

September 25, 2012

**MASTER LIMITED PARTNERSHIP AGREEMENT**

**CITY OF OTTAWA**

- and -

**OTTAWA SPORTS AND ENTERTAINMENT GROUP**

- and -

**LANSGREEN INVESTMENTS INC., SHENKMAN LANSDOWNE LTD.,  
TRINITY LANSDOWNE LTD., KELJAY LTD. AND FRIARMERE HOLDINGS INC.**

- and -

**LANSDOWNE MASTER GP INC.**

**October [•], 2012**

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**MASTER LIMITED PARTNERSHIP AGREEMENT**

THIS AGREEMENT made as of the [ • ] day of October, 2012

AMONG:

**CITY OF OTTAWA**  
(the “City”)

- and -

**OTTAWA SPORTS AND ENTERTAINMENT GROUP, a general partnership established  
under the laws of the Province of Ontario  
 (“OSEG”)**

- and -

**LANSGREEN INVESTMENTS INC., SHENKMAN LANSDOWNE LTD., TRINITY  
LANSDOWNE LTD., KELJAY LTD. AND FRIARMERE HOLDINGS INC.**  
(individually, a “Member” and collectively, the “Members”)

- and -

**LANSDOWNE MASTER GP INC., a corporation incorporated under the laws of the  
Province of Ontario  
(the “General Partner”)**

WHEREAS:

A. The General Partner and the Limited Partner desire to form a limited partnership under the Law of the Province of Manitoba pursuant to the provisions of the Act under the name Lansdowne Master Limited Partnership;

B. The Parties wish to enter into this Agreement to set out their respective rights and obligations with respect to the Limited Partnership;

**NOW THEREFORE WITNESSETH** that, in consideration of the mutual covenants herein contained, the Parties hereto hereby agree as follows:

**ARTICLE I**  
**INTERPRETATION**

**1.1 Defined Terms**

“Act” means *The Partnership Act* (Manitoba);

“**Action**” means a dispute, claim, suit, action or other proceeding of any nature or kind arising out of or in connection with this Agreement, whether at law or in equity, including specific performance, injunction, declaration of damages or otherwise;

“**Additional Equity**” means Equity in excess of the Minimum Equity Requirement from time to time, except as provided in Section 4.2(d);

“**Adjusted for Inflation**” means, for any amount at any time, that amount multiplied by the Inflation Index for the month in which the event for which such amount is to be “Adjusted for Inflation” under this Agreement occurs, divided by the Inflation Index for the month in which the Execution Date occurs;

“**Affiliate**”:

- (a) has the meaning given to the term “**affiliate**” in the *Business Corporations Act* (Ontario);
- (b) with respect to the City, means a Municipal Services Corporation or a wholly owned subsidiary of a Municipal Services Corporation;
- (c) with respect to a general partnership, means an affiliate (as defined in subparagraph (a), above) of a partner of the partnership; and
- (d) with respect to a limited partnership, means an affiliate (as defined in subparagraph (a), above) of the general partner of the partnership;

“**Agreement**” means this agreement, including any recitals and schedules to this agreement;

“**Allocable Gain**” means capital gains and gains from the disposition of eligible capital property, if the amount determined under subsection 14(1) of the *Income Tax Act* (Canada) were calculated without reference to the fraction set out in the formula in paragraph 14(1)(b) and in subsection 14(5) of the *Income Tax Act* (Canada), other than the Inherent 67’s Gain;

“**Amounts Required for the Purposes of the Component Limited Partnerships**” means all monies required from time to time to perform and satisfy or cause to be performed and satisfied the obligations or liabilities of any of the Component Limited Partnerships properly entered into or incurred in accordance with the provisions of this Agreement or any of the Material Agreements to the extent that there is insufficient positive net cash flow (as defined in the relevant Component Limited Partnership Agreement) present in the applicable Component Limited Partnership to meet the requirements of such obligations or liabilities;

“**Approved**” means approved in writing by the relevant Party in accordance with Section 13.4 unless expressly provided in an alternative manner in this Agreement and “**Approval**” has a corresponding meaning;

“**Arm’s Length**” has the meaning given to such term in the *Income Tax Act* (Canada);

“**Auditor**” means such firm of auditors as the General Partner may determine from time to time;

“**BNRA**” means *The Business Names Registration Act* (Manitoba);

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday in Ontario;

“**Business Entity**” means a partnership, limited partnership, co-owners arrangement or other business entity other than a corporation with share capital;

“**CFL**” means the Canadian Football League and its successors;

“**CFL Interest**” means all of the right, title and interest of OSEG in the CFL Partnership;

“**CFL Partnership**” means Capital Gridiron Limited Partnership, the owner of the CFL Membership;

“**CFL Team**” means the Canadian Football League football team for which the CFL Membership is granted;

“**Change of Control**” means:

(a) in the case of a corporation:

- (i) the Disposition of Securities of the corporation or of a holding body corporate (as that term is used in the *Business Corporations Act* (Ontario)) of the corporation; or
- (ii) the entering into of an agreement or arrangement,

in each case which results in a change in the Person or Related Persons who Control the corporation in fact or in law; or

- (iii) the amalgamation or merger of the corporation or of a holding body corporate (as that term is used in the *Business Corporations Act* (Ontario)) of the corporation with any other corporate entity, if the Person or Related Persons who Control the amalgamated or merged corporation in fact or in law are different from the Person or Related Persons who Control the corporation in fact or in law prior to the amalgamation or merger;

(b) in the case of a Business Entity that is not a limited partnership:

- (i) the Disposition of Securities of the Business Entity; or
- (ii) the entering into of an agreement or arrangement,

in each case which results in a change in the Person or Related Persons who Control the Business Entity in fact or in law; or

- (iii) a Change of Control (as defined in subparagraph (a), above) of any corporation comprising the Business Entity, if such corporation Controls the Business Entity; or

- (c) in the case of a Business Entity that is a limited partnership, the Change of Control (as defined in subparagraph (a), above) of a general partner of the limited partnership or the occurrence of a circumstance set out in any of subparagraphs (b)(i), (ii) or (iii) above,

provided that no Change of Control shall be deemed to have occurred under subparagraph (a), (b) or (c), above, if the Person or Related Persons who Control after any such event are Permitted Transferees of the Person or Related Persons who Control prior to any such event and the provisions of this Agreement respecting transfers to Permitted Transferees have been complied with. For greater certainty, a Change of Control may arise from a single transaction, a series of related transactions or more than one transaction in which the transactions are unrelated and/or occur at different times;

“**City Deemed Equity**” has the meaning given to such term in Section 4.4(a);

“**City Event of Default**” means the occurrence of any one or more of the following in respect of the City:

- (a) an Event of Default by the City; and
- (b) a City Event of Default as defined by and in accordance with the Project Agreement;

“**City Indemnified Parties**” means the City and any director, officer, employee, agent or advisor of the City, including the City’s Representative and any delegate of the City’s Representative;

“**City’s Portion of the Parking Structure**” means the 640 parking spaces to be contained within the Parking Structure for use by the Stadium and to be contained within the portion of the demise of the Stadium Lease within the Parking Structure, the location of which within the Parking Structure shall be as agreed between the City and OSEG, each acting reasonably, together with an easement with respect to common areas within the Parking Structure such as common ramps, driveways and doors for ingress to and egress from the Parking Structure;

“**City’s Share of Cost of Parking**” means the aggregate of the Hard Costs and Soft Costs attributable to constructing the City’s Portion of the Parking Structure, as determined in accordance with the Project Agreement;

“**Class A Unit**” means an interest as a Limited Partner in the Limited Partnership entitling the holder of such Class A Unit as recorded in the Register to the rights of a Limited Partner provided in this Agreement and “**Class A Units**” has a corresponding meaning;

“**Class B Unit**” means an interest as a Limited Partner in the Limited Partnership entitling the holder of such Class B Unit as recorded in the Register to the rights of a Limited Partner provided in this Agreement and “**Class B Units**” has a corresponding meaning;

“**Component General Partners**” means the general partners of the Component Limited Partnerships and “**Component General Partner**” has a corresponding meaning;

“**Component Limited Partnership Agreements**” means, collectively, the limited partnership agreements for each of the Component Limited Partnerships and “**Component Limited Partnership Agreement**” means one of them;

“**Component Limited Partnerships**” means the Stadium Limited Partnership, the Retail Limited Partnership, the CFL Partnership and the Ottawa 67’s Partnership and “**Component Limited Partnership**” means one of them;

“**Confidential Information**” means all information relating to a Party which is supplied by or on behalf of that Party (whether before or after the date of this Agreement), either in writing, orally or in any other form, directly or indirectly from or pursuant to discussions with or on behalf of that Party or which is obtained through observations made by the receiving Party, and includes all analyses, compilations, studies and other documents, whether prepared by or on behalf of the receiving Party, which contain or otherwise reflect or are derived from such information;

“**Contribution**” means a contribution of capital by a Limited Partner to the Limited Partnership and shall include contributions by OSEG on account of the Completion Guarantee, the Ottawa 67’s Guarantee and any Correcting Contribution elected to be made by OSEG in accordance with Section 5.6, and “**Contribute**”, “**Contributed**” and “**Contributing**” have a corresponding meaning;

“**Control**” means:

- (a) in the case of a corporation:
  - (i) control as determined in accordance with subsection 1(5) of the *Business Corporations Act* (Ontario);
  - (ii) the beneficial ownership of Securities having more than fifty percent (50%) of all of the votes attached to all issued and outstanding Securities of the corporation; or
  - (iii) having a vote or other right required for making material decisions or approving material decisions on behalf of a corporation pursuant to a unanimous shareholder agreement (as that term is defined in the *Business Corporations Act* (Ontario)) or otherwise, but excluding a vote or other right required for making decisions or approving decisions on behalf of a corporation: (1) that is granted to all shareholders under applicable Law; or (2) that is granted to all shareholders, other than a defaulting shareholder, pursuant to a unanimous shareholder agreement or other agreement;
- (b) in the case of a Business Entity that is not a limited partnership:
  - (i) the right to appoint a majority of the members of the management committee (however designated) of the Business Entity or, if the Business Entity has no such management committee, the ownership or control of more than fifty percent (50%) of the Securities of the Business Entity; or

- (ii) having a vote or other right required for making material decisions or approving material decisions on behalf of the Business Entity pursuant to a written agreement among the members of the Business Entity, but excluding a vote or other right required for making decisions or approving decisions on behalf of a Business Entity: (1) that is granted under applicable Law; or (2) that is granted to all members of the Business Entity, other than a defaulting member, pursuant to an agreement among the members of the Business Entity; or
- (c) in the case of a Business Entity that is a limited partnership, Control (as defined in subparagraph (a), above) of a general partner of the limited partnership or having the attributes set out in subparagraph (b) above,

and “**Controlled**” has a corresponding meaning;

“**Correcting Contribution**” has the meaning given to such term in Section 5.6(b);

“**Council**” means the Council of the City;

“**Declaration**” shall mean the declaration in respect of the Limited Partnership filed in accordance with the Act and the BNRA, as such declaration may be amended, restated, supplemented or otherwise modified from time to time in accordance with the Act and the BNRA;

“**Default Rate**” means the annual rate of interest quoted or published by Royal Bank of Canada from time to time as its prime or reference rate of interest charged by it to its most creditworthy commercial customers for Canadian dollar demand loans, plus:

- (a) five percent (5%) per annum for a period of thirty (30) days from the date of a default; and
- (b) ten percent (10%) per annum thereafter;

“**Discretion**” means, with respect to any consent, approval or decision required to be made by a Party, that such approval, consent or decision may be made in the sole and absolute discretion of the relevant Party;

“**Disposition**” means:

- (a) the issuance of any Securities of a corporation or other Business Entity or the sale, transfer, assignment, transmission on death or other disposition of Securities of a corporation or other Business Entity; or
- (b) the sale, transfer, assignment or other disposition of all or any portion of an interest in any of the Leases or all or a material portion of the assets of a corporation or other Business Entity, other than as security pursuant to an Encumbrance permitted by this Agreement or a Material Agreement,

as the context requires, or the grant of an option or the entering into of an agreement to effect any of the foregoing and “Dispose” and “Disposed” shall have a corresponding meaning;

“Disposition Approval Guidelines” means consideration by the City of the following factors:

- (a) financial capacity of the proposed acquirer/its principal(s);
- (b) whether the proposed acquirer/its principal(s) is/are principally located/resident in the City of Ottawa;
- (c) whether the proposed acquirer/its principal(s) has a successful business record;
- (d) general public reputation of the proposed acquirer/its principal(s);
- (e) development or real estate industry experience and knowledge of the proposed acquirer/its principal(s); and
- (f) history of litigation/disputes with the City or its Affiliates by the proposed acquirer/its principal(s);

“Disposition Consideration” means:

- (a) in the case of a Disposition of Securities of an OSEG Member by a holder of Securities of the OSEG Member, the aggregate proceeds received or to be received by or on behalf of the transferor of the Disposed Securities in connection with the Disposition;
- (b) in the case of a Disposition of Securities by an OSEG Member that is the issuance of Securities by the OSEG Member, the aggregate proceeds received or to be received by or on behalf of the OSEG Member in connection with the Disposition;
- (c) in the case of a Disposition of Securities of OSEG by an OSEG Member, the aggregate proceeds received or to be received by or on behalf of the OSEG Member in connection with the Disposition;
- (d) in the case of a Disposition of Securities by OSEG that is the issuance of Securities by OSEG, the aggregate proceeds received or to be received by or on behalf of OSEG in connection with the Disposition;
- (e) in the case of a Disposition of Securities of the Limited Partnership, of the General Partner or of a Component General Partner by OSEG, the aggregate proceeds received or to be received by or on behalf of OSEG in connection with the Disposition; and
- (f) in the case of a direct or indirect Disposition of Securities of a Component General Partner by an OSEG Member (other than a Disposition by OSEG), the aggregate proceeds received or to be received in connection with the Disposition,

in each case above:

- (i) minus reasonable Arm's Length third party direct costs incurred in connection with the Disposition;
- (ii) including all consideration received directly or indirectly in connection with the Disposition calculated in money or money's worth, but excluding any amount reasonably payable as salary under a *bona fide* employment contract based on market rates and usual employment benefits based on market rates; and
- (iii) where the Disposition is part of a transaction involving other matters, a reasonable allocation of such consideration shall be attributable to the relevant Disposition herein;

**"Dispute"** means any disagreement, failure to agree or other dispute between the City and OSEG or the City and a Member arising out of or in connection with this Agreement, including in respect of the interpretation, breach, performance, validity or termination hereof, whether in the law of contract or any other area of law;

**"Dispute Resolution Procedure"** means the procedure set out in Schedule "A" (Dispute Resolution Procedure);

**"Draft Statements"** has the meaning given to such term in Section 5.6(a);

**"Elected Amount"** has the meaning given to such term in Section 4.1(d)(iii)(A);

**"Encumber"** means to mortgage, charge, pledge, hypothecate, create or grant a security interest in or otherwise encumber:

- (a) Securities of a corporation or other Business Entity or to grant a power of attorney, proxy or otherwise grant a right to vote any of the Securities of a corporation or other Business Entity; or
- (b) all or any portion of any of the assets of a corporation or other Business Entity,

or to enter into an agreement granting a present or future right or entitlement to any of the foregoing and **"Encumbrance"** has a corresponding meaning;

**"Equity"** means the aggregate, without duplication (which duplication shall take into account an expenditure in one (1) entity, including an Affiliate or Permitted Transferee, and loans or other payments made to other entities, including an Affiliate or Permitted Transferee), of (i) all costs included within the First Cost Sharing Agreement or the Second Cost Sharing Agreement, excluding Internal Costs, paid by an OSEG Company or a Permitted Transferee of an OSEG Company with respect to any part of the Total Project, (ii) the lesser of the face amount and the amount then outstanding of each outstanding letter of credit posted from time to time by an OSEG Company or a Permitted Transferee of an OSEG Company with respect to any part of the Total Project, (iii) the lesser of the face amount and the amount then outstanding of each

outstanding letter of credit posted from time to time by a Component Limited Partnership with respect to any part of the Total Project, if the security granted to the issuer of such letter of credit is granted by an OSEG Company or a Permitted Transferee of an OSEG Company or if an OSEG Company or a Permitted Transferee of an OSEG Company guarantees the payment to the issuer of such letter of credit of any amounts drawn under such letter of credit, (iv) the amount drawn under a letter of credit described in subparagraph (ii) or (iii); (v) the amount of cash Contributed from time to time by OSEG to the Limited Partnership which is not secured by a mortgage or charge by any Component Limited Partnership, (vi) the amount of any Completion Funds, (vii) all cash contributed by a Member to OSEG to the extent required to fund the Initial Capital Contributed, (viii) the amount, which the Parties agree is Five Million Dollars (\$5,000,000) of that part of the Ottawa 67's Purchase Price that is not satisfied by the Promissory Note (and, for greater certainty, Equity excludes the amount of the part of the Ottawa 67's Purchase Price that is satisfied by the Promissory Note), and (ix) all other costs and expenses actually and properly incurred and paid by an OSEG Company or a Permitted Transferee of an OSEG Company (including pre-incorporation expenses) with respect to any part of the Total Project, whether prior to, on or after Closing, excluding Internal Costs;

**“Event of Default”** means the occurrence of any one or more of the following in respect of a Limited Partner:

- (a) any default by the Limited Partner in the performance or observance of any of its monetary obligations under this Agreement or any of the Material Agreements, which default has not been remedied within 30 days of receipt by the defaulting Limited Partner of Notice thereof from the other Limited Partner; or
- (b) a non-monetary default by the Limited Partner in the performance or observance of any of its obligations under this Agreement or any of the Material Agreements (except as provided in subparagraph (c) below), which default has not been remedied within 30 days of receipt by the defaulting Limited Partner of Notice thereof from the other Limited Partner, or if such default is not capable of being remedied within such 30 day period, then such longer period as shall be Approved by the other Limited Partner, provided that the defaulting Limited Partner has commenced and is diligently and continuously remedying such default; or
- (c) a Disposition by the Limited Partner not made in accordance with the provisions of this Agreement or the Master GP Shareholder's Agreement;

**“Excess Stadium/Parking Costs”** means the amount, if any:

- (a) by which the aggregate of:
  - (i) the Hard Costs and Soft Costs of the Construction of the Stadium Improvements (which for clarity shall include any additional costs attributable to the Stadium Improvements resulting from proceeding with construction of the Parking Structure and Stadium Improvements by way of sequential building permits (the **“Sequential Permit Additional Cost”**)); and

- (ii) the City's Share of Cost of Parking;
- (b) exceeds the Maximum City Cost,

provided that the aggregate amount of subparagraphs (a)(i) and (a)(ii) shall be determined using the same inclusions and exclusions of costs as are used in the Project Agreement for the determination of Maximum City Cost, *mutatis mutandis*, including the inclusions and exclusions described in sections 5.2(b) and 5.2(c) of the Project Agreement;

**“Fair Market Value”** means:

- (a) except in the case of a Team, the most probable price estimated in terms of money which land, or land and building and other improvements thereon, as the case may be, would bring if exposed for sale in the open market by a willing seller, allowing for a reasonable period of time to find a buyer, neither seller nor buyer acting under compulsion, both having knowledge of all the uses and purposes to which the land and/or building and other improvement thereon are adapted and for which they are capable of being used in accordance with applicable Laws or agreements and the physical premises constructed, and both exercising intelligent judgement, but taking into account all leases, subleases, and the rights and obligations contained therein, including the net rental amounts payable under them and the variance, if any, from prevailing market rent; and
- (b) in the case of a Team, the most probable price estimated in terms of money which the assets of the Team, on a going concern basis, would bring if exposed for sale in the open market by a willing seller, allowing for a reasonable period of time to find a buyer, neither seller nor buyer acting under compulsion, both exercising intelligent judgement, but taking into account all liabilities to be assumed by the purchaser of those assets, all agreements to which the Team is entitled or by which it is bound and all other rights and obligations relating to the Team;

