

**AMENDED AND RESTATED
MASTER AGREEMENT RE OPTIONS TO PURCHASE**

(the “Amended Master Agreement”)

Dated as of the 20th day of December, 2023

Between:

**THE CITY OF CALGARY
(the “Vendor”)**

AND

**C.S.E. REAL ESTATE CORPORATION, A BODY CORPORATE CARRYING ON BUSINESS IN
CALGARY, ALBERTA AS GENERAL PARTNER FOR AND ON BEHALF OF C.S.E. REAL ESTATE
LIMITED PARTNERSHIP
(the “Purchaser”)**

RECITALS:

- A. The Vendor has made appropriate arrangements to become the registered owner of an estate in fee simple of certain lands located in the Rivers District of Calgary, Alberta (as more particularly described on the schedule to the City of Calgary Rivers District Community Revitalization Levy Regulation, Alta Reg. P32-2006), which lands are currently portions of land within the existing parcels of land described in Schedule “A” attached hereto (collectively, the “**Existing Parcels**”), and the Vendor desires to grant separate options to purchase such portions of the Existing Parcels at such time as a subdivision of the Existing Parcels occurs to create a separate parcel or parcels for such portions of the Existing Parcels, which portions are generally shown as cross-hatched on the site plan attached as Schedule “B”, and identified as Areas 2, 3 and 4, respectively. In the event that all or a portion of the Existing Parcels are subdivided and/or consolidated after the date of this Amended Master Agreement, this Amended Master Agreement shall be binding on all of the lots created thereby.
- B. The parties acknowledge that with respect to Area 3, the southerly boundary of such Area 3 (the “**Area 3 South Boundary**”) will only become known with certainty at such time as a subdivision plan is registered to create a separate parcel of land for the BMO Centre expansion project (the “**BMO Expansion Subdivision Plan**”).
- C. In addition to the Existing Parcels, once the design of the Event Centre (as defined in the Project Framework Agreement made between the parties hereto as of even date (the “**Project Framework Agreement**”)) is known, the parties will mutually determine which portion of the Lands (as defined in the Project Framework Agreement) are best suited for development, the Vendor shall proceed with a subdivision of the Lands which, when registered, will create a separate parcel or parcels of land in respect of such developable portion of the Lands and the Vendor will grant an option to purchase in favour the Purchaser over such portion of the Lands (such portion of the Lands is hereinafter referred to as “**Area 1**”).
- D. The portions of the Existing Parcels which are to be subject to the aforesaid options to purchase are hereinafter sometimes called an “**Option Parcel**”.
- E. The draft plan of subdivision identifying the boundaries of each Option Parcel and the draft plan of subdivision of the Lands to create a parcel or parcels for Area 1 is hereinafter called a “**Draft Subdivision Plan**” and the area within the final boundaries of an Option Parcel and the final boundaries of Area 1 as identified by the applicable registered subdivision plan is hereinafter called a “**Subdivision Plan**”.

- F. The parties entered into a Master Agreement re Options to Purchase dated October 5, 2023 (the “**Existing Agreement**”) to confirm that the Vendor shall grant to the Purchaser an option to purchase in respect of each of the Option Parcels, to confirm the process whereby identification of the boundaries of Area 1 can be as shown on a Draft Subdivision Plan, to confirm the process whereby the Area 3 South Boundary will be capable of identification, to confirm that the Vendor will grant to the Purchaser an option to purchase in respect of Area 1 and to obligate the parties to execute a Formal Option Agreement concurrently with the Vendor becoming the registered owner of each such Option Parcel and of Area 1, respectively.
- G. The Vendor and Purchaser have agreed to amend and restate the Existing Agreement and are entering into to this Amended Master Agreement for such purpose with the intention that this Amended Master Agreement will supersede and replace the Existing Agreement.
- H. At the April 25, 2023 Regular Meeting of Council, the municipal council of the Vendor acknowledged the authority of the person appointed to the position of chief administrative officer of the Vendor to the *Municipal Government Act* (Alberta), or such person’s designate from time to time, under the Execution of Contracts Bylaw 43M99, to negotiate and execute various definitive agreements which are necessary or desirable to deliver the Event Centre Project (as defined in the Project Framework Agreement) and related district-wide improvements as generally outlined in Report C2023-0482 including the attachments thereto.

The parties, intending to be legally bound, agree as follows:

1. Option to Purchase:

In consideration of the provisions of the Project Framework Agreement and specifically the obligations of the Purchaser to contribute to the cost of construction of the Event Centre (as defined in the Project Framework Agreement) and the sum of \$10.00 paid by the Purchaser to the Vendor and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by the Vendor, the Vendor hereby agrees to enter into a Formal Option Agreement in respect of each Option Parcel and Area 1 forthwith after becoming the registered owner of each Option Parcel and Area 1, respectively.

2. Identification of Area 1:

The Vendor and the Purchaser agree to mutually use reasonable commercial efforts to identify Area 1 as soon as reasonably practicable following the date that the design of the Event Centre reaches a stage where the Project Committee (as defined in the Project Framework Agreement) has approved the conceptual design of the Event Centre as contemplated in the Project Framework Agreement. The date of such mutual agreement as to the identification of the boundaries of Area 1 is hereinafter referred to as the “**Definitive Land Identification Date**”. It is hereby acknowledged that there is no certainty as to the size or location of Area 1 other than it will be located within the Lands and that, notwithstanding anything herein contained, it is possible that the conceptual design of the Event Centre as approved by the Project Committee shall be such that there is no remaining developable portion of the Lands, in which event there will be no Area 1 to create by way of a Subdivision Plan and therefore, notwithstanding anything herein contained in this Amended Master Agreement, the Vendor shall have no obligation to grant to the Purchaser an option to purchase in respect of Area 1.

3. Timing:

The Vendor has engaged an Alberta Land Surveyor to prepare a Draft Subdivision Plan in respect of each of Areas 2 and 4, and the Vendor shall engage an Alberta Land Surveyor to prepare a Draft Subdivision Plan in respect of Area 1 as soon as reasonably practicable following the Definitive Land Identification Date. The parties acknowledge that Area 3 will be subdivided and created by virtue of the registration of the BMO Expansion Subdivision Plan.

Subject to the next following paragraph, upon completion of a Draft Subdivision Plan, the Vendor shall use reasonable commercial efforts to submit, in a timely manner, an application for approval by the subdivision approving authority of such Draft Subdivision Plan, to negotiate, in consultation with the Purchaser, any conditions of subdivision approval once received, to satisfy any such conditions of subdivision approval and, where necessary, to pursue any appeal of a decision of the subdivision approving authority either as the appellant in the event of an issue with the conditions of approval or as the applicant in the case of an appeal by a third party, all with a view to achieving registration of each Subdivision Plan by October 5, 2024 or as soon as possible thereafter.

With respect to Area 3 only, the Vendor agrees, in order to attempt to meet the October 5, 2024 date for registration of the Subdivision Plan for Area 3, to use commercially reasonable efforts to cause Calgary Exhibition and Stampede Limited (the "**Stampede**") to register the BMO Expansion Subdivision Plan as soon as is practicable after the execution of this Amended Master Agreement and if the BMO Expansion Subdivision Plan is not registered by June 5, 2024, the Vendor shall engage an Alberta Land Surveyor to prepare a Draft Subdivision Plan in respect of Area 3 and thereafter comply with the provisions of the preceding paragraph in respect of Area 3.

