

THIS AGREEMENT made at the City of St. John's, in the Province of Newfoundland and Labrador, this 14 day of November, 2018

BETWEEN:

Atlantic Sports Enterprises Ltd., a corporate body organized and existing under the laws of the Province of Newfoundland and Labrador as an Extra-Provincial Corporation with Registered Offices situated at St. John's, NL Canada;

(hereinafter referred to as "ASE")

OF THE ONE PART

AND:

Deacon Investments Ltd., a corporate body organized and existing under the laws of the Province of Newfoundland and Labrador;

(hereinafter referred to as "Deacon")

OF THE SECOND PART

AND:

St. John's Sports & Entertainment Ltd., a corporate body organized and existing under the laws of the Province of Newfoundland and Labrador with its corporate offices situated at St. John's, NL Canada

(hereinafter referred to as "SJSEL")

OF THE THIRD PART

AND:

City of St. John's, a statutory corporation pursuant to the City of St. John's Act, RSNL 1990 c.C-17, as amended.

(hereinafter referred to as "City")

OF THE FOURTH PART

WHEREAS the Mile One Centre situated at 50 New Gower Street City of St. John's, NL, is owned and operated by SJSEL;

AND WHEREAS ASE, Deacon, SJSEL, the City, Irwin Simon and Robert Sabbagh entered a Memorandum of Understanding dated March 14, 2018 ("Memorandum") in which the Parties

agreed to *inter alia*, renegotiate a lease with ASE and negotiate a lease with Deacon to operate sports teams using Mile One Centre for home games;

AND WHEREAS ASE is the holder of a valid franchise permitting it to operate the St. John's Edge basketball team (Edge) in the National Basketball League of Canada (NBL) with home games occurring at Mile One Centre through a Lease Agreement with SJSEL dated September 20, 2017;

AND WHEREAS pursuant to the Memorandum, ASE and SJSEL agree to renegotiate the terms of ASE's lease for the 2018-2019 season of the NBL as set out herein;

WHEREAS Deacon is the holder of a valid franchise permitting it to operate the Newfoundland Growlers (Growlers) hockey team in the East Coast Hockey League of Canada (ECHL) with home games also occurring at Mile One Centre and wishes to enter into a lease on the terms as set out herein;

AND WHEREAS the Parties confirm the terms and conditions of the Memorandum except as modified herein or in the Addendum No.1 LED Power Ring to the Memorandum dated _____ 2018

NOW THEREFORE THIS AGREEMENT WITNESSES that for and in consideration of the premises and the mutual undertakings, promises, covenants and agreements set forth herein on the part of each of the Parties hereto, the Parties hereto agree with each other as follows:

ARTICLE 1 – INTERPRETATION

1.01 Definitions

In this Agreement and any subsequent amendments, the following terms shall have the meaning as set forth herein:

- (a) “Fixture” has the meaning as prescribed in Article 3.03(g) herein;
- (b) “Franchise” means the right granted to ASE and Deacon by the NBL and ECHL respectively to own and operate the Edge and Growlers;
- (c) “GAAP” means generally accepted accounting principles as prescribed in the Canadian Institute of Chartered Accountants Handbook;
- (d) “Concourse Level” means the level one main concourse levels of Mile One Centre generally known as and referred to as the “main concourse level”;
- (e) “Suite Level” means the level immediately above the Concourse Level of Mile One Centre generally known and referred to as the “suite level” and does not include party boxes.
- (f) “Home Game” means all Regular season, Pre-season, and Play-off Games of the Edge and Growlers that are scheduled to be played at Mile One Centre, during the Term;
- (g) “Home Team Dressing Room” means the area located on the lower level of Mile One Centre and includes the dressing room, coach’s and assistant coach’s offices, and training room area assigned to the Growlers;
- (h) “New Home Team Dressing Room” means the area located on the lower level of Mile One Centre and includes the dressing room, coach’s and assistant coach’s offices assigned to the Edge;
- (i) “Visitor Team Dressing Room” means the area located at the lower level of Mile One Centre designated as such;
- (j) “Mile One Centre” means the building located on New Gower Street in the City of St. John’s in which the Edge will play all Home Games during the NBL season during the

Term, and in which the Growlers will play all Home Games during the ECHL season during the Term, neither the Convention Centre nor the pedway across New Gower Street forms part of the Mile One Centre for the purposes of this Agreement;

- (k) “Play-off Games” means all games of the Edge and Growlers that take place in the NBL and/or ECHL play-offs that follows the Regular Season Games;
- (l) “League” means the NBL and/or the ECHL as the case maybe and includes its successors and assigns;
- (m) “League Season” means the period during which all Regular Season Games and Playoff Games are played;
- (n) “Regular Season Games” mean all games of the Edge and Growlers that take place during the regular season in each League;
- (o) “Pre-Season Games” mean exhibition games of the Edge and Growlers that are not Regular Season Games or Playoff Games;
- (p) “Rent” is as prescribed in Article 4.01 herein;
- (q) “Advertising/Sponsorship Payment” is as prescribed in Article 4.02 herein;
- (r) “Retail Space” means that space defined as the Merchandise area and located in front of the administration offices on the Concourse Level at Mile One Centre;
- (s) “Season Tickets” means a package of Tickets, purchased in advance of any League Season for each and every Regular Season Game to be played by the Edge or Growlers at Mile One Centre during the League Season;

- (t) “Season Ticket Database” means a database of regular season and playoff game ticket holders as well as personal seat licence holders;
- (u) “Series” means the number of consecutive Regular Season Games and Play-off Games played by the Edge and/or Growlers and any given visiting League team at Mile One Centre;
- (v) “SJSEL” means St. John’s Sports and Entertainment Limited and includes its successors and assigns;
- (w) “Team” means the Edge and/or Growlers (including any successor) which shall, at all times during the Term, be a member team of the League and includes all players, coaches and other persons as, at minimum, shall be necessary to comply with all rules, regulations and by-laws of the League;
- (x) “Teams” means both the Edge and the Growlers;
- (y) “Term” is as prescribed in Article 2.01 herein;
- (z) “Ticket” means a ticket which will allow the bearer admission to Mile One Centre for the purpose of attending the Home Game, for which the specific Ticket relates, played by the Team at Mile One Centre, and does not include complimentary tickets referenced at Articles 6.06, 6.07, and 6.09.

1.02 **Headings**

The division of this Agreement into articles, sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “hereof”, “herein”, “hereunder”, “therein” and “thereof” refer to this Agreement and not to any particular article, section, clause or other portion thereof unless otherwise specifically stated.

1.03 Extended Meaning

Words importing the singular number shall include the plural and vice versa.

1.04 Currency

All references to currency in this Agreement are to lawful money of Canada and any payments required to be made hereunder shall be made in the lawful money of Canada.

1.05 Addendums

All Addendums to this Agreement shall form part and parcel of the Agreement.

1.06 Governing Law

This Agreement shall be in all respects governed by and interpreted under and in accordance with the laws of the Province of Newfoundland and Labrador and of Canada as applicable in the Province of Newfoundland and Labrador.

ARTICLE 2 – TERM

2.01 Term

The Term of this Agreement shall be for the 2018/2019 League Season for the Teams commencing on October __, 2018 and terminating on June 30, 2019.

ARTICLE 3 – DEMISE

3.01 Demise

Subject to all the terms and conditions contained herein SJSEL hereby grants to ASE and Deacon, for the Term, the following:

- (a) the right to use Mile One Centre as the home arena of the Teams exclusively, with no other basketball or hockey team being permitted to operate on a seasonal basis, utilizing Mile One Centre as their home arena. Notwithstanding the foregoing ASE and Deacon acknowledge and agree that SJSEL shall have the right to book short term basketball and hockey events, games or tournaments of any kind at Mile One Centre.
- (b) the right, subject to Article 5, to hold all Home Games of the Teams, during each League Season during the Term, at Mile One Centre.
- (c) the right for the Growlers to occupy and use the Home Team Dressing Room and the right for the Edge to occupy and use the New Home Team Dressing Room for the following purposes:
 - (i) as a dressing room for the Teams for Home Games at Mile One Centre;
 - (ii) for office space for coaching staff;
 - (iii) as a training room for the Teams;
 - (iv) such other purpose, as may be consented to in writing by SJSEL; and
 - (v) for no other purpose except as aforesaid;
- (d) the right to occupy and use the Retail Space in accordance with Article 8 herein.
- (e) the right to use seven (7) parking spots at Mile One Centre.
- (f) the Teams shall have the exclusive right to the Home Team Dressing Room and the New Home Team Dressing Room for such purposes as provided for herein on Home Game days. ASE and SJSEL acknowledge and agree that the basketball court surface must be available at 10:00 a.m. on each Home Game and 2 hours following the end of the Home Game except in extenuating circumstances.

- (g) SJSEL hereby covenants with ASE and Deacon that during the period referenced in Article 3.01(c), no person will be permitted to enter Mile One Centre without an admission ticket with the exception of those individuals who are required and necessary or are SJSEL or ASE/Deacon employees or agents who are there to specifically perform game related functions.

