THE CORPORATION OF THE CITY OF PETERBOROUGH

BY-LAW NUMBER 03-196

BEING A BY-LAW TO AUTHORIZE THE EXECUTION OF AN AGREEMENT BETWEEN THE CORPORATION OF THE CITY OF PETERBOROUGH AND PETERBOROUGH PETES LIMITED

THE CORPORATION OF THE CITY OF PETERBOROUGH BY THE COUNCIL THEREOF HEREBY ENACTS AS FOLLOWS:

1. That the Mayor and Clerk be and they are hereby authorized to execute an agreement between the Corporation of the City of Peterborough and Peterborough Petes Limited in the form attached hereby as Schedule “A”, and to affix the Seal of the Corporation thereto.

By-law read a first and second time this 6th day of October, 2003

By-law read a third time and finally passed this 6th day of October, 2003

(Sgd.) Sylvia Sutherland, Mayor

(Sgd.) Nancy Wright-Laking, City Clerk
FACILITY LICENCE AGREEMENT

THIS AGREEMENT made as of the 23rd day of September, 2003.

BETWEEN:

PETERBOROUGH PETES LIMITED
(hereinafter referred to as the “Team”)

- and -

THE CORPORATION OF THE CITY OF

PETERBOROUGH
(hereinafter referred to as the “City”)

RECITALS:

A. The City is the owner of the Facility located on the Property;

B. The Team presently holds and will hold a valid OHL Major Junior A Hockey Franchise accredited by the League which will be in good standing on or before the Commencement Date;

C. The City wishes to undertake certain renovations and improvements to the Facility and, before proceeding, has requested that the Team enter into this Agreement to ensure that the Team intends to continue playing its Hockey Games at the Facility; and

D. In consideration of the City agreeing to make such renovations and improvements to the Facility, the Team wishes to licence certain portions of the Facility for the period of time and for the purposes hereinafter set forth;

THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants, agreements, representations, warranties and indemnities of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

September 23, 2003
ARTICLE 1

INTERPRETATION

1.1 Defined Terms

(a) “Agreement” means this Facility Licence Agreement made as of the * day of *, 2003 by and between the Team and the City as amended or modified from time to time;

(b) “Applicable Laws” means all public laws, statutes, codes, acts, permits, licenses, ordinances, orders, by-laws, rules, regulations, standards and municipal policies;

(c) “Arena” means the spectator viewing area of the Facility which includes the ice surface, seating, entrances, washrooms, elevators, stairways, aisles and corridors which are located within the Facility but excluding:

(i) Concessions, retail stores, kitchens and other similar related areas used by the City or other licencees for the purpose of serving the public;

(ii) the administration offices of the City, the mechanical rooms and other similar building service areas;

(iii) the Team Facilities; and

(iv) the Game Facilities.

The Arena is identified on a full size copy of the preliminary building plans which the Team and the City acknowledge having received, a reduced copy of which is attached as Schedule “A” hereto;

(d) “CHL” means the Canadian Hockey League, its successors and assigns;

(e) “City” means The Corporation of the City of Peterborough, its successors and assigns;

(f) “Club Seats” means those spectator seats within the Arena that have been licenced by the City to third parties;

(g) “Commencement Date” has the meaning ascribed to it in Section 3.1 hereof;

(h) “Facility” means the Memorial Centre located on the Property, and includes the renovations and improvements thereto as contemplated in Schedule "A";

(i) “Fiscal Year” means each twelve month period during the Term hereby granted which commences on the 1st day of July in each year of the Term and ends on the
30th day of June in the succeeding year or such other commencement date and ending date as may be agreed upon by the Team and the City from time to time; provided that such expression shall include any broken period of less than 12 months occurring at the commencement or termination of the Term or arising due to a change in the Fiscal Year provided that no Fiscal Year shall be greater than 12 months except as otherwise agreed by the parties;

(j) “Food and Beverage Service” means the sale of food and/or beverages, including, beer, wine and liquor, in the Facility by the City or a Person contracted by the City as a food service provider;

(k) “Force Majeure” means any bona fide delay or state of affairs beyond the control of a party (other than as a result of financial incapacity of the party and other than a delay or state of affairs within the control of the party relying upon such Force Majeure) which shall cause or contribute towards any party being unable to fulfill, or being delayed or restricted in the fulfillment of, such party’s obligation, including any such delay or state of affairs by reason of:

(i) the non-delivery or non-availability of the supply or provision of any service or the doing of any work or the making of any repairs;

(ii) the inability to obtain any required material, goods, equipment, service or labour;

(iii) applicable laws or inability to procure any required governmental consent;

(iv) any strikes, lock-outs, slow-downs or other combined action of workers or labour disputes; or

(v) orders or judgments of a court or tribunal having jurisdiction, insurrection, acts of God, war, riots or civil commotions;

in each case which results notwithstanding the reasonable efforts of the party relying upon such Force Majeure to prevent the same where the Force Majeure was reasonably foreseeable;

(l) “Game Day” means all days during the year agreed upon by the Team and the City in accordance with the provisions of this Agreement and in accordance with the League rules and regulations on which the Team play their Hockey Games;

(m) “Game Facilities” means those portions of the Facility which comprise the following:

(i) Visitor dressing room;

(ii) Additional dressing rooms or equivalent space within the Facility which is required by the Team for use by the land parents and parents of the
Team’s players, by Persons involved in in-game or on-ice promotions and as a “VIP Room”;

(iii) Referee’s room;

(iv) Media facilities;

(v) Media interview room; and

(vi) Press box;

(n) “Gross Advertising Revenues” means all revenues received during a Fiscal Year by the City and/or the Team from the sale of advertising at the Facility, but excluding any naming rights, beverage pouring rights, or corporate sponsorships;

(o) “GST” means any goods and services taxes, value added, sales, use, consumption or other similar taxes of whatsoever name imposed by the Government of Canada;

(p) “Hockey Game” means a League or CHL sanctioned ice hockey game or games involving the Team as the home team played in the Arena, including any pre-season exhibition game, Regular Season Game, Playoff Game and any exhibition game during the Hockey Season, but excluding any game played as part of the Memorial Cup Tournament;

(q) “Hockey Season” means the time period designated for Training Camp and the time period designated by the League for the playing of Hockey Games which presently commences the first week of September in each year and ends on or about the last day of May;

(r) “League” or “OHL” means the Ontario Hockey League, its successors and assigns;

(s) “Lender” has the meaning ascribed to it in Section 16.3 hereof;

(t) “Media Revenue” has the meaning ascribed to it in Section 10.5 hereof;

(u) “Net Advertising Profits” means, for any Fiscal Year, Gross Advertising Revenues for such Fiscal Year minus all costs and expenses incurred by the City and/or the Team to generate such Gross Advertising Revenues, all as determined in accordance with generally accepted accounting principles, including:

(i) sales commissions paid to any internal or external advertising agents;

(ii) the cost of installation of any advertising or signage which is not paid directly by the advertising client;
(iii) the cost of any new or replaced signage hardware, including illuminated boxes;

(iv) any other expenses including but not limited to brochures, promotional material and mailings attributable to generating Gross Advertising Revenues which are not covered from the sale of such advertising; and

(v) the deduction of all applicable taxes;

(v) “Net Food and Beverage Profits”, means, for any Fiscal Year, the gross revenues from all Food and Beverage Service sales, minus all costs and expenses incurred to generate such revenues, as determined in accordance with generally accepted accounting principles, including the cost of product, direct staffing costs, and all applicable taxes.

(w) “NHL” means the National Hockey League, its successors and assigns;

(x) “Paid Admission” means the total number of tickets sold for Hockey Games, excluding complimentary or rain check tickets;

(y) “Person” if the context allows, includes but is not limited to any person, firm, partnership, corporation, trust or other entity or any group or combination thereof;

(z) “Playoff Game” means a Hockey Game involving the Team as a participant which is played in the Arena immediately following the conclusion of the Team’s last Regular Season Game in each Hockey Season;

(aa) “Property” means the property on which the Facility is located and which will be more particularly described in a reference plan.

(bb) “Regular Business Hours” means any period within the hours of 9:30 AM to 5:30 PM from Monday to Friday during a Hockey Season, excepting statutory holidays, but including any day prior to a Game Day;

(cc) “Regular Season Game” means a Hockey Game involving the Team as a participant played in the Arena and forming part of the regular season schedule of the League;

(dd) “Suites” means those private viewing areas within the Arena that have been licensed by the City to third parties;

(ee) “Taxes” means all taxes, rates (including local improvement rates), duties, assessments and licence fees that may be levied, rated, charged or assessed against the Facility by any governmental authority, excluding any taxes or rates levied directly or indirectly solely as a result of the business operations of the Team;
“Team Facilities” means all of those portions of the Facility which are designated for the exclusive use of the Team, as shown on Schedule “A” attached hereto, including:

(i) a “Team Hockey Area” consisting of approximately 1,840 square feet, which includes a change room, work room/showers, coat room/storage closet, stick room, laundry room, skate sharpening, trainer room, medical room, linen closet, workout area and lounge;

(ii) an “Office Space” consisting of approximately 1,073 square feet;

(iii) a “Retail Store” consisting of approximately 416 square feet;

“Term” means the period described in Section 3.1 hereof;

“Tickets” means all of the tickets sold on behalf of the Team for admission to Hockey Games during a Hockey Season including but not limited to single game tickets, season tickets, group tickets or ticket packages but excluding the complimentary tickets described in Section 6.4 hereof;

“Ticket Revenue” means all Ticket revenue actually received or deemed to be received by the Team or on behalf of the Team for a Hockey Game, excluding:

(i) any revenue from Tickets which are subsequently refunded;

(ii) any deemed revenue arising from complimentary tickets described in Section 6.4;

(iii) any surcharge, based on gate receipts, that is imposed by the League; and

(iv) any and all applicable federal, provincial and municipal taxes or charges levied or payable in connection with the sale of Tickets, including, without limitation, the ticket surcharge imposed by the City pursuant to Article 6.5;

“Training Camp” has the meaning ascribed to it in Section 4.2 hereof;

“Transfer” means:

(i) any assignment, sublicencing, conveyance, sale, pledge, mortgage, charge or other disposition of the Team’s League franchise to any Person other than a chartered bank or other financial institution providing financing to the Team; or

(ii) a sale or conveyance of all or substantially all of the Team’s assets.