4. Execution of Formal Option Agreements:

- (a) Forthwith after the Vendor becomes the registered owner of an Option Parcel, and of Area 1, respectively, the Vendor and the Purchaser shall execute an option to purchase, using the template form of option agreement attached hereto and marked as Schedule "C" (each, a "**Formal Option Agreement**"). For clarity, the Purchaser acknowledges that, in addition to any conditions that are required to be satisfied in order to exercise an option to purchase as set forth in any Formal Option Agreement, it shall not be entitled to exercise the option to purchase in respect of any of the Option Parcels or of Area 1, respectively, until such time as a Formal Option Agreement is executed by the parties in respect of such Option Parcel.
- (b) Notwithstanding the provisions of Section 4(a) above, in respect of the Formal Option Agreement for Area 2 only, the template form of Formal Option Agreement shall be amended such that the "Closing Date" in respect of Area 2 shall in no event be prior to July 1, 2024.
- (c) Notwithstanding the provisions of Section 4(a) above, in respect of the Formal Option Agreement for Area 3 only, the template form of Formal Option Agreement shall be amended such that the "Closing Date" in respect of Area 3 shall be on the date which is 18 months after the "Exercise Date" of Area 3.
- (d) Notwithstanding the provisions of Section 4(a) above, in respect of the Formal Option Agreement for Area 3 only, the template form of Formal Option Agreement shall be amended such that an additional Permitted Encumbrance be included as a Permitted Encumbrance in Schedule "B" to such Formal Option Agreement, as follows:
 - "6. A restrictive covenant in favour of the Stampede and an easement granted by the Stampede in favour of the owner of Area 3 (the "**Area 3 Owner**") or a combination restrictive covenant and easement agreement, the substance of which shall reflect the following matters:
 - (A) subject to agreement by the Stampede, the Area 3 Owner may be permitted to be within the paid admission area during each Stampede Period (as hereinafter defined), provided the Area 3 Owner works cooperatively with the Stampede on operational and security matters;
 - (B) the Area 3 Owner shall not conduct any construction work, exterior maintenance or major renovation to or on Area 3 during the Stampede Period without the express prior written consent of the Stampede;

- (C) during the Stampede Period, the portion of Stampede Trail between 12 Avenue SE and 14 Avenue SE, the portion of 14 Avenue SE between Stampede Trail SE and 5A Street SE, and such portions of Stampede Trail SE as may be located within the paid admission area, may only be open to vehicles between the hours of 2am and 6am nightly dependent on the configuration of the paid admission area by the Stampede;
- (D) at all times during the Stampede Period, the Stampede grants to the Area 3 Owner and the Area 3 Owner attendees (being directors, officers, employees, servants, contractors, subcontractors, agents, tenants, sub-tenants, customers, patrons, occupants, affiliates and other invitees of the Area 3 Owner, and any suppliers of goods and services to any such parties) the non-exclusive right, license and privilege, in common with the Stampede and the Stampede attendees (being directors, officers, employees, servants, contractors, subcontractors, agents, tenants, sub-tenants, customers, patrons, occupants, affiliates and other invitees of the Stampede, and any suppliers of goods and services to any such parties), in, across, through and over the BMO back of house for the purposes of 24 hour vehicular and pedestrian ingress, egress to facilitate access to and from the Area 3; and
- (E) the Area 3 Owner shall not challenge, protest or interfere with the Calgary Exhibition Uses (as hereinafter defined) and is estopped from claiming a lack of prior knowledge or awareness of the land use designation or districting of the Stampede's lands within and in the vicinity of Stampede Park and the Stampede's intention to continue to use such lands for the Calgary Exhibition Uses. The Area 3 Owner acknowledges such lands may be subject to increased pedestrian and vehicular traffic as a result of the Calgary Exhibition Uses and acknowledges the Stampede has been granted an exemption to the noise bylaw of the City of Calgary, being Bylaw #5M2004.

For the purposes of this section:

"Calgary Exhibition Uses" means the Stampede annual event and the agricultural, entertainment, exhibits and livestock sales, amusement uses, together with other commercial, retail and ancillary commercial, retail and other uses, including without limitation, horse, harness and dog racing, rodeo and chuckwagon racing, other racing interests, youth and education programs, casino, hotel, restaurant, outdoor musical and festival concerts and firework displays, aboriginal entertainment and sporting events, banquets and meetings and a host of other community-focused and charitable events hosted at the Stampede Park;

"Stampede Period" means the period of no more than eleven (11) consecutive days in the month of July or August or part in July and part in August, in each calendar year during which the Stampede annual event is held, plus the three (3) days prior to and the three (3) days after the Stampede annual event.

5. Remedies:

The parties acknowledge that they intend this Amended Master Agreement to be legally binding notwithstanding the steps that must be taken in accordance with the provisions of this Amended Master Agreement to reach the stage where a Subdivision Plan has been registered, and that each of the parties shall have all rights and remedies available at law in the event of a breach by the other party of the provisions of this Amended Master Agreement. In particular, but without limiting

the generality of the foregoing, the Vendor acknowledges that each Option Parcel is unique by reason of its location and close proximity to the Event Centre and the Event Centre Project and accordingly, the Vendor acknowledges and agrees that specific performance shall be an available remedy to the Purchaser in the event of a breach by the Vendor of this Amended Master Agreement or any Formal Option Agreement. The Vendor further acknowledges that damages may not be a sufficient remedy to the Purchaser in the event of refusal by the Vendor, following registration of a Subdivision Plan, to honour its obligation to provide a Formal Option Agreement for each Option Parcel and that accordingly, injunctive relief shall be an available remedy to the Purchaser in the event of a breach by the Vendor of this Amended Master Agreement.

6. General Provisions:

- (a) **Entire Agreement** – This Amended Master Agreement is and shall for all purposes be deemed to be an amendment and restatement of the Existing Agreement and shall supersede and replace the Existing Agreement and all prior agreements, undertakings, negotiations and discussions, whether oral or written, between the parties hereto relating to the subject matter of this Amended Master Agreement. This Amended Master Agreement constitutes the entire agreement between the parties in respect of the Option Parcels and Area 1, until such time as a Formal Option Agreement is entered into in respect of any such Option Parcel and Area 1, respectively. There are no further or other conditions, representations, warranties, undertakings, guarantees, promises or agreements relating to the applicable Option Parcel or Area 1 other than as set forth in the Formal Option Agreements once executed, either express or implied either by law or custom, save those contained in this Amended Master Agreement. No oral or written agreement, representation, promise or warranty made by any person shall be binding upon the Vendor unless stated to be binding, made in writing and signed on behalf of the Vendor by its duly authorized officers.
- (b) **Successors and Assigns** - This Amended Master Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors and permitted assigns. This Amended Master Agreement may not be assigned by the Vendor.
- (c) **Notices** - Any notice provided for herein shall be in writing and may be effected by hand delivery or by PDF email to the following addresses:
- (i) the Vendor at:
- The City of Calgary
Real Estate & Development Services
3rd Floor, 313 - 7 Ave SE
Calgary, Alberta T2G 0J4
Attention: Manager, Sales & Acquisitions
Email: realestateinquiries@calgary.ca
- with a copy to:
- The City of Calgary
Law, Legislative Services & Security
12th Floor, 800 Macleod Trail SE
Calgary Alberta T2G 2M3
Attention: Manager, Planning & Real Estate
Email: law.reception@calgary.ca

with a further copy to the Vendor's solicitors:

McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Olivia Colic, K.C.
Email [REDACTED]

(ii) the Purchaser at:

c/o Calgary Sports and Entertainment Corporation
555 Saddledome Rise S.E.
Calgary, AB T2G 2W1

Attention: John Bean, President and CEO
Email: [REDACTED]

with a copy to the Purchaser's solicitors:

Norton Rose Fulbright Canada LLP
Suite 3700, 400 - 3rd Avenue S.W.
Calgary, Alberta T2P 4H2

Attention: Brad Hayden
Email [REDACTED]

Any notice shall be deemed to have been received on the date of delivery. Any email not acknowledged shall be deemed not to have been received and a party receiving an email shall if requested, acknowledge receipt by return email.