3.02 **Dressing Rooms**

- (a) The Growlers shall have sole and exclusive use, for such purposes as provided for herein, of the Home Team Dressing Room for the Term as set out in Article 3.01 and subject to the provisions contained therein. Notwithstanding the foregoing, in the event that SJSEL requires the use of the Home Team Dressing Room on a temporary basis, then such request shall be made in writing to Deacon and consent shall not be unreasonably withheld or delayed.
- (b) The Edge shall have sole and exclusive use, for such purposes as provided for herein, of the New Home Team Dressing Room for the Term as set out in Article 3.01 and subject to the provisions contained therein. Notwithstanding the foregoing, in the event that SJSEL requires the use of the New Home Team Dressing Room on a temporary basis, then such request shall be made in writing to ASE and consent shall not be unreasonably withheld or delayed.
- (c) A visiting League team shall have the right to occupy and use a Visitor Team Dressing Room for the period beginning 12 hours before a Home Game Series and ending 2 hours after the conclusion of a Home Game Series unless such occupancy and use conflicts with a scheduled Mile One Centre event, in which case SJSEL shall make all reasonable efforts to accommodate the visiting team as soon as practicable.
- (d) For all events other than Home Games, the Teams shall have their access limited to the Home Team Dressing Room used by the Growlers.

3.03 Renovations, Improvements and Fixtures

- (a) The Parties agree that ASE and Deacon will undertake renovations to the Home Team Dressing Room, the New Home Team Dressing Room and the Suite Level as contemplated by s. 1.4 of the Memorandum. Approval of all renovations must be obtained by SJSEL in writing prior to proceeding and all final invoices must be provided. The Parties agree that costs for approved renovations will be shared equally between ASE, Deacon and SJSEL.
- (b) SJSEL agrees to fund one third of the cost of approved renovations of the Home Team Dressing Room, the New Home Team Dressing Room and the Suite Level to a maximum of \$500,000.00 with the \$500,000.00 being provided upfront. ASE and Deacon acknowledge and agree that the difference between \$500,000.00 and SJSEL's one third contribution toward the total cost shall be treated as a reduction to the Depreciated Value of the LED Power Ring as set out in Addendum No.1 LED Power Ring to the Memorandum dated _____ 2018, attached hereto.
- (c) The Parties agree that ASE and Deacon will purchase, install and maintain an LED Power Ring into Mile One Centre under the conditions as set out in the LED Power Ring Addendum No.1, LED Power Ring dated _____ 2018, attached hereto.
- (d) Other than the foregoing, ASE and Deacon agree that they shall not undertake or permit any construction or make or permit any improvements, renovations or repairs or otherwise at Mile One Centre or any part thereof without first obtaining the written consent of SJSEL which consent shall not be unreasonably withheld. For greater certainty, and without limiting the generality of the foregoing, this prohibition includes any painting, the placing of any graphics, promotional and/or advertising materials, signage, pictures, posters, photographs, paintings, IT improvements, telephone, internet or other such connections, or otherwise of any like or similar nature whatsoever.

- (e) Subject to the foregoing, any and all construction, improvements, or repairs as may be requested by ASE and/or Deacon and approved by SJSEL shall be carried out at the sole expense of the requesting Party or Parties, at the direction of SJSEL and in accordance with the terms of any collective agreement that may be in place, from time to time, with any union representing any of SJSEL's employees at Mile One Centre.
- (f) Subject to the foregoing, all leasehold improvements and renovations made at Mile One Centre shall be for the benefit of SJSEL and shall remain at Mile One Centre at the end of the Term or other termination of this Agreement at no charge or cost to SJSEL.
- (g) ASE and Deacon shall be required to obtain the permission of SJSEL, prior to adding, placing, constructing or installing anything at Mile One Centre or any part thereof that is secured in place. Anything of this nature that is approved by SJSEL shall be deemed to be a Fixture and shall remain as installed at the end of the Term or other termination of this Agreement at no cost or charge to SJSEL. Notwithstanding the foregoing, ASE and Deacon may remove the following items subject to the terms and conditions as determined by SJSEL:
 - (i) equipment or chattels purchased by the Edge solely for basketball operations with the exception of all basketball equipment, 3 nets, 2 shot clocks, the court floor and all other equipment or chattels provided by SJSEL;
 - (ii) equipment or chattels purchased by the Growlers solely for the hockey operations including a pulley exercise system which the Parties agree must be attached to the wall in the Home Team Dressing Room, with the exception of all equipment or chattels provided by SJSEL.

3.04 Removal of Liens

- (a) ASE and Deacon jointly and severally shall not permit any liens that may be placed or filed against or at Mile One Centre by reason of any work, labour, services or material supplied or claimed to have been supplied to or at Mile One Centre at their request or demand or with their permission or the Teams, to remain in place for any period greater than ninety (90) days whether or not such work, labour, services or material was done, provided or supplied with the approval of SJSEL, and shall take all steps necessary to ensure the discharge of same.
- (b) In the event that ASE and Deacon fail or refuse to secure the discharge of any lien in accordance with Article 3.04(a) then SJSEL may secure the discharge of such lien by any means that it chooses and ASE and Deacon shall be jointly and severally responsible for all costs and expenditures (including legal costs) incurred by SJSEL in having such lien discharged or vacated. Further SJSEL shall be entitled to deduct such costs and expenditures from monies that may be held by it on behalf of ASE and/or Deacon.

3.05 Inspection

SJSEL shall have the right to inspect any part of Mile One Centre used or occupied by ASE, Deacon or the Teams by virtue of this Agreement following twenty-four (24) hours written notice of its intention to do the same.

3.06 Maintenance and Repair

- (a) Unless otherwise stipulated in this Agreement or the LED Power Ring Addendum, or unless structural damage is caused or repair is necessitated as a result of negligence or misuse of Mile One Centre or any part thereof by ASE and/or Deacon or those for whom, at law they are responsible, ASE and Deacon shall not be responsible for structural maintenance and repair of Mile One Centre.

- (b) Notwithstanding 3.06(a) or anything else contained in this Agreement, ASE and Deacon shall be jointly and severally responsible for any and all maintenance, repair and/or replacement costs resulting from negligence or misuse of Mile One Centre or any part thereof by them, or their employees, agents or those for whom, at law, it is responsible.
- (c) ASE and Deacon shall be responsible for all general day to day cleaning, upkeep, maintenance and repair of the Home Team Dressing Room, Visitor Team Dressing Room and the Retail Space and ASE and Deacon shall ensure that the same is undertaken in accordance with the terms of any collective agreement that may be in place, from time to time, with any union representing SJSEL employees at Mile One Centre.

3.07 Use for Specified Purposes Only

ASE and Deacon shall not have the right to use Mile One Centre or any part thereof, except as otherwise specifically provided for in this Agreement.

3.08 Additional Rights

Notwithstanding anything else in this Agreement, should either of the Parties, at any time, fail to undertake any obligation or perform any act on their part to be performed, and/or fail to pay the full cost of any payment, repair, renewal, maintenance or otherwise for which they are responsible within seven (7) days of being notified in writing of such default, then the Parties may deduct or set off such reasonable amount so as to remedy such obligation and the Parties agree that should the matter not be resolved to their mutual satisfaction within seven (7) days of notice of such default, then either Party may refer the matter to an arbitrator pursuant to Article 29.01 and the amount deducted or set off shall be placed in trust in the hands of the arbitrator for purposes of resolution of the matter.

ARTICLE 4 – RENT

4.01 Payment

ASE and Deacon shall each pay to SJSEL for each Home Game played by the Teams at Mile One Centre a flat fee of \$4,500.00 plus HST per Home Game.

4.02 Advertising/Sponsorship Payment Revenue

Pursuant to s. 3.1 of the Memorandum the Parties agreed that ASE and Deacon can commence operations in marketing, advertising, promotions, corporate revenues and corporate sponsorships for Home Games. ASE and Deacon jointly and severally agree that SJSEL shall receive a fixed amount of \$500,000.00 from ASE and Deacon. This payment shall be payable in two equal installments, \$250,000.00 upon execution of this Lease and \$250,000.00 on January 31, 2019.

Notwithstanding the foregoing the parties agree that for all non Home Game events SJSEL shall retain the revenue for all suite sales (suite sales means suites that are not contracted to a Corporate Partner) except those events for which ASE and/or Deacon have booked at Mile One.

4.03 Merchandise

All revenue arising from the sale of Team or League apparel, equipment or property (e.g. uniforms, merchandise, basketballs, water bottles, websites, banners, etc.) or revenue for the sole benefit of the League or the Team, or any combination thereof (e.g. 50-50 raffle ticket sales) shall entirely belong to ASE and/or Deacon.

ARTICLE 5 – HOME GAMES

5.01 League Regular Season Home Games Schedule

Upon receipt of a draft League schedule from ASE and/or Deacon, SJSEL shall confirm the availability of the blackout dates. Should there be a conflict between the Mile One Centre calendar of events and the League draft schedule, the Mile One Centre calendar of events shall take precedence. SJSEL agrees to work with the ASE and Deacon to schedule Regular Season

Home Games and once SJSEL is in receipt of the confirmed schedule that schedule shall form part of the Mile One Centre calendar of events.

5.02 League Play-off Games Schedule

ASE and Deacon shall provide to SJSEL, within twenty-four (24) hours of receipt of each play-off round format from the League, a proposed schedule of the Team's Play-off Home Games to be played at Mile One Centre during the League Season. It is understood and agreed that the proposed schedule for the Team's Play-off Home Games to be played at Mile One Centre cannot be finalized until approved by SJSEL. Should there be a conflict between the Mile One Centre calendar of events and the proposed schedule for the Team's Play-off Home Games, the Mile One Centre calendar of events shall take precedence. SJSEL agrees to work with ASE and Deacon to schedule Play-off Home games and once SJSEL is in receipt of the confirmed schedule that schedule shall form part of the Mile One Centre calendar of events. SJSEL hereby covenants not to make a booking for any more than five (5) consecutive days during any given week commencing the last day of the Regular Season until the last possible play-off date.

