

MANAGEMENT AGREEMENT

between

CITY OF MOOSE JAW

and

**GLOBAL SPECTRUM FACILITY MANAGEMENT, L.P.
d/b/a SPECTRA VENUE MANAGEMENT**

Dated: _____

MANAGEMENT AGREEMENT

This Management Agreement is made as of the September 1, 2019 (“**Effective Date**”), by and between City of Moose Jaw, a Municipal Corporation (“**Owner**”), and Global Spectrum Facility Management, LP, an Ontario limited partnership d/b/a Spectra Venue Management (“**Manager**”).

RECITALS

WHEREAS, Owner owns a multi-purpose sports and entertainment arena located in Moose Jaw, Saskatchewan that is currently known as “Mosaic Place”, that consists of a sports and entertainment bowl with approximately 4,500 seats, a curling club, and banquet/meeting rooms, and is the current home of the team currently known as the “Moose Jaw Warriors” that plays in the Western Hockey League (the “**Facility**”); and

WHEREAS, the Owner desires to engage Manager to manage and operate the Facility on behalf and for the benefit of the Owner, and Manager desires to accept such engagement, pursuant to the terms and conditions contained herein; and

NOW THEREFORE, for and in consideration of the foregoing, the mutual covenants and promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1. Definitions. For purposes of this Agreement, the following terms have the meanings referred to in this Section:

Affiliate: a person or company that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, a specified person or company.

Agreement: this Management Agreement, together with all schedules and exhibits attached hereto (each of which are incorporated herein as an integral part of this Agreement).

Capital Expenditures: all expenditures for building additions, alterations, repairs or improvements and for purchases of additional or replacement furniture, machinery, or equipment, where the cost of such expenditure is greater than \$5,000 and the depreciable life of the applicable item is, according to Public Sector Accounting Standards, is in excess of five (5) years.

Commercial Rights: naming rights, pouring rights, advertising, sponsorships, the branding of food and beverage products for resale, premium seating (including suites, club seats and part suites) and memorial gifts at or with respect to the Facility and owned or controlled by the Owner.

Contract Administrator: has meaning as set out in Section 13.1.

CPI: the "All-items" Consumer Price Index for Regina, Saskatchewan published by Statistics Canada;

Effective Date: shall have the meaning ascribed to such term in the opening paragraph of this Agreement.

Emergency Repair: the repair of a condition which, if not performed immediately, creates an imminent danger to persons or property and/or an unsafe condition at the Facility threatening persons or property.

Event Account: a separate interest-bearing account in the name of the Owner and under the Owner's Federal ID number in a local qualified public depository, to be designated by the Owner, where advance ticket sale revenue is deposited by Manager.

Event of Force Majeure: an act of God, fire, earthquake, hurricane, flood, riot, civil commotion, terrorist act, terrorist threat, storm, washout, wind, lightning, landslide, explosion, epidemic, inability to obtain materials or supplies, accident to machinery or equipment, any law, ordinance, rule, regulation, or order of any public or military authority stemming from the existence of economic or energy controls, hostilities or war, a labor dispute which results in a strike or work stoppage affecting the Facility or services described in this Agreement, or any other cause or occurrence outside the reasonable control of the party claiming an inability to perform and which by the exercise of due diligence could not be reasonably prevented or overcome.

Existing Contracts: Service Contracts, Revenue Generating Contracts, and other agreements relating to the day-to-day operation of the Facility existing as of the Effective Date, as set forth on Exhibit B attached hereto.

Facility: shall have the meaning ascribed to such term in the Recitals to this Agreement, and shall be deemed to include the entire arena complex, including but not limited to the arena, suites, locker rooms, meeting rooms, box office, common areas, lobby areas, executive and other offices, storage and utility facilities, as well as the entrances, ground, sidewalks and parking areas immediately surrounding the Facility and adjacent thereto, as such areas are identified on Schedule 1 hereto.

FF&E: furniture, fixtures and equipment to be procured for use at the Facility.

First Contribution: shall have the meaning given to such term in Section 11.3 below.

Fixed Management Fee: the fixed monthly fee the Owner shall pay to Manager under this Agreement, as more fully described in Section 3.1 of this Agreement.

General Manager: the employee of Manager acting as the full-time on-site general manager of the Facility.

Human Resources Assistant: shall have the meaning given to such term in Section 6.4.

Incentive Fee: the contingent fee the Owner shall pay to Manager under this Agreement, if earned, as more fully described in Section 3.2 below.

Initial Term: shall have the meaning given to such term in Section 4.1.

Laws: federal, provincial, local and municipal laws, statutes, rules, regulations and ordinances.

Management-Level Employees: the General Manager, Assistant General Manager, Business Manager (or employees with different titles performing similar functions), and any department head employed by Manager to perform services at the Facility (including, if applicable, employees performing the function of the Director of Operations, Director of Sales and Marketing, Director of Security, Finance Director and Event Manager).

Manager: shall have the meaning ascribed to such term in the Recitals to this Agreement.

Marketing Plan: a plan for the advertising and promotion of the Facility and Facility events, which may contain but not be limited to the following elements: (i) market research, (ii) market position, (iii) marketing objectives, (iv) marketing strategies, (v) booking priorities, (vi) targeted events - local, regional, national and international, (vii) targeted meetings, conventions and trade shows, (viii) industry advertising campaign, (ix) internal and external support staff, (x) advertising opportunities at the local, regional and national level, (xi) attendance at various trade shows, conventions and seminars, (xii) incentive formulas for multiple event presenters, (xiii) suite and club seat sales, (xiv) merchandising and retail, (xv) a plan regarding national, regional and local public relations and media relations, and (xvi) policies regarding the use of trade/barter.

Material Contract: any Service Contract, Revenue Generating Contract or other contract related to the operation of the Facility with a term of longer than one-year or with a term that expires after the Term of this Agreement, unless such contract can be terminated by the Owner without cause, and without penalty, upon no more than sixty (60) days' prior written notice. Notwithstanding the foregoing, the following contracts shall be considered Material Contracts: contracts with prime tenants, the food and beverage service provider and the ticketing company.

Net Operating Loss: the amount by which Operating Expenses exceed Revenue in the applicable time period.

Net Operating Loss Benchmark: a mutually agreed upon amount of Net Operating Loss for the Facility that takes into account, among other things, historic Net Operating Losses and anticipated Operating Expenses. The parties shall mutually agree upon this Net Operating Loss

Benchmark in writing by no later than November 30, 2019. If for any reason the parties are unable to mutually agree on the Net Operating Loss Benchmark by November 30, 2019, the parties shall submit such determination to a mutually agreed third party arbitrator who shall be an independent industry expert, without any conflicts of interest. Owner and Manager shall each submit to such third party their proposed figure for the Net Operating Loss Benchmark, and such third parties' determination shall be final and binding on Owner and Manager, provided that such determination shall be made consistent with the terms of this Agreement, and shall not be outside of the range of the figures submitted by Owner and Manager. The cost of such third party arbitrator shall be an Operating Expense.

Operating Account: a separate interest-bearing account in the name of the Owner and under the Owner's Federal ID number in a local qualified public depository, to be designated by the Owner, where Revenue is deposited and from which Operating Expenses are paid.

Operating Budget: a line item budget for the Facility that includes a projection of Revenues and Operating Expenses, presented on a monthly and annual basis.

Operating Expenses: all expenses incurred by Manager in connection with its operation, promotion, maintenance and management of the Facility, including but not limited to the following: (i) employee payroll, benefits, relocation costs, severance costs, bonus and related costs, (ii) cost of operating supplies, including general office supplies, (iii) advertising, marketing, group sales, and public relations costs, (iv) cleaning expenses, (v) data processing costs, (vi) dues, subscriptions and membership costs, (vii) the Fixed Management Fee, (viii) printing and stationary costs, (ix) postage and freight costs, (x) equipment rental costs, (xi) minor repairs, maintenance, and equipment servicing, not including expenses relating to performing capital improvements or repairs, (xii) security expenses, (xiii) telephone and communication charges, (xiv) travel and entertainment expenses of Manager employees, (xv) cost of employee uniforms and identification, (xvi) exterminator, snow and trash removal costs, if applicable (xvii) computer, software, hardware and training costs, (xviii) parking expenses, (xix) utility expenses, (xx) office expenses, (xxi)) audit and accounting fees, (xxii) legal fees, (xxiii) all bond and insurance costs, including but not limited to personal property, liability, and worker's compensation insurance, (xxiv) commissions and all other fees payable to third parties (*e.g.* commissions relating to food, beverage and merchandise concessions services), (xxv) cost of complying with any Laws, (xxvi) costs incurred by Manager to settle or defend any claims asserted against Manager arising out of its operations at the Facility on behalf of Owner; (xxvii) amount of any deductible or self-insured retention under insurance policies; (xxviii) costs incurred under Service Contracts and other agreements relating to Facility operations; (xxix) expenses in relation to the termination of any employee at the Facility including but not limited to termination pay, end of term benefits, severance pay, and any other costs in respect of the termination of employment of any employee of the Manager at the Facility; (xxx) Taxes; (xxxii) costs incurred with respect to the Owner-provided Resources and Human Resources Assistant; and (xxxii) Transition Costs in excess of CAD\$50,000.