**“Final Distributions”** has the meaning given to such term in Section 5.1(c);

**“Final Judgment”** means a judgment of a court of competent jurisdiction from which no further right or leave to appeal lies or with respect to which the applicable period in which to appeal or seek leave to appeal has expired;

**“Final Judgment Date”** means (i) the date of the judgment in the case of a judgment from which no right or leave to appeal lies, (ii) the date on which a court of competent jurisdiction denies leave to appeal a judgment, unless that denial may itself be appealed, or (iii) the date of the expiry of the applicable appeal period in the case of a judgment, or of an appealable denial of a leave to appeal, from which no appeal or application to seek leave to appeal is made, as applicable;

**“Financial Statements”** has the meaning given to such term in Section 5.6(a);

**“First Cost Sharing Agreement”** means the agreement entered into between the City and OSEG Inc. dated May 14, 2010, respecting the sharing of certain costs relating to the Project incurred between the Council Conditional Approval Date and June 28, 2010;

**“Fiscal Year”** means the calendar year or such other period as shall be determined by Limited Partnership Resolution in accordance with applicable law;

**“Force Majeure”** means:

- (a) war, civil war, armed conflict, terrorism, epidemic or quarantine;
- (b) nuclear, chemical (including Hazardous Substance) or biological contamination unless the source or cause of the contamination is the result of actions of the Party delayed in the performance of an obligation under this Agreement;
- (c) earthquake, tidal wave or flood;
- (d) pressure waves caused by devices travelling at supersonic speeds;
- (e) fire, explosion, lightning, storm, tempest or bursting or overflowing of water tanks, apparatus or pipes;
- (f) any failure or shortage of power, fuel or transport, provided such failure or shortage has not occurred as a direct consequence of a failure of any part of the Construction;
- (g) any blockade or embargo;
- (h) any official or unofficial strike, lockout, work to rule or other dispute generally affecting the construction industry or the delivery of transit services (or a significant sector of either), whether or not specific to the Party delayed in the performance of an obligation under this Agreement;
- (i) the shortage of materials or inability to procure materials, where (i) in circumstances related to the initial Construction of the Stadium Improvements, the Parking Structure or the Retail Buildings, alternative materials cannot be obtained (the non-delayed Party agreeing to act reasonably in approving any alternative materials when its approval is required), or (ii) in all other circumstances, alternative materials cannot be obtained on commercially reasonable terms;
- (j) the inability to obtain a Permit solely due to delays of the Permit issuer; or
- (k) any other matters beyond the reasonable control of the Party delayed in the performance of an obligation under this Agreement, provided that:
  - (i) such Party has exercised commercially reasonable efforts and has diligently attempted to avoid, anticipate and to mitigate the cause(s) of

delay, including, where possible, establishing a contingency plan on commercially reasonable terms which will permit such Party's normal operations to be resumed within a reasonable time thereafter; and

- (ii) it does not arise by reason of:
  - (A) the negligence or wilful misconduct of such Party or those for whom it is responsible at law;
  - (B) any act or omission by such Party (or those for whom it is responsible at law) in breach of the provisions of this Agreement that is not itself caused by Force Majeure; or
  - (C) a lack of funds;

**"Forecast"** means a calculation of Net Cash Flow and taxable income of the Limited Partnership for the period of time commencing with the formation of the Limited Partnership and ending on the Waterfall Expiry Date. The Forecast will detail the Allocable Gain, Net Cash Flow, taxable income, Modified Taxable Income and Permanent Differences, distributions to the Limited Partners and entitlement to Net Cash Flow based on each element of the Waterfall calculated on a yearly basis. For years prior to the time of the completion of the Forecast, the calculations will be based on actual results. The calculations for the year that the Forecast is completed and for future years will be based on projections;

**"GAAP"** means Canadian generally accepted accounting principles for private enterprises in effect from time to time, or any successor standard thereto adopted by the Canadian Institute of Chartered Accountants, consistently applied;

**"Gain"** means:

- (a) in the case of the Disposition of Securities of an OSEG Member by a holder of Securities of the OSEG Member, the difference (if a positive number) between:
  - (i) the total aggregate Disposition Consideration; minus
  - (ii) an amount equal to the product of:
    - (A) the outstanding Equity immediately prior to the Disposition;
    - (B) the Proportionate Share of such OSEG Member; and
    - (C) the percentage of all issued Securities of the OSEG Member immediately prior to completion of the Disposition that is represented by the Disposed Securities;
- (b) in the case of a Disposition of Securities of an OSEG Member that is the issuance of Securities by the OSEG Member, the difference (if a positive number) between:

- (i) the total aggregate Disposition Consideration; minus
- (ii) the aggregate of:
  - (A) that portion of the Disposition Consideration, if any, paid by the OSEG Member to OSEG:
    - (1) as a contribution of capital; or
    - (2) to purchase additional Securities of OSEG,

and then paid by OSEG to the Limited Partnership as a Contribution, provided that additional Equity in such amount is then required or is reasonably expected to be required for the Total Project; and
  - (B) an amount equal to the product of:
    - (1) the outstanding Equity immediately following the Disposition and the payments described in subparagraph (b)(ii)(A);
    - (2) the Proportionate Share of such OSEG Member; and
    - (3) the percentage of all issued Securities of the OSEG Member that is represented by the Disposed Securities immediately following the issue of such Disposed Securities;
- (c) in the case of a Disposition of Securities of OSEG by an OSEG Member, the difference (if a positive number) between:
  - (i) the total aggregate Disposition Consideration; minus
  - (ii) an amount equal to the product of:
    - (A) the outstanding Equity immediately prior to the Disposition;
    - (B) the Proportionate Share of the OSEG Member immediately prior to the completion of the Disposition; and
    - (C) the percentage of all issued Securities of OSEG held by the OSEG Member immediately prior to the completion of the Disposition that is represented by the Disposed Securities;
- (d) in the case of a Disposition of Securities of OSEG that is the issuance of Securities by OSEG, the difference (if a positive number) between:
  - (i) the total aggregate Disposition Consideration; minus

- (ii) the aggregate of:
  - (A) that portion of the Disposition Consideration, if any, paid by OSEG to the Limited Partnership as a Contribution, provided that additional Equity in such amount is then required or is reasonably expected to be required for the Total Project; and
  - (B) an amount equal to the product of:
    - (1) the outstanding Equity immediately following the Disposition and the payment described in subparagraph (d)(ii)(A); and
    - (2) the percentage of all issued Securities of OSEG that is represented by the Disposed Securities immediately following the issue of such Disposed Securities; and
- (e) in the case of a Disposition of Securities of the Limited Partnership by OSEG, the difference (if a positive number) between:
  - (i) the total aggregate Disposition Consideration; minus
  - (ii) an amount equal to the product of:
    - (A) the outstanding Equity immediately prior to the Disposition; and
    - (B) the percentage of all issued Securities of the Limited Partnership held by OSEG immediately prior to the completion of the Disposition that is represented by the Disposed Securities;

**“General Expenses”** means expenses of the Limited Partnership of a general or administrative nature or expenses of the General Partner of a similar nature reimbursable by the Limited Partnership to the General Partner and shall expressly exclude Internal Costs;

**“Going Concern Default”** has the meaning given to such term in Section 5.6(f);

**“GPU”** means the interest in the Limited Partnership of the General Partner, in its capacity as the general partner of the Limited Partnership;

**“Gross Receipts”** means, for any period, the aggregate gross cash receipts of the Limited Partnership (or the General Partner on behalf of the Limited Partnership) calculated on a cash basis and includes:

- (a) income and capital distributions, repayment of loans, return of capital contributions and all other funds received from all of the Component Limited Partnerships;
- (b) Contributions;

- (c) revenue received from Permitted Interim Investments;
- (d) proceeds of business interruption insurance or loss of income insurance or other types of insurance;
- (e) net proceeds of any disposition of any asset of the Limited Partnership of any nature or kind; and
- (f) net proceeds received from any expropriation of any portion of any assets of the Limited Partnership;

**“Improvement”** or **“Improvements”** means a building or buildings constructed on a Component or alterations or renovations to an existing building on a Component;

**“Indirect Losses”** means exemplary or punitive damages or any consequential loss or indirect loss of any nature, including loss of goodwill;

**“Inflation Index”** means the Consumer Price Index, for All-items in Ontario, as published by Statistics Canada or, if such Consumer Price Index in its present form becomes unavailable, such similar index as may be agreed by the Parties, acting reasonably, and if such agreement cannot be reached, as determined pursuant to the Dispute Resolution Procedure;

**“Inherent 67’s Gain”** means the difference between the fair market value and the agreed amount as reported on the Canada Revenue Agency’s Form T2059 filed on the transfer of the Ottawa 67’s Interest by OSEG to the Limited Partnership;

**“Initial Capital Contributed”** has the meaning given to such term in Section 4.2(c);

**“Initial Investment Income”** has the meaning given to such term in Section 4.2(c)(i);

**“Interim Distribution”** has the meaning given to such term in Section 5.1(c);

**“Internal Costs”** means:

- (a) costs of OSEG and/or OSEG Inc. that:
  - (i) do not relate to any part of the Total Project; provided that costs that have elements that both relate to the Total Project and do not relate to the Total Project shall be equitably allocated between the two as agreed by the City and OSEG, each acting reasonably; or
  - (ii) may relate to the Total Project, but for which there is no material benefit to the Limited Partnership or any of the Component Limited Partnerships; and
- (b) overhead costs and any other direct or indirect operating or administrative costs of the City, any Members or any Permitted Transferees of Members, as the case may be, including amounts payable for salary and other benefits of any employees,

officers or directors of the City, any Members or any Permitted Transferees of Members, as the case may be, other than employees of the City who are exclusively devoted to one or more parts of the Total Project,

but Internal Costs do not include any part of any fee that is properly payable to an OSEG Company, the City or a Permitted Transferee of a Member for services rendered in connection with any part of the Total Project. By way of example, the Parties agree that (i) salary and rental costs incurred by OSEG do relate to the Total Project and are not Internal Costs since these costs are incurred in order that OSEG may perform obligations related to the Total Project (including its obligations under the Material Agreements), but subject to the allocation of those costs under subparagraph (a)(i), as required, and (ii) the third party cost of the preparation of OSEG's own financial statements does not benefit the Limited Partnership or any of the Component Limited Partnerships and is an Internal Cost;

“**Law**” means all present and future laws, statutes, regulations, treaties, decrees having the force of law, binding judgments of relevant courts of law and all present and future official directives, rules, consents, approvals, authorizations, guidelines, orders and policies of any Relevant Authority having the force of law;

“**Limited Partner**” means the City or OSEG and “**Limited Partners**” means both of them;

“**Limited Partnership**” means the limited partnership formed by the General Partner under the name “Lansdowne Master Limited Partnership” pursuant to the provisions of the Act and which is governed by this Agreement;

“**Limited Partnership Resolution**” means a resolution passed unanimously at a meeting of Limited Partners or a resolution in writing signed by all Limited Partners;

“**Master GP Shareholder's Agreement**” means the unanimous shareholder agreement entered into by OSEG, as the shareholder of the General Partner, the General Partner and the City as a party thereto;

“**Material Agreements**” means the Project Agreement, the Comprehensive Construction Contract, the Project Management Agreement, the Stadium Lease, the Membership Agreements, the OSEG RFOs, the Ottawa 67's Guarantee, the Ottawa 67's Acquisition Agreement, the Transfer Agreement, the Parking Management Agreement, the Retail Lease, the Shareholder's Agreements, the Component Limited Partnership Agreements, the Construction Procedures Agreement and the Reciprocal Agreement(s);

“**Membership Agreements**” means the agreements and membership certificate and arrangements respecting the CFL Team and the Ottawa 67's referred to in section 5.7(b) of the Project Agreement;

“**Minimum Equity Requirement**” has the meaning given to such term in Section 4.2(b);

“**Modified Taxable Income**” means an amount greater than zero calculated as the taxable income or the non-capital loss of the Limited Partnership otherwise determined, less non-deductible Permanent Differences, plus non-taxable Permanent Differences, less taxable capital

gains and gains from the disposition of eligible capital property as provided in subsection 14(1) of the *Income Tax Act* (Canada);

“**Modified Taxable Losses**” means an amount less than zero calculated as the taxable income or the non-capital loss of the Limited Partnership otherwise determined, less non-deductible Permanent Differences, plus non-taxable Permanent Differences, less taxable capital gains and gains from the disposition of eligible capital property as provided in subsection 14(1) of the *Income Tax Act* (Canada);

“**Negative Opinion**” has the meaning given to such term in Section 5.6(b);

“**Net Cash Flow**” means, for any period, Gross Receipts for such period minus Outflows for such period. For the purposes of this Agreement, Net Cash Flow may be a positive or a negative number;

“**Non-Arm’s Length Transaction**” means any transaction entered into with any Person not at Arm’s Length with OSEG, any OSEG Member or any Permitted Transferee;

“**Notice**” means any notice, approval, election, demand, direction, consent, designation, request, agreement, instrument, certificate, report or other communication required or permitted to be given or made under this Agreement;

“**OHL**” means the Ontario Hockey League and its successors;

“**OSEG Company**” means each of OSEG, OSEG Inc. and the OSEG Members;

“**OSEG Deficiency**” has the meaning given to such term in Section 5.5(b);

“**OSEG Event of Default**” means the occurrence of any one or more of the following in respect of OSEG:

- (a) an Event of Default by OSEG;
- (b) a Going Concern Default;
- (c) an OSEG Event of Default as defined by and pursuant to the Project Agreement;
- (d) a default by the Members in connection with the Ottawa 67’s Guarantee; and
- (e) an Event of Default by a Component General Partner in accordance with the Component Limited Partnership Agreement or the Shareholder’s Agreement respecting the Retail Limited Partnership, the Stadium Limited Partnership, the CFL Partnership or the Ottawa 67’s Partnership;

“**OSEG Inc.**” means Ottawa Sports and Entertainment Group Inc., a corporation incorporated under the Laws of the Province of Ontario;

“**OSEG Indemnified Parties**” means each OSEG Company and any director, officer, employee, independent contractor, agent or advisor of an OSEG Company, including OSEG’s Representative and any delegate of OSEG’s Representative;

“**OSEG Management Agreements**” means the Project Management Agreement, the co-ordination agreements between OSEG and each of the Office Developer and the Residential Developer and, if the City exercises its option to enter into the Urban Park Property Management Agreement with OSEG, the Urban Park Property Management Agreement;

“**OSEG Member**” means a partner of OSEG or, if OSEG shall then be a corporation, a shareholder of such corporation or, if OSEG shall be another form of Business Entity, a Person owning an interest in such Business Entity, and includes the Members;

“**Ottawa 67’s**” means the Ottawa 67’s, a member of the Ontario Hockey League;

“**Ottawa 67’s Guarantee**” has the meaning given to such term in Section 4.1(d)(i)(D);

“**Ottawa 67’s Interest**” means all of the right, title and interest of OSEG in the Ottawa 67’s Partnership;

“**Ottawa 67’s Partnership**” means the Ottawa 67’s Limited Partnership, the owner of the membership in the Ontario Hockey League for the Ottawa 67’s;

“**Ottawa 67’s Purchase Price**” means the purchase price being Ten Million Dollars (\$10,000,000) payable by the Limited Partnership to OSEG for OSEG’s Ottawa 67’s Interest;

“**Outflows**” means, for any period, amounts (without duplication):

- (a) paid to any of the Component Limited Partnerships on account of Amounts Required for the Purposes of the Component Limited Partnerships;
- (b) paid under the Promissory Note; and
- (c) paid for General Expenses;

“**Participation Rent Value**” has the meaning given to such term in Section 5.8(b)(i);

“**Party**” means any of the City, OSEG, the Members or the General Partner and “**Parties**” means all of the City, OSEG, the Members and the General Partner;

“**Permanent Differences**” means expenditures that are not deductible for income tax purposes either in the current year or in future years and/or income and/or gains (other than taxable capital gains and gains from the disposition of eligible capital property as provided in subsection 14(1) of the *Income Tax Act* (Canada)) which are not fully taxable for income tax purposes either in the current year or a future year. If a portion of an expenditure is deductible over time and a portion of an expenditure is not deductible, then the Permanent Difference in a year in respect of that expenditure will be the deduction which would be determined if the non-deductible portion of the expenditure was deductible on the same basis as the portion of the expenditure which is

deductible, and the non-taxable portion of an item of income/gain will be calculated on the same basis. Permanent Differences exclude the difference between the fair market value of a property and the elected amount, where an asset is transferred to the Limited Partnership on a tax deferred basis pursuant to subsection 97(2) of the *Income Tax Act* (Canada);

**“Permitted Interim Investments”** means all:

- (a) direct obligations of Canada or any province thereof, or any agency thereof, provided however that such obligations mature within ninety (90) days from the date of investment; or
- (b) term deposits or demand accounts with, or certificates of deposit issued by, any Canadian Chartered Bank, provided however, that such deposits or certificates mature within ninety (90) days from the date of investment;

**“Permitted Transferee”** means:

- (a) for Lansgreen Investments Inc., any one or more of (i) a lineal descendant (whether by blood or adoption) of Irving Greenberg or Gilbert Greenberg; (ii) the spouse of a lineal descendant (whether by blood or adoption) of Irving Greenberg or Gilbert Greenberg; (iii) a trust for one or more of the Persons described in subparagraphs (i), (ii) and (iv), but only such Persons; and (iv) a corporation or Business Entity directly or indirectly Controlled by one or more of the foregoing (where indirect Control means that a corporation or Business Entity is Controlled by one or more other corporations or Business Entities, each of which is itself Controlled (whether directly or indirectly through one or more other such corporations or Business Entities) by one or more of the foregoing);
- (b) for Shenkman Lansdowne Ltd., any one or more of (i) a lineal descendant (whether by blood or adoption) of Harold Shenkman; (ii) the spouse of a lineal descendant (whether by blood or adoption) of Harold Shenkman; (iii) a trust for one or more of the Persons described in subparagraphs (i), (ii) and (iv), but only such Persons; and (iv) a corporation or Business Entity directly or indirectly Controlled by one or more of the foregoing (where indirect Control means that a corporation or Business Entity is Controlled by one or more other corporations or Business Entities, each of which is itself Controlled (whether directly or indirectly through one or more other such corporations or Business Entities) by one or more of the foregoing);
- (c) for Trinity Lansdowne Ltd., any one or more of (i) John Ruddy, (ii) the spouse of John Ruddy, (iii) a lineal descendant (whether by blood or adoption) of John Ruddy; (iv) the spouse of a lineal descendant (whether by blood or adoption) of John Ruddy; (v) a trust for one or more of the Persons described in subparagraphs (i), (ii), (iii), (iv) and (vi), but only such Persons; and (vi) a corporation or Business Entity directly or indirectly Controlled by one or more of the foregoing (where indirect Control means that a corporation or Business Entity is Controlled by one or more other corporations or Business Entities, each of

which is itself Controlled (whether directly or indirectly through one or more other such corporations or Business Entities) by one or more of the foregoing);