5.03 Black-out Dates

SJSEL shall, within seven (7) days of receiving a written request from either ASE or Deacon provide a list of those dates, of which SJSEL is aware at the time of the request being made, on which Home Games cannot be played at Mile One Centre during the League Season. It always being understood and agreed that all such black-out dates as contemplated in this Article are subject to change until such time as SJSEL provides its final approval of the schedules proposed pursuant to Articles 5.01 and 5.02 herein.

5.04 Services Provided by SJSEL at Home Games at no Additional Expense

(a) SJSEL shall provide the following at Home Games:

- box office services (subject to costs as referenced in Article 6.04 and subject to Article 6.08);
 - ticket takers;
 - ushers;
 - conversion from ice surface to court surface and vice versa;
 - maintenance and technical personnel;
 - building security at Mile One Centre;
 - suite service staff;
 - parking staff.

It is understood that the foregoing will be provided to the extent, and/or to such standards, as may be required by law or, where there are no specific legal standards in place governing the matter, to the extent, or to such standards, as determined solely by SJSEL, acting reasonably.

- (b) SJSEL shall provide clean-up services at Mile One Centre excluding the Home Team Dressing Room, New Home Team Dressing Room and the Retail Space. This service will be provided to the extent, or to such standard as determined by SJSEL, acting reasonably.
- (c) SJSEL shall have the right to control all heat and light at Mile One Centre and shall be responsible for all costs of the same at a temperature suitable for a basketball and hockey game with large attendance. It is understood that SJSEL does not guarantee an

uninterrupted supply of electricity or other fuel in order to furnish heat and light, however it will exercise due diligence in respect of the same.

- (d) Notwithstanding anything else contained in Article 5.04 it is understood and agreed that in circumstances where Home Games are scheduled on statutory or such other holidays as may exist pursuant to any collective agreements to which SJSEL are a party, ASE and/or Deacon shall reimburse SJSEL for all additional incremental costs incurred by SJSEL relating to the provision of services at Pre-Season Games, Home Games and/or Play-off Games taking place on the said holidays. SJSEL agrees to inform ASE and Deacon of all statutory or other holidays observed during the Pre-Season, Regular Season and Play-off's when setting the Pre-Season, Regular Season and Play-off schedules to allow ASE and Deacon to adjust Home Game schedules as necessary.

5.05 Additional Services

- (a) SJSEL shall not be obligated to provide or perform any service or act of any nature whatsoever, or provide any equipment, except as specifically provided for in this Agreement.
- (b) Without limiting the generality of 5.05(a) SJSEL is not obligated to provide any of the following at its cost or expense:
 - (i) game day medical services;
 - (ii) game day officials;
 - (iii) services relating to game day or game related promotions or other activities;
 - (iv) services relating to the operation of the Score Clock/Videotron and LED Power Ring;

- (v) telephone, internet or other communications connections or equipment of any nature; except equipment related to the services provided in Article 5.05; and
 - (vi) any other services and/or equipment or supplies of any nature whatsoever except as otherwise specifically provided for in this Agreement.
- (c) ASE and/or Deacon may, from time to time, request that SJSEL provide additional, and/or increased levels of services beyond that contemplated specifically in this agreement. Additional charges, costs or fees for the same may be negotiated from time to time on such terms and conditions as may be mutually acceptable to the Parties.

ARTICLE 6 – BOX OFFICE

6.01 Season Ticket Database

- (a) ASE and Deacon jointly and severally acknowledge and agree that SJSEL and the City are bound by the provisions of the Access to Information and Protection of Privacy Act, 2015 SNL 2015 c. A-1.2., as amended (the Act). ASE and Deacon further acknowledge and agree that any customer information obtained by SJSEL, including names, email addresses, phone numbers and credit/debit card information cannot be released to anyone including the Teams unless consent is obtained from the customer or the release of information is otherwise authorized under the Act.
- (b) The Parties acknowledge that during the Term, all Ticket purchases are processed through the Mile One Centre Box Office or via SJSEL's online ticket provider and as such, SJSEL is in receipt of customer personal information including names and contact information. During the Term SJSEL agrees to provide ASE and Deacon with the contact information for all members of the Season Ticket Database if ASE and Deacon jointly and severally agree to be bound by the provisions of the Act and the terms of the Information Sharing Agreement attached hereto.

6.02 ASE and Deacon jointly and severally agree acknowledge and agree to be bound by all applicable Federal, Provincial and Municipal laws, regulations and by-laws relating to the use, retention, storage and dissemination of any personal information contained in the Season Ticket Database and shall indemnify and save SJSEL and the City harmless from any and all claims arising from the unauthorized use of the Season Ticket Database or any alleged privacy breach arising from ASE's or Deacon's access to the Season Ticket Database.

6.03 At the end of the term SJSEL, ASE and Deacon agree that each party may use the Season Ticket Database in accordance with the provisions above and the Act.

6.04 Ticket Distribution and Prices

(a) All Tickets to all Home Games played at Mile One Centre during each League Season during the Term shall be produced, printed, sold or otherwise disbursed and/or distributed by SJSEL through the box office at Mile One Centre or via SJSEL's online ticket provider or as otherwise provided for by SJSEL.

(b) ASE and Deacon shall have the sole right to establish and set Ticket and Season Ticket prices, and the Parties agree that there shall be no Tickets or Season Tickets issued for an amount less or more than the said prices as established except where otherwise agreed in writing by the Parties.

(c) It is understood and agreed that applicable taxes and all surcharges or otherwise relating to the purchase of Tickets from any online ticket provider for Mile One Centre, including SJSEL if it, in future, establishes its own online ticket service, will be added to the Ticket price as established by ASE and Deacon.

6.05 Payment of Monies from Ticket Sales

- (a) SJSEL shall have the sole and exclusive right to sell and distribute all Tickets and Season Tickets and to collect all monies relating to the sale and distribution of all Tickets and Season Tickets. Monies collected by SJSEL from the sale of Tickets and Season Tickets shall be paid over to ASE and Deacon as provided in Articles 6.03(b) and (c) net of Rent, and any other charges, fees, payments, debts, holdbacks, expenses or otherwise due to or permitted to be taken or held by SJSEL pursuant to this Agreement, and net of all applicable taxes.
- (b) Monies collected by SJSEL from the sale and distribution of Tickets and owing to ASE and/or Deacon pursuant to Article 6.03(a) shall be paid on the first business day following each Series of Home Games played at Mile One Centre in which the said monies were collected by SJSEL.
- (c) Monies collected by SJSEL from the sale and distribution of Season Tickets and owing to ASE and/or Deacon pursuant to Article 6.03(a) shall be paid on the fifth working day of the month following the month in which the said monies were collected. Monies remitted shall be net of all charges, fees, payments, debts, expenses or otherwise due to or permitted to be taken or held by SJSEL excepting only Rent. Monies held back will be applied on a proportional basis, as a part of each Series settlement throughout the League Season, to Rents due to SJSEL.
- (d) It is understood and agreed that ASE and Deacon shall not produce or print any Tickets whatsoever at any time during the Term. It is further understood and agreed that ASE and Deacon shall not sell, distribute or disburse any Tickets and/or Season Tickets whatsoever at any time during the Term.

6.06 Cost of Service

In addition to Rent and any other costs, charges, fees, payments, debts, holdbacks or otherwise as provided for in this Agreement, ASE and Deacon shall pay the following costs (including all applicable taxes) related to Box Office services provided by SJSEL:

- (a) twenty-five cents (\$0.25) per Ticket for Ticket printing, production, and associated costs;
- (b) all Season Ticket printing, production and associated costs;
- (c) three and one-half percent (3.5%) of the sale price (including taxes) of each Ticket and Season Ticket purchased electronically and/or via debit or credit cards; and
- (d) SOCAN fees;

provided, however, ASE and Deacon may add a surcharge to offset the above enumerated fees.

6.07 No Payments beyond Termination

ASE and Deacon shall not be entitled to any payments, revenues, monies or otherwise from SJSEL beyond the Term or other termination of this Agreement except insofar as the said payments, revenues, monies or otherwise were accrued by ASE and/or Deacon during the Term.

6.08 Corporate Suite

SJSEL shall, at no cost, have the right to occupy a corporate suite at Mile One Centre throughout the Term and shall be entitled to fourteen (14) complimentary Tickets for each Home Game during the Term.

ASE and Deacon shall at no cost have the right to occupy one (1) corporate suite each at Mile One Centre throughout the Term of this Lease and shall be entitled to fourteen (14) complimentary Tickets per suite for the first performance of each and every event. ASE and

Deacon joint and severally agrees that they shall not lease, rent out, or use the corporate suite to derive immediate financial benefit without the prior written consent of SJSEL.

6.09 Season Tickets for City of St. John's

The City shall, at no cost, be provided with eleven pairs of complimentary tickets (22 tickets in total) for each Home Game during the Term.