“User Charge” has the meaning ascribed to it in Section 6.1 hereof; and
“Week” means a period of seven consecutive days commencing with Sunday.

ARTICLE 2

INTENT AND INTERPRETATION

2.1 Obligations as Covenants

Each obligation or agreement of the Team or the City expressed in this Agreement, even though not expressed as a covenant, is for all purposes considered to be a covenant.

2.2 Headings

The headings introducing Sections and Articles in this Agreement are inserted for convenience of reference only and in no way define, limit, construe or describe the scope or intent of such sections or articles.

2.3 Extended Meanings

The words “hereof”, “herein”, “hereunder” and similar expressions used in any section or subsection of this Agreement relate to the whole of this Agreement and not to that section or subsection only, unless the context indicates otherwise.

2.4 Partial Invalidity

If for any reason whatsoever any term, covenant or condition of this Agreement is to any extent held or rendered invalid, unenforceable or illegal, then such term, covenant or condition is deemed to be independent of the remainder of this Agreement and is to be severable and divisible therefrom and its invalidity, unenforceability or illegality shall not affect, impair or invalidate the remainder of the Agreement or any part thereof.

2.5 Entire Agreement

It is acknowledged and agreed by the parties hereto that the terms, covenants and conditions set forth herein, together with the exhibits, schedules and/or plans annexed hereto embrace all of the terms, covenants and conditions of the Agreement entered into by the Team and the City relating to the Facility and supersede and take the place of any and all previous agreements or representations of any kind whether written or verbal, heretofore made by any one of the parties in reference to the Facility.

2.6 Governing Law

This Agreement shall be construed in accordance with and governed by the laws of the Province of Ontario.

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2.7 Time of the Essence

Time is of the essence of this Agreement and every part hereof, except as herein otherwise provided.

2.8 Schedules

The following attached Schedule shall form part of and be incorporated in this Agreement:

Schedule “A” - Building Plans and Floor Plans of the Facility
Schedule “B” - Marketing Plan
Schedule “C” - Estimate of Game Day Expenses

The Team and the City acknowledge and agree that the plans attached as Schedule “A” are preliminary, but represent the most detailed plans available as at the date of this Agreement (the “Preliminary Plans”). As soon as the Building Plans and Floor Plans of the Facility have been finalized, the City and the Team agree that Schedule “A” shall be replaced with such final plans, provided that the location and area of each component of the Team Facilities and the Game Facilities are not substantially different from what is set out in the Preliminary Plans.

ARTICLE 3

TERM

3.1 Initial Term

Subject to Section 3.2, the initial term of the Agreement shall be for a period of twenty (20) years (the “Term”) and shall, in the absence of any other agreement between the parties, commence on the date on which the City issues an occupancy certificate or permit for the Facility (the “Commencement Date”). Notwithstanding the foregoing, should the Term expire during a Hockey Season, the Term shall be extended to the last day of the month following the end of such Hockey Season.

3.2 Renewal

In the event that the Team is not then in default of any material terms of this Agreement, the Team at its option shall upon written notice to the City require the City to enter into good faith negotiations to extend or renew the Term of this Agreement, such negotiations to take place on an exclusive basis during a one (1) year period commencing two (2) years prior to the end of the Term. For greater clarity, during the exclusive one (1) year negotiating period, the Team shall not enter into negotiations with another operator with a view to using another facility to play its Hockey Games and the City shall not enter into
negotiations with any other professional or semi-professional hockey team or franchise, any existing CHL member team or franchise or any persons proposing to purchase a CHL member team or franchise. In the event the Team and the City are unable to reach an agreement at the end of the one (1) year exclusive negotiating period then, absent any agreement to the contrary, this Agreement shall end at the expiration of the Term.

3.3 Overholding

If, at the expiration of the Term or sooner termination thereof, the Team shall remain in possession of the Team Facilities without any further written agreement then the Agreement shall be extended on a month to month basis upon and subject to the same terms and conditions as herein contained.

ARTICLE 4

FACILITIES PROVIDED BY THE CITY AND USE OF ARENA BY THE TEAM

4.1 Team Facilities

The City agrees that it shall make the Team Facilities available to the Team for its exclusive use. The Team agrees and acknowledges that it shall pay to the City, on or before October 31, 2003, a contribution of Fifty Thousand Dollars ($50,000.00) towards the City’s capital cost involved in the expansion and upgrade of the Team Facilities.

4.2 Use During Training Camp

The City agrees to use its reasonable efforts to make available to the Team the Arena and the Game Facilities, as well as any additional dressing room space reasonably required by the Team, for five (5) consecutive days for a maximum of six (6) hours per day between 9:00 a.m. and 9:00 p.m., for the purposes of the Team’s Training Camp, in each year during the Term of the Agreement. The Training Camp shall commence upon a date determined by the League (which the parties acknowledge presently takes place during the last week of August). On or before June 1st in each year, the Team shall advise the City of its schedule for the Training Camp, which shall set forth the particular times which the Team will require the Arena and the Game Facilities on each day of the Training Camp. Notwithstanding the foregoing, if the Facility is not available for Training Camp, the parties shall consult with each other regarding an appropriate alternate facility, and the City will be responsible for the Team’s reasonable costs, including transportation, ice time, dressing rooms and parking at any site other than the Facility.

4.3 Use for Home Games

The City agrees to make the Arena available for each of the Team’s Hockey Games, commencing not less than one and one-half (1½) hours prior to the start of the Hockey Game until such game has concluded and agrees to make available for each of the

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Team’s Hockey Games the Game Facilities commencing not less than one and one-half (1 ½) hours prior to the start of the Hockey Game and concluding a maximum of one (1) hour after such game has concluded except for the three (3) additional dressing rooms which shall not be used after the conclusion of the Hockey Game.

4.4 Other Hockey Game Requirements

The City agrees to provide for the Team’s use during all Hockey Games, at no charge to the Team, the following

(a) one (1) scoreboard system;
(b) one (1) shots-on-goal clock;
(c) off-ice officials communication system;
(d) a public address system;
(e) goal judge lights; and
(f) complete dasher system.

4.5 Use By the Team For Practices

The Team acknowledges the City’s desire to maximize utilization of the Facility. Notwithstanding this, the City agrees to use its reasonable efforts to make the Arena available to the Team for practices on non-game days. Practices shall be a maximum of two (2) hours per practice, generally between 3:30 p.m. and 5:30 p.m., to a maximum of eight (8) hours per week, with an additional two (2) hours, if available. Notwithstanding the foregoing, if the Arena is not available for practices because of a show or other ticketed event at the Facility, the City will be responsible for the costs, including out-of-city transportation, ice time, dressing rooms and parking, at any site other than the Facility. In such case, the City will make available the Evinrude Centre, unless it is committed to a show or a ticketed event. The City acknowledges that the Team may occasionally utilize the arena for a morning skate on Game Days at or about 10:00 a.m. on weekends and 3:00 p.m. on weekdays, and the City agrees to use reasonable efforts to accommodate the Team in this regard. The City further acknowledges that other OHL Teams visiting the Facility for a Hockey Game may occasionally wish to conduct a practice at the Facility, and the City agrees to use reasonable efforts to provide the Arena for this purpose.

4.6 Change-Over Costs

The City agrees that the Team shall not be responsible for any change-over costs during the Term of the Agreement. For the purposes of this Agreement, change-over costs shall be those costs associated with converting or transforming the Arena in such a manner that it is suitable for playing a Hockey Game or conducting the Team’s hockey practices, or
converting or transforming the Arena in such a manner that it would be suitable for an event other than a Hockey Game, the Team’s hockey practices or any other hockey games. In addition, the City shall be responsible to repair or replace any advertising damaged as a result of any such change-over of the Arena, which for greater certainty shall not include any damage caused by normal wear and tear.

4.7 Scheduling Priorities

The City agrees to use reasonable efforts to provide the Team with Thursdays for its Regular Season Games, and as many Saturdays (or Sundays, if available) as possible for the remaining Regular Season Games. Notwithstanding the foregoing, the City reserves the right to block out at least two (2) weeks during the Hockey Season (except during the period of time at the end of a Hockey Season when Playoff Games might be scheduled) for weeklong events, generally occurring Sundays through Saturdays. The City agrees to specify for the Team such two weeks no later than February 1\textsuperscript{st} of the preceding Hockey Season. For greater certainty, with respect to scheduling priorities, the Team acknowledges and agrees that the City shall have the right to schedule events in the Facility, subject only to the specific rights granted to the Team in this Agreement.

4.8 Regular Season Game Scheduling

Subject to Section 4.7, the parties shall co-operate with each other in developing a schedule for events and Hockey Games, with the objective being that the Facility be utilized to the greatest extent possible. To assist the Team in scheduling its Regular Season Games the City will provide the Team with a calendar of firm and tentative event bookings during the Hockey Season by February 1\textsuperscript{st} of the preceding Hockey Season. The Team agrees upon receiving the calendar from the City it shall not schedule any of its Regular Season Games on a date designated as a firm event booking and the Team further agrees that it shall use its reasonable efforts not to schedule any of its Regular Season Games on a date designated as a tentative event booking. Between February 1\textsuperscript{st} and the date the Team receives confirmation from the League of the final schedule for the coming Hockey Season, the City will not confirm any additional booked or tentative events which may interfere with the proposed Hockey Schedule, without the prior written approval from the Team. When the schedule is confirmed by the League, the Team will present the Regular Season Game schedule to the City and the City shall be restricted from event bookings on such dates, subject only to receiving the prior written consent from the Team acting reasonably, as well as the League and any other affected members of the League that they are willing to amend the Regular Season Game schedule in order to accommodate an event booking for the City. Subject to Section 4.7, the City shall be entitled to schedule events at the Facility on any days on which the Team is not scheduled to play a Hockey Game at the Arena pursuant to the Regular Season Game schedule.