- (d) **Time of the Essence** - Time is of the essence of this Amended Master Agreement. No extension of time permitted or agreed to by the Vendor shall be held or construed to be or effect a waiver of this provision.
- (e) **Waiver** - The waiver of the strict performance of any condition, covenant or stipulation in this Amended Master Agreement shall not constitute or be deemed a waiver of or abrogate such covenant, condition or stipulation, nor shall it be or be deemed a waiver of any subsequent breach of the same or any other covenant, condition or stipulation.
- (f) **Force Majeure** - Neither the Vendor nor the Purchaser shall be or be deemed to be in default hereunder for any delay due to strikes, unavailability of labour or materials, acts of God, or any other event, occurrence or cause whatsoever which is beyond the Vendor's or the Purchaser's, as the case may be, control (excluding, however, lack of financing, financial inability or market conditions) and the time for completing any act shall be extended accordingly.
- (g) **Governing Law** - This Amended Master Agreement shall be governed by the laws in force in the Province of Alberta.
- (h) **Singular - Plural – Gender** - This Amended Master Agreement shall be read with all changes of number or gender required by the context.
- (i) **Headings** - Headings used in this Amended Master Agreement are inserted for convenience or reference only and shall not affect the construction of or be used in the interpretation of this Amended Master Agreement.

(j) **Further Assurances** - Each of the parties shall from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Amended Master Agreement.

(k) **Confidentiality**

(i) Freedom of Information and Protection of Privacy Act

The Purchaser acknowledges that the Vendor is subject to the protection and disclosure provisions of the *Freedom of Information and Protection of Privacy Act*, R.S.A. 2000, Chapter F-25 ("**FOIP**"), as amended, revised or substituted from time to time and, notwithstanding anything contained in this Amended Master Agreement, that information submitted to and in the possession of the Vendor is governed by FOIP and may be eligible for disclosure in accordance with the requirements of same. In each case, if the Vendor at any time receives a request for access to any Purchaser information pursuant to FOIP, the Vendor shall, unless prohibited by applicable law, withhold any Purchaser information as required by FOIP.

(ii) Confidentiality

The Vendor and the Purchaser will maintain the confidentiality of this Amended Master Agreement, all information received with respect to the Land pursuant to this Amended Master Agreement and any due diligence materials (the "**Confidential Information**") and will not make use of Confidential Information or release it to employees, officials, officers, authorized representatives or external advisors or consultants other than as required for the performance of this Amended Master Agreement or as required by applicable laws and will not otherwise release or disclose the Confidential Information to any unauthorized third party.

(iii) Disclosure of Information

Neither the Purchaser nor the Vendor shall owe an obligation of confidentiality in relation to:

- (A) disclosures of information contemplated in subsections (i) and (ii) of this Section 6(k);
- (B) disclosures of information by a party to its professional advisors and consultants, to the extent necessary to enable the party to perform its obligations or enforce its rights under this Amended Master Agreement as long as such professional advisors agree to keep the information confidential and abide by the confidentiality obligations in this Section 6(k);
- (C) information that is or has become or hereafter becomes publicly known or available through no fault or breach of confidence by the party receiving it; or
- (D) information that is required to be disclosed under applicable laws or similar requirements of or by a governmental authority, including a court of competent jurisdiction.

(iv) Survival

Notwithstanding anything to the contrary, this Section 6(k) shall survive any termination of this Amended Master Agreement.

(v) Improper Disclosure or Use

Improper disclosure or use of Confidential Information may cause irreparable harm to the Vendor or the Purchaser, as the case may be, and such harm may not be adequately compensated by damages. As a result, in addition to all other remedies a party may have, a party may seek and obtain from any court of competent jurisdiction injunctive relief in respect of any actual or threatened disclosure or use of any Confidential Information contrary to the provisions of this Amended Master Agreement.

(vi) **Master Agreement Terminates** – If this Amended Master Agreement terminates, the Purchaser shall promptly return to the Vendor all documents, information and materials or copies thereof relating to the Formal Option Agreements and the subject matter thereof delivered to the Purchaser by or on behalf of the Vendor (other than any documents, materials or copies the Purchaser is required to retain pursuant to applicable laws and to the extent retained in the Purchaser’s automatic email/electronic archiving system maintained for compliance purposes) and shall keep in confidence all such documents, information and materials obtained and all discussions between the Vendor and the Purchaser with respect to the Formal Option Agreements and the subject matter thereof.

(l) **Schedules** - The Schedules referred to in this Amended Master Agreement are attached hereto are incorporated into and form part of this Amended Master Agreement. The Schedules are:

Schedule “A” Legal Description of Existing Parcels

Schedule “B” Site Plan

Schedule “C” Template Form of Formal Option Agreement

(m) **Execution and Delivery** – This Amended Master Agreement may be executed in counterparts each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear the date first above written. An executed copy of this Amended Master Agreement may be delivered by any party hereto by facsimile or other electronic means. In such event, such party shall forthwith deliver to the other parties hereto a copy of this Amended Master Agreement executed by such party.

(n) **Project Framework Agreement Terminates** – If the Project Framework Agreement terminates for any reason prior to a Formal Option Agreement being entered into in respect of any Option Parcel, then this Amended Master Agreement shall be terminated and of no further force or effect whatsoever and each party shall be released from all of its liabilities and obligations under this Amended Master Agreement save for those specified to survive termination.

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Executed and delivered.

CSE REAL ESTATE CORPORATION,
as General Partner for and on behalf of
CSE R

Per: _____

Name: John Bean
Title: President and CEO

Per: _____

Name: Cameron Olson
Title: Chief Financial Officer

THE CITY OF CALGARY

Per: _____

Name: David Duckworth
Title: ~~City Manager~~ Chief Administrative Officer

Schedule A

LEGAL DESCRIPTION OF EXISTING PARCELS

Area 2

PLAN 081 0020
BLOCK 3
LOT 3
EXCEPTING THEREOUT ALL MINES AND MINERALS

Area 3

PLAN 081 0361
BLOCK 2
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS

Area 4

FIRSTLY: PLAN 081 0361
BLOCK 2
LOT 9
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 0.676 HECTARES (1.67 ACRES) MORE OR LESS

SECONDLY: PLAN 211 0209
BLOCK 4
LOT 2
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 1.24 HECTARES (3.06 ACRES) MORE OR LESS

Schedule B

SITE PLAN



Schedule C

TEMPLATE FORM OF FORMAL OPTION AGREEMENT

[See attached]

OPTION TO PURCHASE
(the "Agreement")

Dated for reference this ● day of ●, 202●.