6.10 Box Office Opening Times

SJSEL shall, at all times during the Term, have the right to set times and dates for the opening and operation of the box office at Mile One Centre. SJSEL shall maintain reasonable and practical box office hours, subject to any collective agreement in place at Mile One Centre, so as to assist and facilitate the sale of Tickets for all Home Games.

6.11 Complimentary Tickets, SJSEL

In addition to Article 6.06, SJSEL shall be provided Tickets, at no cost, to each Home Game during the Term only for extenuating circumstances or instances where a paying customer requires a change to another seat. Use of such Tickets shall be at the sole discretion of SJSEL.

ARTICLE 7 – PRACTICE SESSIONS

7.01 Practice Time

Once Mile One Centre has been set up for basketball on game weekends, the Edge will have the right to practice at no additional costs. It is understood and agreed that SJSEL shall have the final right of approval of any proposed practice schedule, which approval shall not be unreasonably withheld or delayed. SJSEL retains the right to convert Mile One Centre at its sole discretion.

Deacon will be provided the ice surface at Mile One Centre for practice sessions for the Growlers on days and times to be agreed upon at no cost to the Team during the League Season. Practice sessions may only be scheduled between 9:00 am and 3:00 pm on weekdays and at times to be determined on weekends. Under no circumstances will the sessions be longer than two hours per day. No less than thirty (30) days prior to the commencement of the League Season Deacon shall provide to SJSEL its proposed practice schedule for the Team at Mile One Centre. It is understood and agreed that SJSEL shall have the final right of approval of any proposed practice schedule, which approval shall not be unreasonably withheld or delayed.

ARTICLE 8 – RETAIL SPACE

8.01 Retail Space – Demise

ASE and Deacon shall have the right to use the Retail Space at Mile One Centre throughout the Term for the sole purpose of merchandising and/or retailing Team and/or related merchandise, souvenirs and novelties. Notwithstanding the foregoing it is understood and agreed that ASE and Deacon shall not sell or provide any food, with the exception of novelty food items approved prior to sale by SJSEL, beverage (including beer, wine or spirits) and/or confection or concession items or services from the Retail Space or anywhere else at Mile One Centre. ASE and Deacon shall be responsible for all leasehold improvements, signage, staffing, inventory, POS equipment, internet requirements, telephone requirements and the cleaning of the Retail Space.

8.02 Retail Space – Hours of Operation

SJSEL shall have the sole right to set the hours of operation for Mile One Centre and times that Mile One Centre is to be opened to the public. The Retail Space shall not be opened for business or to the public except at such times and dates as may be specifically agreed to by SJSEL from time to time during the Term. It being understood and agreed, however, that ASE and Deacon may open the Retail Space for business at all Home Games played by the Teams at Mile One Centre and for one (1) hour before each Home Game and for one half hour (30 minutes)

subsequent to each Home Game and may open the Retail Space when the General Office for SJSEL is open with access to the Retail Space at such times to be through Gate 2.

ARTICLE 9 – CONCESSIONS

9.01 Right to Provide Concessions

SJSEL shall have the sole right to permit the operation of concessions and the sale and distribution of all food and beverage of any nature (including beer, wine and spirits) at Mile One Centre. ASE and Deacon shall not have any right to operate any concessions, or to sell, distribute or provide any food or beverage items of any nature at Mile One Centre with the exception of the Suite Level as set out herein.

9.02 Obligation to Purchase Food and Beverage at Mile One Centre Concessions

All food and beverage of any nature (including beer, wine and spirits) that is consumed or used at Mile One Centre at any time during the Term by any person or persons whatsoever must be purchased from concessions operations at Mile One Centre at prices as established by SJSEL.

9.03 Concession and Parking Revenues

ASE and Deacon, from concession revenues collected by SJSEL during the period commencing one (1) hour before each Home Game played at Mile One Centre during the Term and ending at the conclusion of the Home Game (the “Period”), shall be entitled to the following:

- (a) In relation to concession services operated by SJSEL at the Concourse Level of Mile One Centre, thirty percent (30%) of gross revenue excluding HST received by SJSEL during the Period. The Parties agree that if at the end of the Term the average attendance at Home Games based on scanned tickets of customers in the Mile One Centre bowl exceeds 3,500 (Three Thousand Five hundred), ASE and Deacon’s entitlement will

increase to thirty five percent (35%) of gross revenue excluding HST received by SJSEL during the Period;

- (b) ASE and Deacon shall only be entitled to concession revenues for Home Games as aforesaid;
- (c) ASE and Deacon shall not be entitled to any parking lot revenue.

9.04 Restaurant and Suite Level Revenues

The Parties agree that ASE and Deacon will take over operations of restaurant and catering services at the Suite Level of Mile One Centre. ASE and Deacon jointly and severally acknowledge and agree that they shall pay eight percent (8%) of gross revenue excluding HST to SJSEL on all events held at Mile One Centre during the Term and shall be payable to SJSEL on the 15th of every month. The Parties agree that they shall execute further agreements relating to the sale of food and beverages at the Suite Level. Notwithstanding the foregoing ASE and Deacon agree that they shall pay twenty percent (20%) of gross revenue excluding HST to SJSEL until such time as they demonstrate to the satisfaction of SJSEL and the City that the suite catering operations have substantially changed from the previous year. The 20% is split between SJSEL and the Teams for Edge and Growlers games only; with SJSEL retaining 10% and the Teams retaining 10%. SJSEL retains the full 20% for all non-Edge and Growlers events. The Teams shall reimburse SJSEL 10% for Edge and Growlers games, and 20% for all other events.

9.05 Payment of Concession Revenue

Monies due to ASE and/or Deacon and SJSEL pursuant to Article 9.00 shall be paid with each Series settlement as contemplated pursuant to Article 6.03(b) and net of all matters as referenced in Article 6.03(a) with the exception of a possible increase in concession revenue to ASE and Deacon as set out in 9.03(a) which shall be reconciled at the end of the Term if necessary.

ARTICLE 10 – ADVERTISING/SPONSORSHIP REVENUES

10.01 Revenue for Advertising/Sponsorship

(a) The Parties agree that ASE and Deacon shall be entitled to all revenue received for the following at Mile One Centre during the Term:

- (i) sale of advertising or signage; and
- (ii) corporate suite sales for Home Games subject to Article 4.02 of this Agreement.

ASE and Deacon shall provide SJSEL with the copies of the Corporate Partnership Contracts and SJSEL shall maintain confidentiality with regards to the information contained in the contracts and SJSEL further acknowledges and confirms our obligations under the Act.

- (iii) ASE and Deacon agree to provide to SJSEL all contracts in relation to the suite level prior to execution and any information regarding obligations of SJSEL contained in advance of execution to confirm that these obligations are satisfactory to SJSEL and/or the City.

(b) Notwithstanding the foregoing, SJSEL shall have the right to sell advertising and allow promotions at non Home Game events that may take place at Mile One Centre during the Term and shall have the right to all revenues generated therefrom.

10.02 Undertaking Marketing Activities and Contracting

(a) Subject to the approval of SJSEL, ASE and Deacon may enter into contracts or agreements with persons that allow for the official or exclusive sponsorship of the Teams with respect to various products or services provided that such agreements or contracts do not permit or allow for any exclusivity or other rights with respect to Mile One Centre

that are not specifically permitted elsewhere in this Agreement AND provided that such agreements or contracts do not violate any provision of the Agreement including, without limiting the generality of the foregoing, articles 9.01, 9.02, 10.02 and 10.05.

(b) In addition to any other indemnity provisions in this Agreement, ASE and Deacon joint and severally agree as follows:

- (i) to declare, indemnify and hold harmless SJSEL (which term includes its parent company, affiliates, directors, elected officials, officers, employees and other representatives) from any and all claims, demands, activities, suits, allegations, actions, or causes of action, arising from or incident, whether directly or indirectly, to any misconduct, negligence, representation, or omission on the part of any person with whom ASE and/or Deacon or the Teams contract pursuant, directly or indirectly, to Article 10 herein (“Sponsors”) in the conduct of the Sponsors duties or any conduct outside the scope of their duties which may give rise to liability or potential liability on the part of SJSEL (the “Indemnified Parties”),

It is ASE and Deacon’s express intention that the Indemnity provided for in this section Indemnify and protect the Indemnified Parties from the consequences of all Sponsors misconduct, negligence, representation, or omission including acts of negligence or alleged negligence, and where same is a contributing cause of the Claim; and

- (ii) to the fullest extent permitted by law, to indemnify and hold harmless SJSEL (which term includes its parent company, affiliates, directors, elected officials, officers, employees and other representatives collectively “Promotion Indemnified Parties”) from and against all claims, suits, actions, damages, and liabilities, including but not limited to attorneys’ fees and costs and expenses of defence, arising out of or relating to or alleged to arise out of or relate to any Sponsors marketing activities and any Sponsors acts, obligations or benefits

contemplated or permitted by any contract/agreement entered into by ASE and/or Deacon or the Teams pursuant, directly or indirectly, to Article 10 herein (whether or not SJSEL approves any such contract), or any other acts or omissions by a Sponsor or Sponsor's Agents (defined hereunder), whether occurring on the premises of Mile One Centre (comprised of the Arena, walkways, parking lots, and immediate surrounding areas) or any and all other off-site (i.e. non Mile One Centre) premises, which may be caused in whole or in part by the negligent acts, omissions, or willful misconduct of any Sponsor, or anyone directly or indirectly employed by any Sponsor in any capacity, anyone volunteering on behalf of any Sponsor, anyone who comes under any Sponsor's control, or anyone for whose acts any Sponsor may be liable (all categories hereinafter referred to collectively as "Sponsor's Agents"), regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified herein;

It is the express intention of ASE and Deacon that the Indemnity provided for herein shall apply to and protect the Promotion Indemnified Parties from the consequences of the acts or omission of all Sponsors or the Promotion Indemnified Parties, including acts of negligence or alleged negligence, and including where same is a contributing cause of the Claim, whether occurring on or off the premises of Mile One Centre; and

- (c) The obligation referenced in Article 10.02(b)(i) and (ii) shall not be construed to negate, abridge, or otherwise reduce the other rights or obligations of indemnity as contained in this Agreement or that may otherwise exist as to a party or person described herein. In claims against any person or entity indemnified herein by an employee of any Sponsor or Sponsor's Agent, the indemnification obligation under these Articles shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Sponsor under workers' or workmen's compensation act, disability benefit acts, or other employee benefit acts.