- (d) for Keljay Ltd., any one or more of (i) Jeff Hunt, (ii) the spouse of Jeff Hunt, (iii) a lineal descendant (whether by blood or adoption) of Jeff Hunt; (iv) the spouse of a lineal descendant (whether by blood or adoption) of Jeff Hunt; (v) a trust for one or more of the Persons described in subparagraphs (i), (ii), (iii), (iv) and (vi), but only such Persons; and (vi) a corporation or Business Entity directly or indirectly Controlled by one or more of the foregoing (where indirect Control means that a corporation or Business Entity is Controlled by one or more other corporations or Business Entities, each of which is itself Controlled (whether directly or indirectly through one or more other such corporations or Business Entities) by one or more of the foregoing); and
- (e) for Friarmere Holdings Inc., any one or more of (i) John Pugh, (ii) the spouse of John Pugh, (iii) a lineal descendant (whether by blood or adoption) of John Pugh; (iv) the spouse of a lineal descendant (whether by blood or adoption) of John Pugh; (v) a trust for one or more of the Persons described in subparagraphs (i), (ii), (iii), (iv) and (vi), but only such Persons; and (vi) a corporation or Business Entity directly or indirectly Controlled by one or more of the foregoing (where indirect Control means that a corporation or Business Entity is Controlled by one or more other corporations or Business Entities, each of which is itself Controlled (whether directly or indirectly through one or more other such corporations or Business Entities) by one or more of the foregoing);

**“Person”** means an individual, legal personal representative, corporation, body corporate, firm, partnership, trust, trustee, syndicate, joint venture, unincorporated organization, other Business Entity or Relevant Authority;

**“Project”** means the redevelopment of the Site and the Urban Park contemplated by and pursuant to the Project Agreement;

**“Project Agreement”** means the Project Agreement entered into among the City, OSEG and the Members respecting the Project dated the [●] day of October, 2012;

**“Project Management Agreement”** means the project management agreement relating to the construction of the Stadium Improvements, the Parking Structure, certain of the Urban Park Improvements and the Infrastructure Upgrades between the City, as owner, and OSEG, as project manager, in form mutually agreed upon between those Parties, each acting reasonably;

**“Promissory Note”** means the promissory note dated contemporaneously with this Agreement in the principal amount of Five Million Dollars (\$5,000,000) issued by the Limited Partnership in favour of OSEG, or Keljay Ltd. (respecting the prior acquisition by OSEG of the Ottawa 67's Interest from Keljay Ltd.), as OSEG may direct in writing, in partial satisfaction of the Ottawa 67's Purchase Price, as more particularly provided for in Section 5.7 of the Project Agreement;

**“Proportionate Share”** means, for each OSEG Member, the percentage of all issued Securities of OSEG that is represented by the issued Securities of OSEG held by that OSEG Member;

“**Purchased Assets**” means all of OSEG’s rights, title and interest with respect to the Total Project, including its CFL Interest and its Ottawa 67’s Interest, but excluding its rights under the Material Agreements (other than the Ottawa 67’s Acquisition Agreement) to which it is a party;

“**Purposes of the Total Project**” has the meaning given to such term in Section 2.4(a);

“**Register**” has the meaning given to such term in Section 3.3(a);

“**Related Persons**” means two (2) or more Persons, each of whom is a Permitted Transferee under one (1) (but only one (1)) of subparagraphs (a), (b), (c), (d) or (e) of the definition of Permitted Transferee;

“**Relevant Authority**” means any Canadian government, including any federal, provincial or municipal government (including the City), and any Canadian government agency, tribunal, commission or other authority exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government;

“**Requisitioning Limited Partner**” has the meaning given to such term in Section 7.3;

“**Reserve**” has the meaning given to such term in Section 4.7(a);

“**Retail Lease**” means the lease of the lands for the Retail Component between the City, as landlord, and the Retail Limited Partnership, as tenant;

“**Retail Limited Partnership**” means Lansdowne Retail Limited Partnership, the tenant under the Retail Lease;

“**Second Cost Sharing Agreement**” means the agreement entered into between the City and OSEG Inc. dated September 3, 2010, as amended and restated from time to time, respecting the sharing of certain costs relating to the Project;

“**Securities**” means any document constituting evidence of title to or interest in (other than by way of security only) the capital, assets, property, profits, earnings, royalties or voting rights of any corporation or Business Entity or any document including within its entitlements, provisions constituting evidence of a conversion privilege into, an option or right to acquire or subscription for any of the foregoing and includes a share, stock, unit, unit certificate, participation certificate, certificate of share or interest, certificate or other entitlement to a convertible debenture, preorganization certificate or subscription;

“**Security LC**” has the meaning given to such term in Section 5.9;

“**Sequential Permit Additional Cost**” has the meaning given to such term in subparagraph (a) of the definition of Excess Stadium/Parking Costs;

“**Shareholder’s Agreements**” means the Master GP Shareholder’s Agreement and the shareholder’s agreements respecting each of the general partners of each of the Component Limited Partnerships;

“**Site**” means that area outlined in red on Schedule “B” annexed hereto, being the area included within Lansdowne Park, but for greater certainty does not include the Urban Park or the Lansdowne Community Park;

“**Special Purpose Vehicle**” means:

- (a) except as provided in subparagraph (b), a corporation with no assets or liabilities other than those related directly to the Total Project (which, for greater certainty, includes being a partner in OSEG) or the Soccer Team, and carrying on no activities of any nature or kind, except as contemplated in this Agreement or the Material Agreements;
- (b) notwithstanding subparagraph (a), a corporation may have S.P.V. Assets;

“**S.P.V. Assets**” means:

- (a) bonds and other similar passive investments that are permitted investments in which a municipality may invest pursuant to the *Municipal Act, 2001* (Ontario);
- (b) assets providing or generating income on a non-recourse basis against the Special Purpose Vehicle; and
- (c) cash or its equivalent, or letters of credit;

“**Stadium**” means stadium currently known as the Frank Clair Stadium in the City of Ottawa together with the arena currently known as the Ottawa Civic Centre;

“**Stadium Lease**” means the lease of the lands for the Stadium Component between the City, as landlord, and the Stadium Limited Partnership, as tenant;

“**Stadium Limited Partnership**” means Lansdowne Stadium Limited Partnership, the tenant under the Stadium Lease;

“**Tax Based Equity**” of a Limited Partner means:

- (a) cash contributed by the Limited Partner to the Limited Partnership;
- (b) where property is contributed by a Limited Partner to the Limited Partnership (other than the Ottawa 67’s Interest), the increase in the adjusted cost base (as determined under the *Income Tax Act* (Canada)) of the Limited Partner’s interest in the Limited Partnership as a result of the contribution of the property in accordance with the provisions of the Transfer Agreement; plus
- (c) in the case of OSEG, the Ottawa 67’s Purchase Price, less the Promissory Note;

“**Team Differential**” has the meaning given to such term in Section 5.8(b);

“**Teams’ Value**” has the meaning given to such term in Section 5.8(b)(ii);

“**Total Project**” means the Project, the CFL Team and the Ottawa 67’s;

“**Transfer Agreement**” means the agreement pursuant to which OSEG shall transfer all of its right, title and interest in the Purchased Assets to the Limited Partnership as contemplated in Section 4.1 and on terms and conditions mutually agreed between OSEG and the City;

“**Units**” means Class A Units and Class B Units and “**Unit**” means one (1) of the Units;

“**Untaxed Equity**” means:

- (a) for OSEG, the difference between Equity and Tax Based Equity; and
- (b) for the City, the amount of the City Funding Equity;

“**Waterfall**” has the meaning given to such term in Section 5.4; and

“**Waterfall Expiry Date**” means December 31, 2044.

## **1.2 Definitions in Project Agreement**

Capitalized words in this Agreement not otherwise defined herein shall have the meaning as defined in the Project Agreement.

## **1.3 Interpretation Not Affected by Headings, etc.**

Grammatical variations of any terms defined herein have similar meanings; words importing the singular number shall include the plural and vice versa; and words importing gender includes all genders. The division of this Agreement into separate Articles, Sections and subparagraphs, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The words “include” and “including” are to be construed as meaning “including, without limitation”. An accounting term that is not otherwise defined in this Agreement has the meaning assigned to it in accordance with GAAP and, except as otherwise specifically set out in this Agreement, all accounting matters will be determined in accordance with GAAP.

## **1.4 Statute References**

Unless a contrary intent is expressly provided for in this Agreement, any reference to a statute will include and will be deemed to be a reference to the statute and the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto.

## **1.5 Document References**

All references herein to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules and exhibits attached hereto.

## **1.6 Currency**

All payments contemplated herein shall be made in Canadian funds.

## **1.7 Calculation of Time Periods**

When calculating the period of time within which or following which any act is to be done or steps taken pursuant to this Agreement, the date which is the reference day in calculating such period shall be excluded. If the last day of such period is not a Business Day, the period in question shall end on the next Business Day.

## **1.8 Applicable Law**

This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

## **1.9 Invalidity of Provisions**

If any covenant, obligation or agreement of this Agreement, or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation or agreement to Persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby and each covenant, obligation or agreement of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

## **1.10 Entire Agreement**

This Agreement and the Material Agreements constitute the entire agreement between the Parties hereto pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties hereto, and there are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof except for this Agreement and the Material Agreements. No supplement, modification or termination of this Agreement shall be binding unless executed in writing by the Parties, save and except for any termination of this Agreement that arises under the express terms hereof and provided that any supplement or modification of this Agreement that does not impose or increase direct obligations on or of the Members (other than in their capacity as general partners of OSEG) may be executed by the City and OSEG and not the Members and shall thereupon also be binding on the Members.

## **1.11 Schedules**

The following Schedules are attached to this Agreement:

- Schedule “A” - Dispute Resolution Procedure
- Schedule “B” - Site
- Schedule “C” - Form of Subscription
- Schedule “D” - Form of Guarantee

## **ARTICLE II THE LIMITED PARTNERSHIP**

### **2.1 Formation of Limited Partnership**

- (a) The City, OSEG and the General Partner hereby agree to form a limited partnership under the provisions of the Act and pursuant to the terms of this Agreement.
- (b) The Declaration has been filed in accordance with the provisions of the Act and the BNRA. The General Partner shall take any and all other actions reasonably necessary to perfect and maintain the status of the Limited Partnership as a limited partnership under the Law of the province of Manitoba and shall cause amendments to the Declaration to be filed whenever required by the Act and the BNRA. Any such amendments shall be executed by the General Partner. The General Partner also shall execute and cause to be filed such forms or declarations, and shall take such other actions, as may be necessary to perfect and maintain the status of the Limited Partnership as a limited partnership or similar entity under the Law of any other jurisdiction in which the Limited Partnership conducts business. The General Partner and each Limited Partner, at the request of the General Partner, shall execute and deliver as promptly as possible any documents that may be necessary or desirable to accomplish the purposes of this Agreement, to continue to qualify the Limited Partnership as a limited partnership under the Law of the Province of Manitoba or to give effect to the continuation of the Limited Partnership under applicable Law of any other jurisdiction in which the Limited Partnership conducts business.
- (c) The Limited Partnership shall continue until terminated in accordance with the provisions of this Agreement. Upon the dissolution of the Limited Partnership, the General Partner (or, in the event there is no General Partner, the Person responsible for the winding up and dissolution of the Limited Partnership) shall promptly execute and cause to be filed all appropriate documentation required in accordance with the Act and the BNRA and under the Law of any other jurisdictions in which the Limited Partnership has registered to conduct business.

## 2.2 Name

The Limited Partnership shall carry on business under the name Lansdowne Master Limited Partnership or such other name or names as the General Partner may determine from time to time, provided that the General Partner files a Declaration reflecting any change of name as required by the Act and the BNRA.

## 2.3 Fiscal Year End

Each Fiscal Year of the Limited Partnership shall end on December 31 or such other date as shall be determined by Limited Partnership Resolution, provided that in the year in which the Limited Partnership is dissolved the Fiscal Year of the Limited Partnership shall end on the date of dissolution.

## 2.4 Business and Powers of the Limited Partnership

- (a) The primary purposes for which the Limited Partnership is formed are to own limited partnership units in the Component Limited Partnerships and to effect the Total Project (collectively, the “**Purposes of the Total Project**”). The scope of the purpose of the Limited Partnership shall include all things necessary or advisable to give effect to the Purposes of the Total Project.
- (b) The Limited Partnership shall carry on the Purposes of the Total Project in such a manner as to seek to ensure, to the greatest extent possible, the limited liability of the Limited Partners.
- (c) The Limited Partnership shall possess and may exercise all the powers and privileges granted by Act, by all other applicable law or by this Agreement, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion and attainment of the Purposes of the Total Project and the activities of the Limited Partnership.

## 2.5 Limited Liability of Limited Partners

- (a) Subject to the provisions of applicable legislation, the liability of each Limited Partner for the debts, liabilities and obligations of the Limited Partnership will be limited to the amount of capital Contributed by or agreed to be Contributed by such Limited Partner to the Limited Partnership.
- (b) The General Partner shall use commercially reasonable efforts to include the following provision in all contracts entered into by the Limited Partnership:

“The parties hereto acknowledge that Lansdowne Master Limited Partnership (the “**Limited Partnership**”) is a limited partnership formed under the laws of the Province of Manitoba, a limited partner of which is only liable for any of the Limited Partnership’s liabilities to the extent of the amount that the limited partner has contributed to the capital of the Limited Partnership. The parties hereto acknowledge that the obligations

of the Limited Partnership are not personally binding upon, nor shall recourse be had to, the property of any of the limited partners or the property of any successor or assign of any of the limited partners, and that recourse shall only be had to the property of the Limited Partnership or the property of Lansdowne Master GP Inc., which is the sole general partner of the Limited Partnership. The parties expressly acknowledge having been advised prior to entering into this agreement that each of the City of Ottawa and Ottawa Sports and Entertainment Group is a limited partner of the Limited Partnership and that, accordingly, its liability is limited as aforesaid.”

## **2.6 Management of the Limited Partnership**

### **(a) Powers and Duties of the General Partner**

Other than rights and powers expressly reserved to Limited Partners by this Agreement and except as provided herein, the exclusive management and control of the Purposes of the Total Project and affairs of the Limited Partnership shall be vested in the General Partner. The powers of the General Partner shall include all powers, statutory or otherwise, possessed by or permitted to general partners of limited partnerships under the laws of the province of Manitoba. The General Partner shall have all power and authority to do all things deemed necessary or desirable by it to conduct the affairs of the Limited Partnership, including the ability to engage agents to do the same, for and on behalf of the Limited Partnership. In so doing, the General Partner has all of the rights and powers of a general partner as provided by law and any action taken by the General Partner will constitute the act of and shall serve to bind the Limited Partnership. The power of the General Partner to represent the Limited Partnership in dealings with third parties is unrestricted insofar as third parties are concerned and no Person dealing with the Limited Partnership will be required to inquire into the authority of the General Partner to take any act or proceeding, to make any decision or to execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Limited Partnership.

### **(b) Discharge of Duties of General Partner.**

The General Partner agrees to exercise its powers and discharge its duties under this Agreement honestly, in good faith and in the best interests of the Limited Partnership and in connection therewith shall exercise the standard of care that a reasonably prudent person would exercise in similar circumstances.

(c) Borrowing

The General Partner shall not be entitled to borrow on behalf of the Limited Partnership, or on its own behalf, or to grant Encumbrances against any of the assets of the Limited Partnership unless approved by Limited Partnership Resolution.

**2.7 Reimbursement of General Partner**

The General Partner will be reimbursed by the Limited Partnership for reasonable General Expenses incurred by the General Partner in the performance of its duties hereunder.

**2.8 Indemnity of Limited Partners**

The General Partner will indemnify and hold harmless each Limited Partner for any costs or damages incurred by the Limited Partner, other than any liability caused by any act or omission of any Limited Partner. The General Partner will indemnify the Limited Partnership for any damages incurred by the Limited Partnership as a result of any breach by the General Partner of its standard of care set forth herein, including any legal expenses incurred by the Limited Partnership in defending an action based in whole or in part upon an allegation that the General Partner has been guilty of such breach if such defence is substantially unsuccessful. If any such action is settled by the General Partner, the action will be deemed for the purposes of this Section to have been unsuccessfully defended, unless the settlement is approved by Limited Partnership Resolution.

**2.9 No Participation in Management**

No Limited Partner (unless also the General Partner) shall take part in the management or control of the Limited Partnership's investment or other activities, take an active part in the affairs of the Limited Partnership, transact any business in the Limited Partnership's name or have the power to sign documents for or otherwise bind the Limited Partnership to the extent that it would cause such Limited Partner to be liable for the debts and obligations of the Limited Partnership under the Act or otherwise. The exercise by any Limited Partner (unless also the General Partner) of any right conferred herein shall not be construed to constitute participation by such Limited Partner in the control of the investment or other activities of the Limited Partnership so as to make such Limited Partner liable for the debts and obligations of the Limited Partnership for purposes of the Act or otherwise.

**2.10 Head Office and Mailing Address**

The head office of the Limited Partnership shall at all times be the head office of the General Partner and may be changed from time to time by the General Partner giving Notice to that effect to all Limited Partners. The present address of the head office of the General Partner, and the mailing address of the General Partner and the Limited Partnership, is 180 Kent Street, Suite 300, Ottawa, Ontario K1P 0B6. If required by Law, a registered office shall be maintained in the Province of Manitoba at such location as the General Partner may designate from time to time.

## **2.11 Records**

At all times, the General Partner shall keep proper books of account and records relating to the Limited Partnership and the services performed hereunder, which books of account and records shall be accessible for inspection by the Limited Partners and any Relevant Authority with entitlement thereto at reasonable times during business hours. The General Partner shall keep or cause to be kept books of account and records relating to the Limited Partnership and services performed hereunder in a manner that complies with the record keeping requirements prescribed by applicable tax legislation.

## **2.12 Title and Custody**

Legal title to all assets and Securities to be acquired by the Limited Partnership shall be either (i) registered in the name of the Limited Partnership, or (ii) any other entity which the General Partner determines shall be the registered holder of title to Limited Partnership assets or Securities, either as nominee and/or in trust for the Limited Partnership, where it is neither commercially feasible to register title in the name of the Limited Partnership nor outside normal business practice to register title in such other entity.

## **2.13 Change in General Partner**

The Limited Partnership hereunder shall continue notwithstanding any dissolution, removal or replacement of the General Partner, provided that:

- (a) the General Partner is replaced with a new general partner in accordance with this Agreement; and
- (b) the appropriate Declarations are filed pursuant to the Act.

## **2.14 Compliance by Limited Partnership**

The Limited Partnership undertakes to carry out and be bound by the provisions of this Agreement to the full extent that it has capacity and power at law to do so.

## **2.15 Appointment of Auditor**

The General Partner shall appoint the Auditor of the Limited Partnership from time to time.

# **ARTICLE III** **THE UNITS**

## **3.1 Number of Units**

- (a) The interests of the Limited Partners in the Limited Partnership shall consist of one hundred (100) Class A Units and one hundred (100) Class B Units.

- (b) The interest in the Limited Partnership of the General Partner will be represented by one (1) GPU. The General Partner is not entitled to any votes at meetings of the Limited Partners, in its capacity as general partner.

### **3.2 Nature of a Unit**

- (a) No Unit shall have any preference, conversion, exchange, pre-emptive or redemption rights in any circumstances over any other Unit (except as may be specifically provided herein).
- (b) Each Limited Partner will be entitled to one (1) vote for each Unit held by such Limited Partner in respect of all matters to be voted upon by the Limited Partners.