BETWEEN

THE CITY OF CALGARY
(the "Vendor")

- and -

CSE REAL ESTATE CORPORATION, a body corporate carrying on
business in Calgary, Alberta, as general partner for and on behalf of **CSE**
REAL ESTATE LIMITED PARTNERSHIP
(the "Purchaser")

RECITALS

- A. The Vendor is the registered owner of an estate in fee simple of certain lands legally described in Schedule "A" attached hereto (the "Land").
- B. The Vendor wishes to grant this option to purchase the Land to the Purchaser on the terms and conditions of this Agreement.
- C. At the April 25, 2023 Regular Meeting of Council, the municipal council of the Vendor acknowledged the authority of the person appointed to the position of chief administrative officer of the Vendor pursuant to the *Municipal Government Act* (Alberta), or such person's designate from time to time, under the Execution of Contracts Bylaw 43M99, to negotiate and execute various definitive agreements which are necessary or desirable to deliver the Event Centre Project and related district-wide improvements as generally outlined in Report C2023-0482 including the attachments thereto.

The parties, intending to be legally bound, agree as follows.

1 Option to Purchase

- (a) In consideration of the provisions of a project framework agreement made as of October 5, 2023, between the Vendor and the Purchaser (the "**Project Framework Agreement**"), and specifically, the obligation of the Purchaser to contribute to the construction costs of the Event Centre (as defined in the Project Framework Agreement), and the sum of \$10.00 dollars paid by the Purchaser to the Vendor and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by the Vendor, the Vendor hereby grants to the Purchaser the sole, exclusive and irrevocable option to purchase the Land for the Purchase Price upon and subject to the terms and conditions set out in this Agreement (the "**Option**").
- (b) The Option may only be exercised by the Purchaser delivering a written notice of such exercise to the Vendor at any time after the date of this Agreement and before the second anniversary of the later of:
 - (i) the date on which the Purchaser commences occupancy of the Event Centre (as defined in the management and lease agreement made between the Vendor and the Purchaser dated October 5, 2023); and

- (ii) the date of this Agreement,

the applicable foregoing time period being hereinafter called the “**Option Exercise Window**”. The date on which the Purchaser delivers notice of its exercise of the Option to the Vendor is the “**Exercise Date**”.

Notwithstanding the foregoing, the Purchaser shall not be entitled to exercise the Option unless the Purchaser is then in good standing pursuant to a Management and Lease Agreement made as of October 5, 2023 between the Vendor and the Purchaser (the “**Management and Lease Agreement**”).

- (c) Nothing shall obligate the Purchaser to exercise the Option. If the Purchaser fails to exercise the Option within the time and manner specified herein, then the Option shall expire and this Agreement shall be of no further force or effect (other than any provisions which are expressly stated herein to survive termination of this Agreement).
- (d) If the Purchaser exercises the Option within the time and manner set forth in this Agreement, this Agreement shall be a binding agreement of purchase and sale in respect of the Land and, subject to the provisions of Section 2(c) hereof, the Vendor shall sell, transfer, assign, set over and convey the Land to the Purchaser, and the Purchaser shall purchase and acquire the Land from the Vendor for the Purchase Price on the date which is sixty (60) days after the Exercise Date (the “**Closing Date**”), all on and subject to the terms and conditions of this Agreement.

2 Purchase Price

- (a) The total purchase price for the Land (the “**Purchase Price**”) shall be the fair market value of the Land immediately prior to the 22nd day of July, 2019 (the “**Reference Date**”). To the extent that the servicing contemplated in Section 15(g) hereof was not in place as at the Reference Date, the fair market value of the Land shall be determined as if such servicing was in place on the Reference Date.
- (b) The determination of the fair market value of the Land as at the Reference Date (the “**FMV**”) shall be determined as follows:
 - (i) In this Section, an “**Appraiser**” means a qualified and independent real estate appraiser, who is, and has been for at least seven years, a member in good standing with the Appraisal Institute of Canada and is experienced in valuing properties in Calgary, Alberta similar to the Land;
 - (ii) the Vendor and the Purchaser shall meet within ten (10) business days of the Exercise Date to attempt to agree upon the FMV, and failing agreement within five (5) business days of such meeting, the provisions below shall apply;
 - (iii) two appraisals of the FMV of the Land shall be obtained from any two Appraisers, one selected by each party and if either party fails to obtain an appraisal within sixty (60) days of the Vendor and the Purchaser failing to agree on the FMV in accordance with Section 2(b)(ii) above, the Appraiser shall be the Appraiser who has provided the appraisal within such sixty (60) days;
 - (iv) if two appraisals are obtained and if neither appraisal is more than one hundred and ten (110%) percent of the other appraisal, the FMV (and, by implication, the Purchase Price) shall be the average of such appraisals;

- (v) if two appraisals are obtained and if either appraisal is more than one hundred and ten (110%) percent of the other appraisal, the FMV shall be determined by a third Appraiser, to be selected by the first two Appraisers, which Appraiser shall determine the FMV of the Land (and, by implication, the Purchase Price) by selecting whichever of the two appraisals the third Appraiser determines is most representative of such third Appraiser's opinion of the FMV;
 - (vi) a copy of the report of each Appraiser as to the FMV (and, by implication, the Purchase Price) calculated as aforesaid shall be furnished forthwith upon its preparation to each of the parties hereto, who shall be bound thereby unless either the Vendor or the Purchaser, as the case may be, objects and notice thereof is given to the Appraiser who prepared the same within twenty (20) days after the furnishing of a copy thereof to both parties, in which case the Appraiser shall within ten (10) days reconsider and revise its report if it considers it necessary to do so, provided that the Appraiser shall have the sole and final decision as to whether any revision is necessary. At the time of the appointment of each Appraiser, unless otherwise herein provided, the Appraiser shall be requested to make such report within twenty (20) days of its appointment; and
 - (vii) the parties shall bear the costs of their respective Appraiser and shall equally share the cost of the third Appraiser, where applicable.
- (c) Notwithstanding anything herein contained, where the Vendor and the Purchaser have not mutually agreed as to the FMV as contemplated in Subsection (b)(ii) of this Section 2, then the Purchaser shall have a one-time right (the "**Rescission Right**") to rescind its exercise of the Option and terminate this Agreement and the agreement of purchase and sale created by the exercise of the Option by delivering notice of the exercise of the Rescission Right to the Vendor within five (5) business days of the determination of the FMV of the Lands in accordance with the provisions of Subsections (iii), (iv) and (v) of Section 2(b), as applicable. The Purchaser shall be entitled to exercise the Rescission Right in its sole and absolute discretion. In the event that the Purchaser exercises its Rescission Right, it shall: (i) reimburse the Vendor for the out-of-pocket expenses incurred by the Vendor in completing the determination of the FMV of the Lands, including the fees of the Vendor's Appraiser and the Vendor's share of the third Appraiser, where applicable; and (ii) pay to the Vendor the sum of Ten Thousand (\$10,000.00) Dollars as compensation for its internal time expended in completing the determination of the FMV (collectively, the "**Rescission Costs**"). Upon payment of the Rescission Costs, this Agreement shall terminate and be of no further force or effect with the exception of any provision hereof which is expressly stated to survive termination.