10.03 Management of Corporate Sponsors/Suite Holders

SJSEL, ASE and Deacon will jointly manage corporate suites/advertisers. SJSEL will manage the game day operations of corporate suites and communications with corporate suite holders on game days.

10.04 Revenue Sharing- Advertising/Sponsorship Revenue

SJSEL shall be entitled to the payments referenced in Articles 4.02 herein irrespective of the level of revenue or loss to ASE and Deacon pursuant to Article 10.01(a) herein. Further, and in addition to all other payments due to SJSEL during the Term, ASE and Deacon shall contribute \$256,000.00 to SJSEL as a net contribution as set out in Appendix "A" attached hereto which forms part and parcel of this Lease Agreement. Except as otherwise specifically provided for in this Agreement, ASE and Deacon shall not be entitled to, and shall not share in, any revenues, monies, profits, benefits or otherwise of SJSEL generated, either directly or indirectly from any event, operation, activity, undertaking, contract, agreement or otherwise occurring at, or in any way related to, Mile One Centre. The \$256,000.00 contribution to SJSEL is a minimum amount that SJSEL will receive from Articles 4.01 (rent), 6.04 (ticket costs), 9.03(a) (food and beverage concessions on concourse), 9.03(c) (parking) and 9.04 (suite + catering) less associated hockey and basketball expenses as recorded by SJSEL. If that minimum amount is not met, ASE and Deacon are to make up the deficiency.

Ex: if the above revenues minus expenses = \$250,000.00 at year end, ASE and Deacon to pay \$6,000 to SJSEL. If SJSEL revenue minus expenses is a \$100,000.00 loss then ASE and Deacon pay SJSEL \$356,000.00.

10.05 Non-League Events

SJSEL shall have the full right and freedom to seek, secure and promote events or shows of any nature whatsoever at Mile One Centre, except as limited by Article 3.01(a) during the Term. In addition, without limiting the generality of the foregoing, it is further understood and agreed that

SJSEL shall have the right to seek, secure, and promote events at Mile One Centre that may be sponsored or promoted by corporations or persons advertising products or services competing with corporate sponsors or advertisers contracting with ASE and Deacon, including corporate sponsors of beer, wine, spirits, and soft drinks. It is further understood and agreed that such competing corporations or persons will be permitted to advertise their products or services at the specific event that they may sponsor or promote.

10.06 Production Costs

SJSEL shall not be obliged to pay any production, creation, installation or other costs in respect of any advertising, signage, promotions and all other like and/or similar matters at Mile One Centre and all such costs will be borne by the advertisers or ASE and/or Deacon.

10.07 SJSEL's Promotions at Mile One Centre

Notwithstanding anything else in this Agreement it is understood and agreed that SJSEL shall, at all times at Mile One Centre, have the right to advertise and promote all events, activities, undertakings or otherwise taking place at Mile One Centre. Further SJSEL shall have the right to utilize all parts of Mile One Centre and all facilities and equipment in respect of the foregoing including, but not limited to, the Score Clock/Videotron and LED Power Ring. It is further understood and agreed that no monies will be payable by SJSEL to ASE or Deacon in respect of any of the foregoing.

10.08 Score Clock/Videotron, LED Power Ring and Shot Clocks

- (a) The Score Clock/Videotron and LED Power Ring at Mile One Centre has a video display that may be used for advertising and the sale of advertising by SJSEL at non League events. Further, it is understood and agreed that while SJSEL will repair the timekeeping/scorekeeping function of the Score Clock/Videotron and Shot Clocks throughout the Term, repairs to the video function are entirely at the discretion of SJSEL and this must be reflected in any agreements/contracts concerning advertising on the

Score Clock/Videotron and LED Power Ring. It is further understood and agreed that SJSEL shall not be obligated to replace the Score Clock/Videotron and LED Power Ring during the Term.

- (d) ASE and Deacon acknowledge and agree that SJSEL has made capital investments to acquire basketball and hockey equipment which meets the requirements of the Leagues. The Parties agree that this was a capital investment by SJSEL for its own benefit and does not constitute a leasehold improvement or create any additional trailing obligations for ASE or Deacon under this Agreement.

ARTICLE 11 – PROFIT SHARING FROM OPERATIONS

11.01 Profit Sharing from Operations

ASE and Deacon shall not, except as is otherwise specifically provided for in this Agreement, during the Term, share in any profit that SJSEL may generate from its operations during the Term.

11.02 ASE and/or Deacon Losses

SJSEL shall not, under any circumstances, be obliged to share in or be responsible for any losses that ASE and/or Deacon may incur from its operations during the Term unless any such losses are, directly or indirectly, a result of the negligence or intentional misconduct of SJSEL or those for whom SJSEL is responsible at law.

ARTICLE 12 – INTEREST

12.01 Interest

Interest shall be charged on monies overdue pursuant to this Agreement at a rate of twelve (12%) per annum.

ARTICLE 13 – OPERATION

13.01 Franchise Location

ASE and Deacon shall locate, operate and keep the Franchise and Team in the City of St. John's during the Term of this Agreement.

13.02 Franchise Operation

ASE and Deacon shall ensure that, at all times during the Term, the Franchise is operated in accordance with all rules, regulations, by-laws, agreements, standards and otherwise that may be established by the League and any other regulatory body that may have regulatory or other authority over the operation of the Franchise or the Teams.

13.03 Team Basketball Games

ASE shall ensure that the Edge play all Home Games during the League Season through the Term at Mile One Centre unless Mile One Centre is unavailable. It is understood and agreed that ASE may schedule various exhibition games and training camp intra-squad games at a venue other than Mile One Centre from time to time.

13.04 Team Hockey Games

Deacon shall ensure that the Growlers play all Home Games during the League Season through the Term at Mile One Centre unless Mile One Centre is unavailable. It is understood and agreed that Deacon may schedule various exhibition games and training camp intra-squad games at a venue other than Mile One Centre from time to time.

ARTICLE 14 – WARRANTIES AND REPRESENTATIONS

14.01 ASE and Deacon Representations and Warranties

ASE and Deacon hereby jointly and severally warrant and represent to SJSEL that:

- (a) They are a corporation duly incorporated, organized and existing under the laws of the Province of Newfoundland and Labrador;
- (b) They each hold a valid Franchise for the operation of the Team in the League and each will take all such steps as are within its power, authority and control to ensure that the Franchise continues to be valid, effective and in good standing throughout the Term in accordance with all rules, regulations and by-laws from time to time of the League;
- (c) ASE and Deacon shall take all such steps as are within its power, authority and control to obtain and maintain in effect throughout the Term all such approvals and authorizations of the League and/or any other governing body as are necessary in order that this agreement and the arrangements provided for in this Agreement shall comply with all any applicable rules, regulations and by-laws of the League;
- (d) ASE and Deacon each have good and sufficient power, authority and right to enter into and deliver this Agreement; and
- (e) This Agreement has been duly authorized for execution and delivery by both ASE and Deacon by all necessary corporate action.

14.02 SJSEL's Representations and Warranties

The SJSEL hereby warrants and represents that:

- (a) SJSEL is a corporation duly incorporated, organized and existing under the laws of the Province of Newfoundland and Labrador;
- (b) SJSEL has good and sufficient power, authority and right to enter into and deliver this Agreement;
- (c) this Agreement has been duly authorized for execution and delivery by the SJSEL by all necessary corporate action; and
- (d) SJSEL is the legal and beneficial owner of the Mile One Centre and has the absolute right to lease the Mile One Centre in accordance with the terms hereof.