4.9 Play-Off Game Scheduling

The Team shall have priority for scheduling its Playoff Games subject only to events previously booked by the City. The Team and the City agree that once the Team and the
City are certain or reasonably certain as to the Team’s playoff position during a given Hockey Season they shall co-operate with each other to block out prospective Playoff Game dates and the City agrees that in no event will it book any event on pre-blocked Playoff Game dates on which the Team and the City have agreed, without the prior consent of the Team.

4.10 Priorities of the Team Over Other Sports and Teams

The City agrees that it shall not allow or permit any professional hockey team, semi-professional hockey team, or franchise to use the Arena or any other hockey facility controlled by the City during the Hockey Season without the prior written consent of the Team. Notwithstanding the foregoing, during each Hockey Season, the City shall be entitled to use the Arena for two (2) pre-season exhibition games of any professional or semi-professional team. The City agrees to cooperate and work with the Team to use any such exhibition games as a means to promote and enhance season Ticket sales for the Team. In the event the Team is in default under the terms of this Agreement, and having been unable to remedy such default after being given notice under Section 17.1(a) herein, then the restrictions contained in this Section 4.10 shall become inoperative and be of no further force or effect until such time as the default is remedied, or this agreement is terminated.

4.11 Parking Facilities

The City agrees to provide to the Team, at no charge to the Team, fourteen (14) parking spaces located on the Property for use by the Team during the Term of the Agreement. If not required by the Team, the Team agrees to provide some or all of such parking spaces to the City at no cost for use during events held at the Facility at any time other than during the Hockey Season.

4.12 Use of a Suite and Club Seats by the Team

The City agrees that it shall make available to the Team Suite #7 for use by the Team, at the same annual fee paid by Suite Holders generally, provided that the Team enters into the City’s standard Suite Holder Agreement, with the exception that the Team shall not be obligated to purchase tickets for any events.

ARTICLE 5

COVENANTS OF THE TEAM AND THE CITY

5.1 Covenants of the Team

The Team represents, warrants and/or covenants to the City as follows:

(a) that it is duly incorporated with full legal capacity to enter into the Agreement;
(b) that it is the owner and holder in good standing of a League franchise and is fully accredited to hold such franchise;

(c) that it shall keep its League franchise in good standing and keep its League franchise within the boundaries of the City of Peterborough;

(d) that it shall operate its business with diligence and efficiency and employ a sufficient qualified staff to carry on the business of a first class League franchise and to satisfy its obligations under this Agreement;

(e) that it shall operate its business in a manner that produces a competitive team consistent with its obligations to the League with the intent to maximize the sales of Tickets;

(f) that it shall abide by all reasonable rules and regulations of the City as well as comply with all Applicable Laws;

(g) that it shall obtain and maintain all necessary permits, licences and approvals relating to its use of the Arena and Facility;

(h) that it shall take all reasonable action to correct any violations or defaults under the Agreement upon receiving notice of such violation or default from the City;

(i) that it shall remit to the appropriate governmental authorities any GST or other applicable taxes which are due and owing by it in respect of monies received pursuant to the provisions of this Agreement;

(j) that it shall pay all User Charges, including installments in respect thereof, owing to the City in accordance with Section 6.1;

(k) that it shall pay for all of its telephone service and cable service within the Team Facilities;

(l) that it shall reimburse the City for expenses incurred on the Team’s behalf in connection with Game Day staffing as provided for in Section 8.3 hereof;

(m) that it shall clean the Team Facilities at all times (except to the extent that the Team Facilities are used by anyone other than the Team if the Team has given its prior written approval for the use of same); and

(n) that it shall use its office space solely for the purpose of carrying on the Team’s hockey business.
5.2  Covenants of the City

The City covenants to the Team as follows:

(a) subject to the terms of this Agreement, to allow for quiet enjoyment of the Team Facilities;

(b) to comply with all obligations imposed upon it as owner of the Facility and the Property;

(c) to operate the Facility diligently, actively and in a first class manner for a similar sports and multi-entertainment complex, with the intent to maximize the sale of tickets; including the maintaining of the ice surface and providing ice resurfacer(s) as is reasonably necessary;

(d) to clean the Arena and Game Facilities after each Hockey Game and during Training Camp;

(e) to pay all Taxes including those areas within the Facility to which the Team has exclusive and non-exclusive possession or rights;

(f) to pay all charges for electricity, water, gas, light, heat or other similar services used in connection with the Facility, including the Team Facilities;

(g) to provide all Game Facilities and a licence to use the Arena during the time set forth in Section 4.3 hereof on Game Days and exclusive use of the Arena during the designated practice times as provided for in Section 4.5;

(h) to hire and maintain security for the Facility, including the Team Facilities, except during Hockey Games;

(i) to operate the Concessions during Hockey Games;

(j) to provide to the Team, its principals, players, employees and all Persons lawfully requiring communication with the Team, its principals, players and employees free uninterrupted access and right of passage and re-passage over those portions of the Facility which provide access to the Team Facilities during normal business hours. Access to the Team Facilities outside of normal business hours of the Facility (which the City acknowledges will be required from time to time, particularly upon the return of the Team from a road trip) shall be permitted at no cost to the Team, subject to reasonable security arrangements which may be required by the City;
(k) to remit to the appropriate governmental authorities any GST or other applicable taxes which are due and owing by it in respect of monies received pursuant to the provisions of this Agreement; and

(l) to remit to the Team all payments as set out in Section 11.2.

5.3 Direct Play Covenants of the Team

During the Term of this Agreement, the Team hereby covenants that it shall continuously use the Arena for the play of all of its Hockey Games. The Team further covenants that, during the Term of this Agreement, it shall not play any of its Hockey Games at any location other than the Facility, nor shall the Team transfer or assign its League franchise to any Person, unless such Person assumes all of the obligations of the Team pursuant to this agreement.

5.4 Injunctive Relief

The Team acknowledges that any damages suffered by the City for a breach of the covenants set forth in Section 5.3 cannot be estimated with any degree of certainty and that the monetary damages may not fairly or adequately compensate the City for a breach of such covenants. As a result, the Team agrees that the City shall have the right, in addition to any other rights or remedies provided for herein, to compel the Team to comply with the aforesaid covenants by injunctive relief and other equitable proceedings.

ARTICLE 6

FACILITY USER CHARGES

6.1 Facility User Charge Paid by the Team

Subject to Section 8.5 of this Agreement, the Team shall be entitled to all Ticket Revenue; provided, however, that the Team shall pay to the City a user charge for each Hockey Season during the Term of this Agreement (the “User Charge”) in an amount equal to ten percent (10%) of the aggregate amount of Ticket Revenue for all Hockey Games during such Hockey Season. Although the actual amount of the User Charge for a Hockey Season may not be determined until the end of such Hockey Season, the City shall retain prepayments in respect of the User Charge by way of instalment payments of 10% of gate receipts for each Hockey Game during such Hockey Season. A reconciliation between the actual User Charge determined for each Hockey Season and the aggregate amount of such instalment payments in respect thereof retained by the City during such Hockey Season, and any adjusting payment required as a result thereof, shall be completed at the end of each Hockey Season in accordance with the procedures set out in Article 11 of this Agreement.

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6.2 **Standing Room Only**

Standing room only tickets will be available in limited quantities for Hockey Games and revenues shall be included in Ticket Revenue.

6.3 **Ticketing Service**

(a) The City shall be responsible for the box office and ticket sales service for Tickets to Hockey Games.

(b) The Team shall be responsible for the cost of printing all Tickets including those Tickets for the Suites.

(c) Subject to Ticket prices for group sales, the complimentary tickets referred to in Section 6.4 below or any discount for the sale of season tickets, game packages and senior or child tickets, the Team agrees to sell all Tickets at the prices as advertised and any deviations therefrom will be reported to the City at least seven (7) days prior to the effective date of the new price. The Team further agrees that it shall provide the City with full disclosure of any promotions or coupons other than the complimentary tickets as set forth in Section 6.4 hereof.

6.4 **Complimentary Tickets**

(a) The Team may utilize up to an average of 250 complimentary season and single game tickets per Hockey Game during the Hockey Season, the value of which shall not be included in the calculation of the User Charge or be subject to any ticket surcharge imposed by the City.

The Team may not sell or otherwise accept any consideration, monetary or otherwise, for such complimentary tickets. The face value of any tickets given away by the Team in excess of the foregoing number of complimentary tickets provided herein shall be deemed to be revenue received by the Team for the purpose of determining Ticket Revenue.

(b) Notwithstanding the above, in the event that any of the Team’s complimentary tickets are located in the Club Seat section, the Team shall pay to the City the Club Seat surcharge for either season or single game tickets.

(c) All media, scouts and League officials, with proper accreditation shall have the right to access the Facility without charge during Hockey Games.

6.5 **Capital Cost Surcharge**

(a) The Team acknowledges that the City may charge a capital cost surcharge of One Dollar ($1.00) per ticket, which will be added to the ticket price set by the Team.
ARTICLE 7

SUITES, CLUB SEATS AND RESTAURANT SEATS

7.1 Suites

The City shall require the licensees of Suites to purchase one Ticket for each Hockey Game for each fixed seat in the Suite, (Goal Suites – 8 tickets, Super Suites – 10 tickets) at a price which does not exceed the price of Tickets located at centre ice. All Ticket sales to the licencees of Suites, including any additional Tickets sold for use in the Suites, shall be included in Ticket Revenue.