3 Adjustments

All real property taxes (including local improvement charges, levies or assessments, if any) and other usual adjustments shall be adjusted between the Vendor and the Purchaser as at the Closing Date. For certainty, local improvement charges, levies or assessments shall be adjusted for the current year and any unamortized portion thereof shall be assumed by the Purchaser, and real property taxes shall include any community revitalization levy applicable to the Land. If any adjustments cannot be accurately determined at the Closing Date, the Vendor shall estimate the adjustments and closing shall take place in accordance with the estimate. The Vendor and Purchaser shall make a further adjustment at such later date when all of the items to be adjusted can be accurately determined.

4 Interest

Money due to the Vendor and not received by the Vendor's solicitors when due shall accrue interest until received at the rate (the "**Interest Rate**") equal to Royal Bank of Canada's prime rate (as commonly known) plus 3% per annum, compounded monthly. This provision shall not be deemed to authorize any additional time to pay or to affect the provision in this Agreement that time is of the essence.

5 GST

For the purposes of this Agreement, "**GST**" shall mean the goods and services tax levied pursuant to the Excise *Tax Act* (Canada). The Purchaser is or shall promptly become a GST registrant, shall remain so on the Closing Date and shall provide evidence thereof, together with an indemnity with respect thereto, to the Vendor on the Closing Date. The Purchaser shall account to the Canada Revenue Agency with respect to any applicable GST with the next filing due by it following the Closing Date. If the Purchaser is not or does not become and then remain a GST registrant on the Closing Date, the Purchaser shall pay to the Vendor the applicable GST on the Closing Date.

6 Closing

Provided that the Purchaser is then in good standing pursuant to the Management and Lease Agreement, the purchase and sale of the Land shall be completed on the Closing Date and provided the Vendor has delivered documents to the Purchaser within a sufficient time as contemplated in Section 7 hereof, the entire Purchase Price shall be unconditionally paid and released to the Vendor on that date. If the entire Purchase Price is not paid to the Vendor's solicitors and authorized to be released to the Vendor on the Closing Date, and the Vendor is prepared to extend the time for payment in its sole and absolute discretion, interest shall be payable by the Purchaser at the Interest Rate on any unreleased portion of the Purchase Price.

7 Title Transfer and Possession

Conveyancing shall be completed in the normal course by the solicitors for the Vendor and the Purchaser on or before the Closing Date. Each party shall bear its own legal costs and, in particular, the Purchaser shall bear the registration costs of the transfer and all other documents contemplated by this Agreement. Where registration delays at the Land Titles Office are no greater than ten (10) business days, the Vendor's solicitors shall deliver to the Purchaser's solicitors a registerable transfer of the Land sufficiently prior to the Closing Date to permit, in the expected ordinary course, confirmation of registration on or before the Closing Date and on usual trust conditions ensuring payment of the total Purchase Price and, if required by the Purchaser, allowing for the registration of a mortgage to finance part of the Purchase Price. Where registration delays at the Land Titles Office exceeds ten (10) business days, then the parties shall complete the closing of the transaction using policies of title insurance. In this event, the Purchaser shall be solely responsible for obtaining and for payment of the premium for such title insurance policy including, where applicable, any lender's policy that may be required. In the event that the Purchaser is obtaining mortgage financing to assist with the completion of the subject transaction, the mortgage and any collateral security for the mortgage shall be the last document or documents registered pursuant to the document registration request submitted to register the transfer of land and other documents contemplated by this Agreement and title to the Land shall be subject to the permitted encumbrances, as defined in Schedule "B" attached hereto (the "**Permitted Encumbrances**").

The Purchaser shall have vacant possession of the Land on the Closing Date provided the Purchaser has paid all amounts owing to the Vendor and has otherwise complied with all of the Purchaser's obligations set forth in this Agreement, to be complied with at such time.

8 Environmental Terms and Conditions

- (a) In this Section 8, the following words and phrases shall have the following meaning:
- (i) **“Environmental Matters”** means the environmental state, nature, quality and condition of the Land including without limitation the presence of any hazardous, toxic, deleterious, polluting or contaminating chemical, substance, product, material or waste in, on or under the Land, which alone or in combination are defined, listed, prohibited, controlled or otherwise regulated by government authorities or which could cause harm, adverse effects or impacts, degradation, impairment or damage to the environment or any of its constituent components or to human health or safety.
 - (ii) **“Claim”** means any claim, suit, proceeding, charge, loss, cost, expense, liability, demand, action, debt, fine, penalty, judgment, order or enforcement action arising from or with respect to an Environmental Matter.
- (b) The Purchaser acknowledges and agrees that save and except as may be expressly provided in this Agreement:
- (i) the Purchaser has been provided (or will have been provided by the expiry of the Option Exercise Window) an opportunity to conduct its own environmental, geotechnical and other due diligence investigations and assessments of the Land;
 - (ii) the Purchaser is purchasing the Land in its “as is, where is” condition and the Vendor has provided no representation, warranty or covenant in regards to Environmental Matters, or any other matter, except as expressly set out in Section 15. The Purchaser has the responsibility for determining the fitness and suitability of the Land for its intended use including: determining its physical condition, characteristics and quality; the presence or absence of any contaminants; the necessity for any bedrock blasting or excavating, erecting any retaining walls or for providing any fill material. The Vendor shall have no responsibility for any settlement that occurs on the Land;
 - (iii) except as set out in Section 15(f), any information as may have been given or may be given by the Vendor to the Purchaser relating to Environmental Matters, or any other matters, including without limitation any reports, studies or assessments by third parties, has been given or will be given strictly without representation, warranty, agreement, liability or obligation on the part of the Vendor or any third party and has been or will be received by the Purchaser on that basis and without any legal reliance whatsoever;
 - (iv) except to the extent that the Vendor has breached a representation or warranty as set forth in Section 15, from and after the Closing Date the Land shall be entirely at the risk of the Purchaser and the Purchaser shall, as between itself and the Vendor, assume any and all responsibility and liability arising out of or in any way connected with any Environmental Matters existing as of the Closing Date, whenever and howsoever arising, whether known or unknown; and
 - (v) except to the extent that the Vendor has breached a representation or warranty as set forth in Section 15, from and after the Closing Date the Purchaser for itself, its subsidiaries and affiliates and their respective successors and assigns, absolutely releases and forever discharges the Vendor, and those for whom the Vendor is responsible at law from any and all Claims relating to Environmental Matters.

The provisions of this paragraph (b) shall apply whether or not the Purchaser has conducted or conducts its own environmental due diligence, investigation or assessment of the Land, shall not merge, terminate or be extinguished by the closing of the purchase and sale of the Land contemplated by this Agreement and shall survive in perpetuity.

9 Purchaser Solely Responsible for Development

The Vendor shall have no responsibilities relating to the development of the Land by the Purchaser. Except as set forth in Section 15(g), the Vendor shall have no responsibility to provide power, water, sanitary sewer, storm sewer, telephone, cable, natural gas or any other utilities. The Purchaser will be required to make arrangements at its expense with utility providers and The City of Calgary to tie into utilities which have been or will be made available. Utility tie ins shall be minimally disruptive and, upon completion of each tie in, the Purchaser shall to the satisfaction of the Vendor, and in accordance with its specific instructions, restore to its prior condition any land disturbed by the Purchaser. The Purchaser shall have full responsibility for arranging for any temporary power or other services it may require.