ARTICLE 15 – COVENANTS

15.01 ASE and Deacon's Covenants

ASE and Deacon jointly and severally Covenant with SJSEL as follows:

- (a) to pay all amounts due and owing to SJSEL pursuant to this Agreement at the times and in the manner herein set forth;
- (b) to observe and perform each of the covenants, undertakings, promises and agreements on its part set forth herein;
- (c) to use Mile One Centre for the purpose of holding Home Games for the Teams and for no other purpose except as specifically permitted pursuant to this Agreement;
- (d) to be responsible for all costs associated with the repair/replacement of damage to Mile One Centre or its furnishings and fixtures or any part thereof occurring due to any act of ASE and/or Deacon, its agents, servants, employees, the Teams, or its guests/invitees with the exception of damage to the court floor, nets, and seats incidental to playing basketball and not occurring as a result of any willful or intentional act;

- (e) to at all times observe and comply with all statutory requirements, regulations, rules and by-laws of the City of St. John's and any other governmental authority having jurisdiction which may in any way affect or relate to the exercise of the rights and privileges granted herein;
- (f) to leave Mile One Centre at the expiration of the Term or other termination of this Agreement in a good state of repair and, at all times during the Term, to repair or cause to be repaired any damage which results from their use or occupation thereof, within fifteen (15) days of the occurrence of the said damage, unless such time is mutually extended; and
- (g) to defend, indemnify and hold harmless SJSEL and the City, together with its directors, officers, employees and other representatives, for and from and against any loss, damage, claim, action, suit, proceeding, deficiency, or expense (including without limitation, reasonable legal fees) relating to, arising from or in connection with any act or omission of ASE and/or Deacon, its employees, agents or other representatives including any breach of this Agreement, or from any litigation, arbitration, hearing, governmental inquiry or investigation or other proceeding commenced by any third party alleging negligence, breach of contract or any wrongful conduct by ASE and/or Deacon, SJSEL and/or the City.

15.02 Acknowledgement of ASE and Deacon

Notwithstanding anything else that may be contained in this Agreement, ASE and Deacon jointly and severally acknowledge that:

- (a) Mile One Centre and all premises demised to it pursuant to this Agreement are in a good state of repair and fully equipped for its purposes;

- (b) SJSEL shall not be liable to ASE and/or Deacon for any losses, damages, costs or otherwise in any way related to the unavailability of Mile One Centre where said unavailability is due (either directly or indirectly) to circumstances beyond the control of the SJSEL, which circumstances shall include (without limiting the generality of the foregoing) fire, labour strikes, emergency or hazardous conditions, any regulatory law or authority and any act of God; and
- (c) SJSEL shall not be liable to ASE and/or Deacon for any losses, damages, costs or otherwise in any way related to the unavailability of Mile One Centre where said unavailability is due (either directly or indirectly) to any structural, equipment, mechanical, plumbing and/or electrical problem or failure for whatever cause and of any nature whatsoever at, or in, Mile One Centre or any part thereof, unless caused by the gross negligence or wilful acts of the employees or agents of SJSEL.

15.03 SJSEL's Covenants

SJSEL hereby covenants with ASE and Deacon as follows:

- (a) to permit, except as otherwise provided in this Agreement, ASE and Deacon to hold all Home Games of the Teams Mile One Centre during the Term;
- (b) to pay all amounts that may be due and owing by SJSEL pursuant to this Agreement at the times and in the manner set forth herein;
- (c) to provide ASE and Deacon quiet enjoyment of premises demised to it pursuant to the terms of this Agreement; and
- (d) to observe and perform each of the covenants, undertakings, promises and agreements on its part set forth herein.

ARTICLE 16 – NATURE OF AGREEMENT AND EXTENT OF OBLIGATIONS

16.01 No Partnership

Nothing contained in this Agreement, or otherwise arising hereunder including any acts of the Parties hereto, shall constitute the Parties hereto partners or joint venturers.

16.02 No Right to Bind

Neither ASE or Deacon shall have any authority or right whatsoever to represent, contract for, act as agent for, bind, assume or create any obligations on behalf of SJSEL. SJSEL shall not have any authority or right whatsoever hereunder to represent, contract for, act as agent for, bind, assume or create any obligations on behalf of ASE and/or Deacon except as specifically provided for herein.

16.03 No Obligation for Other's Debts

Except as otherwise specifically provided for herein SJSEL shall not be responsible for any debts and obligations of ASE and/or Deacon and ASE and/or Deacon shall not be responsible for any debts and obligations of SJSEL.

ARTICLE 17 – INSURANCE

17.01 Insurance Obligation

- (a) Both ASE and Deacon shall, prior to the commencement of the Agreement and at their sole cost and expense, procure and maintain insurance policies in relation to their respective Team's and all others for whom at law it is responsible, use and operation of and at Mile One Centre during the Term. The insurance policies and the company issuing the same shall have an AM Best Rating of no less than A-VII and the policies

shall name both SJSEL and the City of St. John's as additional insured. The policies shall contain the following:

- (i) Comprehensive General Liability (including without limitation for bodily injury or death);
- (ii) Occurrence property damage liability;
- (iii) Products and completed operations liability;
- (iv) Broad form property damage liability;
- (v) Non-owned automobile liability;
- (vi) Employer's liability;
- (vii) Contingent employer's liability;
- (viii) Intentional injury medical malpractice liability; and
- (ix) Cross liability and severability of interest liability.

Coverage in relation to the foregoing shall be in an amount not less than Ten Million (\$10,000,000.00) Dollars inclusive limits coverage per occurrence, with a thirty (30) day notice of cancellation clause. In addition to the foregoing All Risk Insurance shall be in place to cover the chattels and equipment of ASE and Deacon and/or the Team, and Sport's Accident Insurance for Participant Injury or Death.

17.02 Indemnity

- (a) ASE and Deacon shall jointly and severally indemnify and save SJSEL and the City of St. John's harmless against all actions, suits, claims, damages, costs and liabilities arising out of or occurring as a result of:
 - (i) any breach, violation or non-performance of the terms, covenants and obligations on the part of ASE and/or Deacon as set forth in this Agreement; and
 - (ii) any loss, damage, injury or death of or to any person at Mile One Centre occurring during or around any Home Game or practice or Team event or League

event or in relation in any way to ASE and/or Deacon's, including the Team and all others for whom they are, at law, responsible, use and operation of and at Mile One Centre pursuant to this Agreement EXCEPT where any said loss, damage, injury or death is the result of negligence on the part of SJSEL or its employees, agents or others for whom it is, at law, responsible.

- (e) Except as otherwise provided in Article 15.02, SJSEL shall indemnify and save ASE and Deacon harmless against all actions, suits, claims, damages, costs and liabilities arising out of or occurring as a result of any breach, violation or non-performance of the terms, covenants and obligations on the part of SJSEL as set forth in the Agreement.

ARTICLE 18 – DEFAULT

18.01 Default

Except as otherwise provided in this Agreement where either Party hereto fails to fulfill any of its obligations, covenants or undertakings under this Agreement and the default is not rectified within ten (10) days after written notice of default has been given to the defaulting Party, then the other Party may, at its sole discretion, exercisable by written notice to the defaulting Party, terminate this Agreement forthwith.

ARTICLE 19 – IMMEDIATE TERMINATION

19.01 Insolvency of ASE and/or Deacon

In the event ASE and/or Deacon become insolvent, makes an assignment for the benefit of creditors, files a petition for reorganization, arrangement or other relief under any bankruptcy or insolvency law, is adjudicated a bankrupt, or a receiver is appointed to take possession or control of any of ASE's or Deacon's assets, then SJSEL shall have, in addition to all other rights available to it herein and at law, the right to terminate this Agreement forthwith.

ARTICLE 20 – TEAM NAME/LOGO

20.01 Name/Logo

SJSEL shall have the right with the prior consent of ASE and Deacon to use the trade name, trademark, rights or goodwill concerning the words and/or logo of the Edge and Growlers for purposes related to assisting it in its sales and/or marketing effort and for no other purposes except with specific written agreement.

ARTICLE 21 – WAIVERS

21.01 No Waivers

Failure of either Party to insist on the strict performance of any term or condition of this Agreement or to exercise any right or remedy shall not be deemed a waiver of any right or remedy or of any existing or subsequent breach or default, and the election by either Party of any particular remedy on default shall not be exclusive of any other.

ARTICLE 22 – AMENDMENTS

22.01 Amendments

None of the terms of this Agreement shall be deemed waived or modified except by an express agreement in writing signed by each Party by a person authorized to that effect by the said Party.

ARTICLE 23 – ENTIRE AGREEMENT

23.01 Entire Agreement

Except for the Memorandum and any Addenda thereto including the Addendum No. 1 – LED Power Ring, and the Addendum No. 2 – ISA this Agreement contains all the undertakings and

agreement whether oral or in writing, if any, previously entered into by the Parties with respect to the subject matter hereof.

ARTICLE 24 – MANAGEMENT AND ADMINISTRATION OF AGREEMENT

Joint Operations Committee

24.01 The Parties agree that there shall be a Joint Operations Committee established to review Mile One Centre operations and Team related issues. The Parties agree that the Committee shall meet every 2 weeks during the Term and will discuss, *inter alia*, opening times for Homes Games (one hour before), concessions provided to patrons in the stands and satellite liquor sales.

24.01.1 The Parties agree that decisions made by the Joint Operations Committee such as contemplated in 24:01 above that result in costs or revenue, will impact the net contribution as calculated pursuant to article 10:04.

24.02 The Parties agree that as part of the Joint Operations Committee there shall be a mutual exchange of monthly income statements.

ARTICLE 25 – ASSIGNMENT

25.01 Assignment

ASE or Deacon shall not assign this Agreement or any rights or obligations arising out of this Agreement, without the prior written consent of SJSEL.

25.02 Deemed Assignment

For purposes of Article 25.01 any transaction or event or series of transactions or events, which results in there being a change in control of ownership of ASE and/or Deacon (whether by the

direct or indirect ownership or control of the securities issued or any other entity or by contract or otherwise) shall be deemed to be an assignment.