### **3.3 Registrar and Transfer Agent**

The registrar and transfer agent of the Limited Partnership shall be the General Partner or such other Person as the General Partner may designate by Notice in writing to the Limited Partners. The registrar and transfer agent shall:

- (a) maintain a register (the “**Register**”) to record the following information for each Limited Partner:
  - (i) the Limited Partner’s name and address or address for service, including municipality, street and number, if any, and postal code;
  - (ii) the amount of money and the value of other property Contributed by the Limited Partner to the Limited Partnership; and
  - (iii) particulars of the issue and transfer of Units;
- (b) maintain such other records as may be required by Law and this Agreement, from time to time; and
- (c) cause transfers of Units to be recorded in accordance with the provisions of this Section 3.3.

The General Partner shall be authorized to make such reasonable rules and regulations pertaining to maintenance of the Register and the period of time during normal business hours that the Register is open for inspection as provided for in Section 3.4.

### **3.4 Inspection of Register**

The General Partner shall permit any Limited Partner or its agent duly authorized in writing to inspect and take extracts from the Register during normal business hours.

### **3.5 Interest of the Partners**

Except as specifically otherwise provided in this Agreement, the interests of the Partners in the Limited Partnership shall be:

- (a) Limited Partners:
  - (i) City - 49.995%; and
  - (ii) OSEG - 49.995%; and
- (b) General Partner – 0.01%.

### **3.6 Appointment of New General Partner and the Removal of the Current General Partner**

- (a) The General Partner may be removed as general partner by a Limited Partnership Resolution.
- (b) The General Partner may not resign voluntarily.
- (c) Upon the removal, bankruptcy, liquidation or winding-up of the General Partner, a new general partner shall be appointed within thirty (30) days by a Limited Partnership Resolution.

### **3.7 Competition**

- (a) Except as provided in subparagraph (b), nothing herein shall be deemed to restrict in any way the freedom of the City or any Permitted Transferee (other than a Member, each of which must be a Special Purpose Vehicle) to hold any investment or to conduct any activity whatsoever (including the acquisition, development, leasing, sale, operation and management of any retail office or residential development or any sports or entertainment centre or sports team).
- (b) Notwithstanding the provisions of subparagraph (a), none of Roger Greenberg, Bill Shenkman, John Ruddy, Jeff Hunt, John Pugh nor any Limited Partner nor Member Representative shall directly or indirectly own, operate or manage a member of the CFL or a member of the OHL, other than the CFL Team and the Ottawa 67's, within the area of one hundred (100) kilometres from any point on the perimeter of the boundaries of the City of Ottawa during the period commencing on the date of this Agreement and terminating on the Waterfall Expiry Date.

## **ARTICLE IV** **CONTRIBUTIONS**

### **4.1 Initial Contributions**

- (a) The General Partner shall initially contribute One Hundred Dollars (\$100.00) to the Limited Partnership in cash on the date of this Agreement, in exchange for which it shall be issued the GPU.

- (b) On the date of this Agreement, the City shall execute a subscription in the form annexed hereto as Schedule “C” for one hundred (100) Class B Units and shall pay to the Limited Partnership One Dollar (\$1.00) for each of the Class B Units for which it subscribes.
- (c) On the date of this Agreement, OSEG shall execute a subscription in the form annexed hereto as Schedule “C” for one hundred (100) Class A Units and shall pay to the Limited Partnership One Dollar (\$1.00) for each of the Class A Units for which it subscribes.
- (d) On the date of this Agreement, OSEG shall sell, transfer and assign to the Limited Partnership, and the Limited Partnership shall purchase and accept the Contribution from OSEG of, the Purchased Assets pursuant to the Transfer Agreement, on the following terms and conditions:
  - (i) the purchase price for the Purchased Assets shall be the amount that is equal to the aggregate of:
    - (A) the difference between the Minimum Equity Requirement, minus the Initial Capital Contributed; and
    - (B) Five Million Dollars (\$5,000,000),
 which shall be paid and satisfied by the Limited Partnership:
    - (C) crediting OSEG with a Contribution equal to the amount calculated in accordance with Section 4.1(d)(i)(A); and
    - (D) issuing the Promissory Note to OSEG, payment of which shall be guaranteed on a joint and several basis by the Members (the “**Ottawa 67’s Guarantee**”);
  - (ii) the purchase price for the Purchased Assets shall be allocated among the Purchased Assets in such manner as the General Partner and OSEG may agree, each acting reasonably, provided that Parties agree that the Ottawa 67’s Purchase Price is Ten Million Dollars (\$10,000,0000); and
  - (iii) the Transfer Agreement shall provide, *inter alia*, that:
    - (A) the General Partner, on behalf of the Limited Partnership, and OSEG shall jointly elect pursuant to subsection 97(2) of the *Income Tax Act* (Canada) and the equivalent provision under any applicable provincial legislation that the proceeds of disposition to OSEG and the cost of acquisition to the Limited Partnership of the Purchased Assets, for tax purposes, will be OSEG’s cost amount (as that term is defined in the *Income Tax Act* (Canada)) for the Purchased Assets immediately prior to their Contribution to the Limited Partnership (the “**Elected Amount**”). The General

Partner, on behalf of the Limited Partnership, and OSEG agree to execute and file all such agreements, elections and other documents as may be necessary or advisable in order that the Contribution of the Purchased Assets to the Limited Partnership may take place on a tax-deferred basis pursuant to subsection 97(2) of the *Income Tax Act* (Canada). If the Canada Revenue Agency determines that OSEG's cost amount for the Purchased Assets is greater than or less than the Elected Amount, then the Elected Amount shall be adjusted accordingly to be such amount as is agreed by the Canada Revenue Agency, OSEG and the General Partner, on behalf of the Limited Partnership, or in the absence of an agreement, such amount as is determined by a Court having jurisdiction in the matter, after all appeal rights have been exhausted or all times for appeal have expired without appeals having been taken;

- (B) the Limited Partnership acknowledges that the CFL Interest and the Ottawa 67's Interest are subject to the terms and conditions of the Component Limited Partnership Agreements for the CFL Partnership and the Ottawa 67's Partnership, respectively, and the Membership Agreement for the CFL Team and constating documents for the CFL with respect to the CFL Team and the constating documents for the OHL with respect to the Ottawa 67's, respectively; and
- (C) the Transfer Agreement shall contain usual and reasonable representations, warranties, covenants and indemnities for similar transactions, including that OSEG represents and warrants to the Limited Partnership on Closing that:
  - (1) it is the beneficial owner of the Purchased Assets and it has all right, power and authority to sell and transfer the Purchased Assets to the Limited Partnership;
  - (2) it has good, valid and marketable title to the Purchased Assets, free and clear of any Encumbrances of any kind, except as set out in Section 4.1(d)(iii)(B) and the Material Agreements; and
  - (3) it is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).
- (e) A payment under the Ottawa 67's Guarantee shall be deemed to be a contribution of Additional Equity;

## 4.2 Minimum Equity Requirement

- (a) Requirements for Equity to be provided by OSEG for the Total Project shall be effected in accordance with this Agreement and the Project Agreement.
- (b) OSEG shall provide a minimum Equity contribution for the Total Project in the amount of thirty million dollars (\$30,000,000), subject to the provisions of Section 4.3 (the “**Minimum Equity Requirement**”). The Members shall jointly and severally guarantee the Minimum Equity Requirement of OSEG, in accordance with the form of guarantee annexed hereto as Schedule “D”.
- (c) The Minimum Equity Requirement shall be satisfied in the first instance at or prior to the Closing by the amounts described in subparagraphs (i), (ii), (iii), (iv) and (viii) of the definition of Equity and, to the extent applicable to the period prior to Closing, sub-paragraph (ix) of the definition of Equity, and then, as to any deficiency, by cash advances at or prior to Closing by each of the Members to OSEG (the amount of such deficiency being, “**Initial Capital Contributed**”). Each of the Members covenant with the City and the Limited Partnership, that:
  - (i) the Initial Capital Contributed shall remain with OSEG and not used for any purpose other than (i) cash Contributions to the Limited Partnership, or (ii) the purposes of the Total Project in accordance with the provisions of this Agreement and/or any relevant Material Agreement. Any part of the Initial Capital Contributed that is not immediately required by OSEG, the Limited Partnership or a Component Limited Partnership for the purposes of the Total Project may be invested by OSEG in Permitted Interim Investments. The income received therefrom (the “**Initial Investment Income**”) shall be credited against the amount payable to OSEG pursuant to Section 5.4(a)(i)(A) (respecting the Waterfall);
  - (ii) none of the Members shall engage in any business or incur any other obligations or liabilities or debts except in connection with the Total Project, the Soccer Team or as permitted in the definition of S.P.V. Assets and each of the Members is and shall remain a Special Purpose Vehicle; and
  - (iii) Contributions from the Initial Capital Contributed (except to the extent previously Contributed to the Limited Partnership or previously used for the purposes of the Total Project in accordance with the provisions of this Agreement and/or any relevant Material Agreement) shall be provided by OSEG to the Limited Partnership in accordance with the provisions of this Agreement from time to time when required for the purposes of the Total Project, including Amounts Required for the Purposes of the Component Limited Partnerships.
- (d) Any amount contributed by Members on account of Completion Funds respecting Excess Stadium/Parking Costs, other than Stadium Completion Funds, shall be

deemed to be Additional Equity, but shall not be included in the determination of compliance with the Minimum Equity Requirement. Any amount contributed by Members on account of Stadium Completion Funds shall be deemed to be Equity, but shall not be included in the determination of compliance with the Minimum Equity Requirement nor be deemed to be Additional Equity.

- (e) There will not be an obligation on OSEG in the first instance to Contribute any specific amount of Equity to the Limited Partnership, but Contributions shall be made by OSEG from the Initial Capital Contributed to the Limited Partnership from time to time as required under Section 4.2(c)(iii).
- (f) At any time, the City may request evidence of the amount of the Equity and the nature of the amounts and OSEG shall, in form and content satisfactory to the City:
  - (i) provide a summary of the amounts and the nature of such amounts which it asserts comprise part of the Equity, having regard to the definition of “Equity”;
  - (ii) provide copies of all available invoices, receipts or other instruments evidencing such amounts; and
  - (iii) certify that such amounts have been paid, posted or contributed in full without any holdback or deduction.
- (g) Notwithstanding the foregoing, all amounts must be the following in order to be included in Equity:
  - (i) reasonable and/or in accordance with applicable industry standards;
  - (ii) directly related to the Total Project or be available to meet Total Project obligations and commitments for future Total Project requirements; and
  - (iii) would not have been paid, posted or contributed but for the Total Project,provided that for greater certainty, the Parties agree that the following amounts are reasonable, relate to the Total Project and are intended to be included in the calculation of Equity: the fee payable to the CFL for the CFL Membership, the letter of credit required to be posted with the CFL under the terms of the Membership Agreement for the CFL Team (provided that letter of credit meets the requirements described in subparagraph (ii) or (iii) of the definition of Equity), Five Million Dollars (\$5,000,000) on account of that part of the Ottawa 67's Purchase Price that is not satisfied by the Promissory Note and the contribution to the Hard Costs of improving the Urban Park payable under section 4.5(a)(ii) of the Project Agreement.
- (h) OSEG shall keep for seven (7) years proper accounts and records of transactions and activities in respect of amounts comprising Equity from each date of

contribution of such Equity and, in any event, during the entire Term of this Agreement. All accounts, records, invoices, receipts and vouchers that are kept by or available to OSEG shall at all times be open to audit, inspection and examination by or on behalf of the City.

#### **4.3 Return of and on Equity**

- (a) If OSEG shall contribute Additional Equity to the Total Project in excess of the Minimum Equity Requirement from time to time (which shall exclude any Stadium Completion Funds), OSEG shall be entitled to the return of such Additional Equity in accordance with the Waterfall. OSEG will not be entitled to the return of the Minimum Equity Requirement or any Stadium Completion Funds for a period of three (3) years from the Operating Term Commencement Date (as that term is defined in the Retail Lease) of the Retail Lease. The Minimum Equity Requirement will thereafter be reduced and repaid, and any Stadium Completion Funds will be reduced and repaid, on a “straight-line amortized” basis over a period of twenty-seven (27) years, commencing upon the third anniversary of the Operating Term Commencement Date of the Retail Lease.
- (b) From and after the Closing Date, OSEG will be entitled to a return on the outstanding amount of the Equity from time to time at the rate of eight percent (8%) per annum, provided that where the face amount (or outstanding balance) of a letter of credit is included as part of Equity, there will be no return paid to OSEG on the undrawn amount of the letter of credit. The fees paid by OSEG to the issuer of any such letter of credit will be included in Equity and shall be included in the amount of the Equity on which OSEG is entitled to a return under this Section. Funds or security provided by the Members of OSEG to obtain a letter of credit or other similar security for the purpose of establishing the availability of the Minimum Equity Requirement, shall not be deemed to be Equity for the purpose of this Article IV.
- (c) The return of Equity and the return on Equity described above will be payable only in accordance with a set of priority payments described below in the Waterfall.

#### **4.4 Return to the City on Deemed Equity**

- (a) For the purposes of the Waterfall, the City will receive a credit for “deemed equity” equal to the Retail Value (determined from time to time as provided in the Project Agreement) (“**City Deemed Equity**”).
- (b) The Parties agree that the Retail Value as of Closing is Twenty-Three Million, Seven Hundred and Fifty Thousand Dollars (\$23,750,000), provided that the Retail Value shall be re-established on the fifth (5<sup>th</sup>) anniversary of the Operating Term Commencement Date (as that term is defined in the Retail Lease) and every five (5) years thereafter.

- (c) From and after the Closing Date, the City will be entitled to a return on the amount of the City Deemed Equity from time to time at the rate of eight percent (8%) per annum, which will be payable to the City only in accordance with the priority of distributions under the Waterfall. The City shall not be entitled to the return of the City Deemed Equity.

#### **4.5 City Funding Equity**

The Parties agree that:

- (a) the Deemed Debenture Financing, calculated in the manner set out in the Project Agreement, is \$●; and
- (b) the City Funding Equity, calculated in the manner set out in the Project Agreement, is \$●.

#### **4.6 Return to the City on and of City Funding Equity**

- (a) From and after the Closing Date, the City shall be entitled to a return on City Funding Equity outstanding from time to time at the rate of eight percent (8%) per annum.
- (b) The City shall not be entitled to a return of its City Funding Equity for a period of three (3) years from the Operating Term Commencement Date (as that term is defined in the Retail Lease) of the Retail Lease. Thereafter, the City shall be entitled to the return of the City Funding Equity on a “straight-line amortized” basis over a period of twenty-seven (27) years, commencing upon the third anniversary of the Operating Term Commencement Date of the Retail Lease.
- (c) The return of City Funding Equity and the return on City Funding Equity described above will be payable only in accordance with the set of priority payments described below in the Waterfall.

#### **4.7 Reserve Established and Covenant to Effect Repairs**

- (a) A reserve will be established for lifecycle replacements and major capital repairs for the Stadium and the City’s Portion of the Parking Structure (the “**Reserve**”). The amount of the Reserve payments shall be determined in accordance with the formula set out in the Stadium Lease.
- (b) For clarity, payment of the Reserve shall be included within Amounts Required for the Purposes of the Component Limited Partnerships.

#### **4.8 Additional OSEG Contribution Requirements**

In addition to any other provision contained in this Agreement, OSEG shall provide Contributions to the Limited Partnership:

- (a) to fund any negative Net Cash Flow to ensure that all Reserve requirements are met, as referred to in Section 4.7(a) above (such Contributions to be deemed to be Equity); and
- (b) to fund any other amounts required to be funded by OSEG and/or the Members in accordance with the provisions of the Project Agreement.

**ARTICLE V**  
**RECEIPTS, PAYMENTS AND DISTRIBUTIONS**

**5.1 Utilization of Gross Receipts**

- (a) Gross Receipts, if any, received from time to time shall be utilized at follows:
  - (i) firstly, to pay all amounts owing on account of General Expenses;
  - (ii) secondly, to satisfy amounts required to be paid on account of the Reserve, on a cumulative, but not compounded basis (to the extent there is a deficiency with respect thereto in the payments by the Stadium Limited Partnership under the Stadium Lease), provided that if there are insufficient Gross Receipts to make this payment, then OSEG shall Contribute the amount of the shortfall;
  - (iii) thirdly, to pay Amounts Required for the Purposes of the Component Limited Partnerships, other than the Reserve;
  - (iv) fourthly, to the Promissory Note if then due and payable;
  - (v) fifthly, to holdback as a cash reserve such reasonable amount as shall be determined in accordance with the Master GP Shareholder's Agreement, as required for future obligations under subparagraphs (i), (ii) and (iii) of this Section 5.1(a);
  - (vi) sixthly, to pay to the General Partner a five percent (5%) cumulative, but not compounded, rate of return on the capital contribution of One Hundred Dollars (\$100) by the General Partner; and
  - (vii) seventhly, to distribute the balance as Net Cash Flow pursuant to the Waterfall set out below.
- (b) Distributions of Gross Receipts as provided in Section 5.1(a) shall be made as follows:
  - (i) payments pursuant to subparagraphs (a)(i) to (v) both inclusive, shall be made monthly or as otherwise determined by the General Partner; and
  - (ii) distributions pursuant to subparagraphs (a)(vi) and (a)(vii) shall be made within the period of thirty (30) days following receipt of annual Financial

Statements, or as otherwise determined by the General Partner as provided in subparagraph (c) below.

- (c) The General Partner may, in its sole and absolute discretion, cause interim distributions to be made during a Fiscal Year on account of distributions pursuant to subparagraphs (a)(vi) and (a)(vii) above (the “**Interim Distributions**”). Upon the determination of the actual distributions to be made pursuant to subparagraphs (a)(vi) and (a)(vii) in accordance with subparagraph (b)(ii), above (the “**Final Distributions**”), the distribution of the amount of the Final Distributions in excess of the Interim Distributions shall thereupon be made; alternatively, if the Interim Distributions exceed the amount of the Final Distributions, the excess amount thereof shall be returned by the Persons receiving such excess.
- (d) Notwithstanding the foregoing Sections 5.1(a), (b) and (c), net proceeds of permanent financing of the Retail Component (after repayment of the construction financing) as received by the Limited Partnership or the General Partner (on behalf of the Limited Partnership) from the Retail Limited Partnership shall be directed to pay the Promissory Note.
- (e) Net Cash Flow shall be determined on a Fiscal Year basis or for such other periods as the General Partner determines in its discretion.

## **5.2 Non-Arm’s Length Transactions**

Without derogating from the provisions contained in the Project Agreement or the Component Limited Partnership Agreements with respect thereto, in the event that there shall be a Non-Arm’s Length Transaction which shall have been Approved by the City (as required in accordance with the Project Agreement), notwithstanding the terms and conditions contained in any contract or arrangement related thereto, all revenues, expenditures and other terms thereof (as Approved by the City) shall be deemed to be on terms and conditions that would be applicable to an Arm’s Length transaction in similar circumstances, provided that any Non-Arm’s Length Transaction in which both the revenue and expense sides of the Non-Arm’s Length Transaction are included in the Closed System, copies of the agreements for which have been (or will as they are entered into, be) provided to the City prior to the execution thereof, shall not be required to be on terms and conditions that would be applicable to an Arm’s Length transaction in similar circumstances, provided that the proportion of revenue to expenses and the timing of the receipt of revenue and payment of expenses are substantially similar as would be applicable to an Arm’s Length transaction in similar circumstances, and the City has Approved the terms and conditions thereof.

## **5.3 Concept of Waterfall**

The distribution of Net Cash Flow will be based upon a “waterfall” of priorities; that is, available Net Cash Flow will be distributed in the priority of the various categories of entitlement set out below in Section 5.4 (the “**Waterfall**”).

