatives to enter the Leased Premises at all reasonable times during usual business hours for the purpose of inspecting same, upon written request to SaskSport, and SaskSport shall arrange for such entry at a time convenient to both parties.

15.7 **Further Assurances**. The parties hereto shall and will at all times, and from time to time hereafter, and upon every reasonable written request so to do, make, do, execute, deliver, or cause to be made, done, executed, and delivered all such further acts, deeds, assurances, and things as may be required for more effectually implementing and carrying out the true intent and meaning of this Agreement.

15.8 **Force Majeure**. If either party shall be unable to carry out any obligation under this Agreement due to Force Majeure, this Agreement shall remain in effect, but such obligation shall be suspended for the period necessary as a result of the Force Majeure, provided that:

(a) the non-performing party gives the other party written notice not later than forty-eight (48) hours after the occurrence of the Force Majeure describing the particulars of the Force Majeure, including but not limited to the nature of the occurrence and the expected duration of this disability, and continues to furnish timely regular reports with respect thereto during the period of Force Majeure and the disability;

(b) the suspension of performance is of no greater scope and of no longer duration than is reasonably required by the Force Majeure; and

(c) the non-performing party uses its best efforts to remedy its inability to perform.

Notwithstanding any of the foregoing, the settlement of strikes, lockouts, and other labour disputes shall be entirely within the discretion of the affected party, and such party shall not be required to settle any strike, lockout or other labour dispute on terms which it deems inadvisable.

15.9 **No Agency, Joint Venture, Partnership or Loan**. This Agreement is not intended to and does not:

(a) constitute either party as the agent of the other for any purpose, or otherwise create any relationship of agency;

(b) constitute or create any joint venture;

(c) constitute or create any partnership; or

(d) constitute the relationship of lender and borrower

and neither party shall allege or assert for any purpose that this Agreement constitutes or creates a relationship of agency, joint venture, partnership or lender and borrower.

15.10 **Survival**. All representations, warranties and indemnities set out in this Agreement shall survive the termination or expiration of this Agreement.

15.11 **Counterparts**. This Agreement may be executed in counterparts and such counterparts together shall constitute a single instrument. Delivery of an executed counterpart of this Agreement by electronic means, including, without limitation, by facsimile transmission or by electronic delivery in portable document format (".pdf"), shall be equally effective as delivery of a manually executed counterpart hereof. The parties hereto acknowledges and agree that in any legal proceedings between them respecting or in any way relating to this Agreement, each waives the right to raise any defence based on the execution hereof in counterparts or the delivery of such executed counterparts by electronic means.

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IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first written above.