25.03 Assignment by SJSEL

ASE and Deacon jointly acknowledge that SJSEL (and its assignees) shall at all times have the right to assign all or any part of this Agreement and the obligations hereunder as SJSEL (or its assignee) may, in its absolute discretion, determine from time to time.

25.04 This Agreement is binding upon all successors and assigns.

ARTICLE 26 – SEVERABILITY

26.01 Severability

If any of the provisions of this Agreement are held invalid or unenforceable in any judicial or any other proceeding, such invalidity or unenforceability shall not affect in any way the validity or enforceability of any other provision of this Agreement.

ARTICLE 27 – DOCUMENTS

27.01 Documents

The Parties each agree to execute, acknowledge and deliver such documents and instruments that shall be necessary or useful to effect or to confirm the obligations, undertakings and covenants provided for in this Agreement.

ARTICLE 28 – REGULATIONS

28.01 Regulations

The Parties shall abide by all by-laws, rules and regulations of any government or other competent authority concerning its operations.

ARTICLE 29 – ARBITRATION

29.01 Arbitration

If, at any time during the Term or after the expiration or termination thereof, any dispute or difference shall arise between the Parties hereto touching or concerning the construction, meaning or effect of this Agreement or any agreement or covenant entered into pursuant to this Agreement or the termination of this Agreement or the rights or obligations of the Parties hereto, and the Parties despite good faith efforts cannot resolve such dispute or difference then such dispute or difference shall be submitted to and settled by arbitration in Newfoundland and Labrador and the decision of the arbitrator or arbitrators, appointed as hereinafter provided, to deal with such matter shall be accepted by the Parties to such dispute or difference. The arbitration shall be conducted by a single arbitrator agreed upon by the Parties to the matter. If, within seven (7) days after notice of the matter has been given by one of such Parties to the other, such Parties cannot agree upon a single arbitration, then in such event, the arbitration shall be conducted by a single arbitrator appointed by a judge of the Supreme Court of Newfoundland and Labrador, General Division; on the application of any such Party with notice to the other. The arbitration shall be conducted in accordance with the provisions of the Arbitration Act, RSNL 1990 c. A-14, and of any amendments thereto, or of any successor statute thereof, in force at the time of such dispute or difference. The decision of the arbitrator shall be binding upon all the Parties to such dispute or difference, and there shall be no appeal there from except as permitted in the aforesaid statute. The prevailing Party shall be entitled to an award of arbitration costs.

29.02 Limitation on Powers of Arbitrator

An Arbitrator appointed pursuant to Article 29.01 shall not have the power to change this Agreement or to alter, modify or amend any provisions thereof, and in any judgment and/or decision rendered shall give full effect to the Agreement and all provisions thereof as written.

ARTICLE 30 – FORCE MAJEURE

30.01 Force Majeure

In the event of any liability or failure by either Party to fulfill any of its obligations hereunder by reason of any fire, explosion, war, riot, strike, walkout, labour controversy, flood, shortage of water, power, labour, transportation facilities or necessary materials or supplies, default or failure of carriers, act of God or public enemy, any law, act or order of any court, board, government or other authority of competent jurisdiction, or other direct cause (whether or not of the same character as the foregoing) beyond the reasonable control of the Party affected thereby, then such Party shall not be liable to the other Party or in breach of this Agreement during the period and to the extent of such inability or failure.

30.02 Damage to/Destruction of Mile One Centre

- (a) If, during the Term of this Agreement, Mile One Centre or a part thereof is damaged or destroyed or otherwise rendered unfit for the use contemplated in this Agreement then one of the following options must be exercised by SJSEL within sixty (60) days:
 - (i) SJSEL may either choose to rebuild and/or repair Mile One Centre with reasonable diligence within a reasonable time frame in which case the Parties hereto retain all rights and privileges as specified in this Agreement upon resumption; or
 - (ii) SJSEL may terminate this Agreement by providing ASE and Deacon with written notice of its intention to do so.

- (b) If SJSEL chooses to exercise the option as provided for in 30.02(a)(i) herein and the rebuilding and/or repairing of Mile One Centre to the point where it could be used by the Teams for the use contemplated herein is estimated to take more than sixty (60) days then ASE and/or Deacon may terminate this Agreement by providing SJSEL with written notice of its intention to do so within thirty (30) days of being advised of the estimated rebuilding and/or repairing time.

ARTICLE 31 – NOTICES

31.01 Address for Notice

Any notice or consent required or permitted under this Agreement shall be in writing and shall be addressed as follows:

- (a) if to SJSEL, in care of the CEO, SJSEL, 50 New Gower Street, St. John's, NL A1C 1J3
- (b) if to ASE _____
- (c) if to Deacon

31.02 Deemed Notice

Any notice or consent herein required or permitted to be given under any of the provisions of this Agreement shall be deemed to have been sufficient and effectually given if delivered by hand or sent registered mail, postage prepaid, fax, or email.

31.03 Notice Effected

Any such notice or consent given as aforesaid shall be conclusively deemed to have been received upon delivery or on the fifth (5th) business day after such mailing or on the first (1st) business day after such forwarding by the fax, or email.

ARTICLE 32 - TAXES AND ASSESSMENTS

32.01 Taxes and Assessments

Except as otherwise specifically stated herein, ASE and Deacon shall pay any and all taxes or assessments of any nature whatsoever arising out of its and/or the Team's operations pursuant to this Agreement.

ARTICLE 33 – TIME

33.01 Time

Time is of the essence of this Agreement and every part thereof.

ARTICLE 34 – BINDING

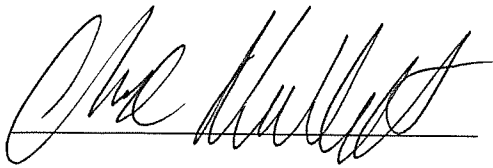
34.01 Binding on other Related and Contemplated Corporate Entities

ASE and Deacon jointly and severally acknowledge and agree that the terms and conditions of this Lease Agreement shall bind any and all corporations contemplated in the Memorandum including, but not limited to, "NewCo", "HockeyCo", "OpCo", "MarketingCo" "Deacon Sports & Entertainment Limited" and "NLSE Live Inc" and shall execute any further documents to effect same.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the date and year first above written.

SIGNED, SEALED AND DELIVERED

by ASE in the presence of:



**ATLANTIC SPORTS
ENTERPRISES LTD.**

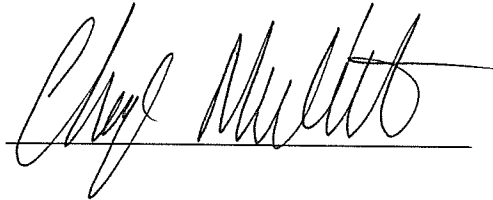
Per: 

Name:

Title:

SIGNED, SEALED AND DELIVERED

by Deacon in the presence of:



DEACON INVESTMENTS LTD.

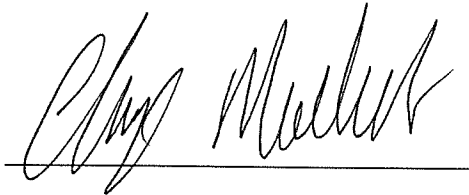
Per: 

Name:

Title:

SIGNED, SEALED AND DELIVERED

by SJSEL in the presence of:



**ST. JOHN'S SPORTS AND
ENTERTAINMENT LTD.**

Per: 

Name:

Title:

SIGNED, SEALED AND DELIVERED

by the City in the presence of:



KELLY A. BUTLER

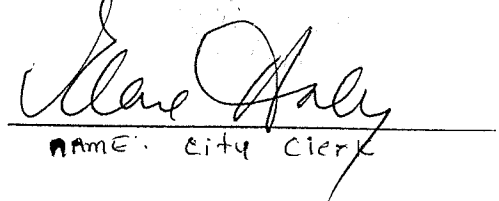
A Commissioner for Oaths in and for
the Province of Newfoundland and Labrador
My commission expires on December 31, 2022

CITY OF ST. JOHN'S

Per: 

Name:

Title:


Name: City Clerk

ADDENDUM NO. 1 – LED POWER RING

THIS AGREEMENT made at the City of St. John's, in the Province of Newfoundland and Labrador, this 19 day of November, 2018

BETWEEN:

Atlantic Sports Enterprises Ltd., a corporate body organized and existing under the laws of the Province of Newfoundland and Labrador as an Extra-Provincial Corporation with Registered Offices situated at St. John's, NL Canada;

(hereinafter referred to as "ASE")

OF THE ONE PART

AND:

Deacon Investments Ltd., a corporate body organized and existing under the laws of the Province of Newfoundland and Labrador;

(hereinafter referred to as "Deacon")

OF THE SECOND PART

AND:

St. John's Sports & Entertainment Ltd., a corporate body organized and existing under the laws of the Province of Newfoundland and Labrador with its corporate offices situated at St. John's, NL Canada

(hereinafter referred to as "SJSEL")

OF THE THIRD PART

AND:

City of St. John's, a statutory corporation pursuant to the *City of St. John's Act*, RSNL 1990 c.C-17, as amended.