## 5.4 Waterfall

- (a) Net Cash Flow from the Total Project, excluding the Urban Park, shall be distributed monthly, or as shall otherwise be agreed by OSEG and the City as a “Major Decision” under the Master GP Shareholder’s Agreement, in accordance with the following priorities:
  - (i) (A) to each of OSEG and the City, a return from and after the Closing Date on the outstanding amount from time to time of the Equity and the City Funding Equity, respectively, at the rate of eight percent (8%) per annum, on a cumulative, but not compounded basis (minus in the case of OSEG, the Initial Investment Income); or
  - (B) notwithstanding subparagraph (A), in the event that the available Net Cash Flow from the Total Project, excluding the Urban Park, in any Fiscal Year shall be sufficient to make a portion but not all of the amounts payable in accordance with subparagraph (A) above, the amount of such available Net Cash Flow shall be paid to each of OSEG and the City in the proportion that the amount of the Equity and the City Funding Equity bear to each other;
- (ii) return of Additional Equity to OSEG;
- (iii) (A) following the third anniversary of the Operating Term Commencement Date (as such term is defined in the Retail Lease) of the Retail Lease, the return of the Minimum Equity Requirement, any Stadium Completion Funds, and the City Funding Equity as follows:
  - (1) the Minimum Equity Requirement and any Stadium Completion Funds will be returned to OSEG on the amortized basis referred to in Section 4.3(a); and
  - (2) the City Funding Equity will be returned to the City on the amortized basis referred to in Section 4.6(b); or
- (B) notwithstanding subparagraph (A), in the event that in any Fiscal Year the amount of available Net Cash Flow from the Total Project, excluding the Urban Park, shall be sufficient to make a portion but not all of the payments to each of OSEG and the City in accordance with subparagraph (A) above, payments shall be made to OSEG on account of the return of the Minimum Equity Requirement and any Stadium Completion Funds and to the City on the account of the return of the City Funding Equity in the proportion that the then unreturned aggregate amount of the Minimum Equity Requirement and any Stadium Completion Funds

and the then unreturned amount of the City Funding Equity bear to each other;

- (iv) a return to the City from and after the Closing Date on City Deemed Equity (as adjusted from time to time in accordance with Section 4.4(b)(i)) at the rate of eight percent (8%) per annum, on a cumulative, but not compounded basis; and
  - (v) the balance of the available Net Cash Flow from the Total Project, excluding the Urban Park, will be distributed to OSEG and the City in equal shares.
- (b) Notwithstanding the provisions of Section 5.4(a), in the event that either the CFL Team or the Ottawa 67's cease to operate without the consent of the City for any reason whatsoever other than the CFL or the OHL ceasing to operate, then at the option of the City, the City Deemed Equity, determined on a cumulative basis, shall be deemed to be City Funding Equity for the purposes of the priority of payments of the available Net Cash Flow and the Waterfall referred to in this Section 5.4 above, as follows:
- (i) such City Deemed Equity shall be subject to and included in the determinations made under Section 5.4(a)(i); and
  - (ii) such City Deemed Equity shall not be subject or included in the determinations made under to Section 5.4(a)(iii).

For clarity, the provisions contained in this subparagraph (b) respecting the cessation of operation of either the CFL Team or the Ottawa 67's shall be applicable whether or not the CFL Partnership or the Ottawa 67's Partnership shall own the CFL Team or the Ottawa 67's, as the case may be, at the time of the cessation of operation, or whether a third party shall own the CFL Team or the Ottawa 67's as a result of the CFL Team or the Ottawa 67's having been sold to a third party at the time of the cessation of operation.

- (c) Notwithstanding the provisions of Sections 5.4(a) and (b), if at the time of a distribution of Net Cash Flow there is an OSEG Deficiency, then amounts otherwise payable to OSEG pursuant to Section 5.4(a) shall be directed to the Limited Partnership until the OSEG Deficiency and interest thereon are paid in full. Payments to the Limited Partnership under this Section 5.4(c) shall be applied firstly to interest and then to the amount of the OSEG Deficiency. Payments to the Limited Partnership under this Section 5.4(c) on account of the OSEG Deficiency shall be deemed to be Equity and a Contribution, but payments to the Limited Partnership under this Section 5.4(c) on account of interest shall be deemed to be neither Equity nor a Contribution.

## 5.5 Contributions

- (a) In the event that OSEG shall be required to make a Contribution in accordance with the provisions of this Agreement or the Project Agreement, OSEG shall make such Contribution within a period of five (5) Business Days from the date the Contribution is due or is required to be made.
- (b) In the event that OSEG shall fail to make all or any portion of a required Contribution within five (5) Business Days from the date the Contribution is due or is required to be made (the “**OSEG Deficiency**”), then OSEG shall pay interest at the Default Rate on the OSEG Deficiency, compounded and payable monthly, until the OSEG Deficiency and interest thereon are paid in full and the provisions of Section 5.4(c) shall apply.

## 5.6 Limited Partnership as a Going Concern and Final Judgments

- (a) The Auditor shall be instructed to provide draft financial statements within a period of ninety (90) days following the end of each Fiscal Year of the Limited Partnership (the “**Draft Statements**”) and final financial statements within one hundred and twenty (120) days following the end of each Fiscal Year of the Limited Partnership (the “**Financial Statements**”).
- (b) If the Auditor provides a draft opinion in the Draft Statements that the financial statements of the Limited Partnership cannot be presented on a going concern basis in accordance with GAAP (a “**Negative Opinion**”), OSEG shall have a period of thirty (30) days from receipt of the Draft Statements to provide sufficient funds to the Limited Partnership by way of a Contribution such that the Auditor’s opinion on the Financial Statements does not include a Negative Opinion (the “**Correcting Contribution**”).
- (c) In the event that a Correcting Contribution is not made within thirty (30) days from receipt of the Draft Statements and/or in the event that for any other reason the Auditor’s final opinion on the Financial Statements includes a Negative Opinion, then there shall be deemed to be an OSEG Event of Default.
- (d) If there is a Final Judgment against the Limited Partnership that cannot be satisfied by Gross Revenues or if there is a Final Judgment against a Component Limited Partnership that cannot be satisfied by the gross revenues of that Component Limited Partnership or by Gross Revenues, OSEG shall have a period of thirty (30) days from the Final Judgment Date to Contribute to the Limited Partnership an amount to satisfy the Final Judgment, failing which there shall be deemed to be an OSEG Event of Default.
- (e) If the Final Judgment is against a Component Limited Partnership and OSEG shall have contributed an amount to satisfy the Final Judgment to the Limited Partnership, then the Limited Partnership shall provide the amount of the Contribution to the relevant Component Limited Partnership to satisfy the Final Judgment.

- (f) An OSEG Event of Default as provided in either of subparagraph (c) or (d), above, is hereinafter referred to as a “**Going Concern Default**”.

## **5.7 Taxable Income and Losses**

- (a) Taxable income of the Limited Partnership shall be allocated between the Limited Partners in accordance with the following principles:
  - (i) without derogation from the paramountcy of the provisions of Sections 5.1, 5.3 and 5.4 hereof, the general intent of the Parties is that where a Limited Partner is a limited partner of the Limited Partnership for the duration of the Limited Partnership, then the Net Cash Flow distributed to the Limited Partner during the time that the Limited Partner is a limited partner of the Limited Partnership should equal the sum of the Limited Partner’s Contributions, plus where there are no Permanent Differences, taxable income allocated to the Limited Partner. Differences between Net Cash Flow distributions and taxable income (created, for example, by Permanent Differences and non-taxable portions of realized gains on the disposition of capital property and eligible capital property) must be allocated in a reasonable manner. Generally, it is anticipated that Permanent Differences should be allocated between the Limited Partners based on projected distributions of Net Cash Flow to the Limited Partners in excess of Equity;
  - (ii) in allocating taxable income to a Limited Partner in a year, consideration must be given to the priority of payments under the Waterfall and the timing of distributions and projected distributions under the Waterfall;
  - (iii) a distribution or projected distribution of Tax Based Equity is a return of capital for which there should not be a corresponding allocation of taxable income. There should be an allocation of taxable income in respect of a distribution or projected distribution of Untaxed Equity; and
  - (iv) each distribution to OSEG that is the return of the Minimum Equity Requirement, Stadium Completion Funds and/or Additional Equity should be considered to be a distribution of Tax Based Equity and Untaxed Equity. The portion of such a distribution which would be considered to be a distribution of Tax Based Equity would be determined by multiplying the amount of the distribution paid under each applicable element of the Waterfall by the proportion of OSEG’s Tax Based Equity for that element of the Waterfall to the aggregate of OSEG’s Tax Based Equity and OSEG’s Untaxed Equity for that element of the Waterfall. The balance of the distribution would be considered to be a distribution of Untaxed Equity.

Where the procedures detailed in Sections 5.7(c) for allocating taxable income result (or could reasonably be expected to result) in an allocation of taxable

income that is not in accordance with the principles outlined above, the Parties agree to modify the procedure for the allocation of taxable income as is reasonable in the circumstances. Where the Partners cannot agree on an alternative method of allocating taxable income, the method of allocation shall be determined pursuant to the Dispute Resolution Procedure.

- (b) The Parties agree that:
  - (i) a Forecast will be prepared annually, prior to March 15. The Forecast will be approved by the Partners prior to March 29; and
  - (ii) Tax Based Equity and Untaxed Equity in respect of the Minimum Equity Requirement, Stadium Completion Funds and Additional Equity will be calculated as at December 31 of each year. This calculation will be completed prior to March 15<sup>th</sup> of the following year.

Where the Parties cannot agree on the Forecast or the calculation of Untaxed Equity or Taxed Equity, the matter shall be determined pursuant to the Dispute Resolution Procedure.

- (c) Subject to Section 5.7(a), the Parties agree that taxable income (and non-capital losses) of the Limited Partnership will be allocated as follows:
  - (i) the Inherent 67's Gain will be allocated to OSEG;
  - (ii) until the time that there is cumulative Modified Taxable Income in excess of cumulative Modified Taxable Losses, Modified Taxable Losses will be allocated equally to the Limited Partners;
  - (iii) until the time that there is cumulative Modified Taxable Income in excess of cumulative Modified Taxable Losses, Modified Taxable Income will be allocated equally to the Limited Partners;
  - (iv) subject to subparagraph (vi), Modified Taxable Income in excess of Modified Taxable Income allocated in subparagraphs (i) and (iii) will be allocated in respect of a particular year and in respect of a particular element in the Waterfall. The allocation will be based on the priorities provided in the Waterfall giving regard to actual distributions and anticipated future distributions as provided in the Forecast and subject to the following:
    - (A) Modified Taxable Income allocated under Section 5.4(a)(i) will be allocated to the Limited Partners on a proportionate basis;
    - (B) Modified Taxable Income will be allocated under Section 5.4(a)(ii) to the extent of the Untaxed Equity;

- (C) Modified Taxable Income will be allocated under Section 5.4(a)(iii) to the extent of the Untaxed Equity on a proportionate basis between the Limited Partners;
- (D) no modification will be required in allocating Modified Taxable Income under Section 5.4(a)(iv); and
- (E) Modified Taxable Income allocated under Section 5.4(a)(v) of the Waterfall will be allocated to the Limited Partners equally.

Where Modified Taxable Income is being allocated in respect of a distribution in a future year, the Modified Taxable Income will be first allocated to the year and element of the Waterfall which has the highest priority in that particular year to receive a distribution;

- (v) an Allocable Gain will be allocated to the Limited Partners based on the proportionate distributions in the Forecast in excess of the aggregate of Equity. The Allocable Gain will be allocated to a Limited Partner based on that Limited Partner's next level of entitlement under the Waterfall as modified in Sections 5.7(c)(iv)(A) to (E);
- (vi) in no case should Modified Taxable Income and the Allocable Gains allocated to the City exceed the anticipated distribution to the City as provided in the Forecast. Once Modified Taxable Income and Allocable Gains have been allocated to distributions in excess of Tax Based Equity in respect of all elements in the Waterfall, the remaining Modified Taxable Income and the Allocable Gain will be allocated to OSEG;
- (vii) Permanent Differences will be allocated to the Limited Partners based on the aggregate distributions in excess of Equity as provided in the Forecast;
- (viii) Modified Taxable Losses realized after Section 5.7(c)(iii) will be allocated to the Limited Partners in accordance with the Waterfall. Modified Taxable Losses will be allocated to a year and category within the Waterfall based on the anticipated distributions in the Forecast. The Forecast distributions furthest in the future which had previously been allocated Modified Taxable Income will be allocated Modified Taxable Losses first. This is the reverse order in which Modified Taxable Income is allocated; and
- (ix) the allocation of Modified Taxable Income and Permanent Differences in prior years will be reconciled to the Forecast prepared for the particular year and adjustments will be made as required to the allocation of Modified Taxable Income and Permanent Differences in the current year. Likewise, the allocation of Allocable Gains will be reviewed in each year that there is an Allocable Gain.

- (d) Notwithstanding anything to the contrary in Sections 5.7(a) and 5.7(c), in the event that the Canada Revenue Agency determines that taxable income (or non-capital losses) shall be allocated in a manner differently than as set out in Sections 5.7(a) and 5.7(c), then the Partners shall allocate taxable income (and non-capital losses) of the Limited Partnership in such manner as agreed by Canada Revenue Agency and the General Partner, or in the absence of an agreement, in such manner as is determined by a Court having jurisdiction in the matter, after all appeal rights have been exhausted and all times for appeal have expired without appeals having been taken.

## 5.8 Waterfall Expiry Date

- (a) On the Waterfall Expiry Date:
  - (i) subject to subparagraph (ii), the City shall transfer to OSEG, free and clear of all Encumbrances, all issued and outstanding Class B Units held by the City for a purchase price of One Dollar (\$1.00) in the aggregate; and
  - (ii) the value of the Retail Lands for the purpose of determining Fair Market Value Rent (as defined in the Retail Lease) shall be increased by the amount, if any, of the Team Differential.
- (b) For the purposes hereof, the “**Team Differential**” shall be equal to the difference, if a positive number, between Teams’ Value minus Participation Rent Value, where:
  - (i) “**Participation Rent Value**” means the present value of the revenue anticipated to be received by the City, as landlord, with respect to the Participation Rent (as defined in the Retail Lease) commencing upon the Waterfall Expiry Date for the remainder of the Operating Term (as defined in the Retail Lease) of the Retail Lease, utilizing a discount factor of five percent (5%); and
  - (ii) “**Teams’ Value**” means one-half (1/2) of the Fair Market Value of the CFL Team and the Ottawa 67’s as at the Waterfall Expiry Date.
- (c) In respect of revenue from the Parking Structure, from and after the Waterfall Expiry Date, net operating revenue from the Parking Structure shall be allocated and payable in the manner set out in Section 13.6(d) of the Project Agreement.

## 5.9 Security Respecting OSEG Waterfall Distributions From Sales of Teams

In the event that there shall be a sale of either or both of the CFL Team and the Ottawa 67’s pursuant to Section 25.6(b) of the Project Agreement and the net proceeds from the sale result in payments to OSEG from the Waterfall, OSEG shall provide the Limited Partnership with a letter of credit in form mutually agreed upon with the City, each acting reasonably (the “**Security LC**”), which Security LC shall be:

- (i) for a term of two (2) years (or a term of one (1) year renewable or renewed for an additional period of one (1) year);
- (ii) in the principal amount equal to the amount paid to OSEG under the Waterfall from the sale of the Team or Teams in accordance with Section 5.4; and
- (iii) security that may be called upon by the Limited Partnership with respect to any negative Net Cash Flow relating to the Limited Partnership for a period of two (2) years from the receipt of each of such amounts as provided for in subparagraph (ii) above received from time, to time provided that any amount called on under the Security LC by the Limited Partnership shall be deemed to be Additional Equity.

For greater certainty, any costs and expenses incurred for the Security LC shall be at the expense of OSEG, and shall not, together with the principal amount of the Security LC, constitute Equity.

## **ARTICLE VI** **FINANCIAL INFORMATION**

### **6.1 Financial Statements**

The General Partner will:

- (a) within one hundred and twenty (120) days after the end of each Fiscal Year, furnish the Limited Partners with the audited Financial Statements for such Fiscal Year, including a balance sheet, a statement of income and retained earnings and a statement of change in financial position, together with the Auditor's report thereon;
- (b) furnish the Limited Partners quarterly with an unaudited income statement and balance sheet, within ninety (90) days of the end of each fiscal quarter;
- (c) convene annual unitholder meetings within one hundred and eighty (180) days of the end of each Fiscal Year, at which meeting budgets and strategies will be reviewed; and
- (d) provide quarterly update conference calls when requested by any Limited Partner.

## **ARTICLE VII** **MEETINGS**

### **7.1 Voting**

Every question submitted to a meeting, unless otherwise specified, shall be decided by Limited Partnership Resolution on a show of hands. In the case of an equality of votes, the chairman of the meeting shall not have a casting vote. When requested by one or more Limited Partners, a poll shall be taken on any Limited Partnership Resolution. Votes may be given in person or by proxy and a Person appointed by proxy need not be a Limited Partner. No Person other than a

Limited Partner or a Person appointed by proxy by a Limited Partner in respect thereof is entitled to a vote at a meeting of Limited Partners. At any meeting of the Limited Partners on a matter voted upon for which no poll is requested, a declaration made by the chairman of the meeting as to the voting on any particular Limited Partnership Resolution shall be conclusive evidence thereof.

## **7.2 Notice, Form of Proxy and Information Circular**

A Notice of a meeting of Limited Partners will be given at least ten (10) days prior to the meeting and will list all matters which are to be the subject of a vote at such meeting. The General Partner may solicit proxies from the Limited Partners without circulation of any information circular.

## **7.3 Calling of Meetings**

The General Partner will call a meeting of Limited Partners on receipt of a written request from a Limited Partner (a “**Requisitioning Limited Partner**”). If the General Partner fails or neglects to call such a meeting within thirty (30) days after receipt of the written request, then a Requisitioning Limited Partner may, at the expense of the Limited Partnership, call the meeting and designate the place it is to be held. Subject to the foregoing, meetings are to be held at a place designated by the General Partner.

## **7.4 Procedures at Meetings**

The General Partner may attend and take part in the discussions and proceedings at any meeting of Limited Partners. The Limited Partners shall appoint from among themselves a chairman at any such meeting and all rules of procedure applicable to meetings of corporations that offer their securities to the public within the meaning of the *Business Corporations Act* (Ontario) shall apply to meetings of the Limited Partners. At any meeting of the Limited Partners, the presence in person or by proxy of all Limited Partners shall be necessary to constitute a quorum for the transaction of business. If such quorum is not present on the date for which the meeting is called within one half (½) hour after the time fixed for the holding of such meeting, the meeting shall be adjourned, to be held not earlier than ten (10) days and not later than twenty-one (21) days thereafter, at which adjourned meeting Limited Partners holding at least fifty percent (50%) of the Units present in person or represented by proxyholder shall constitute a quorum. Notice shall forthwith be given to all Limited Partners of the time and place of the adjourned meeting. Any business may be transacted at the adjourned meeting which might properly have been transacted at the original meeting.

## **7.5 Chair**

The first item of business at any meeting of Limited Partners shall be the election of a chair of the meeting.

**ARTICLE VIII**  
**LIMITS ON LIABILITY**

**8.1 Limitations on Liability**

- (a) Subject to the provisions of Section 8.1(b), the total aggregate amount of liability of the City to OSEG shall not exceed in aggregate Fifty Million Dollars (\$50,000,000). Adjusted for Inflation, during the entire period of time that the Project Agreement and/or the Retail Lease and/or the Stadium Lease shall be in existence. The aggregate of liabilities referred to in this Section 8.1(a) shall be applicable with respect to the aggregate of all liability contained in or resulting from this Agreement and all Material Agreements.
- (b) The limitation on liability provided in Section 8.1(a) shall exclude payments and/or liabilities in respect of the matters referred in section 19.1(b) of the Project Agreement.