THE CITY OF REGINA

Per: _____
Name: Jim Nicol
Title: City Clerk

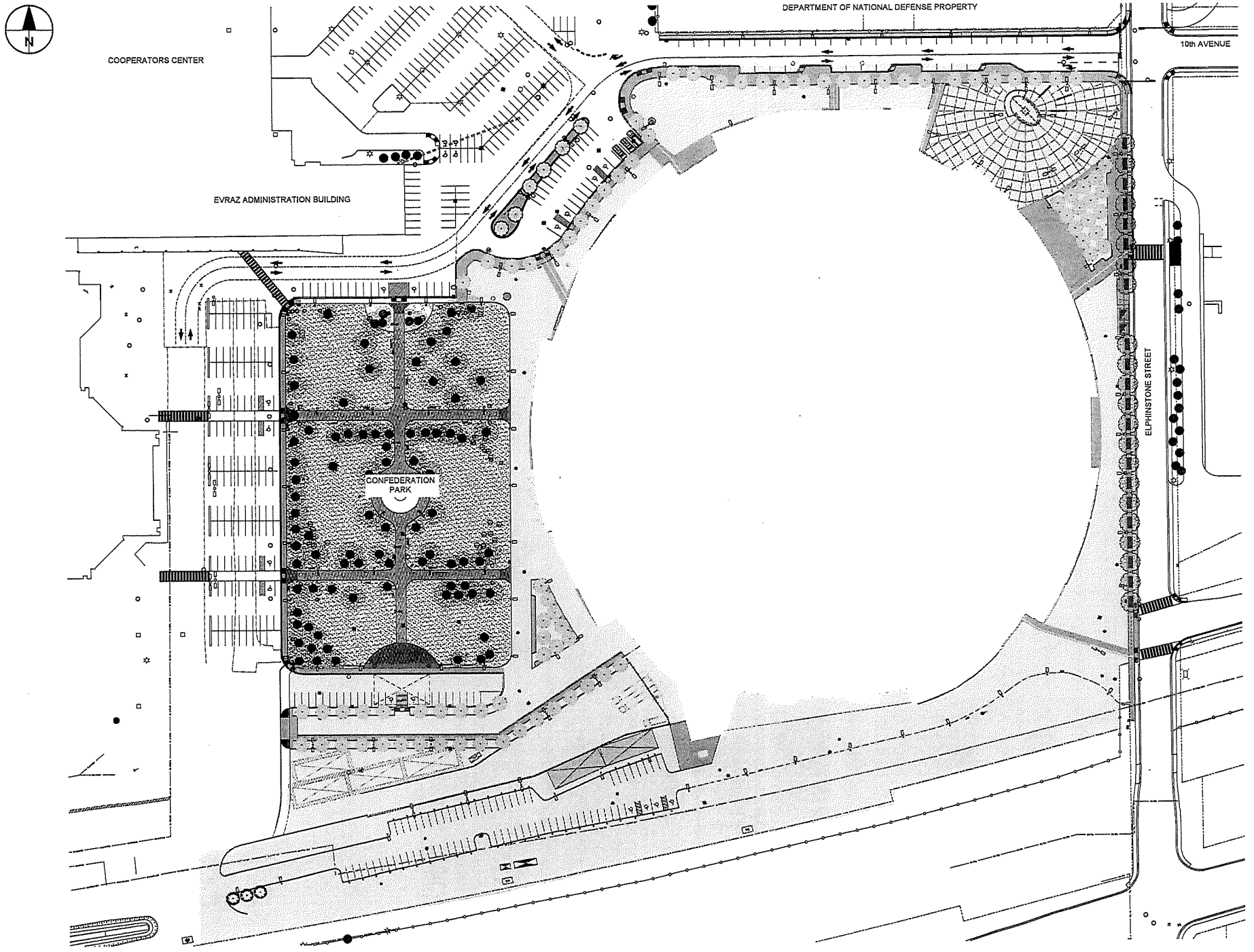
SASK SPORT INC.

Per: [redacted]
Name: Darren Wilcox
Title: Chair

Schedule "A"