(hereinafter referred to as "City")

OF THE FOURTH PART

AND:

Irwin Simon

(hereinafter referred to as "Simon")

OF THE FIFTH PART

AND:

Robert Sabbagh

(hereinafter referred to as “Sabbagh”)

OF THE SIXTH PART

WHEREAS the Mile One Centre situate at 50 New Gower Street City of St. John’s, NL, is owned and operated by SJSEL;

AND WHEREAS ASE is the holder of a valid franchise permitting it to operate the St. John’s Edge basketball team in the National Basketball League of Canada with home games occurring at Mile One Centre through a Lease Agreement with SJSEL;

AND WHEREAS Deacon is the holder of a valid franchise permitting it to operate the Newfoundland Growlers hockey team in the East Coast Hockey League of Canada with home games also occurring at Mile One Centre through a Lease Agreement with SJSEL;

AND WHEREAS ASE, Deacon, SJSEL, the City, Simon and Sabbagh entered a Memorandum of Understanding dated March 14, 2018 (“Memorandum”);

AND WHEREAS the Memorandum contemplated that ASE, Deacon, Simon and Sabbagh would incorporate various companies to facilitate the intent of the Memorandum and the duties and obligations therein including marketing, advertising and naming rights;

AND WHEREAS ASE and Deacon have approached SJSEL and the City with a proposal to purchase and install an LED Power Ring into Mile One Centre prior to the start of the 2018/2019 hockey and basketball seasons and prior to possibly assuming management and operation functions as contemplated by the Memorandum;

AND WHEREAS SJSEL and the City have agreed to the proposal by ASE and Deacon to install an LED Power Ring into Mile One Centre on the following terms and conditions;

NOW THEREFORE THIS AGREEMENT WITNESSES that for and in consideration of the premises and the mutual undertakings, promises, covenants and agreements set forth herein on the part of each of the Parties hereto, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree with each other as follows:

1. The Parties make this Addendum in accordance with section 5.4 of the Memorandum, and this Addendum shall be supplemental to and form part of the Memorandum;
2. ASE and Deacon shall be solely responsible for the purchase and all costs of installing the LED Power Ring at Mile One Centre and shall provide all final invoices and documented proof of ownership;
3. ASE and Deacon agree that once installed to the satisfaction of SJSEL, the LED Power Ring will become a fixture of Mile One Centre and shall be solely owned by SJSEL. ASE and Deacon agree to execute any documentation required to transfer ownership of the LED Power Ring, along with any warranties and agreements, to SJSEL upon satisfactory installation;
4. Notwithstanding Clause 3 herein, ASE and Deacon shall be jointly and severally responsible for all maintenance, repairs, licensing, software costs and all other costs associated directly with the operation of the LED Power Ring during the term, or the extension/renewal, of any valid lease and/or Operating Management Agreement as contemplated by the Memorandum. ASE and Deacon jointly and severally acknowledge and agree that they shall not seek reimbursement or contribution to the maintenance, repairs, licensing, software costs and all other costs associated directly with the operation of the LED Power Ring from the City or SJSEL in any manner or at any time including, but not limited to, the end of their respective leases and/or the expiry of an Operating Management Agreement;
5. The City and SJSEL agree that ASE and Deacon shall have the right to recover the costs of purchasing and installing the LED Power Ring into Mile One Centre through the opportunity to sell the naming rights with respect to Mile One Centre as contemplated by

the Memorandum. The Parties agree that the terms of this Agreement replace the terms of s. 4.15 of the Memorandum;

6. ASE and Deacon agree that their ability to sell naming rights with respect to Mile One Centre ceases upon the expiration of their respective Leases and/or the expiration of any Operating Management Agreement as contemplated by the Memorandum, whichever is the latter;
7. ASE and Deacon agree that in the event a naming rights agreement is executed with respect to Mile One Centre (“Naming Rights Agreement”) but all proceeds of the Naming Rights Agreement, regardless of when the proceeds are received, are insufficient to fully recover the costs of purchasing and installing the LED Power Ring into Mile One Centre (the “Deficiency”), neither the City nor SJSEL shall be responsible to ASE and/or Deacon for the Deficiency or any portion of the Deficiency and ASE and Deacon shall not make any claim against the City or SJSEL for the Deficiency;
8. ASE and Deacon agree that in the event they are unable to secure a Naming Rights Agreement with respect to Mile One Centre, while a valid lease and/or Operating Management Agreement as contemplated in the Memorandum is in effect, SJSEL will permit ASE and Deacon to use the LED Power Ring to generate advertising revenue until such time as the costs of purchasing and installing the LED Power Ring into Mile One Centre have been recovered;
9. The City and SJSEL agree that in the event ASE and Deacon have not recovered their costs of purchasing and installing the LED Power Ring into Mile One Centre upon the expiration of the ASE and Deacon leases and/or any Operating Management Agreement, whichever is the latter, the City and SJSEL, in their sole discretion, may:
 - (i) contribute to ASE and Deacon an amount equal to the depreciated value of the LED Power Ring (the “Depreciated Value”). ASE and Deacon agree that the LED Power Ring shall be depreciated on a straight-line basis over 20 years. ASE and Deacon agree that the Depreciated Value shall not include the Deficiency, or any

maintenance, repair, licensing and software costs associated directly with operating the LED Power Ring during the term of any valid lease and/or Operating Management Agreement. ASE and Deacon further agree that the City's contribution to the Depreciated Value shall be reduced by all monies received or are to be received by ASE and Deacon for naming rights and advertising revenue, and any the difference between the \$500,000.00 paid to ASE and Deacon for approved renovations at Mile One, and SJSEL's 1/3 equal contribution to the approved renovations final cost as contemplated by s. 1.4 of the Memorandum and as set out in a Lease between the Parties dated October __, 2018 attached hereto;

or

- (ii) permit ASE and/or Deacon to continue to use the LED Power Ring to generate advertising revenue for as long as the City and SJSEL deem appropriate pursuant to an advertising agreement to be executed between the Parties, or ASE and/or Deacon have recovered their costs of purchasing and installing the LED Power Ring into Mile One Centre;

or

- (iii) the Parties reach some mutual agreement to the satisfaction of the City and SJSEL.

10. ASE, Deacon, Simon and Sabbagh jointly and severally acknowledge and agree that the terms and conditions of this Agreement shall bind any and all corporations contemplated in the Memorandum including, but not limited to, "NewCo", "HockeyCo", "OpCo", "MarketingCo" "Deacon Sports & Entertainment Limited" and "NLSE Live Inc" and shall execute any further documents to effect same.

11. If there is any conflict between the terms of this Agreement and the terms of the Memorandum, the terms of this Agreement shall prevail.

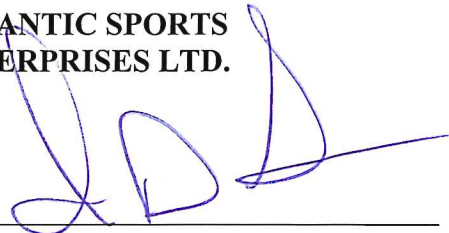
IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date and year first above written.

SIGNED, SEALED AND DELIVERED

by ASE in the presence of:



**ATLANTIC SPORTS
ENTERPRISES LTD.**

Per: 
Name: _____


Title: _____

SIGNED, SEALED AND DELIVERED

by Deacon in the presence of:



DEACON INVESTMENTS LTD.

Per: 
Name: _____


Title: _____

SIGNED, SEALED AND DELIVERED

by SJSEL in the presence of:



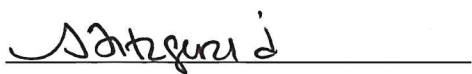
**ST. JOHN'S SPORTS AND
ENTERTAINMENT LTD.**

Per: 
Name: _____

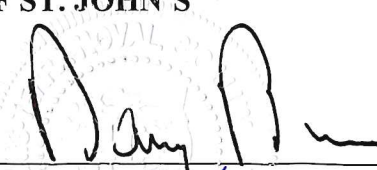
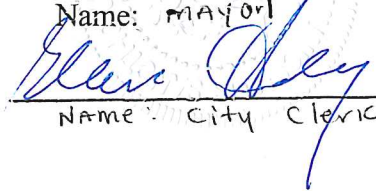
Title: _____

SIGNED, SEALED AND DELIVERED

by the City in the presence of:



CITY OF ST. JOHN'S

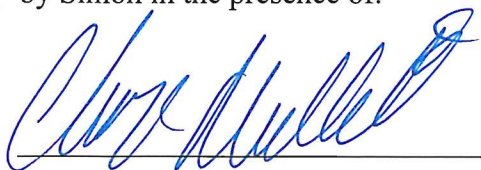
Per: 
Name: Mayor

Name: City Clerk

Title: _____

SIGNED, SEALED AND DELIVERED

SHANNA FITZGERALD
A Commissioner for Oaths in and for
the Province of Newfoundland and Labrador.
My commission expires on December 31, 2023.

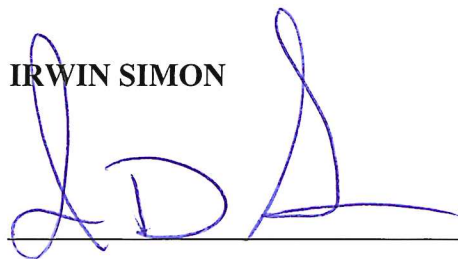
by Simon in the presence of:

A handwritten signature in blue ink, appearing to read 'Irwin Simon', written over a horizontal line.

SIGNED, SEALED AND DELIVERED

by the Sabbagh in the presence of:

IRWIN SIMON

A handwritten signature in blue ink, appearing to read 'Irwin Simon', written over a horizontal line.

ROBERT SABBAGH