7.2 Club Seats

The City shall require the licensees of Club Seats to acquire one Ticket for each Hockey Game for each Club Seat, at a price, exclusive of the licence fee, which does not exceed the price of Tickets located at centre ice. All Ticket sales to the licencees of Club Seats shall be included in Ticket Revenue.

7.3 Restaurant Seats

The City shall require the operator of the restaurant to acquire one ticket for each restaurant patron who occupies one of the 249 fixed seats located in the restaurant area of the Facility during a Hockey Game, at the price of regular bowl seating. All such ticket sales shall be included in Ticket Revenue. In addition, the operator of the restaurant shall ensure that each restaurant patron who occupies the interior seating area of the restaurant during a Hockey Game has a ticket for a seat elsewhere in the Facility.

In the event that interior seating in the restaurant during a Hockey Game is available to patrons who do not have a ticket for a seat elsewhere in the Facility, the operator of the restaurant shall pay to the City a fee for each such patron which is equal to a percentage of the price of a regular bowl ticket. The percentage shall be agreed between the parties at a later date, and included in a letter of understanding. Any such payments shall be included in Ticket Revenue.
ARTICLE 8

GAME DAY EXPENSES AND STAFFING

8.1 The Team’s Responsibility for Game Day Staffing

The Team shall provide, at its own expense, the following staff on each Game Day:

(a) scoreboard/message centre operators that are trained and certified by the City, such training and certification to be at no cost to the Team;
(b) personnel necessary to play/perform music; and
(c) all hockey related staff, including, but not limited to, referees, linesmen, time keepers and goal judges.

8.2 The City’s Responsibility for Game Day Staffing at the Team’s Expense

The City shall provide the following staff on each Game Day:

(a) box office staff;
(b) first aid/medical personnel;
(c) maintenance;
(d) ushers/doormen;
(e) security guards which are required not more than two (2) hours before the commencement of a Hockey Game for the primary purposes of controlling access to the Facility and general crowd control;
(f) Police Officers, if the City has reasonable justification, which it has communicated to the Team, that they are required; and
(g) stagehands and other game related technical personnel (ie. spotlight operators and scoreboard operators) approved in advance by the Team.

8.3 Minimizing Game Day Expenses

The City agrees that every reasonable step will be taken to minimize the expenses related to the staff provided by the City pursuant to Article 8.2 (hereinafter referred to as the “Game Day Expenses”), and further agrees that the Team shall have the right to review all related staffing requirements, wages and costs related thereto, taking into consideration the safety and well-being of all patrons and spectators. Notwithstanding
the foregoing, the Team acknowledges that the City has the right to final approval with respect to staffing. The parties also acknowledge that this agreement is based on the estimated Game Day Expenses that are set out in Schedule “C” attached hereto.

8.4 Payment for Game Day Expenses

The Game Day Expenses shall be shared by the City and the Team, based on average Paid Admission per game during the Hockey Season, as follows:

(a) In the event that the average Paid Admission per game is two thousand, two hundred (2,200) persons or less, the City shall pay one hundred per cent (100%) of the Game Day Expenses;

(b) In the event that the average Paid Admission per game is greater than two thousand, two hundred (2,200) persons and not more than two thousand, five hundred (2,500) persons, the Team shall pay one per cent (1%) of the said Game Day Expenses for each increment of ten (10) paid persons over two thousand, two hundred (2,200) persons, so that at an average Paid Admission per game of two thousand, five hundred (2,500), the Team shall pay thirty per cent (30%) of the Game Day Expenses and the City shall pay seventy per cent (70%) of the Game Day Expenses; and

(c) In the event that the average Paid Admission per game exceeds two thousand, five hundred (2,500) persons, all Ticket Revenue, net of the user charge provided in Article 6.1, shall be retained by the City until the full amount of the Game Day Expenses has been reached. Thereafter, all net Ticket Revenue shall accrue to the Team.
ARTICLE 9

FOOD AND BEVERAGE SALES

9.1 Food and Beverage Sales

The City shall have the exclusive right to sell, directly or indirectly, and to collect all revenue from Food and Beverage Service. In the event that Net Food and Beverage Profits exceed Two Hundred and Eighty Thousand Dollars ($280,000.00) in a Fiscal Year, the City agrees to provide to the Team ten per cent (10%) of such excess amount. For the purposes of this Article 9.1, the said sum of Two Hundred and Eighty Thousand Dollars ($280,000.00) shall be increased on September 1st each year during the term of this agreement, based on the Consumer Price Index for all items in Canada as reported for the month of July each year.

Any catering services provided to the Team’s Suite or the Game Facilities will be provided at the cost charged by the provider, and the Team shall be entitled to make reasonable requests as to what will be included in the menu for such catering services. In addition, and notwithstanding the foregoing, the Team shall have the right to arrange and pay for its own catering services to the Game Facilities.

9.2 Conduct of Food and Beverage Service

Throughout the Term of this Agreement, the City shall conduct the Food and Beverage Service at the Facility diligently, actively and in a first class manner for a similar sports and multi-entertainment complex, with respect to the standards of operation, quality and price of product and service.

ARTICLE 10

MERCHANDISE AND ADVERTISING

10.1 Sale of Merchandise

The City acknowledges that the Team may sell such souvenirs, merchandise and apparel as the Team may determine from the Retail Store portion of the Team Facilities. The Team agrees that, during any event other than a Hockey Game, if requested by the City:

(a) the said Retail Store shall be closed off from direct access to the interior of the Facility, and

(b) the Team shall refrain from offering for sale any items which are substantially the same or similar to items offered for sale by the promoter.

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During Hockey Games, the Team shall have an exclusive licence within the Facility to sell hockey related souvenirs, merchandise and apparel. In addition, during Hockey Games, the Team may sell such souvenirs, merchandise and apparel, from temporary kiosks of such configuration, and in such locations within the Facility, as are approved by the City.

10.2 Game Promotions

The City agrees that the Team shall have during the Term of the Agreement, the exclusive rights during each Hockey Game to sell and shall receive all revenues from the sale of in-game and on-ice promotions, 50/50 tickets, Nevada Tickets, programs and any other promotional and printed matters which relate to the Team, the League or the CHL. However, the Team agrees that it shall not undertake any such in-game or on-ice promotion without first obtaining the written consent of the City, which consent shall not be unreasonably withheld. The Team and the City agree that any costs or expenses related to the sale of in-game and on-ice promotions shall be borne by the Team. Notwithstanding the foregoing, the Team agrees that it shall not be entitled to any revenues from any electronic or arcade game machines within the Facility during the Term of this Agreement. The Team further agrees that it shall obtain all licenses, permits and approvals which are required in order for the Team to sell or carry on any of the in-game and on-ice promotions, 50/50 tickets, Nevada Tickets, programs and any other promotional and printed matters referred to in this Section 10.2. The Team further agrees that it shall indemnify and save harmless the City from and against any and all claims, losses or other damages including without limitation all claims for personal injury or property damage arising directly from any act or omission of the Team, its agents, employees or servants in connection with the in-game and on-ice promotions, 50/50 tickets, Nevada Tickets, programs and any other promotional and printed matters contemplated herein. The City agrees that the Team may designate and authorize the Peterborough Petes Booster Club to conduct certain game promotions on the Team’s behalf, provided however that the Team shall remain responsible for all its obligations in this Section 10.2.

10.3 Advertising at the Facility

The City and the Team agree that they will use their best efforts and shall cooperate in the marketing and sale of advertising, promotions and group sales, in accordance with the Marketing Plan attached hereto as Schedule “B”. The City and the Team agree to work together in minimizing the costs and expenses of signage advertising as well as the costs and expenses associated with the installation and hardware of such signage advertising. In addition, the City and the Team mutually agree to cooperate and act reasonably in each Fiscal Year to review and approve the budgeted costs and expenses related to the advertising sales efforts, including the hiring of appropriate sales agent or agents in order to market and sell such advertising for the Facility. The City agrees to provide the sum of Thirty-Eight Thousand, Five Hundred Dollars ($38,500.00) in each fiscal year (which amount shall be increased on September 1st each year during the term of this agreement, based on the Consumer Price Index for all items in Canada as reported for the month of
July in each year) to support sales staff costs. All naming and pouring rights to the Facility shall remain the property of the City. Unless otherwise provided in this agreement, neither the City nor the Team shall provide advertising to any person or entity in exchange for goods, services, or any other form of non-financial consideration.

10.4 Sharing of Net Advertising Profits

The City and the Team agree to share Net Advertising Profits in each Fiscal Year as follows:

(a) the first One Hundred Thousand Dollars ($100,000.00) of Net Advertising Profit shall be shared equally by the Team and the City;

(b) the Team shall be entitled to the next Seventy-Five Thousand Dollars ($75,000.00) of Net Advertising Profit;

(c) the next One Hundred and Twenty-Five Thousand Dollars ($125,000.00) of Net Advertising Profit shall be shared on the basis of ninety per cent (90%) to the City and ten per cent (10%) to the Team; and

(d) any Net Advertising Profit in excess of Three Hundred Thousand Dollars ($300,000.00) shall be shared equally by the Team and the City,

provided that such amounts shall be increased on September 1st each year during the term of this agreement, based on the Consumer Price Index for all items in Canada as reported for the month of July in each year.

10.5 Media Revenues

The Team shall retain during the Term of the Agreement, the sole and exclusive rights to, and shall be entitled to, all media revenues related to Hockey Games or the Team, which shall include but not be limited to revenues derived directly or indirectly by the Team or the League from television, radio and the internet (“Media Revenue”). The City agrees that the Facility will include fully functional media facilities consistent with OHL standards and requirements. The Team and the City agree that the Team shall be responsible for all expenses which are incurred in generating the Media Revenue and which are not otherwise built as part of or included in the building of the Facility provided however, that such items which are paid for by the Team in generating such Media Revenue shall become the property of the Team and shall not be used by any other Person without the Team’s prior written consent.