Description and Drawings of Premises and Stadium

To be attached

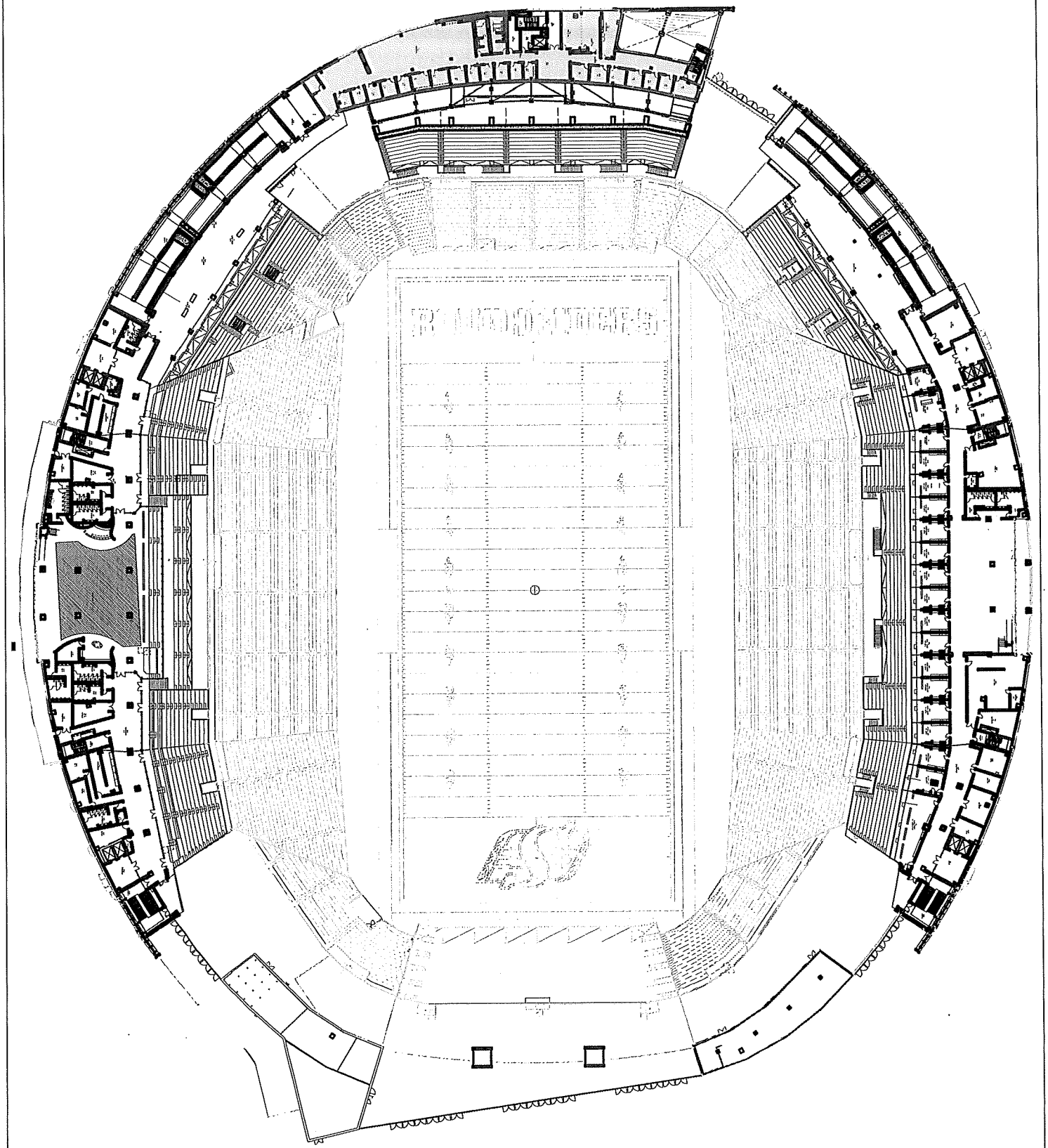


1 | Plan
SK-21 | 1:750

Schedule "B"