The term "Operating Expenses" does not include debt service on the Facility, Capital Expenditures, Transition Costs up to CAD\$50,000, property taxes, insurance on the Facility of

contents within the Facility owned by Owner, or the Incentive Fee, all of which costs shall be borne by Owner.

Operating Year: each twelve (12) month period during the Term, commencing on January 1 and continuing on the anniversary of such date, except that the first Operating Year shall be a shorter period, commencing on the Effective Date and ending on December 31, 2019.

Operations Manual: document to be developed by Manager which shall contain terms regarding the management and operation of the Facility, including detailed policies and procedures to be implemented in operating the Facility, as agreed upon by both the Owner and the Manager.

Owner: shall have the meaning ascribed to such term in the preamble to this Agreement.

Owner-provided Resources: shall have the meaning given to such term in Section 6.5.

Revenue: all revenues generated by Manager's operation of the Facility, including but not limited to event ticket proceeds income, rental and license fee income, merchandise income, gross food and beverage income received by the Facility, gross income received by the Facility from any sale of Commercial Rights, gross service income, equipment rental fees, box office income, and miscellaneous operating income, but shall not include event ticket proceeds held by Manager in trust for a third party and paid to such third party.

Revenue Generating Contracts: vendor, concessions and merchandising agreements, user/rental agreements, booking commitments, licenses, and all other contracts or agreements generating revenue for the Facility and entered into in the ordinary course of operating the Facility.

Second Contribution: shall have the meaning given to such term in Section 11.3 below.

Service Contracts: agreements for services to be provided in connection with the operation of the Facility, including without limitation agreements for ticketing, web development and maintenance, computer support services, FF&E purchasing services, engineering services, electricity, steam, gas, fuel, general maintenance, HVAC maintenance, telephone, staffing personnel including guards, ushers and ticket-takers, extermination, elevators, stage equipment, fire control panel and other safety equipment, snow removal and other services which are deemed by Manager to be either necessary or useful in operating the Facility.

Taxes: any and all governmental assessments, franchise fees, excises, license and permit fees, levies, charges and taxes, of every kind and nature whatsoever, which at any time during the Term may be assessed, levied, or imposed on, or become due and payable out of or in respect of, (i) activities conducted on behalf of the Owner at the Facility, including without limitation the sale of concessions, the sale of tickets, and the performance of events (such as any applicable sales and/or admissions taxes, use taxes, excise taxes, occupancy taxes, employment taxes, and withholding taxes), or (ii) any payments received from any holders of a leasehold interest or license in or to the Facility, from any guests, or from any others using or occupying all or any part of the Facility.

Term: shall have the meaning ascribed to such term in Section 4.1 of this Agreement.

Transition Budget: the budget reflecting anticipated Transition Costs attached hereto as Exhibit E.

Transition Costs: the out-of-pocket costs incurred, or to be incurred, by Manager in connection with its activities related to the transition of management of the Facility to Manager, as set forth in the Transition Budget.

ARTICLE 2 SCOPE OF SERVICES

Section 2.1 Engagement.

(a) Owner hereby engages Manager during the Term to act as the sole and exclusive manager and operator of the Facility, subject to and as more fully described in this Agreement, and, in connection therewith, to perform the services described in Exhibit A attached hereto.

(b) Manager hereby accepts such engagement, and shall perform the services described herein, subject to the limitations expressly set forth in this Agreement and in the Operations Manual.

Section 2.2 Limitations on Manager's Duties. Manager's obligations under this Agreement are contingent upon and subject to the Owner making available, in a timely fashion, the funds budgeted for and/or reasonably required by Manager to carry out such obligations during the Term. Manager shall not be considered to be in breach or default of this Agreement, and shall have no liability to the Owner or any other party, in the event Manager does not perform any of its obligations hereunder due to failure by the Owner to timely provide such funds.

ARTICLE 3 COMPENSATION

Section 3.1 Fixed Management Fee. In consideration of Manager's performance of its services hereunder, Owner shall pay Manager a Fixed Management Fee. Beginning on the Effective Date and continuing through the conclusion of the second Operating Year, the Fixed Management Fee shall be CAD\$11,000.00 per month. Beginning in the third (3rd) Operating Year, the Fixed Management Fee shall be increased over the Fixed Management Fee from the previous Operating Year in accordance with the percentage increase in the CPI over the previous twelve (12) month period Year (i.e., the difference, expressed as a percentage, between the value of the CPI published most recently prior to the commencement of the preceding Operating Year and the value of the CPI published most recently prior to the commencement of the Operating Year for which the CPI adjustment will apply). The Fixed Management Fee shall be payable to Manager in advance, beginning on the Effective Date, and payable on the first (1st) day of each month thereafter (prorated

as necessary for any partial months). Manager shall be entitled to pay itself such amount from the Operating Account.

Section 3.2 Incentive Fee. In addition to the Fixed Management Fee, Manager shall be entitled to receive an Incentive Fee. The Incentive Fee shall be comprised of both a qualitative based fee (“**Qualitative Fee**”) and a quantitative based fee (“**Financial Fee**”) (except that for the first Operating Year, Manager shall not be eligible for any Financial Fee), as follows:

(a) Qualitative Fee. Manager shall be eligible to earn a Qualitative Fee of up to CAD\$20,000.00* in each Operating Year (pro-rated for any Operating Years of less than a full 12 months based on the actual number of days elapsed in such Operating Year out of 365). The Qualitative Fee shall be determined by the Owner, in its reasonable and good faith discretion, based on its evaluation of Manager’s performance each Operating Year in each of the following five (5) performance areas (with each area given weighting that is mutually agreed upon between the parties):

- Innovative Sales and Marketing
- Hockey Club/User Group Satisfaction
- Results of Customer Service Surveys
- Achievement of Event Goals
- Stakeholder Relationships

The parties shall discuss, in good faith, the foregoing criteria and make reasonable adjustments in writing thereto by no later than November 1, 2019.

* Beginning in the second (2nd) Operating Year, this figure shall be increased over the figure from the previous Operating Year in accordance with the percentage increase in the CPI over the previous twelve (12) month period Year (i.e., the difference, expressed as a percentage, between the value of the CPI published most recently prior to the commencement of the preceding Operating Year and the value of the CPI published most recently prior to the commencement of the Operating Year for which the CPI adjustment will apply).

(b) Financial Fee. Beginning with the second Operating Year commencing January 1, 2020, Manager shall be entitled to receive a percentage, as set forth below, of the amount by which the Net Operating Loss Benchmark is improved upon in each Operating Year. There shall be no cap or maximum limit on the amount of the Financial Fee.

<u>Improvement in the Net Operating Loss Benchmark</u>	<u>to be paid to Manager</u>
First CAD\$132,000.00* in improvement	0%
Improvement in excess of CAD\$132,000.00*	25%

Manager acknowledges that the Owner has already booked the “Scotties Tournament” at the Facility during the second Operating Year and the parties agree to negotiate, in good faith, to

determine if all or a portion of the Revenue and Operating Expenses associated with such tournament shall or shall not be included in the calculation of Manager's Financial Fee for such Operating Year. Manager and Owner shall reach agreement in writing on what shall and shall not be included by no later than November 1, 2019.

* Beginning in the third (3rd) Operating Year, this figure shall be increased over the figure from the previous Operating Year in accordance with the percentage increase in the CPI over the previous twelve (12) month period Year (i.e., the difference, expressed as a percentage, between the value of the CPI published most recently prior to the commencement of the preceding Operating Year and the value of the CPI published most recently prior to the commencement of the Operating Year for which the CPI adjustment will apply).

Any Incentive Fee earned by Manager (both the Qualitative Fee and Financial Fee) shall be paid to Manager no later than ninety (90) days following the end of each Operating Year.