**8.2 No Indirect Losses**

The indemnities under this Agreement will not apply, and there will be no right to claim damages for breach of this Agreement, in contract, in tort or on any other basis whatsoever, to the extent that any loss claimed by a Party is for Indirect Losses, howsoever caused, suffered or allegedly suffered by that Party.

**8.3 OSEG's Remedies Against the City**

All of OSEG's remedies under or in relation to this Agreement, whether in contract, tort or otherwise, shall only be against the City and OSEG will not have any rights, causes of action or remedies against the City Indemnified Parties (other than the City) with respect to their role or responsibilities relating to the Project, any of the Material Agreements or this Agreement. Notwithstanding any other provision of this Agreement, nothing in this Agreement will give rise to any contract between OSEG and any of the City Indemnified Parties (other than the City).

**8.4 City's Remedies Against OSEG**

- (a) All of City's remedies under or in relation to this Agreement, whether in contract, tort or otherwise, shall only be against OSEG and the City will not have any rights, causes of action or remedies against the OSEG Indemnified Parties (other than OSEG) with respect to their role or responsibilities relating to the Project, any of the Material Agreements or this Agreement. Notwithstanding any other provision of this Agreement, nothing in this Agreement will give rise to any contract between the City and any of the OSEG Indemnified Parties (other than OSEG).
- (b) Notwithstanding Section 8.4(a), the City retains its remedies under or in relation to this Agreement, in contract only, for any breach by a Member (but not any of the other OSEG Indemnified Parties) of its specifically contracted obligations under

this Agreement or any of the Material Agreements to which the Member is a party.

## **ARTICLE IX** **OSEG DEFAULT**

### **9.1 Notification**

OSEG will notify the City of the occurrence, and details, of any OSEG Event of Default and of any event or circumstance which is likely, with the passage of time or otherwise, to constitute or give rise to an OSEG Event of Default, in either case promptly on OSEG becoming aware of its occurrence. However, a failure to provide such Notice shall not derogate from the rights of the City as provided in this Agreement.

### **9.2 Rights of City**

On the occurrence of an OSEG Event of Default or any time thereafter while it is subsisting, the City may:

- (a) serve Notice of default on OSEG requiring OSEG, at OSEG's option:
  - (i) in the case of an OSEG Event of Default other than pursuant to section 20.1(f) of the Project Agreement, to remedy or cause to be remedied the OSEG Event of Default referred to in such Notice of default (if it is continuing) within thirty (30) days following receipt by OSEG of the City's Notice of Default, provided that with respect to a non-monetary OSEG Event of Default, the thirty (30) day period to remedy an OSEG Event of Default shall be extended to such greater period than thirty (30) days as shall be reasonable in the circumstances, such greater period to be as Approved by the City, acting reasonably;
  - (ii) in the case of a non-monetary OSEG Event of Default other than pursuant to section 20.1(f) of the Project Agreement, to put forward within ten (10) days of such Notice of default, a reasonable program (set out, if appropriate, in stages) for remedying the OSEG Event of Default, which program shall be subject to the approval of the City, in its Discretion. The program will specify in reasonable detail the manner in, and the latest date by, which such OSEG Event of Default is proposed to be remedied. Notwithstanding the foregoing, in the event there is an OSEG Event of Default, but OSEG has exercised its right to require a sale of either or both of the CFL Team and the Ottawa 67's under the Component Limited Partnership Agreement for the CFL Partnership and the Ottawa 67's Partnership, respectively, then the exercise of that right shall be deemed to be program approved and accepted by the City, provided that the OSEG Event of Default is remedied in conjunction with the completion of the sale; or

- (iii) in the case of an OSEG Event of Default pursuant to section 20.1(f) of the Project Agreement, to remedy or cause to be remedied the OSEG Event of Default within the period provided therefor in the Stadium Lease or Retail Lease, as applicable; and
- (b) exercise any rights contained in this Agreement and/or any of the Material Agreements as contained therein.

For clarity, for the purposes hereof, a Going Concern Default shall be deemed to be a monetary default.

### **9.3 City Termination Right**

If:

- (a) an OSEG Event of Default notified in a Notice of default served under Section 9.2 is not remedied before the expiry of the applicable period referred to in Section 9.2;
- (b) OSEG puts forward a program pursuant to Section 9.2 which has been accepted by the City and OSEG fails to achieve any material element of the program or the end date for the program (as the case may be); or
- (c) any program put forward by OSEG pursuant to Section 9.2 is rejected by the City, in its Discretion, and no alternate program has been approved by the City, in its Discretion, within ten (10) days of the rejection of the original program (provided that any alternate program that is so approved by the City shall be deemed to be a program made pursuant to Section 9.2 for the purposes of this Agreement),

then at any time thereafter while an OSEG Event of Default is in existence, the City may upon ten (10) Business Days further Notice to OSEG terminate this Agreement in its entirety by Notice to OSEG with immediate effect in the event such OSEG Event of Default is not cured within such further ten (10) Business Day period, in which event OSEG shall transfer the Units owned by it in the Limited Partnership and the shares owned by it in the General Partner to the City or as the City may in writing direct for the sum of One Hundred Dollars (\$100.00), and the Parties shall have no further obligations or liabilities to each other, with the exception of any liabilities and obligations between the City and the General Partner, as the remaining partners of the Limited Partnership, under this Agreement and the Master GP Shareholder's Agreement. In addition, all OSEG Management Agreements and the Project Agreement shall be deemed terminated and all nominee directors and officers of OSEG in the General Partner and all Component General Partners shall forthwith resign and provide a release to the City, the Limited Partnership and the respective Component Limited Partnerships. Notwithstanding anything hereinbefore provided to the contrary, the Completion Guarantee shall continue in existence. For the purposes of this Section 9.3, if OSEG's performance of a program pursuant to Section 9.2 is adversely affected by the occurrence of an event of Force Majeure, then, subject to OSEG complying with the mitigation and other requirements in this Agreement concerning such events,

the time for performance of the program or any relevant element of it will be deemed to be extended by a period equal to the delay permitted by Section 13.1.

#### **9.4 Alternative Remedies**

All of the rights and remedies of the City under this Agreement and the Material Agreements are cumulative and not alternative. In addition to the right to terminate under Section 9.3 and any other rights pursuant to this Agreement, the City may exercise, either separately or simultaneously, any of the following remedies with respect to an OSEG Event of Default for which the City then has the right to deliver a Notice terminating this Agreement under the terms of Section 9.3:

- (a) bring any proceedings in the nature of specific performance, injunction or other equitable remedy, it being acknowledged by each of the Parties that damages at law may not be an adequate remedy for a default or breach of this Agreement; and
- (b) bring any action at law as may be necessary or advisable in order to recover damages, subject to the limitations contained in this Agreement.

#### **9.5 City Costs**

OSEG will reimburse the City for all reasonable costs incurred by the City in exercising any of its rights (including any relevant increased administrative expenses and actual legal expenses) under this Article IX. In addition, in the event that the City exercised any of its rights contained in this Article IX, OSEG will reimburse the City for all reasonable costs incurred by the City in connection therewith together with an administrative fee of fifteen percent (15%) on costs incurred.

#### **9.6 Non-Derogation of Rights**

For clarity, the provisions regarding default and the City's rights in the event of an OSEG Event of Default contained in this Agreement shall be in addition to and without derogation from the rights of the City contained in the Material Agreements. However, the provisions respecting limitation of liability contained in Article VIII in favour of OSEG shall be applicable with respect to this Agreement and all of the Material Agreements.

### **ARTICLE X** **DEFAULT BY CITY**

#### **10.1 Rights of OSEG**

On the occurrence of a City Event of Default or any time thereafter while it is subsisting, OSEG may:

- (a) serve Notice of default on the City requiring the City at the City's option:
  - (i) in the case of a City Event of Default, to remedy or cause to be remedied the City Event of Default referred to in such Notice of default (if it is

continuing) within thirty (30) days following receipt by the City of OSEG's Notice of Default, provided that with respect to a non-monetary City Event of Default, the thirty (30) day period to remedy the City Event of Default shall be extended to such greater period than thirty (30) days as shall be reasonable in the circumstances, such greater period to be as Approved by OSEG, acting reasonably;

- (ii) in the case of a non-monetary City Event of Default, to put forward within ten (10) days of such Notice of default, a reasonable program (set out, if appropriate, in stages) for remedying the City Event of Default, which program shall be subject to the approval of OSEG, in its Discretion. The program will specify in reasonable detail the manner in, and the latest date by, which such the City Event of Default is proposed to be remedied.

## **10.2 OSEG Termination Right**

If:

- (a) a City Event of Default notified in a Notice of default served under Section 10.1 is not remedied before the expiry of the applicable period referred to in Section 10.1;
- (b) the City puts forward a program pursuant to Section 10.1 which has been accepted by OSEG and the City fails to achieve any material element of the program or the end date for the program (as the case may be); or
- (c) any program put forward by the City pursuant to Section 10.1 is rejected by OSEG, in its Discretion, and no alternate program has been approved by OSEG, in its Discretion, within ten (10) days of the rejection of the original program (provided that any alternate program that is so approved by OSEG shall be deemed to be a program made pursuant to Section 10.1 for the purposes of this Agreement),

then at any time thereafter while the City Event of Default is in existence, OSEG may upon ten (10) Business Days further Notice to the City terminate this Agreement in its entirety by Notice to the City with immediate effect in the event the City Event of Default is not cured within such further ten (10) Business Day period, in which event the City shall transfer the Units owned by it in the Limited Partnership and the shares (if any) owned by it in the General Partner to OSEG or as OSEG may in writing direct for the sum of One Hundred Dollars (\$100.00), and the Parties shall have no further obligations or liabilities to each other, with the exception of any liabilities and obligations between OSEG and the General Partner, as the remaining partners of the Limited Partnership, under this Agreement and the Master GP Shareholder's Agreements. For the purposes of this Section 10.2, if the City's performance of a program pursuant to Section 10.1 is adversely affected by the occurrence of an event of Force Majeure, then, subject to the City complying with the mitigation and other requirements in this Agreement concerning such events, the time for performance of the program or any relevant element of it will be deemed to be extended by a period equal to the delay permitted by Section 13.1.

### **10.3 OSEG Costs**

The City will reimburse OSEG for all reasonable costs incurred by OSEG as a result of a City Event of Default (including any relevant increased administrative expenses and actual legal expenses). In the event that this Agreement is terminated by OSEG pursuant to applicable Law as a result of a City Event of Default, OSEG shall be entitled to payment in accordance with the provisions of Schedule M (Termination Compensation Principles) to the Project Agreement.

### **10.4 Effect of Dispute Resolution Procedure**

In the event that there shall be an alleged OSEG Event of Default or an alleged City Event of Default, the City or OSEG, as the case may be, shall not be entitled to exercise any remedies contained in this Agreement in the event that such OSEG Event of Default or City Event of Default is the subject matter of a Dispute Resolution Procedure, other than the right to seek interim injunctive relief.

## **ARTICLE XI** **DISSOLUTION AND TERMINATION**

### **11.1 Dissolution**

The Limited Partnership will not be dissolved except upon the unanimous vote of the Limited Partners.

### **11.2 Events Not Causing Dissolution**

The Limited Partnership will not be dissolved or terminated by the amendment of this Agreement or by the resignation, removal, death, mental incompetence, bankruptcy, insolvency, dissolution, liquidation, winding up or receivership of, or the admission, retirement or withdrawal of, the General Partner or any Limited Partner.

### **11.3 Receiver**

Upon the occurrence of a dissolution of the Limited Partnership, the General Partner (or any other Person as may be appointed by a Limited Partnership Resolution) will serve as the receiver of the Limited Partnership, provided that if the General Partner is unable or unwilling to act in such capacity, the Limited Partners will appoint some other appropriate Person or party to act as the receiver of the Limited Partnership by a Limited Partnership Resolution.

### **11.4 Liquidation of Assets**

The receiver will prepare or cause to be prepared a statement of financial position of the Limited Partnership which will be required to be reported upon by the Auditor, if practicable, and a copy of which will be forwarded to each Person who was shown on the Register as a Limited Partner at the date of dissolution. The receiver will wind up the affairs of the Limited Partnership and all property of the Limited Partnership will be liquidated in an orderly manner. The receiver will manage and operate the assets and undertaking of the Limited Partnership and will have all

powers and authority of the General Partner under this Agreement. The receiver will be paid its reasonable fees and disbursements incurred in carrying out its duties as such.

### **11.5 Distribution of Proceeds of Liquidation**

The receiver will distribute the net proceeds from liquidation of the Limited Partnership as follows:

- (a) first, to pay the expenses of liquidation and the debts and liabilities of the Limited Partnership to its creditors, or to make due provision for payment thereof;
- (b) second, to provide for such reserves as the receiver considers reasonably necessary for any contingent or unforeseen liability or obligation of the Limited Partnership, which may be set aside or paid to an escrow agent to be held for payment of liabilities or obligations of the Limited Partnership;
- (c) third, to pay to the General Partner the amount of any costs and expenses that the General Partner is entitled to receive from the Limited Partnership;
- (d) fourth, to pay to the General Partner a five percent (5%) cumulative, but not compounded, rate of return on the amount of the capital contributed by the General Partner, minus any amounts previously paid to the General Partner under Section 5.1(e); and
- (e) fifth, to distribute the balance thereof to the Limited Partners in accordance with the provisions of the Waterfall.

### **11.6 Termination of Limited Partnership**

The Limited Partnership will terminate when all of its assets have been sold and the net proceeds therefrom, after payment of or due provision for the payment of all debts, liabilities and obligations of the Limited Partnership to creditors, have been distributed as provided in this Article XI.

## **ARTICLE XII** **DISPOSITIONS**

### **12.1 Restrictions on Dispositions**

- (a) There shall be no Disposition of the Securities of an OSEG Member, of OSEG, of the Limited Partnership, of the General Partner, of a Component Limited Partnership or of a Component General Partner, except in accordance with this Article XII, Section 5.8(a) or Section 13.2.
- (b) Any Disposition of Securities of an OSEG Member, of OSEG, of the Limited Partnership, of the General Partner, of a Component Limited Partnership or of a Component General Partner to a Person with whom the disposing Person is not dealing at Arm's Length (except as provided in Section 12.2(a)(v) or

Section 13.2) shall be subject to the “normalizing” provisions described in Section 13.3(b) of the Project Agreement.

## **12.2 Disposition of Securities of an OSEG Member, of OSEG or of the Limited Partnership**

- (a) The following terms and conditions shall apply to any Disposition of Securities of an OSEG Member, of OSEG or of the Limited Partnership by a holder of Securities of an OSEG Member, by an OSEG Member or by OSEG:
  - (i) during the period commencing on Closing to and including the tenth (10<sup>th</sup>) anniversary of the Closing:
    - (A) subject to subparagraph (C) below, if the Disposition results in a Gain, then the prior approval of the City, in its Discretion, shall be required for the Disposition;
    - (B) subject to subparagraph (C) below, if the Disposition does not result in a Gain, then the prior Approval of the City, acting reasonably, shall be required for the Disposition, based on the Disposition Approval Guidelines; or
    - (C) if the Disposition is of Securities of the Limited Partnership, the prior written approval of the City, in its Discretion, shall be required, except as otherwise provided in this Agreement;
  - (ii) commencing on Closing, and thereafter until the Waterfall Expiry Date or the earlier termination of this Agreement:
    - (A) if the Disposition results in a Change of Control of OSEG or if a Change of Control of OSEG otherwise arises in accordance with the definition of that term, the prior approval of the City, in its Discretion, shall be required for the Disposition or such other Change of Control; or
    - (B) if the Disposition does not result in a Change of Control of OSEG and a Change of Control does not otherwise arise in accordance with the definition of that term, the prior Approval of the City, acting reasonably, shall be required for such Disposition, based on the Disposition Approval Guidelines;
  - (iii) notwithstanding subparagraphs (a)(i) and (a)(ii), if the Disposition occurs within 12 months of the death or permanent incapacity of Roger Greenberg or any subsequent Member Representative in respect of Lansgreen Investments Inc., John Ruddy or any subsequent Member Representative in respect of Trinity Lansdowne Ltd., William Shenkman or any subsequent Member Representative in respect of Shenkman Lansdowne Ltd., Jeff Hunt or any subsequent Member Representative in

respect of Keljay Ltd. or John Pugh or any subsequent Member Representative in respect of Friarmere Holdings Inc., the prior Approval of the City, acting reasonably, shall be required for such Disposition, based on the Disposition Approval Guidelines;

- (iv) notwithstanding subparagraphs (a)(i) and (a)(ii), in respect of a Disposition between OSEG Members or in respect of a Disposition from an OSEG Member to a Permitted Transferee of another OSEG Member, the prior Approval of the City, acting reasonably, shall be required for such Disposition, based on the Disposition Approval Guidelines; and
  - (v) notwithstanding subparagraphs (a)(i), (a)(ii), (a)(iii) and (a)(iv), no approval of the City (whether acting reasonably or in its Discretion) shall be required for a Disposition which is a Disposition to a Permitted Transferee, provided that the City shall be provided at least ten (10) Business Days' written Notice thereof.
- (b) For the purposes of subparagraph (a) above:
- (i) where the Approval of the City, acting reasonably, is required for a Disposition by virtue of subparagraph (a)(i)(B) or (a)(ii)(B), but the approval of the City, in its Discretion, is required with respect to the same Disposition by virtue of subparagraph (a)(ii)(A) or (a)(i)(A), respectively, then for the purposes of such Disposition, the approval of the City, in its Discretion, shall be applicable; and
  - (ii) with respect to any potential Disposition, the disposing Person shall provide a copy of all relevant agreements and information respecting the Person to whom the Disposition is to be made and all other relevant information requested by the City to the City not less than 10 Business Days prior to the Disposition.
- (c) Subject to subparagraph (d), the total aggregate Disposition Consideration received or to be received in respect of a Disposition under subparagraph (a), calculated in money or in money's worth, shall be distributed as follows:
- (i) in the case of the Disposition of Securities of an OSEG Member by a holder of Securities of the OSEG Member, the transferor of the Disposed Securities shall retain the lesser of:
    - (A) the total aggregate Disposition Consideration; or
    - (B) an amount equal to the product of:
      - (1) the outstanding Equity immediately prior to the Disposition;
      - (2) the Proportionate Share of such OSEG Member; and

- (3) the percentage of all issued Securities of the OSEG Member immediately prior to the completion of the Disposition that is represented by the Disposed Securities;
- (ii) in the case of a Disposition of Securities of an OSEG Member that is the issuance of Securities by the OSEG Member, the OSEG Member shall retain, and shall be entitled to distribute to any or all of the holders of its Securities, the lesser of:
  - (A) the difference (if a positive number) between:
    - (1) total aggregate Disposition Consideration; minus
    - (2) that portion of the Disposition Consideration, if any, paid by the OSEG Member to OSEG:
      - (I) as a contribution of capital; or
      - (II) to purchase additional Securities of OSEG,

and then paid by OSEG to the Limited Partnership as a Contribution, provided that additional Equity in such amount is then required or is reasonably expected to be required for the Total Project; or
  - (B) an amount equal to the product of:
    - (1) the outstanding Equity immediately following the Disposition and the payments described in subparagraph (c)(ii)(A)(2);
    - (2) the Proportionate Share of such OSEG Member; and
    - (3) the percentage of all issued Securities of the OSEG Member that is represented by the Disposed Securities immediately following the issue of such Disposed Securities;
- (iii) in the case of a Disposition of Securities of OSEG by an OSEG Member, the OSEG Member shall retain the lesser of:
  - (A) the total aggregate Disposition Consideration; or
  - (B) an amount equal to the product of:
    - (1) the outstanding Equity immediately prior to the Disposition;

- (2) the Proportionate Share of the OSEG Member immediately prior to the completion of the Disposition; and
  - (3) the percentage of all issued Securities of OSEG held by the OSEG Member immediately prior to the completion of the Disposition that is represented by the Disposed Securities;
- (iv) in the case of a Disposition of Securities of OSEG that is the issuance of Securities by OSEG, OSEG shall retain, and shall be entitled to distribute to any or all of the holders of its Securities, the lesser of:
  - (A) the difference (if a positive number) between:
    - (1) the total aggregate Disposition Consideration; minus
    - (2) that portion of the Disposition Consideration, if any, paid by OSEG to the Limited Partnership as a Contribution, provided that additional Equity in such amount is then required or is reasonably expected to be required for the Total Project; or
  - (B) an amount equal to the product of:
    - (1) the outstanding Equity immediately following the Disposition and the payments described in subparagraph (c)(iv)(A)(2); and
    - (2) the percentage of all issued Securities of OSEG that is represented by the Disposed Securities immediately following the issue of such Disposed Securities;
- (v) in the case of a Disposition of Securities of the Limited Partnership by OSEG, OSEG shall retain the lesser of:
  - (A) the total aggregate Disposition Consideration; or
  - (B) an amount equal to the product of:
    - (1) the outstanding Equity immediately prior to the Disposition; and
    - (2) the percentage of all issued Securities of the Limited Partnership held by OSEG immediately prior to the completion of the Disposition that is represented by the Disposed Securities; and
- (vi) the transferor or issuer of the Disposed Securities, as applicable, and the City shall share equally the difference (if a positive number) between:

- (A) in the case of the Disposition of Securities of an OSEG Member by a holder of Securities of the OSEG Member, the total aggregate Disposition Consideration, minus the amount the transferor of the Disposed Securities is entitled to retain under subparagraph (c)(i);
- (B) in the case of a Disposition of Securities of an OSEG Member that is the issuance of Securities by the OSEG Member, the amount described in subparagraph (c)(ii)(A), minus the amount the OSEG Member is entitled to retain, and to pay to holders of its Securities, under subparagraph (c)(ii);
- (C) in the case of a Disposition of Securities of OSEG by an OSEG Member, the total aggregate Disposition Consideration, minus the amount the OSEG Member is entitled to retain under subparagraph (c)(iii);
- (D) in the case of a Disposition of Securities of OSEG that is the issuance of Securities by OSEG, the amount described in subparagraph (c)(iv)(A), minus the amount OSEG is entitled to retain, and to pay to holders of its Securities, under subparagraph (c)(iv); or
- (E) in the case of a Disposition of Securities of the Limited Partnership by OSEG, the total aggregate Disposition Consideration, minus the amount OSEG is entitled to retain under subparagraph (c)(v).