The Purchaser shall have all responsibilities relating to the development of the Land including without limitation compliance with all requirements of the development approving authority and all other governmental requirements.

The Purchaser's development of the Land shall be in compliance with the Rivers District Master Plan unless otherwise approved by the development approving authority, and while such development may be distinctive in its aesthetics, shall be complimentary to the Rivers District neighbourhood and consistent with the quality and standard evident in other buildings recently constructed in the Rivers District.

The Purchaser acknowledges that access to the Land for construction purposes shall be limited to a point or points reasonably designated by the Vendor and that the Vendor is under no obligation to provide offsite parking or storage areas for the use of the Purchaser or its contractors during construction, whether for use by tradespersons or for storage of materials or equipment. Notwithstanding the foregoing; if the Purchaser can make appropriate access arrangements with The City of Calgary acting as an approving authority, then it shall be entitled to such access.

10 Purchaser's Development and Building Commitment

- (a) Subject to the Purchaser's compliance with the provisions of this Agreement, the Vendor agrees to give any consent or authorization as registered owner of the Land which is reasonably required or necessary if a development permit application or land use redesignation application is desired to be submitted by the Purchaser prior to the Closing Date (and for clarity, such consent or authorization shall be provided upon the Purchaser's written request even in advance of the Exercise Date); provided, however, that the Vendor shall not incur any liability in providing such consent or authorization.
- (b) The Purchaser shall commence to construct its development (which shall be deemed to mean the commencement of excavation and shoring work) as soon as reasonably possible after the Closing Date and in any event no later three hundred sixty five (365) days after the Closing Date and shall thereafter proceed to diligently complete the development in accordance with the provisions of this Agreement, with the development to be completed by no later than thirty six (36) months following the Closing Date, subject to extension(s) as deemed appropriate by agreement of the Vendor and the Purchaser, each acting reasonably where a delay in respect of the completion of the development is necessitated by force majeure (excluding however, lack of financing, financial inability or market conditions), and where a delay is not caused by force majeure such approval shall be in the sole discretion of the Vendor and the Purchaser.

- (c) No construction, landscaping or other work in respect of the development shall be carried out by the Purchaser other than in conformity with applicable laws, by-laws and codes. The Purchaser shall not damage any local improvements, utility systems, lands in the vicinity of the Land, lanes, sidewalks, roads, fences, survey monuments, survey stakes and other improvements without the prior written approval of the Vendor, and if it does any such damage, without limiting any other rights or remedies of the Vendor, the Purchaser shall repair any damage caused by it or by those for whom it is responsible in law.

11 Right to Repurchase and Assignment

The Purchaser shall not:

- (a) at any time assign or transfer any or all of its interest in this Agreement, whether legal, beneficial or both except, upon prior written notice to the Vendor and subject to complying with Section 12, to:
 - (i) an affiliate of the Purchaser (as that term is defined in the *Business Corporations Act* (Alberta)); or
 - (ii) to a corporation, joint venture or limited partnership in which any one or more of the individuals having ultimate control over the entities which are the current shareholders in the Purchaser (a “**CSEC Owner**”) has ultimate control over an ownership interest in such corporation, joint venture or limited partnership of at least twenty five percent (25%); or
 - (iii) to a corporation, joint venture or limited partnership where one or more CSEC Owners, in aggregate have ultimate control over less than a twenty-five percent (25%) interest but greater than a five percent (5%) interest in such corporation, joint venture or limited partnership, and the Vendor has consented to such an assignment or transfer, such consent not to be unreasonably withheld,(each of the foregoing being a “**Permitted Transferee**”), provided that, if at any time the Permitted Transferee no longer satisfies the requirements set out above then there shall be deemed to be an assignment/transfer of this Agreement which requires compliance with the provisions of this Section 12 and Section 13; or
- (b) sell, assign, transfer or convey any or all of the Purchaser’s interest in all or any part of the Land, whether legal, beneficial or both, except: (i) to a Permitted Transferee in accordance with the provisions hereof; (ii) where the closing of such sale is to take place after the substantial completion of the construction of the required and approved improvements for the Land; or (iii) for presales to buyers of individual condominium units, if applicable,

without first:

- (c) offering to sell the Land to the Vendor pursuant to all of the terms and conditions, including price, set out in the form of option to repurchase agreement (the “**Option to Repurchase Agreement**”) attached as Schedule “C” (provided the foregoing shall not apply to (b)(ii) above following commencement of the construction of the required and approved improvements for the Land). The offer to sell shall be open for acceptance for a minimum of ninety (90) days; and/or;
- (d) obtaining the prior written consent of the Vendor, such consent not to be unreasonably withheld, if the offer to sell is not accepted by the Vendor (or is otherwise not applicable, as aforesaid).

12 Assumption on Sale or Assignment

If the Vendor does not accept an offer to sell under Section 11 and the Vendor has consented to the assignment, where required, or in the case of an assignment or transfer to a Permitted Transferee, then in addition to the provisions of Section 11, prior to such an assignment or sale the Purchaser shall cause the following to be fulfilled:

- (a) the assignee of the Purchaser's interest in this Agreement or the purchaser of the Land (in either case, the "Transferee") and the Purchaser and the Vendor shall enter into an assignment and assumption agreement in form and content acceptable to the Vendor wherein the Transferee agrees with the Vendor to assume and be bound by this Agreement and the Option to Repurchase Agreement as if it were an original signatory hereto;
- (b) the assignor shall acknowledge that the assignment does not release the assignor of any of its obligations hereunder where the assignment is to a Permitted Transferee, (but only for so long as the Permitted Transferee continues to qualify as a Permitted Transferee); and
- (c) the Purchaser shall pay to the Vendor the Vendor's out-of-pocket expenses incurred in relation to the consent.

For certainty, the Transferee shall not be entitled to any amendments to or waivers in respect of this Agreement or the Option to Repurchase Agreement and, in particular, the date set out in Section 10(b) shall not change.

Except where the assignment is to other than a Permitted Transferee and the Vendor has consented to the assignment, in which event, subject always to compliance with Subsection (a) of this Section 12, the Purchaser shall be released of its obligations hereunder in accordance with Subsection (b) of this Section 12, the Purchaser shall remain liable for the performance of all of the obligations set out in this Agreement and the Option to Repurchase Agreement and nothing in this Agreement, the Option to Repurchase Agreement, the assignment and assumption agreement or any other agreement entered into pursuant to this paragraph or between the Transferee and the Vendor shall be construed as in any way releasing the Purchaser from any of the obligations set out herein.

13 Protection of Building Commitment

If the Purchaser breaches any of its obligations set out in Section 10(b) or Section 11, and has not cured all such breaches within 120 days of written notice of the breaches being given to the Purchaser by the Vendor, then the Vendor shall have the sole and exclusive option to repurchase the Land pursuant to the Option to Repurchase Agreement. The Option to Repurchase Agreement shall be entered into on the Closing Date and shall be registered by way of caveat against the certificate of title to the Land as the first document registered, so as to have priority over all registrations except those permitted to be carried forward from the Vendor's certificate or certificates of title and those permitted by the terms of the Option to Repurchase Agreement.

14 Construction and Development Procedures

- (a) The Purchaser shall, at all times during the construction of its proposed development, adopt and implement, and ensure that the Purchaser's employees, contractors, subcontractors, invitees, licensees and agents comply with, construction and development procedures and practices which accord with industry procedures and practices for the construction of a similar development in downtown Calgary.