10.6 Use of Trademarks

(a) It is recognized that the City may require the use of the Team’s trademarked logos and names for advertising and marketing purposes. In such cases, the City shall receive the prior written consent from the Team to use the marks, such consent not be unreasonably withheld. Notwithstanding the foregoing and unless notified
in writing by the Team to the contrary, the City agrees to use the Team’s logo and name when advertising and marketing the Team’s Hockey Games.

(b) It is recognized that the Team may require the use of the City’s trademarked logos and names for advertising and marketing purposes. In such cases, the Team shall receive the prior written consent from the City to use the marks, such consent not be unreasonably withheld. Notwithstanding the foregoing and unless notified in writing by the City to the contrary, the Team agrees to use the City’s logo and name when advertising and marketing its Hockey Games.

(c) The City agrees to use its best efforts to obtain the consent of the Person acquiring Naming or Pouring Rights for the Team to use that Person’s corporate identification when advertising and marketing its Hockey Games, if such name includes a trademark owned by such Person.

10.7 Limitation of Team’s Rights

Other than as specifically set out in this Article 10, the Team shall have no rights related to any advertising or sponsorship at the Facility, including, without limitation, the right to receive any revenue generated as a result thereof.

ARTICLE 11

EXCHANGE OF INFORMATION AND SETTLEMENT OF ACCOUNTS

11.1 Reports By the Team and The City

(a) The City shall deliver to the Team, by no later than Tuesday of every Week during the Hockey Season, a written report signed by the City and certified to be true and correct in such detail and form as the Team may reasonably determine showing the amount of Ticket Revenue collected by the City on behalf of the Team as a result of Hockey Games played during the previous Week.

(b) The City shall deliver to the Team, by no later than Tuesday of every Week during the Hockey Season, a written report signed by the City in such detail and form as the Team may reasonably determine showing the Game Day Expenses from Hockey Games played during the previous Week which are to be reimbursed by the Team pursuant to Section 8.3 of this Agreement.

(c) The City shall deliver to the Team by no later than the ninetieth (90th) day following the end of each Fiscal Year during the Term of this Agreement, a written report signed by the City in such detail and form as the Team reasonably determines, showing Game Day Expenses which were reimbursed by the Team during the preceding Fiscal Year.
(d) The City shall deliver to the Team by no later than the thirtieth (30th) day following the end of each Hockey Season during the Term of this Agreement, a written report in such detail and form as the Team reasonably determines, showing the total Ticket Revenue retained by the City during the preceding Hockey Season. Such report shall also include the aggregate amount of installment payments in respect of the User Charge retained by the City in such Hockey Season. If the amount of the User Charge resulting from such calculation is greater than the aggregate amount of installment payments made, the report shall show that the Team owes to the City the amount of the difference.

(e) The City shall deliver to the Team by no later than the first Friday of each quarter during the Term of this Agreement, a written report in such detail and form as the Team reasonably determines, showing the revenue, expenses and Net Food and Beverage Profits for the prior month.

(f) The City and the Team shall jointly prepare and deliver to each other by no later than the first Friday each month during the Term of this Agreement, a written report in such detail and form as the City and Team reasonably determines, showing the Net Advertising Profits for the prior month.

(g) The City shall deliver to the Team by no later than the first Friday in August each year during the Term of this Agreement, a written report in such detail and form as the Team reasonably determines, showing the season ticket sales for the next Hockey Season.

11.2 Settlement of Accounts Between the Team and the City

The written reports delivered by the parties to each other under Section 11.1 shall be accompanied by a summary of the amounts due from one party to the other. Any amount due from the party delivering such written report shall accompany the report. Any amount due from the party receiving such written report shall be paid to the other party within seventy-two (72) hours of receipt of such report.

11.3 Records

The City shall prepare and keep in its principal office within the Facility for a period of at least seven (7) years following the end of each Fiscal Year, adequate books and records which shall show all Game Day expenses incurred, Ticket Revenue received, Net Food and Beverage Profits Sales and Net Advertising Profits. The Team shall prepare and keep in its principal office within the Facility for a period of seven (7) years following the end of each Fiscal Year adequate books and records which shall show all Ticket Revenue received by the Team and Net Advertising Profits. In addition, the Team and the City shall prepare and keep, all sales and tax returns, all pertinent original sales records and such other sales records as either party reasonably determines which would normally be examined by an independent chartered accountant pursuant to acceptable auditing standards in performing, in the case of the Team, a detailed audit of the Ticket Revenue it
has received and Net Advertising Profits and, in the case of the City, a detailed audit of
the Game Day expenses, Ticket Revenue received, Net Food and Beverage Profits and
Net Advertising Profits.

11.4 Right To Examine

(a) The Team may, at a mutually agreeable time during Regular Business Hours, and
after providing the City with at least five (5) business days written notice:

(i) examine the City’s books and records relating to Game Day expenses,
Ticket Revenue, Net Food and Beverage Profits, and Net Advertising
Profits at the City’s principal office located within the Facility for the
period covered by any report issued by the City;

(ii) examine the City’s records and procedures relating to Game Day
expenses, Ticket Revenue, Net Food and Beverage Profits and Net
Advertising Profits; and

(iii) have any Person check, verify and tabulate at the Team’s sole cost and
expense, the Game Day expenses, Ticket Revenue, Net Food and
Beverage Profits and Net Advertising Profits or to examine the accounting
records and procedures including but not limited to control features
affecting the determination of such Game Day expenses, Ticket Revenue,
Net Food and Beverage Profits and Net Advertising Profits.

(b) The City may, at a mutually agreeable time during Regular Business Hours, and
after providing the Team with at least five (5) business days written notice:

(i) examine the Team’s books and records relating to the Ticket Revenue
received by the Team, the calculation of the User Charge for any Fiscal
Year and the amount of installment payments made in respect of such
User Charge, and Net Advertising Profits at the Team’s principal office
located within the Facility for the period covered by any report issued by
the Team;

(ii) examine the Team’s records and procedures relating to Ticket Revenue
and Net Advertising Profits received by the Team; and

(iii) have any Person check, verify and tabulate at the City’s sole cost and
expense, the Ticket Revenue received by the Team, or to examine the
accounting records and procedures including but not limited to control
features affecting the determination of such Ticket Revenue received by
the Team, the calculation of the User Charge for any Fiscal Year and the
amount of installment payments made in respect of such User Charge, and
Net Advertising Profits.
11.5 Audit

The Team or the City may, at reasonable times, and upon providing the other party with five (5) business days written notice, cause a complete audit to be made by an independent chartered accountant of any of the books and records referred to in Articles 11.3 and 11.4. If the auditor reports that either the Team or the City’s books and records are insufficient to permit a determination of the Ticket Revenue received, or a determination of the Game Day Expenses, Net Food and Beverage Profits or Net Advertising Profits for any fiscal year, in whole or in part, or that either the Team or the City is not in material compliance with this Article 11, the Team or the City shall immediately, after notice from the other party, take such steps as are necessary to remedy such default, so that the audit may be completed. If the audit determines that any amount is owing by one party to the other, the other party shall either forthwith pay the amount owing, or may have its own independent audit performed. The two auditors shall then confer and attempt to resolve the amount owing. In the event that the auditors’ determination discloses that any of the Ticket Revenue, Game Day Expenses, Net Food and Beverage Profits, or Net Advertising Profit is either understated or overstated by three per cent (3%) or more, the party in default shall pay to the other party, on demand, in addition to the deficiency, the cost of the other’s audit. Notwithstanding the foregoing, the parties agree that the report of the auditor, for either party, is subject to arbitration in the event of a dispute in respect thereof.

11.6 Failure by the Team or the City

If the Team or the City fails to deliver any report to the other party as and when required by this Article 11, the Team or the City, as the case may be, in addition to other rights and remedies hereunder, may, if the other party does not deliver such report within five (5) business days of receiving written notice of the failure, employ as an auditor an independent chartered accountant to examine the other party’s books and records to certify the amount of the Ticket Revenue received, Net Food and Beverage Profits, Net Advertising Profits or the Game Day expenses, for the period related to the report in question and the Team or the City, as the case may be, shall pay to the other party, on demand, the cost of the examination together with the amount of the User Charge, Net Food and Beverage Profits, Net Advertising Profit and Game Day expenses which are due and owing to the City or Team as the case may be.

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ARTICLE 12
ALTERATION OF LICENSED AREAS AND TEAM FACILITIES

12.1 Alterations and Improvements

The Team covenants that it will not make, erect or install any partitions, improvements or alterations in or about the Team Facilities. If the Team desires to make, erect or install any partitions, improvements or alterations in the Team Facilities, the Team shall obtain the City’s prior written consent, such consent not be unreasonably withheld. At the time of the Team’s application for the City’s consent, the Team shall furnish such plans, specifications and designs as shall be reasonably necessary therefore. The City may, by written notice to the Team upon the expiry of the Term or any earlier termination of this Agreement, require the removal at the expense of the Team, of any or all of such partitions, improvements or alterations and the restoration of the Team Facilities to the same condition that they were in before any such partitions, improvements or alterations were made, erected or installed reasonable wear and tear excepted.

12.2 Ownership of Improvements

The Team agrees that all improvements which are made to the Team Facilities by the Team will not be removed or encumbered by the Team during the Term of this Agreement or at the end of the Term, such improvements shall become the property of the City.