Any payments made to the City under this subparagraph (c)(vi) shall be deemed to be applied to the City's then current entitlements under, and in the same order as set out in, Section 5.4 (without regard to the entitlements of OSEG), provided that if any part of the payments made to the City under this subparagraph (c)(vi) are deemed to be applied in accordance with the foregoing to the City's entitlement under Section 5.4(a)(v), then City Deemed Equity shall thereafter be deemed to be reduced by the amount of such part of the payments.

- (d) Notwithstanding the provisions of subparagraph (c), in the case of a Disposition of Securities:
  - (i) of an OSEG Member; or
  - (ii) of OSEG by an OSEG Member,
 in each case to:
  - (iii) a Permitted Transferee with respect to that OSEG Member; or
  - (iv) another OSEG Member or a Permitted Transferee of another OSEG Member,

the transferor or issuer of the Disposed Securities, as applicable, shall retain the total aggregate Disposition Consideration from such Disposition of Securities.

### **12.3 Transferee of Securities of OSEG or of the Limited Partnership**

In the case of a Disposition of Securities:

- (a) of OSEG by an OSEG Member, other than to a Permitted Transferee with respect to that OSEG Member, another OSEG Member or a Permitted Transferee of another OSEG Member, the Person to which the Disposed Securities are transferred shall be deemed to be entitled to:
  - (i) that portion of Equity equal to the amount the OSEG Member is entitled to retain under Section 12.2(c)(iii); and
  - (ii) that portion of the cumulative unpaid amount of return on Equity as contemplated in Section 5.4(a)(i) equal to the product of (A) such cumulative unpaid amount of return on Equity immediately prior to the Disposition, (B) the OSEG Member's Proportionate Share immediately prior to the completion of the Disposition, and (C) the percentage of all issued Securities of OSEG held by the OSEG Member immediately prior to the completion of the Disposition that is represented by the Disposed Securities;
- (b) of OSEG by an OSEG Member to a Permitted Transferee with respect to that OSEG Member, another OSEG Member or a Permitted Transferee of another OSEG Member, the Person to which the Disposed Securities are transferred shall be deemed to be entitled to:
  - (i) that portion of Equity equal to the product of (A) the outstanding Equity immediately prior to the Disposition, (B) the OSEG's Member's Proportionate Share immediately prior to the completion of the Disposition, and (C) the percentage of all issued Securities of OSEG held by the OSEG Member immediately prior to the completion of the Disposition that is represented by the Disposed Securities; and
  - (ii) that portion of the cumulative unpaid amount of return on Equity as contemplated in Section 5.4(a)(i) equal to the product of (A) such cumulative unpaid amount of return on Equity immediately prior to the Disposition, (B) the OSEG Member's Proportionate Share immediately prior to the completion of the Disposition, and (C) the percentage of all issued Securities of OSEG held by the OSEG Member immediately prior to the completion of the Disposition that is represented by the Disposed Securities;
- (c) of OSEG that is the issuance of Securities by OSEG, the Person to which the Disposed Shares are issued shall be entitled to:

- (i) that portion of Equity equal to the amount that OSEG is entitled to retain, and to pay to holders of its Securities, under Section 12.2(c)(iv); and
  - (ii) that portion of the cumulative unpaid amount of return on Equity as contemplated in Section 5.4(a)(i) equal to the product of (A) such cumulative unpaid amount of return on Equity immediately prior to the Disposition, and (B) the percentage of all issued Securities of OSEG that is represented by the Disposed Securities immediately following the issue of such Disposed Securities;
- (d) of the Limited Partnership by OSEG, the Person to which the Disposed Securities are transferred shall be deemed to be entitled to:
- (i) that portion of Equity equal to the product of (A) the outstanding Equity immediately prior to the Disposition, and (B) the percentage of all issued Securities of the Limited Partnership held by OSEG immediately prior to the completion of the Disposition that is represented by the Disposed Securities; and
  - (ii) that portion of the cumulative unpaid amount of return on Equity as contemplated in Section 5.4(a)(i) equal to the product of (A) such cumulative unpaid amount of return on Equity immediately prior the Disposition, and (B) the percentage of all issued Securities of the Limited Partnership held by OSEG immediately prior to the completion of the Disposition that is represented by the Disposed Securities; and
- (e) of OSEG or the Limited Partnership, the Person to which the Disposed Securities are transferred or issued (as applicable), unless that Person is already an OSEG Member, shall, as a condition precedent to the completion of the Disposition, enter into an assumption agreement respecting this Agreement and any applicable Material Agreement in form mutually agreed among the City, OSEG and that Person, each acting reasonably.

#### **12.4 Disposition of Securities of a Component Limited Partnership**

- (a) The Limited Partnership shall not Dispose of any Securities of the Stadium Limited Partnership or the Retail Limited Partnership without the approval of each of the City and of OSEG, in their Discretion.
- (b) The Limited Partnership shall not Dispose of any Securities of the CFL Partnership or the Ottawa 67's Partnership without the approval of each of the City and of OSEG as more fully set out in the Component Limited Partnership Agreement for the CFL Partnership and the Ottawa 67's Partnership, respectively.
- (c) The net proceeds from a Disposition by the Limited Partnership of any Securities of a Component Limited Partnership shall form part of Net Cash Flow and shall be distributed in accordance with the Waterfall.

## **12.5 Disposition of Securities of the General Partner or of a Component General Partner**

- (a) OSEG shall not Dispose of any Securities of the General Partner, except in conjunction with a permitted Disposition of Securities of the Limited Partnership. In the event of a permitted Disposition of Securities of the Limited Partnership by OSEG, OSEG also shall Dispose, to the same Person and at the same time as it Disposes the Securities of the Limited Partnership, that portion of the Securities of the General Partner held by OSEG that is equal to the product of (i) the number of Securities of the General Partner held by OSEG immediately prior to the Disposition, and (ii) the percentage of all issued Securities of the Limited Partnership held by OSEG immediately prior to the completion of the Disposition that is represented by the Disposed Securities of the Limited Partnership, and the total aggregate Disposition Consideration to OSEG for the Disposition of Securities of the General Partner shall be added to the total aggregate Disposition Consideration to OSEG for the Disposition of Securities of the Limited Partnership for the purposes of Section 12.2(c).
- (b) If OSEG is the holder of Securities of a Component General Partner, then:
  - (i) OSEG shall not Dispose of any Securities of a Component General Partner, except in conjunction with a permitted Disposition of Securities of the Limited Partnership;
  - (ii) in the event of a permitted Disposition of Securities of the Limited Partnership by OSEG, OSEG also shall Dispose, to the same Person and at the same time as it Disposes the Securities of the Limited Partnership, that portion of the Securities of each Component General Partner held by OSEG that is equal to the product of (A) the number of Securities of the Component General Partner held by OSEG immediately prior to the Disposition, and (B) the percentage of all issued Securities of the Limited Partnership held by OSEG immediately prior to the completion of the Disposition that is represented by the Disposed Securities of the Limited Partnership; and
  - (iii) the total aggregate Disposition Consideration to OSEG for the Disposition of Securities of each Component General Partner shall be added to the total aggregate Disposition Consideration to OSEG for the related Disposition of Securities of the Limited Partnership for the purposes of Section 12.2(c).
- (c) If an OSEG Member is the direct or indirect holder of Securities of a Component General Partner, other than through OSEG, then:
  - (i) the OSEG Member shall not directly or indirectly Dispose of any Securities of a Component General Partner, except in conjunction with either (A) a permitted Disposition of Securities of the Limited Partnership

by OSEG, or (B) a permitted Disposition of Securities of OSEG by the OSEG Member;

- (ii) in the event of a permitted Disposition of Securities of the Limited Partnership by OSEG, each OSEG Member shall directly or indirectly Dispose, to the same Person and at the same time as OSEG Disposes the Securities of the Limited Partnership, that portion of the Securities of each Component General Partner directly or indirectly held by the OSEG Member that is equal to the product of (A) the number of Securities of the Component General Partner directly or indirectly held by the OSEG Member immediately prior to the Disposition, and (B) the percentage of all issued Securities of the Limited Partnership held by OSEG immediately prior to the completion of the Disposition that is represented by the Disposed Securities of the Limited Partnership;
- (iii) in the event of a permitted Disposition of Securities of OSEG by the OSEG Member, the OSEG Member shall directly or indirectly Dispose, to the same Person and at the same time as it Disposes the Securities of OSEG, that portion of the Securities of each Component General Partner directly or indirectly held by the OSEG Member that is equal to the product of (A) the number of Securities of the Component General Partner directly or indirectly held by the OSEG Member immediately prior to the Disposition, and (B) the percentage of all issued Securities of OSEG held by the OSEG Member immediately prior to the completion of the Disposition that is represented by the Disposed Securities of OSEG;
- (iv) the total aggregate Disposition Consideration to the OSEG Member for the direct or indirect Disposition of Securities of each Component General Partner under subparagraph (ii) shall be added to the total aggregate Disposition Consideration to OSEG for the related Disposition of Securities of the Limited Partnership for the purposes of Section 12.2(c); and
- (v) the total aggregate Disposition Consideration to the OSEG Member for the direct or indirect Disposition of Securities of each Component General Partner under subparagraph (iii) shall be added to the total aggregate Disposition Consideration to the OSEG Member for the related Disposition of Securities of OSEG for the purposes of Section 12.2(c).

## **12.6 Other Disposition Provisions**

No Disposition described in this Article XII shall reduce the Minimum Equity Requirement, provided that in the case of a Disposition of Securities of the Limited Partnership held by OSEG, the Minimum Equity Requirement shall thereafter be satisfied by OSEG and the transferee of the Disposed Securities pro rata to their respective holdings, if any, of Securities of the Limited Partnership.

## **12.7 Encumbrances**

Neither OSEG nor the City shall create or permit any Encumbrance on or with respect to any of the Units owned by it in the Limited Partnership. The Limited Partnership shall not permit any Encumbrances on the assets of the Limited Partnership. The Members shall not permit any Encumbrances on the Securities or assets of the Members, except as permitted under Section 25.8(b)(i) of the Project Agreement or as may be approved by the City, in its Discretion acting in good faith.

## **ARTICLE XIII GENERAL**

### **13.1 Force Majeure**

If an event of Force Majeure adversely affects the time required for the performance of a Party's obligations under this Agreement and if the affected Party uses commercially reasonable efforts to mitigate the consequences of any time delay resulting therefrom (including, where possible, establishing a contingency plan on commercially reasonable terms which will allow such Party's normal operations to be resumed within a reasonable time thereafter) and shall have provided Notice to the other Parties, as the case may be, with respect to the occurrence of the event of Force Majeure within seven (7) days of its occurrence, then the affected Party shall be entitled to an extension of time with respect to its obligations directly, adversely affected by the event of Force Majeure equal to the time during which the event of Force Majeure occurred.

### **13.2 Assignment by the City**

- (a) Subject to Section 13.2(b), the City will not, without the prior consent of OSEG in its Discretion, make a Disposition.
- (b) Notwithstanding the provisions of Section 13.2(a), the City may, without the prior consent of OSEG, make a Disposition to a Municipal Services Corporation, of all or any portion of the Securities of the Limited Partnership which are owned by the City, or to a successor entity to the City or to any other Relevant Authority.
- (c) An assignment by the City pursuant to Section 13.2(b) shall relieve the City from all rights, obligations and liabilities hereunder as it relates to the portion of the Securities so assigned. For greater certainty, no assignment relieves the City from any obligations or liabilities arising pursuant to the second sentence of Section 10.3.

### **13.3 Notices**

Any Notice to a Party must be given in writing. A Notice may be given by delivery to an individual or electronically by fax or electronic mail, and will be validly given if delivered to the following address or if transmitted by fax or electronic mail to the following fax number or email address, addressed to the following Party:

If to the City: Real Estate Partnership and Development Office  
110 Laurier Avenue West  
Ottawa, Ontario  
K1P 1J1

Attention: Gordon MacNair, Director  
Fax: 613-560-6051  
Email: [gordon.macnair@ottawa.ca](mailto:gordon.macnair@ottawa.ca)

with a copy to: City Clerk & Solicitor Department  
110 Laurier Avenue West  
Ottawa, Ontario  
K1P 1J1

Attention: M. Rick O'Connor, City Clerk & Solicitor  
Fax: 613-580-2416  
Email: [rick.oconnor@ottawa.ca](mailto:rick.oconnor@ottawa.ca)

If to OSEG: Ottawa Sports and Entertainment Group  
300-180 Kent Street  
Ottawa, Ontario  
K1P 0B6

Attention: Bronwen Heins  
Fax: 613-788-2758  
Email: [bronwenheins@oseg.ca](mailto:bronwenheins@oseg.ca)

with a copy to: Soloway Wright LLP  
366 King Street East  
Suite 510  
Kingston, ON K7K 6Y3

Attention: Beth Gearing  
Fax: 800-263-4213  
Email: [bgearing@solowaywright.com](mailto:bgearing@solowaywright.com)

If to the Members: c/o Ottawa Sports and Entertainment Group  
300-180 Kent Street  
Ottawa, Ontario  
K1P 0B6

Attention: Bronwen Heins  
Fax: 613-788-2758  
Email: [bronwenheins@oseg.ca](mailto:bronwenheins@oseg.ca)

with copy to: Soloway Wright LLP  
366 King Street East  
Suite 510  
Kingston, ON K7K 6Y3

Attention: Beth Gearing  
Fax: 800-263-4213  
Email: [bgearing@solowaywright.com](mailto:bgearing@solowaywright.com)

or to any other address, fax number, email address or individual that the Party designates. Any Notice:

- (a) if validly delivered or if validly transmitted electronically and received before 5:00 p.m. (Ottawa time) on a Business Day, will be deemed to have been given on that Business Day; and
- (b) if validly delivered or if validly transmitted electronically and received after 5:00 p.m. (Ottawa time) on a Business Day or if validly delivered or if validly transmitted electronically and received on a day that is not a Business Day, will be deemed to have been given on the first Business Day after the date of delivery or transmission.

#### 13.4 Approvals

Where, by a provision of this Agreement, an approval, consent or agreement of a Party (hereinafter in this Section, individually or collectively referred to as an “**approval**”) is required, unless the contrary is expressly provided in this Agreement:

- (a) receipt of a written request for approval shall be required;
- (b) the Party whose approval is required will within ten (10) Business Days (or such longer period of time as shall be mutually agreed upon between the Parties in writing) after receipt of a request for approval, accompanied in all cases by reasonable detail if the circumstances require, notify the requesting Party in writing either that it approves or that it withholds its approval, setting forth in reasonable detail its reasons for withholding;
- (c) if the notification referred to in Section 13.4(b) is not given within the applicable period of time, the Party whose approval is requested will be deemed conclusively to have given its approval in writing;
- (d) the determination by a Party of whether to provide an approval shall be made in good faith;

- (e) an approval may not be unreasonably withheld or delayed (whether or not reference is specifically made to such approval not being unreasonably withheld or delayed); and
- (f) a Dispute as to whether or not the approval has been unreasonably withheld or whether or not such approval ought to have been provided in accordance with the requirements of this Agreement shall be resolved by the Dispute Resolution Procedure.

### **13.5 Confidentiality**

(a) Use and Disclosure of Confidential Information:

(i) Each Party will hold in confidence any Confidential Information, provided that the provisions of this Section will not restrict either Party from passing such information to its Affiliates or professional advisers, provided such Affiliates and advisers are subject to similar confidentiality obligations, to the extent necessary to enable OSEG to perform (or to cause to be performed) or to enforce OSEG's rights or obligations under this Agreement. The provisions of this Section also will not restrict:

- (A) OSEG from passing Confidential Information to contractors and sub-contractors, the CFL and the OHL and actual or potential lenders, provided such Persons are subject to similar confidentiality obligations, to enable OSEG to perform (or caused to be performed) its rights and obligations under this Agreement; and
- (B) the City from passing reasonably required Confidential Information to the respondents of request for offers issued by the City in respect of the air rights within the Office Component and the Residential Component, provided that such Persons are subject to similar confidentiality obligations.

(ii) Exceptions:

The obligation to maintain the confidentiality of the Confidential Information does not apply to Confidential Information:

- (A) which the other Party confirms in writing is not required to be treated as Confidential Information;
- (B) which is or comes into the public domain otherwise than through any disclosure prohibited by this Agreement;
- (C) to the extent any Person is required to disclose such Confidential Information by Law, including the *Municipal Freedom of Information and Protection of Privacy Act* (Ontario) or any other

applicable Law (provided that such Person shall promptly advise the other Party of such requirement in respect of any particular Confidential Information prior to disclosing same, and, if permitted under applicable Law, provide it with an opportunity to dispute the disclosure of Confidential Information); and

- (D) to the extent consistent with any City policy the details of which have been provided to OSEG in writing prior to the disclosure of the Confidential Information to the City and subject to OSEG's confirmation in writing that the Confidential Information is not required to be treated as such.