Section 3.3 Transition Costs. Promptly following the Effective Date (or prior to the Effective Date, as applicable), Manager shall do all things reasonably necessary to transition from the current management of the Facility to the commencement of its management services hereunder. The Owner shall reimburse Manager for the Transition Costs up to CAD\$50,000 from the First Contribution (as set forth in Section 11.3 below), in accordance with the Transition Budget. Manager shall invoice the Owner for such costs, and the Owner shall pay such costs within thirty (30) days of its receipt of each such invoice. Each invoice to be provided by Manager shall be accompanied by reasonable back-up documentation evidencing the incurrence of the Transition Costs. In lieu of invoicing the Owner for such costs, Manager may deduct and setoff such costs from the First Contribution. For the avoidance of doubt, any Transition Costs in excess of CAD\$50,000 shall be considered Operating Expenses.

Section 3.4 Late Payments. Manager shall have the right to assess interest on any payments of the fees described in this Section that are not made when due. Such interest shall accrue at the rate of twelve percent (12%) per annum.

ARTICLE 4 TERM; TERMINATION

Section 4.1 Term. The initial term of this Agreement (the "**Initial Term**") shall be for five (5) years and four (4) months, beginning on the Effective Date and ending on December 31, 2024. Following the Initial Term, the Owner shall have the right to renew for an additional five (5) year period by providing written notice thereof to Manager by no later than October 1, 2024 ("Extension Option"). The Initial Term plus any such renewal period is referred to herein as the "**Term**".

Section 4.2 Termination. This Agreement may be terminated:

(a) subject to Section 4.3(a) below, by Owner upon ninety (90) days' written notice to Manager in the event of a permanent closure of the Facility, the fact of which is certified by the Owner in writing to Manager;

(b) by either party upon thirty (30) days written notice, if the other party fails to perform or comply with any of the material terms, covenants, agreements or conditions hereof, and such failure is not cured during such thirty (30) day notification period, provided, however, if such failure cannot reasonably be cured within such thirty (30) day period, then a longer period of time shall be afforded to cure such breach, up to a total of ninety (90) days, provided that the party in default is diligently seeking a cure and the non-defaulting party is not irreparably harmed by the extension of the cure period; or

(c) by either party immediately by written notice upon the other party being judged bankrupt or insolvent, or if any receiver or trustee of all or any part of the business property of the other party shall be appointed and shall not be discharged within one hundred twenty (120) days after appointment, or if either party shall make an assignment of its property for the benefit of creditors or shall file a voluntary petition in bankruptcy or insolvency, or shall apply for bankruptcy under the bankruptcy or insolvency Laws now in force or hereinafter enacted, Federal, Provincial or otherwise, or if such petition shall be filed against either party and shall not be dismissed within one hundred twenty (120) days after such filing.

Section 4.3 Effect of Termination

(a) In the event this Agreement is terminated by the Owner pursuant to Section 4.2(a), the Owner shall reimburse Manager for any actual ordinary and necessary expenses incurred by Manager in withdrawing from the provision of services hereunder following such termination. Such ordinary and necessary expenses shall include costs associated with (i) severance pay, not to exceed six (6) months, for each of Manager's Management-Level Employees, (ii) reasonable household relocation expenses for Manager's Management-Level Employees, to the extent any of such individuals had previously relocated to the Facility (or its surrounding areas) in connection with this Agreement and (iii) other reasonable costs actually incurred by Manager in withdrawing from the provision of services hereunder, such as those incurred in connection with the termination and/or assignment of Service Contracts, Revenue Generating Contracts, or other contracts or leases entered into by Manager pursuant to this Agreement. The Owner's payment of such expenses will occur only after Manager has provided reasonable evidence of the incurrence of such expenses. Except for the reimbursement of the above stated expenses, Manager shall have no other right or remedy, at law or in equity, against the Owner for a termination pursuant to Section 4.2(a), except that, in the event the Facility re-opens at any time during the Term, this Agreement shall, at the option of Manager, once again become effective and Manager shall manage and operate the Facility under the terms hereof, except that the Term shall be extended for a period of time in which the Facility was closed.

(b) Upon termination or expiration of this Agreement for any reason, (i) Manager shall promptly discontinue the performance of all services hereunder, (ii) the Owner shall promptly pay Manager all fees due Manager up to the date of termination or expiration (subject to pro-ration if

the Term ends other than at the end of the Operating Year), (iii) Owner shall pay to Manager all expenses incurred by Manager through the end of the Term that have not previously been paid, including without limitation costs of separating with its Facility employees in connection with the termination or expiration of this Agreement, such as payments for accrued but unused vacation time, and termination pay, end of term benefits, severance pay, and any other costs in respect of the termination of employment of any employee of the Manager at the Facility; (iv) Manager shall make available to the Owner all data, electronic files, documents, procedures, reports, estimates, summaries, and other such information and materials with respect to the Facility as may have been accumulated by Manager in performing its obligations hereunder, whether completed or in process, and (v) without any further action on part of Manager or Owner, the Owner shall, or shall cause the successor Facility manager to, assume all obligations arising after the date of such termination or expiration, under any Service Contracts, Revenue Generating Contracts, booking commitments and any other Facility agreements entered into by Manager in furtherance of its duties hereunder. Any obligations of the parties that are specifically intended to survive expiration or termination of this Agreement shall survive expiration or termination hereof.

ARTICLE 5 OWNERSHIP; USE OF THE FACILITY

Section 5.1 Ownership of Facility, Data, Equipment and Materials. The Owner will at all times retain ownership of the Facility, including but not limited to real estate, technical equipment, furniture, displays, fixtures and similar property, including improvements made during the Term, at the Facility. Any data, equipment or materials furnished by the Owner to Manager or acquired by Manager as an Operating Expense shall remain the property of the Owner, and shall be returned to the Owner when no longer needed by Manager to perform under this Agreement. Notwithstanding the above, Owner shall not have the right to use any third party software licensed by Manager for general use by Manager at the Facility and other facilities managed by Manager, the licensing fee for which is proportionately allocated and charged to the Facility as an Operating Expense; such software may be retained by Manager upon expiration or termination hereof. Furthermore, the Owner recognizes that the Operations Manual to be developed and used by Manager hereunder is proprietary to Manager, and shall belong to Manager at the end of the Term; Owner shall not use or maintain copies thereof upon the end of the Term.

Section 5.2 Right of Use by Manager. The Owner hereby gives Manager the right and license to use the Facility, and Manager accepts such right of use, for the purpose of performing the services herein specified, including the operation and maintenance of all physical and mechanical facilities necessary for, and related to, the operation, maintenance and management of the Facility. The Owner shall provide Manager with a sufficient amount of suitable office space in the Facility and with such office equipment as is reasonably necessary to enable Manager to perform its obligations under this Agreement. In addition, the Owner shall make available to Manager, at no cost, parking spaces adjacent to the Facility for all of Manager's full-time employees and for the Facility's event staff.

Section 5.3 Observance of Agreements. The Owner agrees to pay, keep, observe and perform all payments, terms, covenants, conditions and obligations under any leases, bonds, debentures, loans and other financing and security agreements to which the Owner is bound in connection with its Ownership of the Facility.

Section 5.4 Use by the Owner. Subject to availability, the Owner shall have the right to use the Facility or any part thereof rent-free for meetings, seminars, training classes or other non-commercial uses, provided that the Owner shall promptly reimburse Manager, for deposit into the Operating Account, for any out-of-pocket expenses incurred by Manager (such as the cost of ushers, ticket-takers, set-up and take-down personnel, security expenses and other expenses) in connection with such use. Such non-commercial use of the Facility by the Owner shall (i) not compete with or conflict with the dates previously booked by Manager for paying events, (ii) not consist of normally touring attractions (such as concerts and family shows), and (iii) be booked in advance upon reasonable notice to Manager pursuant to the Facilities' approved booking policies. Upon request of the Owner, Manager shall provide to the Owner a list of available dates for Owner use of the Facility. To the extent that Manager has an opportunity to book a revenue-producing event on a date which is otherwise reserved for use by the Owner, Manager may propose alternative dates for the Owner's event, and the Owner shall use best efforts to reschedule its event to allow Manager to book the revenue-producing event. For purposes of calculating Manager's Incentive Fee, Manager shall receive a "paper" credit for an amount equal to the difference between the published Facility rate and the rate (if any) charged to the Owner for such use of the Facility.