Description and Drawing of SaskSport Leased Premises

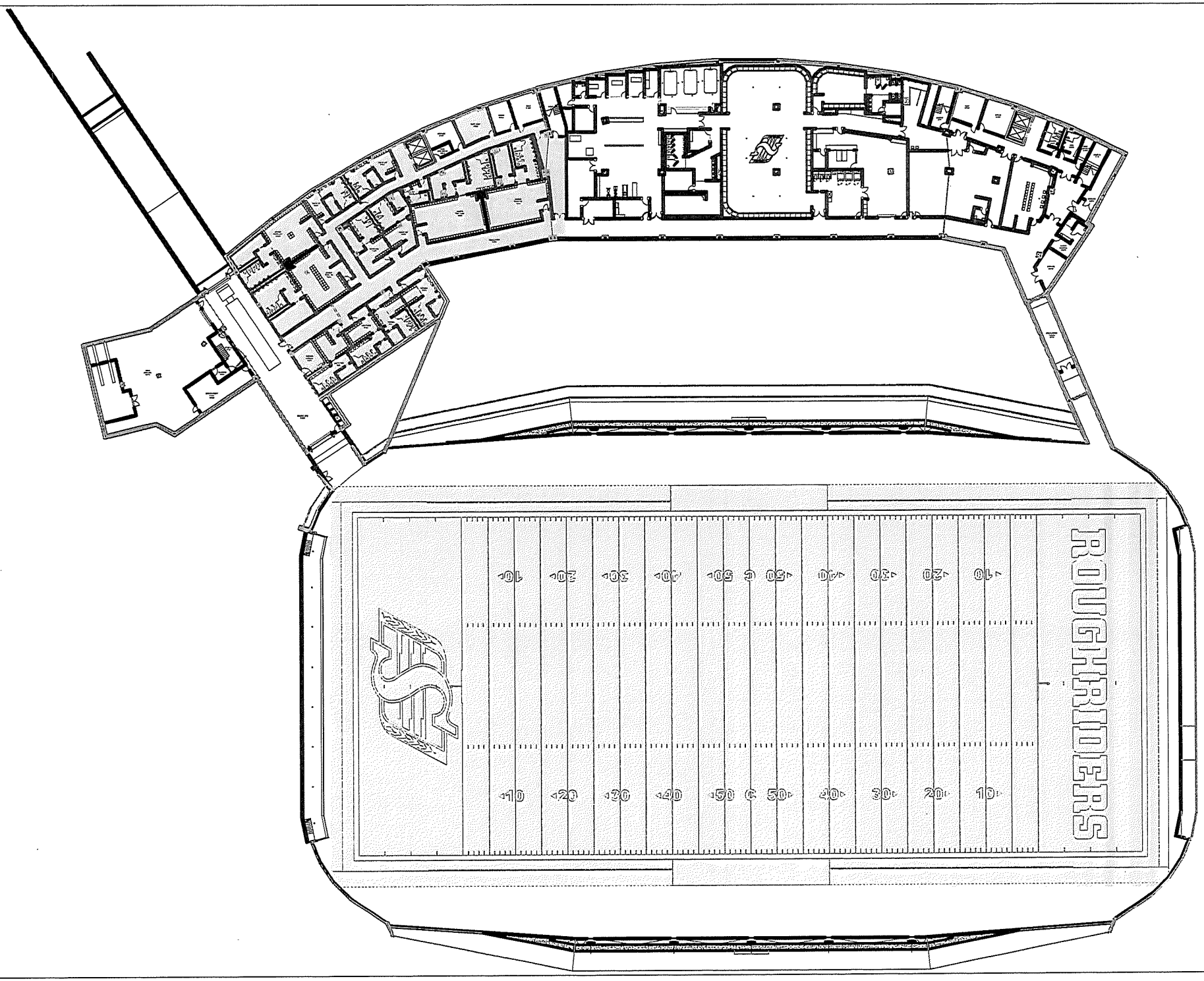
To be attached

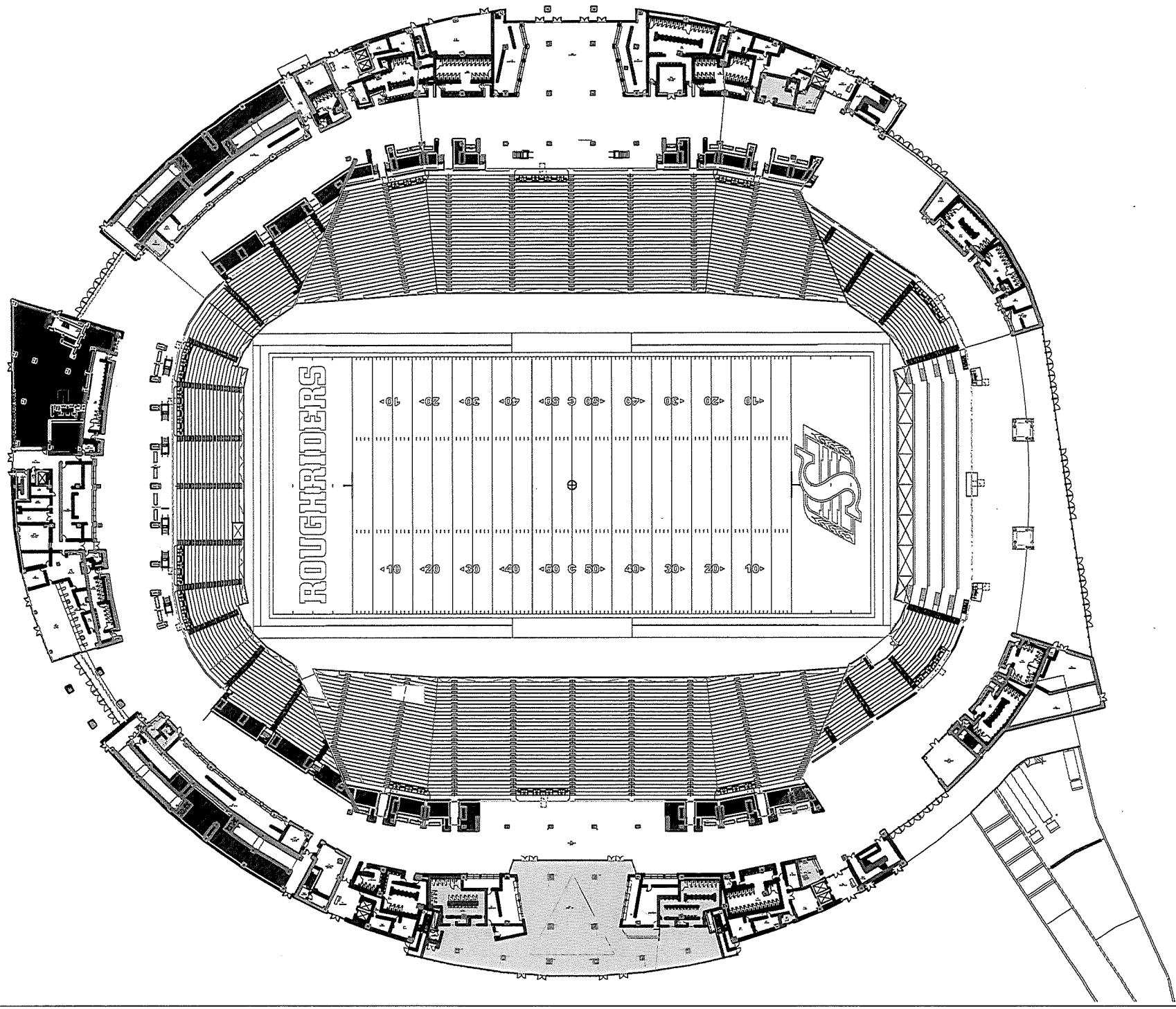


Schedule "C"