- (b) Without limiting the foregoing, the Purchaser shall, and as appropriate shall cause its employees, contractors, subcontractors, invitees, licensees or agents conducting any work on any of the Land to:
 - (i) develop and implement occupational health and safety management systems, controls, policies and procedures, which address actual and potential risks associated with construction to be done by or on behalf of the Purchaser on the Land;
 - (ii) ensure that those occupational health and safety management systems, controls, procedures and policies at minimum meet with the requirements of all relevant legislation and regulations;
 - (iii) ensure that all persons working on the Land are familiar with those occupational health and safety management systems, controls, policies and procedures and immediately discipline any persons who are in breach of any of the foregoing; and
 - (iv) monitor all persons managing, administering or working on the Land to ensure proper implementation and compliance with all occupational health and safety management systems, controls, policies and procedures.
- (c) The Purchaser shall for itself, or shall cause its general or other contractors (each of whom shall be experienced in the applicable construction field) to, provide the Vendor, prior to commencing any construction, with a Certificate of Registration issued by the Alberta Construction Safety Association under the auspices of Alberta Labour or in lieu thereof, pending receipt of such Certificate of Registration, proof of implementation of occupational health and safety management systems, controls, policies and procedures acceptable to the Vendor.
- (d) With respect to the work to be done on the Land, the Purchaser or its general contractor or construction manager shall have full responsibility as "prime contractor" for the purposes of occupational health and safety legislation, including regulations, and shall place appropriate signage on the Land identifying it as an individual worksite prior to commencing any work.
- (e) The Purchaser shall insure the Purchaser's own property and hereby releases the Vendor and those for whom the Vendor is responsible at law (and for whom the Vendor acts as agent for the purpose of this subsection) from any claim or cause of action relating to the loss of or damage to such property for any reason, except for claims or losses arising from the negligence of the Vendor or those for whom the Vendor is responsible at law.

15 Vendor's Representations and Warranties

The Vendor represents, warrants, covenants and agrees as follows:

- (a) As of the date of this Agreement, the Vendor is the legal and beneficial owner of the Land, subject only to the Permitted Encumbrances, and the Vendor has the necessary authority, power and capacity to own the Land, and to enter into this Agreement and all agreements and documents herein contemplated and to carry out the terms and conditions of this Agreement.
- (b) This Agreement and the obligations of the Vendor hereunder have been authorized by all requisite action and proceedings of the Vendor.

- (c) The Land shall at the Closing Date (or pursuant to closing trust conditions, within a reasonable time thereafter) be free and clear of all mortgages, charges, security interests, liens, easements, restrictive covenants, tenancies and other interests registered against or otherwise binding title to the Land save and except for the Permitted Encumbrances.
- (d) The Vendor is not and shall not be at the Closing Date a “non-resident” of Canada within the meaning of s. 116 of the *Income Tax Act* (Canada) and is not and shall not be at the Closing Date an agent or trustee for anyone who is or shall be a “non-resident” of Canada having an interest in the Land.
- (e) The Vendor shall be responsible for all fees, commissions and remuneration whatsoever to any real estate agents and salespersons as may have been retained by it.
- (f) To the Vendor’s knowledge based solely on the Environmental Reports (as defined below) which have been or will be provided in accordance with Section 17, without further investigation on the part of the Vendor, as at the date of this Agreement there are no Environmental Matters that have given rise to, or could give rise to, a Claim in respect of the Land except as may be disclosed in such Environmental Reports.

The “**Environmental Reports**” means the following reports and those reports that may hereafter be provided by the Vendor to the Purchaser in accordance with Section 17:

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- (g) The Purchaser shall be entitled to tie into power, water, sanitary sewer, storm sewer, telephone, cable and natural gas utilities at one or more locations underneath one or more of the City roads adjacent to the Lands, which tie in availability shall be available to the Purchaser no later than six (6) months following the commencement of the Purchaser’s development on the Lands.
- (h) There are no unregistered agreements entered into by the Vendor which would be binding on the Purchaser in respect of the Land (inclusive of agreements to purchase the Land, options to purchase the Land, rights of first refusal or rights of first offer in respect of the Land, or any lease, offer to lease, sublease or license of occupation), other than the Permitted Encumbrances.
- (i) The Vendor hereby authorizes its solicitors to act as its agent for the purpose of confirming amendments to this Agreement and for the purpose of receiving from the Purchaser or the Purchaser’s solicitors all monies and documents and the receipt thereof by the Vendor’s solicitors shall be a good discharge therefor.

For the purposes of this Agreement, “**Vendor’s knowledge**” means the actual knowledge of Michael Thompson, being the person who has overall responsibility or knowledge with respect to the relevant inquiries, and without personal liability for any such knowledge.

16 Purchaser’s Representations and Warranties

The Purchaser represents, warrants, covenants and agrees as follows:

- (a) The Purchaser shall be responsible for all fees, commissions and remuneration whatsoever to any real estate brokers and salespersons as may have been retained by it.
- (b) The Purchaser hereby authorizes the Purchaser’s solicitors to act as agent for the purpose of confirming amendments to this Agreement.

17 Access and Reports

Subject to the Purchaser complying with all applicable laws and its obligations in this Agreement, from and after the full execution of this Agreement until the earlier of (i) the Exercise Date, and (ii) the expiry of the Option Exercise Window, and, if the within Option is exercised by the Purchaser, from the Exercise Date until the Closing Date, the Vendor shall provide to the Purchaser and its officers, employees, agents, advisors, managers, counsel, accountants, consultants and other representatives (collectively, the "**Representatives**") all reasonable access to the Land as is reasonably necessary or desirable from time to time in connection with the Purchaser conducting due diligence on the Land and determining whether to exercise the Option, including providing free and reasonable access to the Land for the purpose of conducting environmental, geotechnical and other tests, audits and investigations as may be deemed necessary or desirable, acting reasonably.

Despite the foregoing:

- (a) such access shall be subject to the rights of any existing and future licensees, occupants or users of the Land;
- (b) the Vendor shall have the right to accompany the Purchaser and its Representatives on any inspections, tests or audits; and
- (c) no such inspections, tests or audits shall occur unless the Purchaser has given the Vendor at least two business days (as such term is contemplated in Section 27 hereof) prior written notice and the Vendor has coordinated and confirmed the scheduling of such inspections, tests or audits in writing to the Purchaser and the Purchaser complies with each of the other foregoing requirements.

The Purchaser shall forthwith repair any damage caused by or attributable to the inspections, tests and audits performed by the Purchaser or its Representatives and the Purchaser hereby fully indemnifies the Vendor from all costs of repairing any damage caused by or attributable to such inspections, tests or audits and from all third party claims for damages to property or persons caused by such inspections, tests or audits. If the Purchaser does not forthwith perform such repairs, the Vendor shall have the right to perform, or cause to be performed, such repairs and the Purchaser shall reimburse the Vendor for all reasonable costs of such repairs, such amounts to be payable to the Vendor on demand. The obligations and indemnities of the Purchaser set out in this Section shall survive termination of this Agreement (regardless of the cause of such termination) or closing.