ARTICLE 6 PERSONNEL & OWNER-PROVIDED RESOURCES

Section 6.1 Generally. All Facility staff and other personnel shall be engaged or hired by Manager, and shall be employees, agents or independent contractors of Manager (or an Affiliate thereof), and not of the Owner. Manager shall select, in its sole discretion but subject to Owner's right to approve the Operating Budget, the number, function, qualifications, and compensation, including salary and benefits, of its employees and shall control the terms and conditions of employment (including without limitation termination thereof) relating to such employees. Manager agrees to use reasonable and prudent judgment in the selection and supervision of such personnel. At the commencement of the Term, Manager shall make job offers to existing staff at the Facility at the same wage that such staff was earning while employed by Owner, subject to each staff member completing all of Manager's onboarding documents and successfully clearing a background or similar check. The Owner specifically agrees that Manager shall be entitled to pay its employees, as an Operating Expense, bonuses and benefits in accordance with Manager's then current employee manual, which may be modified by Manager from time to time in its sole discretion. A copy of Manager's current employee manual shall be provided to the Owner upon request. Owner shall pay all accrued but unused vacation time to its employees whose employment with Owner is terminating and whose employment with Manager is commencing.

Section 6.2 General Manager. Personnel engaged by Manager will include an individual with managerial experience in similar facilities to serve as a full-time on-site General Manager of the

Facility. Hiring of the General Manager by Manager shall require the prior approval of the Owner, which approval shall not be unreasonably withheld or delayed; provided, however, in the event of a vacancy in the General Manager position, Manager may, upon notice to the Owner, temporarily fill such position with an interim General Manager for up to ninety (90) days without the necessity of obtaining the Owner's approval. The General Manager will have general supervisory responsibility for Manager and will be responsible for day-to-day operations of the Facility, supervision of employees, and management and coordination of all activities associated with events taking place at the Facility.

Section 6.3 Non-Solicitation/Non-Hiring. During the Term and for a period of one (1) year after the end of the Term, neither Owner nor any of its Affiliates shall solicit for employment, or hire, any of Manager's Management-Level Employees. The Owner acknowledges that Manager will spend a considerable amount of time identifying, hiring and training individuals to work in such positions, and that Manager will suffer substantial damages, the exact amount of which would be difficult to quantify, if the Owner were to breach the terms of this Section by hiring, or soliciting for employment, any of such individuals. Accordingly, in the event of a breach or anticipated breach of this Section by the Owner, Manager shall be entitled (in addition to any other rights and remedies which Manager may have at law or in equity, including money damages) to equitable relief, including an injunction to enjoin and restrain the Owner from continuing such breach, without the necessity of posting a bond.

Section 6.4 Human Resources Assistant. Owner shall have the opportunity to designate an employee of Owner who works in the field of human resources ("Human Resources Assistant") to assist the General Manager with Manager's onboarding of staff at the Facility as management of the Facility is transitioned to Manager. Owner's actual cost to provide the Human Resources Assistant shall be considered an Operating Expense. The Human Resources Assistant shall serve in an advisory capacity only and shall have no authority to hire, terminate, discipline or otherwise dictate the terms and conditions of employment of Manager's employees, and all of such responsibilities shall rest solely with Manager.

Section 6.5 Owner-provided Resources. The Owner shall provide resources in the following areas to assist with the management and operation of the Facility ("Owner-provided Resources"):

- Information Technology
- Legal
- Building Maintenance and Plant Oversight
- Communications and Marketing
- Occupational Health and Safety

Owner's actual cost to provide such resources shall be considered an Operating Expense. Since Owner is providing the Owner-provided Resources, it shall not be Manager's responsibility to provide services in such areas, unless the Owner-provided Resources are insufficient to meet the needs of the Facility in Manager's reasonable opinion.

ARTICLE 7 OPERATING BUDGET

Section 7.1 Establishment of Operating Budget. Attached hereto as Exhibit C is the Operating Budget for the first (1st) Operating Year, which the parties acknowledge was established without Manager's input. Such Operating Budget shall be deemed amended to include the Fixed Management Fee for the first Operating Year. Manager agrees that by the September 30 immediately preceding the commencement of each subsequent Operating Year, it will prepare and submit to the Owner its proposed Operating Budget for such year. Each annual Operating Budget shall include Manager's good faith projection of Revenues and Operating Expenses, presented on a monthly and annual basis, for the upcoming Operating Year. The Owner agrees to provide Manager with all information in its possession necessary to enable Manager to prepare each Operating Budget.

Section 7.2 Approval of Operating Budget. Each annual Operating Budget shall be subject to the review and approval of the Owner, which approval shall not be unreasonably withheld or delayed. In order for the Owner to fully evaluate and analyze such budgets or any other request by Manager relating to income and expenses, Manager agrees to provide to the Owner such reasonable financial information relating to the Facility as may be requested by the Owner from time to time. If extraordinary events occur during any Operating Year that could not reasonably be contemplated at the time the corresponding Operating Budget was prepared, Manager may submit an amendment to such budget for review and approval by the Owner (which approval shall not be unreasonably withheld or delayed). If the Owner fails to approve any annual Operating Budget (or any proposed amendment thereto), the Owner shall promptly provide Manager the specific reasons therefor and its suggested modifications to Manager's proposed Operating Budget or amendment in order to make it acceptable. The parties shall then engage in good faith discussions and use reasonable commercial efforts to attempt to resolve the matter to the mutual satisfaction of the parties, including, if applicable, negotiation of a mutually acceptable modification to the economic terms of this Agreement to enable the Manager to achieve the compensation contemplated by its proposed Operating Budget.

Section 7.3 Adherence to Operating Budget. Manager shall use all reasonable efforts to manage and operate the Facility in accordance with the Operating Budget. However, Owner acknowledges that notwithstanding the Manager's experience and expertise in relation to the operation of facilities similar to the Facility, the projections contained in each Operating Budget are subject to and may be affected by changes in financial, economic and other conditions and circumstances beyond the Manager's control, and that Manager shall have no liability if the numbers within the Operating Budget are not achieved. Manager agrees to notify the Owner within 30 days of any significant change or variance in the bottom line number in the Operating Budget, and any material increase in total Facility expenses from that provided for in the Operating Budget. In either such case and if requested by Owner, Manager agrees to work with Owner to develop and implement a plan (or changes to the then current plan) to limit Operating Expense to be incurred in the remaining months of such Operating Year with the goal of achieving the Operating Budget.

**ARTICLE 8
PROCEDURE FOR HANDLING INCOME**

Section 8.1 Event Account. Manager shall deposit as soon as practicable following receipt, in the Event Account, all revenue received from ticket sales and similar event-related revenues which Manager receives in contemplation of, or arising from, an event, pending completion of the event. Such monies will be held in escrow for the protection of ticket purchasers, the Owner and Manager, to provide a source of funds as required for payments to performers and for payments of direct incidental expenses in connection with the presentation of events that must be paid prior to or contemporaneously with such events. Promptly following completion of such events, Manager shall transfer all funds remaining in the Event Account, including any interest accrued thereon, into the Operating Account. Bank service charges, if any, on such account(s) shall be deducted from interest earned.

Section 8.2 Operating Account. Except as provided in Section 8.1, all Revenue derived from operation of the Facility shall be deposited by Manager into the Operating Account as soon as practicable upon receipt (but not less often than once each business day). The specific procedures (and authorized individuals) for making deposits to and withdrawals from such account shall be set forth in the Operations Manual, but the parties specifically agree that Manager shall have authority to sign checks and make withdrawals from such account, subject to the limitations of this Agreement, without needing to obtain the co-signature of a Owner employee or representative.

**ARTICLE 9
FUNDING**

Section 9.1 Source of Funding. Manager shall pay all items of expense for the operation, maintenance, supervision and management of the Facility from the funds in the Operating Account, which Manager may access periodically for this purpose. The Operating Account shall be funded with amounts generated by operation of the Facility (as described in Article 8 above), or otherwise made available by the Owner. To ensure sufficient funds are available in the Operating Account, Owner will deposit in the Operating Account, on or before the Effective Date, the budgeted or otherwise approved expenses for the first quarter of the Term (i.e. July 1 – September 30, 2019). The Owner shall thereafter, on or before the 1st day of each succeeding quarter (which quarters begin on October 1, January 1, April 1 and July 1), deposit (or allow to remain) in the Operating Account the budgeted or otherwise approved expenses for each such quarter. Manager shall have no liability to the Owner or any third party in the event Manager is unable to perform its obligations hereunder, or under any third party contract entered into pursuant to the terms hereof, due to the fact that sufficient funds are not made available to Manager to pay such expenses in a timely manner.

Section 9.2 Advancement of Funds. Under no circumstances shall Manager be required to pay for or advance any of its own funds to pay for any Operating Expenses. In the event that, notwithstanding the foregoing, Manager agrees to advance its own funds to pay Operating Expenses, Owner shall promptly reimburse Manager for the full amount of such advanced funds, plus interest at a rate to be mutually agreed.