Description and Drawings of Licensed Areas

To be attached


ROUGHRIDERS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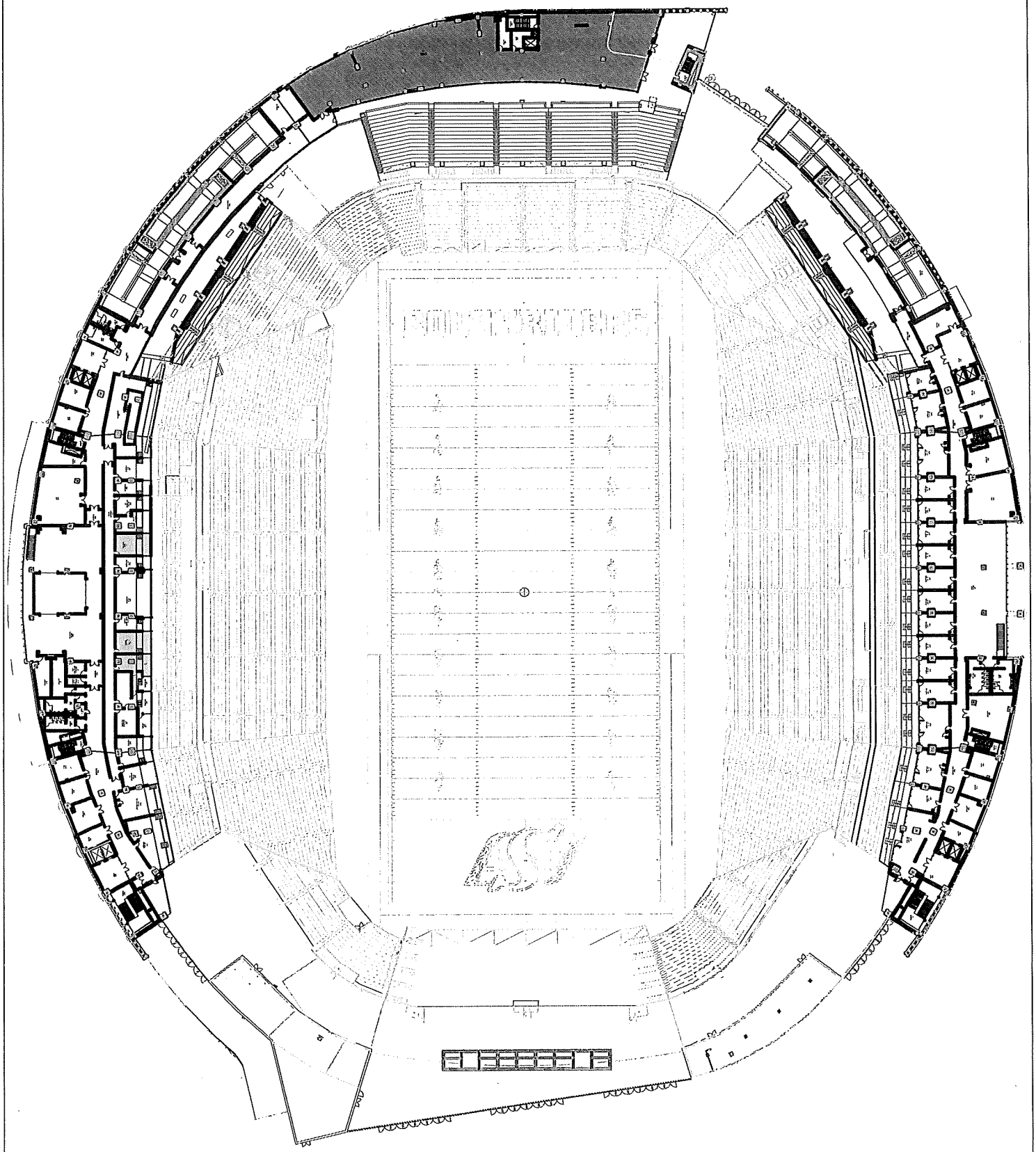