(b) Press Releases:

Unless otherwise required by any Law or any Relevant Authority, neither Party shall make or publish any public press release respecting the Project, except as otherwise mutually agreed upon between the Parties.

### **13.6 Waivers**

No waiver of any provision of this Agreement is binding unless it is in writing and signed by all the Parties to this Agreement, except that any provision which does not give rights or benefits to a particular Party may be waived in writing, signed only by that Party who has rights under, or holds the benefit of, the provision being waived if that Party sends a copy of the executed waiver to the other Party benefiting from the waiver. No failure to exercise, and no delay in exercising, any right or remedy under this Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Agreement will be deemed to be a waiver of any subsequent breach of that provision or of any similar provision.

### **13.7 Further Assurances**

Each Party will promptly execute and deliver all further documents and take all further action reasonably necessary or appropriate to give effect to the provisions and intent of this Agreement and to complete the transactions contemplated by this Agreement.

### **13.8 Remedies Cumulative**

The rights and remedies under this Agreement are cumulative. No single or partial exercise by a Party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that Party may be entitled.

### **13.9 Counterparts**

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts with the same effect as if all Parties had signed and delivered the same document and all counterparts will be construed together to be an original and will constitute one and the same agreement.

### **13.10 Delivery by Fax or Electronic Mail**

Any Party may deliver an executed copy of this Agreement by fax or electronic mail but that Party will immediately dispatch by delivery to the other Parties an originally executed copy of this Agreement.

### **13.11 Amendments**

No amendment, supplement, restatement or termination of any provision of this Agreement is binding unless it is in writing and signed by a duly authorized representative of each Party to this Agreement.

### **13.12 Dispute Resolution Procedure**

Except as otherwise provided in this Agreement, any Dispute shall be referred to arbitration in accordance with the Dispute Resolution Procedure set out in Schedule A (Dispute Resolution Procedure) to this Agreement, the award and determination of which shall be final and binding upon the Parties hereto.

### **13.13 Submission to Jurisdiction**

Where a Relevant Agreement (as defined in the Master GP Shareholder's Agreement) provides that arbitration of a particular matter shall not be subject to the Dispute Resolution Procedure as provided for therein, the courts of the Province of Ontario and Canada shall have exclusive jurisdiction to entertain and determine all Actions related to such matter, and each of the Parties does and shall irrevocably submit to the exclusive jurisdiction of such courts and hereby waives, and will not assert by way of motion, as a defence or otherwise in any such Action, any claim that: (i) such Party is not subject to the jurisdiction of such courts; (ii) such Action is brought in an inconvenient forum; or (iii) any subject matter of such Action may not be enforced in or by such courts. In any suit, action or proceeding brought to obtain a judgment for the recognition or enforcement of any judgment rendered in any such Action, no Party will seek any review with respect to the merits of any such Action, whether or not that Party appears in or defends that Action.

### **13.14 Enurement**

This Agreement enures to the benefit of and binds the Parties and their respective successors and permitted assigns.

IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the date hereof.

**CITY OF OTTAWA**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

I/We have authority to bind the corporation.

**The Members:**

**LANSGREEN INVESTMENTS  
INC., in its own capacity and in its  
capacity as a partner in Ottawa  
Sports and Entertainment Group**

By: \_\_\_\_\_  
Name: **Roger Greenberg**  
Title: **President**

By: \_\_\_\_\_  
Name: **Robert Greenberg**  
Title: **Vice President**

**TRINITY LANSDOWNE LTD., in its  
own capacity and in its capacity as a  
partner in Ottawa Sports and  
Entertainment Group**

By: \_\_\_\_\_  
Name: **John Ruddy**  
Title: **President**

**SHENKMAN LANSDOWNE LTD., in its  
own capacity and in its capacity as a partner  
in Ottawa Sports and Entertainment Group**

By: \_\_\_\_\_  
Name: **Kevin McCrann**  
Title: **President**

**KELJAY LTD., in its own capacity and in its  
capacity as a partner in Ottawa Sports and  
Entertainment Group**

By: \_\_\_\_\_  
Name: **Jeff Hunt**  
Title: **President**

**FRIARMERE HOLDINGS INC., in  
its own capacity and in its capacity as  
a partner in Ottawa Sports and  
Entertainment Group**

By: \_\_\_\_\_  
Name: **John Pugh**  
Title: **President**

**LANSDOWNE MASTER GP INC.**

By: \_\_\_\_\_  
Name: **John Ruddy**  
Title: **President**

By: \_\_\_\_\_  
Name: **Roger Greenberg**  
Title: **Executive Vice President**

I/We have authority to bind the corporation.

**Schedule “A”**  
**Dispute Resolution Procedure**

Except where this Agreement provides otherwise, any Dispute in respect of this Agreement shall be resolved as follows:

- (a) the affected Parties shall attempt to resolve such Dispute by negotiations, which shall be initiated by one of them giving to the other written Notice containing details of the Dispute and the other Party shall provide written reply thereto within ten (10) Business Days;
- (b) if, for any reason, the Dispute remains unresolved after the expiration of the aforesaid ten (10) Business Day period, any affected Party may provide a written request to the other Party that the Dispute be resolved by referral to arbitration between the Parties pursuant to the *Arbitration Act, 1991* (Ontario). The arbitration shall be conducted by a single arbitrator, the place of arbitration shall be Ottawa, Ontario, and the language of the arbitration shall be English. If the Parties cannot agree upon the appointment of the single arbitrator within ten (10) Business Days of receipt of the request to arbitrate, either Party may apply to a Judge of the Ontario Superior Court of Justice in Ottawa, Ontario, to appoint same. A decision of the arbitrator shall be final and binding on the Parties and there shall be no appeal therefrom; and
- (c) the time limits referred to in this Schedule may be abridged or extended by mutual agreement of the Parties.

Except for any action necessary to enforce the award of the arbitrator, or any actions initiated by the insurer of a Party, and subject to the provision of paragraph (b), the provisions of this Schedule are a complete defence to any Action instituted in any court or before any administrative tribunal with respect to any Dispute arising under or in connection with this Agreement.

The Parties shall continue to fulfill their respective obligations in respect of this Agreement during the Dispute Resolution Procedure.

This Schedule shall survive any termination of this Agreement.

**Schedule “B”**

**Site**

**Schedule "C"**

**SUBSCRIPTION FOR CLASS • UNITS**

**TO: Lansdowne Master Limited Partnership**  
(the "Limited Partnership")

**AND TO: Lansdowne Master GP Inc.**  
the general partner of the Limited Partnership

The undersigned subscribes for and agrees to purchase One Hundred (100) Class • units of the Limited Partnership at the price of One Dollar (\$1.00) per unit and tenders the sum of One Hundred Dollars (\$100.00) in full payment of the aggregate subscription price for the One Hundred (100) Class • units.

The undersigned requests that One Hundred (100) Class • units of the Limited Partnership be issued to the undersigned and that a certificate representing such units be issued in the name of and delivered to the undersigned.

DATED as of the      day of                      , 2012 .

•

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

I/We have authority to bind the corporation.

**Schedule “D”**

**GUARANTEE AGREEMENT**

THIS AGREEMENT made the [●] day of October, 2012

AMONG:

**CITY OF OTTAWA**  
(the “City”)

- and -

**LANSGREEN INVESTMENTS INC., SHENKMAN LANSDOWNE LTD.,  
TRINITY LANSDOWNE LTD., KELJAY LTD. AND FRIARMERE HOLDINGS INC.**  
(individually, a “Guarantor” and collectively, the “Guarantors”)

WHEREAS:

- A. The City has entered into a project agreement dated as of the date hereof with Ottawa Sports and Entertainment Group (“**OSEG**”) and the Guarantors in respect of the redevelopment of the Project Lands (the “**Project Agreement**”);
- B. For the purposes of the Project Agreement, a limited partnership has been formed under the laws of the Province of Manitoba pursuant to the provisions of *The Partnership Act* (Manitoba) under the name “Lansdowne Master Limited Partnership”, and a limited partnership agreement has been entered into among the City, OSEG, the Guarantors and Lansdowne Master GP Inc., as general partner, as at the date hereof (the “**Master Limited Partnership Agreement**”);
- C. The Project Agreement and the Master Limited Partnership Agreement provide that:
  - (i) OSEG shall provide a minimum Equity contribution for the Total Project in the amount of Thirty Million Dollars (\$30,000,000), subject to the provisions thereof (the “**Minimum Equity Requirement**”); and
  - (ii) the Guarantors shall jointly and severally guarantee the Minimum Equity Requirement of OSEG on the terms contained herein;

- D. Capitalized terms used in this guarantee agreement (including the schedule attached thereto) and not defined herein have the meaning attributed to such terms in the Project Agreement and the Master Limited Partnership Agreement.

IN CONSIDERATION OF the City agreeing to enter into the Project Agreement and the Master Limited Partnership Agreement and the respective covenants, agreements and obligations set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, each of the Guarantors hereby jointly and severally agrees with the City as follows:

1. The parties acknowledge and agree that the recitals to this guarantee agreement are true and correct in all respects and form an integral part of this guarantee agreement.
2. Each of the Guarantors unconditionally and irrevocably jointly and severally guarantees, as principal debtor(s), that the Minimum Equity Requirement shall be provided in accordance with and subject to the provisions of the Project Agreement and the Master Limited Partnership Agreement (such obligations being herein called the "**Guaranteed Obligations**").
2. This guarantee agreement shall be a continuing guarantee of the Guaranteed Obligations and shall apply to and secure the amounts remaining unpaid in connection with the Guaranteed Obligations.
3. The City shall not be bound to exhaust its recourse against OSEG or others or any securities or other guarantees it may at any time hold before being entitled to payment from any of the Guarantors, and each of the Guarantors renounces all benefits of division.
4. Each of the Guarantors' liability to make a payment under this guarantee agreement shall arise forthwith after demand for payment has been made in writing on such Guarantor, and such demand shall be deemed to have been effectually made if a Notice is given by the City in accordance with paragraph 17 hereof, and the Guarantor's liability shall bear interest from the date of such demand at the rate set out in paragraph 5 hereof.
5. The rate of interest payable by the Guarantors from the date of a demand for payment under this guarantee agreement shall be the Default Rate (as such term is defined in the Master Limited Partnership Agreement).
6. Upon default in payment of any sum owing by OSEG at any time in connection with the Minimum Equity Requirement, the City may treat all Guaranteed Obligations as due and payable and may forthwith collect from the Guarantors the total amount hereby guaranteed and may apply the sum so collected upon the Guaranteed Obligations.
7. Without prejudice to or in any way limiting or lessening the Guarantors' liability hereunder and without obtaining the consent of or giving Notice to the Guarantors, the City may grant time, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with OSEG and others, including the Guarantors and any other guarantor as the City may see fit, and the City may take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise

deal with securities and guarantees in such manner as the City may see fit, and the City may apply all moneys received from OSEG or others or from securities or guarantees upon such parts of the Guaranteed Obligations as the City may see fit and change any such application in whole or in part from time to time.

8. This guarantee agreement shall not be discharged or otherwise affected by the loss of capacity of OSEG, by any change in the name of OSEG or in the membership of OSEG, or by the sale of OSEG's business or any part thereof, but shall, notwithstanding any such event, continue to apply to the Guaranteed Obligations whether theretofore or thereafter incurred; and in the case of a change in the membership of OSEG, this guarantee agreement shall apply to the liabilities of the resulting partnership, and the term "OSEG" shall include each such resulting partnership.
9. The Guarantors shall not be entitled to terminate its liability under this guarantee agreement while OSEG remains obligated in connection with the Minimum Equity Requirement under the Project Agreement and the Master Limited Partnership Agreement.
10. This guarantee agreement, the Project Agreement, the Master Limited Partnership Agreement and other Material Agreements embody all the agreements between the parties hereto relative to the guarantee provided for herein, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein or in the Project Agreement, the Master Limited Partnership Agreement or any of the other Material Agreements; and it is specifically agreed that the City shall not be bound by any representations or promises made by OSEG to any of the Guarantors.
11. No change in the name, objects, capital stock or constitution of any of the Guarantors shall in any way affect the liability of any of the other Guarantors, either with respect to transactions occurring before or after any such change, and the City shall not be concerned to see or inquire into the powers of any of the Guarantors or any of their respective directors or other agents, acting or purporting to act on its behalf. If any of the Guarantors shall amalgamate with one or more other corporations, as applicable, the covenants herein contained shall continue to be binding upon the corporation continuing from the amalgamation.
12. This guarantee agreement shall be governed exclusively by, and shall be enforced, construed and interpreted exclusively in accordance with, the laws of Ontario and the laws of Canada applicable in Ontario, which will be deemed to be the proper law of this guarantee agreement.
13. Any Notice to a party must be given in writing. A Notice may be given by delivery to an individual or electronically by fax or electronic mail, and will be validly given if delivered to the following address or if transmitted by fax or electronic mail to the following fax number or email address, addressed to the following party:

If to the City: Real Estate Partnership and Development Office  
110 Laurier Avenue West  
Ottawa, Ontario  
K1P 1J1

Attention: Gordon MacNair, Director  
Fax: 613-560-6051  
Email: [gordon.macnair@ottawa.ca](mailto:gordon.macnair@ottawa.ca)

with a copy to: City Clerk & Solicitor Department  
110 Laurier Avenue West  
Ottawa, Ontario  
K1P 1J1

Attention: M. Rick O'Connor, City Clerk & Solicitor  
Fax: 613-580-2416  
Email: [rick.oconnor@ottawa.ca](mailto:rick.oconnor@ottawa.ca)

If to Guarantors: c/o Ottawa Sports and Entertainment Group  
300-180 Kent Street  
Ottawa, Ontario  
K1P 0B6

Attention: Bronwen Heins  
Fax: 613-788-2758  
Email: [bronwenheins@oseg.ca](mailto:bronwenheins@oseg.ca)

with a copy to: Soloway Wright LLP  
366 King Street East  
Suite 510  
Kingston, ON K7K 6Y3

Attention: Beth Gearing  
Fax: 800-263-4213  
Email: [bgearing@solowaywright.com](mailto:bgearing@solowaywright.com)

or to any other address, fax number, email address or individual that the party designates. Any Notice:

- (a) if validly delivered or if validly transmitted electronically and received before 5:00 p.m. (Ottawa time) on a Business Day, will be deemed to have been given on that Business Day; and
- (b) if validly delivered or if validly transmitted electronically and received after 5:00 p.m. (Ottawa time) on a Business Day or if validly delivered or if validly transmitted electronically and received on a day that is not a Business Day, will

be deemed to have been given on the first Business Day after the date of delivery or transmission.

14. This guarantee agreement may be executed in one or more counterparts with the same effect as if all parties had signed and delivered the same document and all counterparts will be construed together to be an original and will constitute one and the same agreement. Signatures delivered by telefax or portable document format shall be treated as originals for all purposes.
15. This guarantee agreement enures to the benefit of and binds each of the parties and their respective successors and permitted assigns. This guarantee agreement shall not be assigned by any of the Guarantors without the consent of the City.
16. No amendment, supplement, restatement or termination of any provision of this guarantee agreement is binding unless it is in writing and signed by a duly authorized representative of each party hereto.
17. Except as otherwise provided in this guarantee agreement, any disagreement, failure to agree or other dispute between the City and any Guarantor arising out of or in connection with this guarantee agreement, including in respect of the interpretation, breach, performance, validity or termination hereof, whether in the law of contract or any other area of law (a “**Dispute**”), such Dispute shall be referred to arbitration in accordance with the Dispute Resolution Procedure set out in Schedule A (Dispute Resolution Procedure) to this guarantee agreement, the award and determination of which shall be final and binding upon the parties hereto.
18. Where a Relevant Agreement (as defined in the Master GP Shareholder’s Agreement) provides that arbitration of a particular matter shall not be subject to the Dispute Resolution Procedure as provided for therein, the courts of the Province of Ontario and Canada shall have exclusive jurisdiction to entertain and determine all Actions related to such matter, and each of the parties does and shall irrevocably submit to the exclusive jurisdiction of such courts and hereby waives, and will not assert by way of motion, as a defence or otherwise in any such Action, any claim that: (i) such party is not subject to the jurisdiction of such courts; (ii) such Action is brought in an inconvenient forum; or (iii) any subject matter of such Action may not be enforced in or by such courts. In any suit, action or proceeding brought to obtain a judgment for the recognition or enforcement of any judgment rendered in any such Action, no party will seek any review with respect to the merits of any such Action, whether or not that party appears in or defends that Action.

IN WITNESS WHEREOF the parties have duly executed this guarantee agreement as of the date hereof.

**CITY OF OTTAWA**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

I/We have authority to bind the corporation.

**LANSGREEN INVESTMENTS  
INC., in its own capacity and in its  
capacity as a partner in Ottawa  
Sports and Entertainment Group**

**SHENKMAN LANSDOWNE LTD., in its  
own capacity and in its capacity as a  
partner in Ottawa Sports and  
Entertainment Group**

By: \_\_\_\_\_  
Name: **Roger Greenberg**  
Title: **President**

By: \_\_\_\_\_  
Name: **Kevin McCrann**  
Title: **President**

By: \_\_\_\_\_  
Name: **Robert Greenberg**  
Title: **Vice President**

**TRINITY LANSDOWNE LTD., in its  
own capacity and in its capacity as a  
partner in Ottawa Sports and  
Entertainment Group**

**KELJAY LTD., in its own capacity and in  
its capacity as a partner in Ottawa Sports  
and Entertainment Group**

By: \_\_\_\_\_  
Name: **John Ruddy**  
Title: **President**

By: \_\_\_\_\_  
Name: **Jeff Hunt**  
Title: **President**

**FRIARMERE HOLDINGS INC., in  
its own capacity and in its capacity as  
a partner in Ottawa Sports and  
Entertainment Group**

By: \_\_\_\_\_  
Name: **John Pugh**  
Title: **President**

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**Schedule “A”**  
**Dispute Resolution Procedure**

Except where this guarantee agreement provides otherwise, any Dispute in respect of this guarantee agreement shall be resolved as follows:

- (a) the affected parties shall attempt to resolve such Dispute by negotiations, which shall be initiated by one of them giving to the other written Notice containing details of the Dispute and the other party shall provide written reply thereto within ten (10) Business Days;
- (b) if, for any reason, the Dispute remains unresolved after the expiration of the aforesaid ten (10) Business Day period, any affected party may provide a written request to the other party that the Dispute be resolved by referral to arbitration between the parties pursuant to the *Arbitration Act, 1991* (Ontario). The arbitration shall be conducted by a single arbitrator, the place of arbitration shall be Ottawa, Ontario, and the language of the arbitration shall be English. If the parties cannot agree upon the appointment of the single arbitrator within ten (10) Business Days of receipt of the request to arbitrate, either party may apply to a Judge of the Ontario Superior Court of Justice in Ottawa, Ontario, to appoint same. A decision of the arbitrator shall be final and binding on the parties and there shall be no appeal therefrom; and
- (c) the time limits referred to in this Schedule may be abridged or extended by mutual agreement of the parties.

Except for any action necessary to enforce the award of the arbitrator, or any actions initiated by the insurer of a party, and subject to the provision of paragraph (b), the provisions of this Schedule are a complete defence to any Action instituted in any court or before any administrative tribunal with respect to any Dispute arising under or in connection with this guarantee agreement.

The parties shall continue to fulfill their respective obligations in respect of this guarantee agreement during the Dispute Resolution Procedure.

This Schedule shall survive any termination of this guarantee agreement.