**ARTICLE 10
FISCAL RESPONSIBILITY; REPORTING**

Section 10.1 Records. Manager agrees to keep and maintain, at its office in the Facility, separate and independent records, in accordance with Public Sector Accounting Standards, devoted exclusively to its operations in connection with its management of the Facility. Such records (including books, ledgers, journals, and accounts) shall contain all entries reflecting the business operations of Manager under this Agreement. The Owner or its authorized agent shall have the right to audit and inspect such records from time to time during the Term, upon reasonable notice to Manager and during Manager's ordinary business hours.

Section 10.2 Monthly Financial Reports. Manager agrees to provide to the Owner, within thirty (30) days after the end of each month during the Term, financial reports for the Facility including a balance sheet, aging report on accounts receivable, and statement of revenues and expenditures (budget to actual) for such month and year to date in accordance with Public Sector Accounting Standards, provided however the first financial statement Manager shall provide shall be within thirty (30) days following the second (2nd) month of the Term, and shall cover the first two (2) months of the Term. In addition, starting with the second (2nd) month of the Term, Manager agrees to provide to the Owner a summary of bookings for each such month, and separate cash receipts and disbursements reports for each event held at the Facility during such month. Additionally, Manager shall submit to the Owner, or shall cause the applicable public depository utilized by Manager to submit to the Owner, on a monthly basis, copies of all bank statements concerning the Event Account and the Operating Account.

Section 10.3 Audit. Manager agrees to provide to the Owner by the April 1 following the end of each Operating Year, a certified audit report on the accounts and records as kept by Manager for the Facility. Costs associated with obtaining such certified audit report shall be an Operating Expense of the Facility. Such audit shall be performed by an external auditor approved by the Owner, and shall be conducted in accordance with Public Sector Accounting Standards.

**ARTICLE 11
CAPITAL IMPROVEMENTS; MANAGER CONTRIBUTION(S)**

Section 11.1 Schedule of Capital Expenditures. Manager shall annually, at the time of submission of the annual Operating Budget to the Owner, provide to the Owner a schedule of proposed capital improvements to be made at the Facility, for the purpose of allowing the Owner to consider such projects and to prepare and update a long-range Capital Expenditure budget.

Section 11.2 Responsibility for Capital Expenditures. The Owner shall be solely responsible for all Capital Expenditures at the Facility; provided, however, the Owner shall be under no obligation to make any Capital Expenditures proposed by Manager, and provided further that Manager shall have no liability for any claims, costs or damages arising out of a failure by the Owner to make any Capital Expenditures. Notwithstanding the foregoing, Manager shall have the right (but not the obligation), upon notice to the Owner, to make Capital Expenditures at the Facility for Emergency Repairs. If Manager believes, in its reasonable opinion, that there is adequate time to

seek emergency approval to make a Capital Expenditure for an Emergency Repair, Manager shall seek such approval prior to making the Emergency Repair. The Owner shall promptly reimburse Manager for the cost of any Capital Expenditure made by Manager.

Section 11.3 Manager Contribution(s). Manager hereby agrees to contribute CAD\$200,000.00 (the “First Contribution”) to be used by the Owner solely for the following purposes: (a) CAD\$50,000.00 to fund the Transition Costs, and (b) CAD\$150,000.00 towards any purpose related to improving the Facility (e.g. creation of a fund designed to develop, attract and fund events at the Facility). The CAD\$150,000.00 described in (b) of the foregoing sentence shall be paid to Owner by Manager by no later than September 1, 2019, and in the event that Transition Costs total less than CAD\$50,000, the shortfall may be used by the Owner for the purposes described in (b) of the foregoing sentence. If Owner exercises the Extension Option and extends the Term through December 31, 2029, Manager agrees to contribute an additional CAD\$200,000.00 (the “Second Contribution”) towards any purpose related to improving the Facility. Any Second Contribution shall be paid to Owner by Manager by no later than January 1, 2025. The First Contribution shall be amortized on a straight line basis over a ten (10) year and six (6) month period (at the rate of 1/126 per month), commencing on the Effective Date. The Second Contribution shall be amortized on a straight line basis over a five (5) year period (at the rate of 1/60 per month), commencing on January 1, 2029. In the event this Agreement terminates or expires prior to the full amortization period of the First Contribution and/or Second Contribution (regardless of the reason for expiration or termination, and specifically including if such expiration or termination is due to a breach, default or bankruptcy event by or affecting Manager, or if the Initial Term is not extended for any reason), the Owner shall within thirty (30) days of such expiration or termination pay to Manager the unamortized amount of the First Contribution and Second Contribution. For the avoidance of doubt, any Transition Costs in excess of CAD\$50,000 shall not come out of the First Contribution, but rather shall be considered Operating Expenses. The right of Manager to be repaid for the unamortized portion of the First Contribution and Second Contribution under this provision shall be unconditional and absolute, and without setoff or counterclaim by Owner.

ARTICLE 12 FACILITY CONTRACTS; TRANSACTIONS WITH AFFILIATES

Section 12.1 Existing Contracts. The Owner shall provide to Manager, on or before the Effective Date, copies of all Existing Contracts. Manager shall administer and assure compliance with such Existing Contracts.

Section 12.2 Execution of Contracts. Manager shall have the right to enter into Service Contracts, Revenue Generating Contracts and other contracts related to the operation of the Facility, as agent on behalf of the Owner (it being understood and agreed that the Owner is the party to such contracts and Manager is merely signing them on the Owner’s behalf as its agent). Any such material agreements shall contain standard indemnification and insurance obligations on the part of each vendor, licensee or service provider, as is customary for the type of services or obligations being provided or performed by such parties. Manager shall obtain the prior approval of the Owner

(which approval shall not be unreasonably withheld or delayed) before entering into any Material Contract.

Section 12.3 Transactions with Affiliates. In connection with its obligations hereunder relating to the purchase or procurement of services for the Facility (including without limitation food and beverage services, ticketing services, web design services and graphic design services), Manager may purchase or procure such services, or otherwise transact business with, an Affiliate of Manager, provided that the prices charged and services rendered by such Affiliate are competitive with those obtainable from any unrelated parties rendering comparable services. Manager shall, at the request of the Owner, provide reasonable evidence establishing the competitive nature of such prices and services, including, if appropriate, competitive bids from other persons seeking to render such services at the Facility.

ARTICLE 13 AGREEMENT MONITORING AND GENERAL MANAGER

Section 13.1 Contract Administrator. Each party shall appoint a contract administrator who shall monitor such party's compliance with the terms of this Agreement. Manager's contract administrator shall be its General Manager at the Facility, unless Manager notifies Owner of a substitute contract administrator in writing. Owner's contract administrator shall be the Owner's "City Manager". Any and all references in this Agreement requiring Manager or Owner participation or approval shall mean the participation or approval of such party's contract administrator.

ARTICLE 14 INDEMNIFICATION

Section 14.1 Indemnification by Manager. Manager agrees to defend, indemnify and hold harmless the Owner and its officials, directors, officers, employees, agents, successors and assigns against any claims, causes of action, costs, expenses (including reasonable attorneys' fees) liabilities, or damages (collectively, "Losses") suffered by such parties and caused by any (a) grossly negligent act or omission, or intentional misconduct, on the part of Manager or any of its employees or agents in the performance of its obligations under this Agreement, or (b) breach by Manager of any of its representations, covenants or agreements made herein.

Section 14.2 Indemnification by the Owner. Owner agrees to defend, indemnify and hold harmless Manager, its parent, subsidiary and affiliate companies, and each of their respective directors, officers, employees, agents, successors and assigns, against any Losses suffered by such parties, arising out of or in connection with (a) any negligent act or omission, or intentional misconduct, or failure to comply with Laws, on the part of Owner or any of its employees or agents in the performance of its obligations under this Agreement, (b) a breach by Owner of any of its representations, covenants or agreements made herein, including without limitation Owner's obligation to pay any budgeted or otherwise approved expenses in a timely manner, (c) failure by Owner to pay any amounts due by Owner or to otherwise perform any obligations of Owner under any third party contracts, licenses or agreements entered into by Manager in furtherance of its duties

hereunder as authorized hereby; (d) any environmental condition at the Facility or on or under the premises on which the Facility is located not caused by Manager, its employees or agents, (e) any structural defect with respect to the Facility, (f) the fact that any time prior to, as of, or after the date hereof the Facility is not or has not been in compliance with all Laws, including, but not limited to, the Americans With Disabilities Act as it now exists and as it may be amended in the future by statute or judicial interpretation, (g) any act or omission carried out by Manager at or pursuant to the direction or instruction of Owner, its agents or employees, (h) any claims relating to the Facility or its operations accruing or caused by occurrences prior to the Effective Date or following termination or expiration of this Agreement, and (i) any withdrawal liability for a share of unfunded vested benefits under multiemployer plans (as that term is defined in 4001(a)(3) of the Employee Retirement Income Security Act of 1974, as amended).