ARTICLE 13
INSURANCE

13.1 The Team’s Insurance

(a) The Team covenants that during the Term of this Agreement it shall maintain the following:

(i) comprehensive general liability insurance including bodily injury, death and property damage, on an occurrence basis against claims for personal injury, death or property damage suffered by others arising with respect to the Team’s use and occupation of the Facility in an amount to be not less than $10,000,000.00;

(ii) insurance in respect of fire and usual extended perils covering the Team’s fixtures, improvements, chattels and furniture in an amount of not less than the replacement cost thereof; and
(iii) a comprehensive general liability insurance policy in which the City and any mortgagee are additional named insureds.

Copies of the policies of such insurance or certificates thereof will be delivered to the City thirty (30) days prior to the Commencement Date and thereafter upon the Team receiving a written request from the City for such insurance policy or certificate, and in any event within fifteen (15) days before the commencement of each policy term.

(b) Each of the Team’s insurance policies will name the City and any mortgagees as additional named insureds as their interest may appear and will contain if available, a waiver of rights of subrogation against the City and a cross-liability clause protecting the City against claims by the Team as if the City were separately insured and protecting the Team against claims by the City as if the Team was separately insured.

(c) The Team will not permit to be carried on within the Facility any activity or bring or keep anything upon the Facility which will in any way increase the premium rate for fire insurance for the Facility or the property kept therein or conflict with any laws, by-laws, rules or regulations applicable to the Facility or any insurance policy on the Facility or any part thereof. If the rate of insurance for the Facility or any part thereof shall be increased as a result of any use made by the Team or by reason of anything done, omitted to be done or permitted to be done within the Facility, the Team shall pay to the City the amount of such increase in insurance premiums or, if as a result thereof, the Facility insurance is cancelled or about to be cancelled and if the Team fails to remedy the matter so as to remove the threat of cancellation or cancellation within twenty-four (24) hours after written notice to the Team, then at the option of the City, and in addition to any other rights or remedies available to the City, the Term or any renewal thereof hereby shall immediately terminate upon the service of notice in writing to that effect upon the Team, in the event that the insurance required by the Team under this Section 13 has been cancelled or is about to be cancelled.

13.2 Payment of the Team’s Insurance Premiums

The Team shall duly and punctually pay or cause to be paid all premiums and other sums of money payable for maintaining the insurance to be provided by it pursuant to this Article 13. In addition, the Team shall advise the City of any cancellation, material alteration or lapse of any policies of insurance required to be provided by it hereunder and to the extent possible the Team shall require the insurance provider to advise the City of any cancellation, material alteration or lapse of any policies of insurance required to be provided by the Team hereunder. If the Team fails to effect and keep such insurance in force, the City shall have the right upon written notice to the Team without assuming the obligation in cancellation therewith, to effect such insurance at the cost of the City and all outlays by the City shall be immediately payable by the Team. No such insurance taken
out by the City shall relieve the Team of its obligation to insure hereunder and the City shall not be liable for any loss or damage suffered by the Team in connection therewith.

13.3 The City’s Insurance

The City at its cost and expense will take out and keep in force throughout the Term, with responsible insurance companies and in an amount such as would be carried by a prudent owner, all risk insurance on the Facility to be on a replacement cost basis including flood and earthquake coverage, comprehensive general liability insurance including bodily injury, death and property damage for an amount not less than $10,000,000.00 per occurrence. Such policies will name the Team as an additional named insured and will contain if available, a waiver of subrogation against the Team and a cross-liability clause protecting the Team against claims by the City as if the Team was separately insured and protecting the City against claims by the Team as if the City was separately insured.

13.4 Payment of the City’s Insurance Premiums

The City shall duly and punctually pay or cause to be paid all premiums and other sums of money payable for maintaining the insurance to be provided by it pursuant to this Article 13. In addition, the City shall advise the Team of any cancellation, material alteration or lapse of any policies of insurance required to be provided by it hereunder and to the extent possible the City shall require the insurance provider to advise the Team of any cancellation, material alteration or lapse of any policies of insurance required to be provided by the City hereunder.

ARTICLE 14

REPAIR AND MAINTENANCE AND RELOCATION OBLIGATIONS

14.1 The Team’s Repairs

The Team shall be responsible, at its own expense, for routine and regular repairs and maintenance of the Team Facilities, excluding the repairs of the City as set forth in Section 14.2 hereof, so as to keep the Team Facilities in the same condition and state of repair as they are when all initial work and improvements to the Team Facilities have been completed, reasonable wear and tear and damage by fire, lightning and tempest only excepted. In the event the City, acting reasonably, requires the Team to make repair to the Team Facilities, then upon receiving written notice from the City requesting such repair be completed, the Team agrees to complete the repair in a good and workmanlike manner and within a reasonable time given the scope of the repairs. Should the Team not complete the repairs requested, the City shall make such repairs and the Team shall be liable and responsible for the total cost of any such maintenance and repair which shall be paid by the Team to the City upon demand and failing such payment the City shall have a right of set-off against any monies owing to the Team under the terms of this Agreement.
14.2 **The City’s Repairs**

Except for the repair obligations of the Team set out in Section 14.1 of this Agreement, the City agrees that it shall, at its sole cost and expense, keep the entire Facility in a good state of repair.

14.3 **Repair where the Team at Fault**

If the Facility, or any part thereof, including the Team Facilities, gets out of repair or becomes damaged or destroyed through the negligence of the Team or those for whom it is in law responsible, including as a result of water or other damaging substances escaping from or into the Team Facilities, the expense of the necessary repairs, replacements or alterations shall be borne by and completed by the Team.

14.4 **Fire or Other Destruction**

In the event of a partial or total destruction of the Team Facilities or the Facility or any part thereof occasioned by fire, lightning, tempest or other peril insured against in customary fire and extended perils insurance as shall in the opinion of the Team and the City, acting reasonably, render the Team Facilities and/or Facility unusable in whole or in part, all payments to be made by one party to the other pursuant to the terms of this Agreement shall at once cease to accrue until the Team Facilities or Facility or any portion thereof shall be rebuilt or repaired in a manner sufficient to again render the Team Facilities and/or Facility usable in the opinion of the Team and the City, acting reasonably, but each party shall forthwith pay to the other all monies and charges accruing up to the time of such partial or total destruction. If the Team Facilities and/or the Facility are partially damaged but, in the opinion of the Team and the City, acting reasonably, the Team can use and occupy and obtain access to the remaining parts of the Team Facilities and/or Facility then the parties agree to negotiate the appropriate payments to be made by each party to the other hereunder until such date that the Team Facilities and/or Facility are restored. In case of total destruction of or any substantial damage to the Team Facilities and/or Facility by any cause whatsoever, which, in the opinion of the Team and the City, reasonably arrived at, cannot be repaired within three hundred and sixty-five (365) days of the occurrence of such damage or destruction, then either the Team or the City shall have the right, within thirty (30) days after the determination of such damage or destruction, to terminate this Agreement by written notice to the other party, but in the absence of such notice, this Agreement shall continue in full force and effect.

14.5 **Access by The City**

Save and except in the case of fire or other emergency, after providing the Team with twenty-four (24) hours written notice, the City and parties authorized by the City shall be permitted to enter and to have their authorized agents, employees and contractors enter for such purpose of inspection, maintenance, making repairs, alterations or improvements to the Team Facilities or the Facility or to have access to utilities and service facilities
therein contained, and the Team shall provide free and unhampered access for the purpose and shall not be entitled to compensation for any inconvenience, nuisance or discomfort caused thereby, but the City or parties authorized by the City in exercising their rights hereunder shall proceed to the extent reasonably possible outside of normal business hours of the Team so as to minimize interference with the Team’s use and enjoyment of the Facility including the Team Facilities.

14.6 Surrender of Team Facilities

At the expiration of the Term or upon early termination of this Agreement as a result of default by the Team pursuant to the terms of this Agreement and without notice, the Team shall at its expense:

(i) peaceably surrender and yield up vacant possession of the Team Facilities to the City in a clean, broom swept and tidy condition and in as good condition and repair as the Team is required to maintain the Team Facilities through the Term, but subject to reasonable wear and tear;

(ii) surrender all keys and security cards for the Team Facilities and the Facility to the City; and

(iii) remove all of the Team’s fixtures and improvements at the City’s option, upon written notice to the Team and the Team shall immediately repair, at its sole cost and expense, all damage to the Team Facilities caused by such removal.

The Team’s obligation to observe and perform the provisions of this Section 14.6 shall survive the expiration or early termination of this Agreement.

ARTICLE 15

TITLE TO FACILITY

15.1 Subordination

(a) The Team covenants that this Agreement and everything herein contained shall be subordinated to any charge or charges from time to time hereinafter created by the City in respect of the Facility or any part thereof, and the Team will at any time and from time to time, as required by the City during the Term of this Agreement execute all documents and give all such further assurances as may be reasonably required to evidence and effectuate the subordination or postponement of the Team’s rights and privileges hereunder to the holder or holders of any such charge or charges, provided however, that any chargee claiming the benefit of such subordination or postponement executes a non-disturbance, attornment and subordination agreement in such form as may be agreed by the parties, acting reasonably, which agreement, among other things, will permit the Team to retain
its rights hereunder including its right to use the Facility and Team Facilities in accordance with the terms of this Agreement, provided that the Team is not in default hereunder.

(b) Without limiting the general rights of the City to assign this Agreement, the City shall be entitled to assign this Agreement as collateral security for any charge or charges upon the Facility or any part thereof or any other obligations which it may have in connection with the Facility and the Team covenants, if required so to do, to acknowledge in writing any notice of assignment of this Agreement by the City.

15.2 The Team’s Acknowledgements

The Team agrees that it will at any time and from time to time upon not less than ten (10) days’ prior notice, execute and deliver to the City or any third party designated by the City, a certificate in writing as to the status at the time of this Agreement, including as to whether this Agreement is unmodified and in full force and effect (or, if modified, stating the modification and that the same is in full force and effect as modified), the amount of the monies then being paid hereunder, the dates to which the same, by installments or otherwise, and other charges hereunder have been paid, whether or not there is any existing default on the part of the City of which the Team has notice, and any other matters pertaining to this Agreement as to which the City shall request a statement.