Schedule "D"

List of SaskSport Users

To be attached

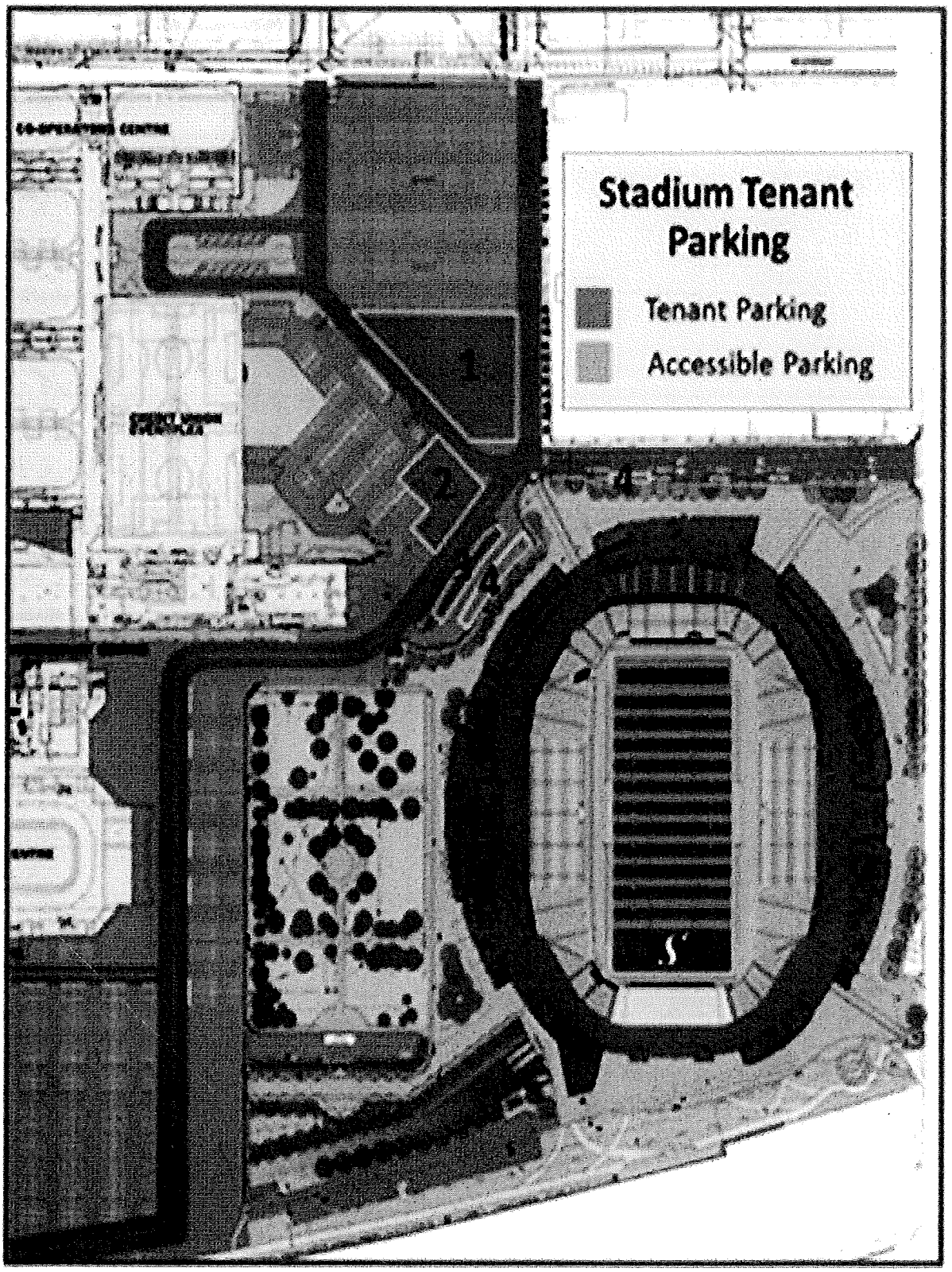
1. Saskatchewan **Archery** Association Inc.
2. Saskatchewan **Athletics**
3. Saskatchewan **Badminton** Association Inc.
4. Saskatchewan **Baseball** Association
5. **Basketball** Saskatchewan Inc.
6. Saskatchewan **Baton Twirling** Association
7. Saskatchewan **Blind Sports** Association
8. **Bowling** Federation of Saskatchewan
9. **Bowls** Saskatchewan Inc.
10. **Boxing** Saskatchewan Inc.
11. Saskatchewan **Broomball** Association
12. **Canoe Kayak** Saskatchewan Association
13. Saskatchewan **Cheerleading** Association Inc.
14. **Coaches** Association of Saskatchewan Inc.
15. Saskatchewan **Curling** Association Inc.
16. Saskatchewan **Cycling** Association Inc.
17. Saskatchewan **Darts** Association Inc.
18. Saskatchewan **Deaf Sports** Association Inc.
19. **Dive** Sask. Inc.
20. Saskatchewan **Fencing** Association
21. **Football** Saskatchewan
22. Saskatchewan **Games Council** Inc.
23. Saskatchewan **Golf** Association
24. **Gymnastics** Saskatchewan Inc.
25. Saskatchewan **High School Athletics** Association
26. Saskatchewan **Hockey** Association
27. Saskatchewan **Horse** Federation Inc.
28. **Horseshoe** Saskatchewan Inc.
29. **Judo** Saskatchewan
30. **Karate** Federation of Saskatchewan Corp.
31. Saskatchewan **Lacrosse** Association
32. Saskatchewan **Martial Arts** Association Corp.
33. Saskatchewan **Racquetball** Association
34. **Ringette** Association of Saskatchewan Inc.
35. Saskatchewan **Rowing** Association
36. Saskatchewan **Rugby** Union Inc.
37. Saskatchewan **Sailing** Clubs Association
38. **Sask Sport** Inc.
39. **Skate** Canada – Saskatchewan
40. Saskatchewan **Skeet Shooting** Corporation
41. Saskatchewan **Ski** Association
42. **Soaring** Association of Saskatchewan
43. Saskatchewan **Soccer** Association Inc.
44. **Softball** Saskatchewan