Section 14.3 Conditions to Indemnification. With respect to each separate matter brought by any third party against which a party hereto ("Indemnitee") is indemnified by the other party ("Indemnitor") under this Article 14, the Indemnitor shall be responsible, at its sole cost and expense, for controlling, litigating, defending and/or otherwise attempting to resolve, through counsel of its choice, any proceeding, claim, or cause of action underlying such matter, except that (a) the Indemnitee may, at its option, participate in such defense or resolution at its expense and through counsel of its choice; (b) the Indemnitee may, at its option, assume control of such defense or resolution if the Indemnitor does not promptly and diligently pursue such defense or resolution, provided that the Indemnitor shall continue to be obligated to indemnify the Indemnitee hereunder in connection therewith; and (c) neither Indemnitor nor Indemnitee shall agree to any settlement without the other's prior written consent (which shall not be unreasonably withheld or delayed). In any event, Indemnitor and Indemnitee shall in good faith cooperate with each other and their respective counsel with respect to all such actions or proceedings, at the Indemnitor's expense. With respect to each and every matter with respect to which any indemnification may be sought hereunder, upon receiving notice pertaining to such matter, Indemnitee shall promptly give reasonably detailed written notice to the Indemnitor of the nature of such matter and the amount demanded or claimed in connection therewith.

Section 14.4 Survival. The obligations of the parties contained in this Article 14 shall survive the termination or expiration of this Agreement.

Section 14.5 Legal Costs. Notwithstanding the other provisions of this Agreement, if legal costs are being incurred by the Manager or the Owner for a third party claim in respect of which the Owner is claiming indemnity from the Manager, such legal costs will be considered an Operating Expense unless and until liability of the Manager pursuant to this Agreement is conclusively established by a court of competent jurisdiction with respect to the underlying claim on which the Manager's obligation to indemnify is based. In the event that the liability of the Manager is so conclusively determined, then such legal costs shall be considered as costs of the Manager (and not Operating Expenses) and covered by the indemnity given by the Manager to the Owner hereunder and the parties shall adjust between them in respect of such legal costs.

ARTICLE 15 INSURANCE

Section 15.1 Types and Amount of Coverage. Manager agrees to obtain insurance coverage in the manner and amounts as set forth in Exhibit D, attached hereto, and shall provide to the Owner promptly following the Effective Date a certificate of certificates of insurance evidencing such coverage. Manager shall maintain such referenced insurance coverage at all times during the Term, and will not make any material modification or change from these specifications without the prior approval of the Owner. Each insurance policy shall include a requirement that the insurer provide Manager and the Owner at least thirty (30) days written notice of cancellation or material change in the terms and provisions of the applicable policy. The cost of all such insurance shall be an Operating Expense.

Section 15.2 Rating; Additional Insureds. All insurance policies shall be issued by insurance companies rated no less than A VIII in the most recent "Bests" insurance guide, and licensed in the Province of Saskatchewan or as otherwise agreed by the parties. All such policies shall be in such form and contain such provisions as are generally considered standard for the type of insurance involved. The commercial general liability policy, automobile liability insurance policy and umbrella or excess liability policy to be obtained by Manager hereunder shall name Owner as an additional insured. The workers compensation policy to be obtained by Manager hereunder shall contain a waiver of all rights of subrogation against the Owner. Manager shall require that all third-party users of the Facility, including without limitation third-party licensees, ushers, security personnel and concessionaires, provide certificates of insurance evidencing insurance appropriate for the types of activities in which such user is engaged. If Manager subcontracts any of its obligations under this Agreement, Manager shall require each such subcontractor to secure insurance that will protect against applicable hazards or risks of loss as and in the minimum amounts designated herein, and name Manager and the Owner as additional insureds.

ARTICLE 16 REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 16.1 Manager Representations and Warranties. Manager hereby represents, warrants and covenants to Owner as follows:

(a) that it has the full legal right, power and authority to enter into this Agreement and to grant the rights and perform the obligations of Manager herein, and that no third party consent or approval is required to grant such rights or perform such obligations hereunder; and

(b) that this Agreement has been duly executed and delivered by Manager and constitutes a valid and binding obligation of Manager, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar Laws affecting creditors' rights generally or by general equitable principles.

(c) that Manager will comply with all Laws applicable to its management of the Facility, provided that Manager shall not be required to undertake any compliance activity, nor shall Manager have any liability under this Agreement therefor, if such activity requires any Capital Expenditure.

Section 16.2 Owner Representations, Warranties and Covenants. Owner represents, warrants and covenants to Manager as follows:

(a) that it has the full legal right, power and authority to enter into this Agreement and to grant the rights and perform the obligations of Owner herein, and that no other third party consent or approval is required to grant such rights or perform such obligations hereunder.

(b) that this Agreement has been duly executed and delivered by Owner and constitutes a valid and binding obligation of Owner, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally or by general equitable principles.

(c) that the Facility is, as of the Effective Date, in compliance in all respects with all applicable Laws relating to the construction, use and operation of the Facility, and that there exist no structural defects or unsound operating conditions at the Facility.

ARTICLE 17 MISCELLANEOUS

Section 17.1 PCI Compliance. Manager agrees to comply with all current Payment Card Industry Data Security Standards ("PCI Standards") and guidelines that may be published from time to time by Visa, MasterCard or other associations as they relate to the physical storage of credit card data. For PCI Standards compliance purposes, Owner will provide on a segmented network, an appropriate number of wired data connections to the Internet for point of sale devices to be used by Manager and any contractors at the Facility. Owner shall be responsible for the security of its network, including, without limitation, applicable PCI-DSS compliance, and for procuring and installing point of sale (POS) payment systems that are compliant with the latest PCI-DSS requirements. If at any time either party determines that card account number or other information has been compromised, such party will notify the other immediately and assist in providing notification to the proper parties as deemed necessary.

Section 17.2 No Discrimination. Manager agrees that it will not discriminate against any employee or applicant for employment for work under this Agreement because of race, religion, color, sex, disability, national origin, ancestry, physical handicap, or age, and will take affirmative steps to ensure that applicants are employed, and employees are treated during employment, without regard to race, religion, color, sex, disability, national origin, ancestry, physical handicap, or age.

Section 17.3 Use of Facility Names and Logos. Manager shall have the right to use throughout the Term (and permit others to use in furtherance of Manager's obligations hereunder), for no charge, the name and all logos of the Facility, on Manager's stationary, in its advertising of the Facility, and whenever conducting business of the Facility; provided, that Manager shall take all prudent and appropriate measures to protect the intellectual property rights of the Owner relating to such logos. All intellectual property rights in any Facility logos developed by the Manager or the Owner shall be and at all times remain the sole and exclusive property of the Owner. Manager

agrees to execute any documentation requested by the Owner from time to time to establish, protect or convey any such intellectual property rights.

Section 17.4 Facility Advertisements. The Owner agrees that in all advertisements placed by the Owner for the Facility or events at the Facility, whether such advertisements are in print, on radio, television, the internet or otherwise, it shall include a designation that the Facility is “Managed by Spectra”.

Section 17.5 Force Majeure; Casualty Loss.

(a) Neither party shall be liable or responsible to the other party for any delay, loss, damage, failure or inability to perform under this Agreement due to an Event of Force Majeure, provided that the party claiming failure or inability to perform provides written notice to the other party within thirty (30) days of the date on which such party gains actual knowledge of such Event of Force Majeure. Notwithstanding the foregoing, in no event shall a party’s failure to make payments due hereunder be excusable due to an Event of Force Majeure.

(b) In the event of damage or destruction to a material portion of the Facility by reason of fire, storm or other casualty loss that renders the Facility (or a material portion thereof) untenable, the Owner shall use reasonable efforts to remedy such situation. If notwithstanding such efforts, such damage or destruction is expected to render the Facility (or a material portion thereof) untenable for a period estimated by an architect selected by the Owner at Manager’s request, of at least one hundred eighty (180) days from the date of such fire, storm or other casualty loss, either party may terminate this Agreement upon written notice to the other, provided that (i) the Owner shall pay to Manager its costs of withdrawing from services hereunder, as described in Section 4.3(a) above, and (ii) in the event the Facility once again becomes tenable at any time during the Term, this Agreement shall, at the option of Manager, once again become effective and Manager shall manage and operate the Facility under the terms hereof, except that the Term shall be extended for a period of time in which the Facility was closed.