15.3 Charges Against Team Facilities and Facility

The Team covenants not to permit any liens, charges, pledges, hypothecations or conditional sales contracts to attach to any part of the Team Facilities or to the Facility, and that whether and so often as any such liens, charges, pledges or hypothecations contracts shall attach or claims therefore shall be filed, the Team shall, within ten (10) days after the Team has notice of the claim for lien, mortgage or contract, procure the discharge thereof by payment or by giving security or in such other manner as is or may be required or permitted by law.

ARTICLE 16

ASSIGNMENT

16.1 Licenses, etc.

The Team shall not permit any part of the Team Facilities to be used or occupied by any Persons other than the Team, its players, agents, representatives and employees and the Event Staff. In addition, the Team shall not permit any part of the Team Facilities to be used or occupied by any licensee or concessionaire, or permit any Persons to be upon the Team Facilities other than the Team, its principals, players, employees and agents and others having lawful business with the Team, its principals, players, employees, and agents.
16.2 Assignment and Sublicensing

The Team shall not cause or permit a Transfer, or transfer, assign or sublicense this Agreement in any way or the whole or any part of the Team Facilities or any of its other rights under this Agreement, unless:

(a) it shall have procured a bona fide written offer therefore which it is willing to accept and which is not inconsistent with, and the acceptance of which would not breach any provision of this Agreement if this Section 16.2 is complied with;

(b) the transferee, assignee or sublicensee, as the case may be, under the Transfer also receives an assignment or transfer of the League’s franchise for the Hockey Team and the League has confirmed in writing to the City the League’s consent thereto; and

(c) the transferee, assignee or sublicensee, as the case may be, under the Transfer shall have executed an agreement with the City wherein such party agrees to be bound by and assume the obligations of the Team under the terms of this Agreement and upon such execution, the Team shall be relieved from the performance of its covenants, obligations and agreements hereunder.

16.3 Pledging of the Team’s Hockey Franchise

The Team covenants and agrees that it shall not pledge, mortgage, charge or grant a security interest in its League franchise, either in whole or in part, to any Person providing financing to the Team (a "Lender") unless the Team shall:

(a) have the Lender agree to be bound by and assume the obligations of the Team under the terms of this Agreement in the event the Lender obtains possession of, or otherwise acquires rights in or to, the Team’s League franchise and agree to cause any Person to whom such Lender transfers or conveys, either directly or indirectly, the Team’s League franchise to be bound by and assume the obligations of the Team under the terms of this Agreement as a condition of such transfer or conveyance; and

(b) obtain for the City, cure rights from such Lender. For these purposes, “cure rights” means the right of the City to receive notice from the Lender that the Team is in default of any of its obligations to such Lender which could result in the Lender seizing or otherwise taking possession or control, either directly or indirectly, of the Team’s League franchise and providing the City with the right, within a reasonable period of time, to cure such default for and on behalf of the Team.

In the event that the Team is unable to obtain the rights from the Lender as set out in subparagraphs (a) and (b) above, despite using its reasonable commercial efforts to obtain such rights, then the Team covenants and agrees that it shall not pledge, mortgage, charge or grant a security interest in its League franchise, either in whole or in part, to a Lender.
unless the City has provided its prior written consent, such consent not to be unreasonably withheld.

ARTICLE 17

REMEDIES AND DEFAULTS

17.1 Re-entry and Termination

(a) The City shall have the right to terminate this agreement on written notice to the Team of seven (7) days in the case of non-payment of any part of the monies owed by the Team under the terms of this Agreement, and fifteen (15) days notice in the case of non-performance of any other covenant by the Team (subject to any agreement between the Team and the City which allows the Team additional time to cure any default of the Team hereunder), unless in the case of non-monetary default the Team has promptly commenced and is diligently and continuously proceeding to remedy such default or unless there is a dispute over the amounts owed by the Team and as a result arbitration or court proceedings have been commenced.

(b) The Team shall have the right to terminate this agreement on written notice to the City of seven (7) days in the case of non-payment of any part of the monies owed to the Team under the terms of this Agreement, and fifteen (15) days notice in the case of non-performance of any other covenant by the City (subject to any agreement between the Team and the City which allows the City additional time to cure any default of the City hereunder) and unless in the case of non-monetary default the City has promptly commenced and is diligently and continuously proceeding to remedy such default or unless there is a dispute over the amounts owed by the City and as a result arbitration or court proceedings have been commenced.

17.2 Bankruptcy

In case the Team shall become insolvent or bankrupt or make an assignment for the benefit of creditors or be declared bankrupt or take the benefit of any legislation that may be in force for bankrupt or insolvent debtors or should proceedings be taken by or against the Team under any legislation to wind up companies, or in the case of the nonpayment of User Charges at the times as herein provided, or in the case the Team shall make any sale of its assets under the Bulk Sales Act of Ontario, then, anything herein contained to the contrary notwithstanding, then monies equal to a three month average of User Charges based upon the average User Charges which would have been payable by the Team to the City from September to the month the Team’s Hockey Season ends for the preceding Fiscal Year, shall thereupon become immediately due and payable, and the City may, at its option, terminate this Agreement.
17.3 **League Accreditation**

In the event the Team at any time loses its franchise from the League the City shall have the right on ten (10) days written notice to terminate this Agreement, unless the Team has immediately commenced and is diligently making its best efforts to reinstate its accreditation from the League, or a comparable league which is acceptable to the City.

17.4 **Premises Vacated or Improperly Used**

If the Team Facilities shall become vacant or be abandoned or not be used for the purpose aforesaid during any Hockey Season and remain so for a period of thirty (30) days or if the Team Facilities shall be used by any other Person or Persons than the Team or for any other purpose than that for which the same were intended to be used without the written consent of the City, then monies equal to a three month average of User Charges based on the preceding Fiscal Year shall immediately become due and payable to the City, and the City, in addition to any other remedies which it may have, shall have the right to take possession of the Team Facilities as agent for the Team, either by force or otherwise, without being liable for any prosecution therefore, and without being deemed to have terminated this Agreement, and to enter into an agreement with another Person for the use of the Team Facilities as the agent of the Team, and to receive the fees therefore to be applied on account of the User Charges and the City’s costs of taking possession and re-letting, or the City may, at its option, re-enter and terminate this Agreement and in addition to the foregoing obligation to pay the said User Charge accruing due during the next-ensuing three months based upon the average User Charge which would have been payable by the Team to the City from September to the month the Team’s Hockey Season ends for the preceding Fiscal Year, on account of the City’s damages, the Team shall also be liable to the City for any and all damages of the City occasioned by reason of such abandonment, vacating or improper use of the Team Facilities.

17.5 **City’s Right to Perform**

In addition to all other remedies the City may have under this Agreement or by law, if the Team shall make default in any of its obligations hereunder, the City may, at its option, perform any such obligations if the Team fails to do so within a reasonable period of time in the circumstances after written notice to the Team. In the event the City performs the Team’s obligations, the Team shall be responsible for the total cost incurred by the City in fulfilling such obligations, such costs to be paid by the Team to the City upon demand. Should the Team fail to pay the City for the cost of fulfilling the Team’s obligations, the City shall have a right of set-off against any monies owing to the Team under the terms of this Agreement.

17.6 **City’s Damages**

If the Team breaches a term of this Agreement or in the event the City at any time terminates this Agreement as a result of any breach by the Team after the City has complied with the notice provisions set forth in Section 17.1 hereof, it may, in addition to
any other remedies it may have, recover from the Team all damages it incurs by reason of such breach, which shall include without limitation the cost of recovering the Team Facilities and any other part of the Facility which is licenced to the Team under this Agreement, solicitor’s fees (on a solicitor and his client basis) and including the worth at the time of such termination of the User Charges for the remainder of the Term based on reasonable projections of monies which would be owing to the City by the Team or otherwise earned by the City for the remainder of the Term, all of which amounts shall be immediately due and payable by the Team to the City.

17.7 City’s Legal Expenses

If legal action is brought for recovery of possession of the Team Facilities and for any other amount due under this Agreement, or because of the breach of any other terms, covenants or conditions herein contained on the part of the Team to be kept or performed, and a breach is established, the Team shall pay to the City all expenses incurred therefore, including solicitor’s fees on a solicitor and his client basis, unless a court shall otherwise award.

17.8 The Team’s Damages

If the City breaches a term of this Agreement or in the event the Team at any time terminates this Agreement as a result of any breach by the City after the Team has complied with the notice provisions set forth in Section 17.1 hereof, it may, in addition to any other remedies it may have, recover from the City all damages it incurs by reason of such breach including without limitation the solicitor’s fees (on a solicitor and his client basis) and the worth at the time of such termination of the amount of Ticket Revenues (net of User Charges) for the remainder of the Term based on reasonable projections of monies which would be owing to the Team by the City for the remainder of the Term, all of which amounts shall be immediately due and payable by the City to the Team.

17.9 The Team’s Legal Expenses

If legal action is brought by the Team for any amount due and owing under this Agreement by the City, or because of the breach of any terms, covenants or conditions herein contained on the part of the City to be kept or performed, and a breach is established, the City shall pay to the Team all expenses incurred therefore, including solicitor’s fees on a solicitor and his client basis, unless a court shall otherwise award.

17.10 Remedies Cumulative

Notwithstanding any other provision of this Agreement, the Team or the City may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the other party, either by the provision of this Agreement, by statute, the general common law or in equity, all of which rights and remedies are intended to be cumulative and not alternative, and the express provisions hereunder as to
certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to either party by statute or the general law.