45. **Special Olympics** Saskatchewan Inc.
46. **Sport Medicine and Science** Council of Saskatchewan
47. **Sport Parachute** Association of Saskatchewan Inc.
48. Saskatchewan Amateur **Speed Skating** Association
49. Saskatchewan **Sports Hall of Fame and Museum** Inc.
50. Saskatchewan **Squash** Inc.
51. **Swim** Saskatchewan Inc.
52. **Synchro** Saskatchewan
53. Saskatchewan **Table Tennis** Association
54. Saskatchewan **TaeKwon-Do** Inc.
55. Saskatchewan **Target Shooting** Association Corporation
56. Saskatchewan **Team Handball** Federation Inc.
57. **Tennis** Saskatchewan
58. Saskatchewan Amateur **Trapshooting** Association Inc.
59. Saskatchewan **Triathlon** Association Corporation
60. Saskatchewan **Ultimate** Players Association
61. Saskatchewan **Volleyball** Association
62. **Water Polo** Saskatchewan Inc.
63. **Water Ski and Wakeboard** Saskatchewan Inc.
64. Saskatchewan **Weightlifting** Association Inc.
65. Saskatchewan **Wheelchair Sports** Association
66. Saskatchewan Amateur **Wrestling** Association

Schedule "E"

Parking Spaces

To be attached


Stadium Tenant Parking
Tenant Parking
Accessible Parking