Section 17.6 Assignment; Binding on Successors and Assigns. Neither party may assign this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed, except that either party may, without the prior written consent of the other party but upon at least 30 days’ written notice to the other party, assign this Agreement in connection with a sale, merger or other business combination involving all or substantially all of its assets or equity interests, and Manager may further assign this Agreement to an Affiliate where such assignment is intended to accomplish an internal corporate purpose of Manager as opposed to materially and substantially altering the method of delivery of services to Owner. Any purported assignment in contravention of this Section shall be void. This Agreement is binding on successors and permitted assigns of the parties.

Section 17.7 Notices. All notices required or permitted to be given pursuant to this Agreement shall be in writing and delivered personally or sent by registered or certified mail, return receipt requested, or by generally recognized, prepaid, overnight air courier services, to the address and individual set forth below. All such notices to either party shall be deemed to have been

provided when delivered, if delivered personally, three (3) days after mailed, if sent by registered or certified mail, or the next business day, if sent by generally recognized, prepaid, overnight air courier services.

If to the Owner:

City of Moose Jaw
228 Main St. N.
Moose Jaw, SK S6H 3J8
Attn: City Manager

With a copy to:

City of Moose Jaw
228 Main St. N.
Moose Jaw, SK S6H 3J8
Attn: City Clerk/Solicitor

If to Manager:

Spectra Venue Management
150 Rouse Blvd
Philadelphia, PA 19112
Attn: President

With a copy to:

Spectra Venue Management
150 Rouse Blvd
Philadelphia, PA 19112
Attn: General Counsel

The designation of the individuals to be so notified and the addresses of such parties set forth above may be changed from time to time by written notice to the other party in the manner set forth above.

Section 17.8 Severability. If a court of competent jurisdiction determines that any term of this Agreement is invalid or unenforceable to any extent under applicable law, the remainder of this Agreement (and the application of this Agreement to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

Section 17.9 Entire Agreement. This Agreement (including the exhibits attached hereto) contains the entire agreement between the parties with respect to the subject matter hereof, and supersedes and replaces all prior negotiations, correspondence, conversations, agreements, and understandings concerning the subject matter hereof. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations, agreements or understandings, whether oral or written.

Section 17.10 Governing Law. The Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the Province of Saskatchewan, without regard to its conflict of laws principles.

Section 17.11 Amendments. Neither this Agreement nor any of its terms may be changed or modified, waived, or terminated (unless as otherwise provided hereunder) except by an instrument in writing signed by an authorized representative of the party against whom the enforcement of the change, waiver, or termination is sought.

Section 17.12 Waiver; Remedies. No failure or delay by a party hereto to insist on the strict performance of any term of this Agreement, or to exercise any right or remedy consequent to a

breach thereof, shall constitute a waiver of any breach or any subsequent breach of such term. No waiver of any breach hereunder shall affect or alter the remaining terms of this Agreement, but each and every term of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. The remedies provided in this Agreement are cumulative and not exclusive of the remedies provided by law or in equity.

Section 17.13 Relationship of Parties. Manager and Owner acknowledge and agree that they are not joint venturers, partners, or joint owners with respect to the Facility, and nothing contained in this Agreement shall be construed as creating a partnership, joint venture or similar relationship between Owner and Manager. In operating the Facility, entering into contracts, accepting reservations for use of the Facility, and conducting financial transactions for the Facility, Manager acts on behalf of and as agent for Owner (but subject to the limitations on Manager's authority as set out in this Agreement), with the fiduciary duties required by law of a party acting in such capacity.

Section 17.14 No Third Party Beneficiaries. Other than the indemnitees listed in Sections 14.1 and 14.2 hereof (who are third party beneficiaries solely with respect to the indemnification provisions in such sections), there are no intended third party beneficiaries under this Agreement, and no third party shall have any rights or make any claims hereunder, it being intended that solely the parties hereto (and the aforementioned indemnitees with respect to the indemnification provisions hereof) shall have rights and may make claims hereunder.

Section 17.15 Attorneys Fees. If any suit or action is instituted by either party hereunder, including all appeals, the prevailing party in such suit or action shall be entitled to recover reasonable attorney fees and expenses from the non-prevailing party, in addition to any other amounts to which it may be entitled.

Section 17.16 Limitation on Damages. In no event shall either party be liable or responsible for any consequential, indirect, incidental, punitive, or special damages (including, without limitation, lost profits) whether based upon breach of contract or warranty, negligence, strict tort liability or otherwise, and each party's liability for damages or losses hereunder shall be strictly limited to direct damages that are actually incurred by the other party, provided that the foregoing shall not limit or restrict any claim by Manager for the management fees described herein upon a breach or default of this Agreement by Owner.

Section 17.17 Counterparts; Facsimile and Electronic Signatures. This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same document. This Agreement may be executed by the parties and transmitted by facsimile or electronic transmission, and if so executed and transmitted, shall be effective as if the parties had delivered an executed original of this Agreement.

IN WITNESS WHEREOF, each party hereto has caused this Management Agreement to be executed on behalf of such party by an authorized representative as of the date first set forth above.

CITY OF MOOSE JAW

GLOBAL SPECTRUM FACILITY
MANAGEMENT, L.P.,
d/b/a Spectra Venue Management

By: Global Spectrum Facility Management,
Ltd., its general partner

Mayor

By: _____
Name:
Its:

City Clerk

SCHEDULE 1
MAP DEFINING AREAS UNDER MANAGER'S MANAGEMENT

EXHIBIT A MANAGER DUTIES

Manager's obligations under the Agreement shall consist of the following obligations, all of which are subject to the terms hereof and the controls and restrictions in the Operations Manual:

(a) Manage all aspects of the Facility in accordance with the Operations Manual and the terms of this Agreement, including but not limited to managing purchasing, payroll, fire prevention, security, crowd control, routine repairs, preventative maintenance, janitorial services, promotions, advertising, energy conservation, security, box office, admission procedures, parking (if applicable), and general user services. Notwithstanding the foregoing, the parties acknowledge and agree that Manager's duties do not include the provision of food and beverage service, or the marketing and sale of Commercial Rights.

(b) Establish and adjust prices, rates and rate schedules for user, license, concessions, occupancy, and advertising agreements, and booking commitments. Manager may deviate from the established rate schedule when entering into any such agreements if determined by Manager, using its reasonable business judgment, to be necessary or appropriate with respect to the specific situation.

(c) Procure, negotiate, execute, administer and assure compliance with Service Contracts, Revenue Generating Contracts, and other contracts related to the operation of the Facility.

(d) Require that all material vendors and licensees of the Facility execute vendor/license agreements containing standard indemnification and insurance obligations on the part of each such vendor/licensee.

(e) Provide standard form advertising and sponsorship contracts and user/rental agreements for use at or with respect to the Facility. Manager shall submit such form agreements to the Owner for review and comment, and the parties shall work together to finalize such forms. Once finalized, Manager shall use such forms in furtherance of its duties hereunder, and shall not materially deviate from the terms contained in such forms without obtaining the prior approval of the Owner (which shall not be unreasonably withheld). Manager's sole responsibility with regard to providing legal advice or assistance hereunder shall be to provide such standard form contracts.

(f) Operate and maintain the Facility, including the equipment utilized in connection with its operation and any improvements made during the term of this Agreement, in the condition received, normal wear and tear excepted.

(g) Arrange for and otherwise book events at the Facility in accordance with a booking schedule to be developed by Manager. Manager and Owner agree that it is the goal to book 10 – 12 concerts at the Facility each Operating Year, but that Manager does not guarantee that any minimum amount of concerts will be booked. If a particular concert could result in a loss to the Facility, the Contract Administrator must approve of the concert prior to booking, and if the "artist guarantee" for

such concert exceeds CAD \$150,000, the Contract Administrator shall seek the approval of Owner's City Council.

(h) Hire or otherwise engage, pay, supervise, and direct all personnel Manager deems necessary for the operation of the Facility in accordance with Article 6 of the Agreement, and conduct staff planning, retention and training programs as determined to be necessary by Manager in its sole discretion.

(i) Maintain detailed, accurate and complete financial and other records of all its activities under this Agreement in accordance with Public Sector Accounting Standards, which records shall be made available to the Owner upon request, in accordance with Section 10.1 of the Agreement.

(j) Submit to the Owner in a timely manner financial and other reports detailing Manager's activities in connection with the Facility, as set forth in Section 10.2 of the Agreement.

(k) Prepare a proposed annual Operating Budget and submit such proposed budget to the Owner, both in accordance with Article 7 of the Agreement.