ARTICLE 18

ARBITRATION

18.1 Disputes Subject to Arbitration

If any dispute or controversy shall occur between the parties hereto relating to the interpretation or implementation of any of the provisions of this Agreement, such dispute shall be resolved by arbitration. In such event, arbitration proceedings shall be commenced by the party desiring arbitration (the “Initiating Party”) and the following principles shall apply to such arbitration:

(a) Upon notice from the Initiating Party to the other party, the parties shall meet and attempt to appoint a single arbitrator. If the parties are unable to agree on a single arbitrator then, upon notice given by either party and within five (5) days of such notice, the Initiating Party shall name an arbitrator and the other party shall name an arbitrator and the arbitrators so named shall promptly thereafter choose a third arbitrator. If any party shall fail to name an arbitrator within ten (10) days from such notice, then a second arbitrator shall be appointed under the provisions of the Arbitration Act (Ontario) upon application of the party or parties who named an arbitrator. If the arbitrators so appointed shall fail within ten (10) days from their appointment to agree upon and appoint a third arbitrator then, upon application of any party, such third arbitrator shall be appointed pursuant to the Arbitrations Act. The provisions of the Arbitration Act, shall apply to any court application pursuant to this Section 18.1.

(b) The arbitrator or arbitrators selected to act hereunder shall be qualified by education and training to pass upon the particular question or dispute and have a minimum of five (5) years experience with the type of problem being arbitrated. In the absence of objection by notice by either party to the other given by no later than ten (10) days after notice of the appointment of each arbitrator has been given, such arbitrator shall be deemed for all purposes to be so qualified.

(c) The single arbitrator or the arbitrators so chosen shall proceed immediately to hear and determine the question or questions in dispute. The decision and reasons therefore of the single arbitrator, or if more than one arbitrator, then of the arbitrators, or a majority of them, shall be made within twenty-five (25) days after the appointment of the single arbitrator, if that is the case, or the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances. Notwithstanding the foregoing, in the event that the single arbitrator fails to make a decision within twenty-five (25) days after his appointment or if the arbitrators, or a majority of them, fail to make a decision
within twenty-five (25) days after the appointment of the third arbitrator, then any
party may elect to have a new single arbitrator or arbitrators chosen in like
manner as if none had previously been selected.

(d) The decision and reasons therefore of the single arbitrator, or the decision and
reasons therefore of the arbitrators, or a majority of them, shall be drawn up in
writing and signed by the single arbitrator or by the arbitrators, or a majority of
them, and shall be final and binding upon the parties thereto as to any question or
questions so submitted to arbitration and the parties shall be bound by such
decision and perform the terms and conditions thereof.

(e) The compensation and expenses, of the single arbitrator or the arbitrators (unless
otherwise determined by the arbitrators at the request of either of the parties
hereto) shall be paid by the losing party.

(f) No party hereto shall be deemed to be in default of any matter being arbitrated
until twenty (20) days after the decision of the arbitrator or arbitrators is delivered
to all parties hereto.

(g) Where arbitration is required by this Agreement, commencement and completion
of such arbitration in accordance with this Agreement shall be a condition
precedent to the commencement of an action at law or in equity in respect of the
matter required to be arbitrated.

ARTICLE 19
MISCELLANEOUS

19.1 No Registration.

The Team covenants and agrees with the City that it will not register this Agreement or
any notice thereof or any sub-license or assignment thereof in the Land Registry Office,
except a notice in form approved by the City, acting reasonably.

19.2 Compliance with Applicable Laws

This Agreement is entered into on the express condition that it is subject to compliance
with all Applicable Laws including without limitation compliance with the subdivision
control provisions of the Planning Act, the Municipal Act and the Assessment Act, as
each Act may be amended from time to time, or any legislation in substitution thereof or
in addition thereto and both the Team and the City agree to execute and delivery all such
documents and make such applications as are necessary and requisite to comply with
such provisions of the said statute or statutes. Pending any such compliance, the Term
and any renewal period thereof shall be deemed to be for a total period of one (1) day less
than the maximum term permitted by law without such compliance. Any application
pursuant to the said statute or statutes shall be made by the City at its own cost and expense.

19.3 **Successors**

All rights and liabilities herein granted to or imposed on the respective parties hereto extend to and bind the successors and assigns of the Team and the City. No rights, however, shall enure to the benefit of any transferee of the Team unless the transfer to such transferee is permitted under the terms of this Agreement.

19.4 **Waiver**

The failure of the Team or the City to insist on the strict performance of any provisions of this Agreement, or to exercise any right, option or remedy, shall not be construed as a waiver for the future of any such provision, right, option or remedy or as a waiver of a subsequent breach thereof. The waiver by either the Team or the City of any breach of any term, covenant or condition herein contained is not deemed to be a waiver of any subsequent breach of the same or of any other term, covenant or condition herein contained. The consent or approval of the City of any act by the Team requiring the City’s consent or approval shall not be construed to waive or render unnecessary the requirement for the City’s consent or approval of any subsequent similar act by the Team. The consent or approval of the Team of any act by the City requiring the Team’s consent or approval shall not be construed to waive or render necessary the requirement for the Team’s consent or approval of any subsequent similar act by the City. No term, covenant or condition of this Agreement is deemed to have been waived by the Team or the City unless such waiver is in writing by the Team or the City as the case may be.

19.5 **Quiet Enjoyment**

If the Team pays the User Charges and other sums herein provided when due, and punctually observes and performs all the terms, covenants and conditions on the Team’s part to be observed and performed hereunder, the Team shall peaceably and quietly hold and enjoy the Team Facilities for the Term hereby demised or any renewal thereof without hindrance or interruption by the City or any other Person lawfully claiming by, through or under the City, subject, nevertheless, to the terms, covenants and conditions of this Agreement and to any mortgages, ground or underlying leases, agreements and encumbrances to which this Agreement is or may be subordinated.

19.6 **Notices**

Any notice, statement or request herein required or permitted to be given by any party to the other shall be in writing and shall be deemed to have been sufficiently and effectually given if signed by or on behalf of the party giving the notice and either mailed by registered prepaid post, or delivered by hand:

*September 23, 2003*
(a) in the case of the Team, to the attention of the President, at the address for the Team, at the Facility, or such other addresses as the Team shall notify the City in writing at any time or from time to time; and

(b) in the case of the City, to the attention of the Director of Community Services, at the address for the City, at the Facility or such other addresses as the City shall notify the Team in writing at any time or from time to time.

Any such notice given as aforesaid shall be deemed to have been received by the Team or the City, as the case may be, on the fourth business day after the date on which it shall have been so mailed or the day on which it shall have been so hand delivered.

19.7 No Partnership

It is understood and agreed by the Team and the City that nothing contained in this Agreement shall be deemed in any way or for any purpose to constitute any party hereto, a partner or agent or legal representative of any other party to this Agreement in the conduct of any business or otherwise, or a member or a joint enterprise with any other party to this Agreement, or to create any fiduciary relationships between them.

19.8 Agency

The City may perform all or any of its obligations hereunder by or through an operator, manager, agency or agencies as it may from time to time determine and the Team shall, as from time to time directed by the City, pay to such operator, manager, agency or agencies any monies payable hereunder to the City.

19.9 Binding Agreement

The Team and the City acknowledge and agree that it is their intention that this Agreement and their respective obligations and covenants hereunder shall be binding on the parties hereto upon the execution of the Agreement except for those provisions of which cannot by their nature be operative until the renovations and improvements of the Facility has been completed, all of which shall take effect from and after the Commencement Date.
19.10 Replaces any prior Agreements

This Agreement supersedes and replaces any other agreement between the City and the Team relating to the Facility. The parties have executed this Agreement on the date first above written.

PETERBOROUGH PETES LIMITED

By: ____________________________
Name: Robert Neville
Title: President

By: ____________________________
Name: James Devlin
Title: Vice-President
We have the authority to bind the Corporation.

THE CORPORATION OF THE CITY OF PETERBOROUGH

By: ____________________________
Sylvia Sutherland, Mayor

By: ____________________________
Nancy Wright-Laking, Clerk

September 23, 2003
SCHEDULE ‘B’
MEMORIAL CENTRE – MARKETING PLAN

A Marketing Team shall be created, consisting of two (2) Petes’ staff, one (1) Petes’ executive, the Memorial Centre Manager, and one (1) additional Memorial Centre staff.

Each party shall be responsible for developing marketing materials which are related to their respective areas of sale.

At the outset, the Marketing Team shall outline:

- brand and slogan
- Club seating plan and season ticket sales (season booklets, club seating brochures, early bird opportunities and single sales)
- sponsorship/advertising packages (clearly defining rights, perks and time frame, who has right of first refusal, etc.)
- results criteria
- budget, including capital expenditures
- rental packages will be the responsibility of the Memorial Centre; however, structure will evolve from development of previous areas.

Thereafter, daily, weekly and monthly progress reporting (level of success based on predetermined criteria) by marketing staff to the Marketing Team will cover the following:

- development of preliminary sales aids
- club seating/season sales
- advertising/sponsorship sales
- follow-up efforts.

The following shall be utilized:

- Dbase reporting (demographics) on who, when, etc.
- spreadsheet analysis indicating results (success) of target market
- spreadsheet analysis outlining follow-up criteria and results.

September 23, 2003
### SCHEDULE ‘C’

**ESTIMATE OF GAME DAY EXPENSES**

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<th>Area</th>
<th>Staff Description</th>
<th>Number of Staff</th>
<th>Game Day Hours</th>
<th>Hourly Rate</th>
<th>Total</th>
<th>Grand Total</th>
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**Total Game Day Only Staff Costs**  
$2,279.00

**Average Number of Games**
- 3 Preseason
- 34 Regular Season
- 2 Playoffs

39 Games @ $2,279/game = $88,881.00

*September 23, 2003*