(l) Pay all Operating Expenses and other expenses incurred in connection with the operation, maintenance, supervision and management of the Facility from the Operating Account or with funds otherwise made available by the Owner.

(m) Secure, or assist the Owner (or any other third party, as applicable) to secure, all licenses and permits necessary for the operation and use of the Facility for the specific events to be held therein, and for the general occupancy of the Facility, including without limitation all necessary food and liquor licenses, and renewals thereof. The Owner shall cooperate in this process to the extent reasonably required. All costs associated with this process shall be Operating Expenses.

(n) Collect, deposit and hold in escrow in the Event Account any ticket sale revenues which it receives in the contemplation of or arising from an event pending the completion of the event, as more fully described in Section 8.1 of the Agreement.

(o) Collect in a timely manner and deposit in the Operating Account all Revenue, as more fully described in Section 8.2 of the Agreement.

(p) Subject to the Owner making available sufficient funds in a timely manner, pay all Taxes.

(q) Plan, prepare, implement, coordinate and supervise all public relations and other promotional programs for the Facility.

(r) Prepare, maintain and implement on a regular basis, subject to the Owner's approval, a Marketing Plan for the Facility.

(s) On an annual basis, cause a written inventory to be taken of all furniture, fixtures, office equipment, supplies, tools and vehicles at the Facility, and deliver a written report of the foregoing to Owner. Manager shall document all major damage to, or loss in, such inventory during the Term as soon as such damage or loss is discovered by Manager, and Manager shall promptly notify Owner of any such damage or loss.

(t) Purchase, on behalf of the Owner and with Owner funds, and maintain during the Term, all materials, tools, machinery, equipment and supplies necessary for the operation of the Facility.

(u) As agent for the Owner, manage risk management and Facility insurance needs, as more fully described in Article 15 of the Agreement.

(v) Make and be responsible for all routine and minor repairs, maintenance, preventative maintenance, and equipment servicing. Manager shall be responsible for ensuring that all repairs, replacements, and maintenance shall be of a quality and class at least equal to that of the item being repaired, replaced or maintained. Any replacement of an item in inventory, or any new item added to the inventory, which is paid for by the Owner, shall be deemed the property of the Owner.

(w) the General Manager shall ensure effective communication with tenants and the Owner and shall attend the Owner's strategic leadership meetings on a bi-weekly basis.

(x) Cause such other acts and things to be done with respect to the Facility, as determined by Manager in its reasonable discretion to be necessary for the management and operation of the Facility following the Effective Date.

**EXHIBIT B
EXISTING CONTRACTS**

Agreement	Expiry Date	Amount	
Mosaic Canada Ltd.	August 31, 2021	\$100,000 annually	Start negotiations 2 years prior for 6 months – August 2019
Moose Jaw Ford	August 14, 2021	\$18,000 annually	Can offer to renew for a further 3 years must notify by October 30, 2019
Moose Jaw Warriors	August 31, 2021		2 one-year renewals
AAA Warriors	Expired as AAA is now with Moose Jaw Minor Hockey currently under discussion		
Compass Group	July 31, 2021		
Great West Brewing Company	September 30, 2019		Preparing RFP
Corby Spirit and Wine	December 31, 2019		Preparing RFP
Coca-Cola	July 31, 2019		Preparing RFP
TicketRocket	June 2021		

**EXHIBIT C
FIRST YEAR OPERATING BUDGET**

**Mosaic Place
First Year Operating Budget
Includes General Manager**

	Mosaic Place Events Centre	Moose Jaw Ford Curling Centre	Total
<u>Revenue</u>			
Ice Rentals	\$551,974	\$225,756	\$777,730
Bowl Events	\$331,938	\$ -	\$331,938
Conference and Convention	\$35,563	\$12,561	\$48,124
Contracted Revenue	\$671,796	\$ -	\$671,796
Food and Beverage Revenue	\$148,000	\$27,000	\$175,000
Other Revenues	\$9,430	\$ -	\$9,430
Naming Rights	\$108,500	\$16,250	\$124,750
Contractor Capital Payment	\$30,000	\$ -	\$30,000
TOTAL REVENUE	\$1,887,201	\$281,567	\$2,168,768
<u>Expenditures</u>			
Administrative Salaries	\$298,963	\$77,279	\$376,242
Operational Salaries	\$436,237	\$90,304	\$526,541
Employer Paid Benefits	\$151,005	\$28,816	\$179,821
Office Expenses	\$29,480	\$1,220	\$30,700
Travel & Education Expenses	\$22,487	\$1,000	\$23,487
Utilities Expenses	\$412,395	\$165,492	\$577,887
Property Tax	\$18,750	\$ -	\$18,750
Legal Business Services	\$148,042	\$ -	\$148,042
Marketing & Programming	\$51,400	\$55,466	\$106,866
Event Expense	\$88,448	\$32,288	\$120,736
Contracted Staff - City	\$25,500	\$4,500	\$30,000
Supplies & Equipment	\$40,250	\$16,850	\$57,100
Maintenance Expenses	\$291,554	\$7,320	\$298,874
Box Office Expense	\$45,000	\$ -	\$45,000
Miscellaneous	\$960	\$ -	\$960
TOTAL EXPENDITURES	\$2,060,471	\$480,535	\$2,541,006
<u>Operational Subsidy Required</u>	\$173,270	\$198,968	\$372,238

EXHIBIT D INSURANCE

At all times during this Agreement, Manager shall maintain the following insurance coverage:

- (a) commercial general liability insurance, including products and completed operations, bodily injury and property damage liability, contractual liability, independent contractors' liability and personal and advertising injury liability against claims occurring on, in, or about the Facility, or otherwise arising under this Agreement;
- (b) umbrella or excess liability insurance;
- (c) commercial automobile liability insurance, including coverage for the operation of owned, leased, hired and non-owned vehicles;
- (d) workers compensation and employer's liability insurance as shall be required by and be in conformance with the laws of the Province of Saskatchewan;
- (e) professional liability insurance and self-insured employment practices liability coverage;
- (f) employment practices liability insurance;
- (g) pollution liability; and
- (h) crime coverage.

Such liability insurance shall be maintained in the following minimum amounts throughout the Term:

Commercial General Liability

\$1,000,000 per occurrence

\$1,000,000 personal and advertising injury

\$1,000,000 products-completed operations aggregate

Umbrella or Excess Liability

\$5,000,000 per occurrence and aggregate

Automobile Liability

\$1,000,000 per accident (PI and PD combined single limit)

\$1,000,000 uninsured/underinsured motorist

Workers Compensation

Workers Compensation: Statutory

Employer's Liability: \$100,000 each accident-bodily injury by accident

\$500,000 policy limit-bodily injury by disease

\$100,000 each employee-bodily injury by disease

Professional Liability/Errors & Omissions (Claims Made basis)

\$1,000,000 each occurrence/aggregate

Employment Practices Liability Insurance (Claims Made basis)

\$1,000,000

Pollution Liability (Claims Made basis)

\$1,000,000

Crime Insurance

Coverage on all on-site Manager employees. Limit: \$500,000.00

Property Insurance

Covering Manager's business personal property at the Facility at full replacement cost in the event of theft or loss. Minimum limit: \$5,000,000.

**EXHIBIT E
TRANSITION BUDGET**



**Spectra
Mosaic Place
Management Transition Expenses**

Personnel Related Expenses		
<u>Relocation</u>		\$25,000
	General Manager and Other Directors	\$25,000
 <u>Travel</u>		 \$2,750
	GM/Director Candidates Interview Trips	2
	Cost Per Trip (2 days/1 night)	\$1,375
 <u>Recruitment Cost</u>		 \$7,500
	Cost per Background Check	\$50
	Number of Checks	150
 Total Personnel Expenses		 \$35,250

Corporate/Regional Travel Expenses		
<u>Corporate Travel Expenses per Trip (based upon 2 nights/3 days):</u>		
	<u>Air</u>	
Airfare	\$700	
Transportation (\$50 per day)	\$150	
Hotel (\$150 per night)	\$300	
Expenses (\$75 per day)	<u>\$225</u>	
	<u>\$1,375</u>	
 <u>Estimated # of Trips</u>	<u>#</u>	<u>Air</u>
Regional VP/Operations	3	\$4,125
Box Office	2	\$2,750
Finance/Accounting	2	\$2,750
Human Resources	2	\$2,750
Sales & Marketing	<u>2</u>	<u>\$2,750</u>
Total Trips	11	\$15,125
 Total Travel Expenses		 \$15,125
 TOTAL TRANSITION EXPENSES.....		 \$50,375