The Vendor shall promptly at the Purchaser's request execute and deliver any authorizations reasonably required by the Purchaser to authorize any governmental authority to release information with respect to the Land to the Purchaser, provided that such authorizations shall not request or allow for any inspection of the Land to be undertaken.

The Vendor shall, within fifteen (15) business days following the full execution of this Agreement, deliver to the Purchaser copies of any environmental or geotechnical reports for the Land which are within the Vendor's possession or control. The Vendor shall use reasonable commercial efforts, without the expenditure of money, to obtain from Calgary Exhibition & Stampede Limited any environmental, geotechnical, traffic or other relevant reports that Calgary Exhibition & Stampede Limited may have in its possession relating to the Land. In the event the Option expires unexercised or the transaction of purchase and sale contemplated in this Agreement is not completed for any reason whatsoever, the Purchaser shall forthwith return all such reports delivered to it by the Vendor. In the event that the Option is exercised and the transaction of purchase and sale contemplated in this Agreement is completed, the Vendor shall use reasonable commercial efforts, without the expenditure of money, to obtain a reliance letter in favour of the Purchaser from the consultant preparing any such reports.

18 Project Framework Agreement to be Completed or to Remain in Effect

The Vendor's obligation to complete the purchase and sale contemplated under this Agreement is subject to the condition precedent that, on the Closing Date, either the construction of the Event Centre has been completed such that the Turnover Date (as defined and referenced in the Project Framework) has been achieved or if not, the Project Framework Agreement remains in full force and effect. In any event, if at any time prior to the Closing Date, the Project Framework Agreement has been terminated for any reason then this Agreement shall be terminated and of no further force or effect whatsoever and each party shall be released from all of its liabilities and obligations under this Agreement save for those specified to survive termination.

19 Vendor's Requirements on Closing

Subject always to Section 7 hereof, sufficiently prior to the Closing Date to permit in the ordinary course confirmation of registration of the transfer of land and any mortgage or charge securing part of the Purchase Price, or to permit the placement of title insurance, as applicable, the Vendor shall execute and deliver to the Purchaser's solicitors, to be held in trust on reasonable conditions against payment of the Purchase Price, the following:

- (a) a registrable transfer of land for the Land pursuant to the *Land Titles Act* (Alberta), which when registered shall result in title to the Land issuing in the name of the Purchaser;
- (b) the Option to Repurchase Agreement;
- (c) a caveat relating to the Option to Repurchase Agreement (the "**Caveat re: Option to Repurchase Agreement**");
- (d) to the extent postponement is required pursuant to Section 10 of the Option Agreement and the provisions of this Agreement, a postponement of the Caveat re: Option to Repurchase Agreement (the "**Vendor's Registrations**") to any Mortgage (as defined in Section 10 of the Option to Repurchase Agreement) and any security collateral to such Mortgage (or, if the Vendor's Registrations have not been registered prior to closing, at the Vendor's option, the Mortgage shall be registered on closing concurrently with and in priority to the Vendor's Registrations to achieve the same result as a postponement);
- (e) a statement of adjustments;
- (f) discharges in registrable form of all encumbrances which are not Permitted Encumbrances, or the written undertaking of the solicitors for the Vendor to discharge any such encumbrance which is not a Permitted Encumbrance within a reasonable period of time after the Closing Date;
- (g) evidence satisfactory to the Purchaser's solicitors that the Vendor and any entity for which the Vendor may hold an interest in the Land is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada); and
- (h) such further documentation and assurances as the Purchaser may reasonably require in order to complete the purchase and sale herein contemplated.

The Purchaser shall not suffer or permit any encumbrances to be registered by or arising through the Purchaser to have priority over the Vendor's Registrations, other than a Mortgage to which the Vendor's Registrations are required to be postponed pursuant to Section 10 of the Option to Repurchase Agreement.

20 Purchaser's Requirements on Closing

On or before the Closing Date the Purchaser shall execute and/or deliver to the Vendor's solicitors the following:

- (a) the Purchase Price, subject to adjustments, by way of wire transfer;
- (b) the Option to Repurchase Agreement;
- (c) evidence that the Purchaser is a GST registrant and a GST indemnity in usual form; and
- (d) such further documentation and assurances as the Vendor may reasonably require in order to complete the purchase and sale herein contemplated.

21 Default

If the Purchaser exercises the Option but the Purchaser fails to close and complete the purchase of the Land as required by this Agreement, the Vendor:

- (a) may terminate this Agreement by written notice to the Purchaser;
- (b) if applicable, shall be entitled to immediate possession of the Land if then possessed by the Purchaser; and
- (c) may exercise any other rights available to it under this Agreement or at law.

Furthermore, the Vendor shall be entitled to be reimbursed for the cost of paying out or obtaining a discharge of any lien, execution or encumbrance, the source of which is attributable to the Purchaser.

If the Purchaser exercises the Option but the Vendor fails to close and complete the sale of the Land as required by this Agreement, the Purchaser may, at its option, terminate this Agreement by written notice to the Vendor or pursue an action for specific performance of this Agreement, and may exercise any other rights available to it under this Agreement or at law.

22 Schedules

The Schedules referred to in this Agreement are attached hereto are incorporated into and form part of this Agreement. The Schedules are:

- Schedule "A" Land
- Schedule "B" Permitted Encumbrances
- Schedule "C" Form of Option to Repurchase Agreement.

23 Entire Agreement

This Agreement constitutes the entire agreement between the parties. There are no further or other conditions, representations, warranties, undertakings, guarantees, promises or agreements relating to the Land or its purchase and sale, either express or implied either by law or custom, save those contained in this Agreement. No oral or written agreement, representation, promise or warranty made by any person shall be binding upon the Vendor unless stated to be binding, made in writing and signed on behalf of the Vendor by its duly authorized officers.

24 Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors and permitted assigns.

Other than to a wholly owned subsidiary, this Agreement may not be assigned by the Vendor.

25 Notices

Any notice provided for herein shall be in writing and may be effected by hand delivery or by PDF email to the following addresses:

(a) the Vendor at:

The City of Calgary
Real Estate & Development Services
3rd Floor, 313 - 7 Ave SE
Calgary, Alberta T2G 0J4
Attention: Manager, Sales & Acquisitions
Email: realestateinquiries@calgary.ca

with a copy to:

The City of Calgary
Law, Legislative Services & Security
12th Floor, 800 Macleod Trail SE
Calgary Alberta T2G 2M3
Email: law.reception@calgary.ca

with a further copy to the Vendor's solicitors:

McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Olivia Colic, K.C.
Email: [REDACTED]

(b) the Purchaser at:

c/o Calgary Sports and Entertainment Corporation
555 Saddledome Rise S.E.
Calgary, AB T2G 2W1

Attention: John Bean, President and CEO
Email: [REDACTED]

with a copy to the Purchaser's solicitors:

Norton Rose Fulbright Canada LLP
Suite 3700, 400 - 3rd Avenue S.W.
Calgary, Alberta T2P 4H2

Attention: Brad Hayden

Email: [REDACTED]

Any notice shall be deemed to have been received on the date of delivery. Any email not acknowledged shall be deemed not to have been received and a party receiving an email shall if requested, acknowledge receipt by return email.

26 Non-Merger

The covenants and obligations contained in this Agreement to be performed or observed by the Purchaser or the Vendor shall not merge with the transfer of the Land and shall in all respects remain in full force and effect notwithstanding conveyance of the Land to the Purchaser and the payment of the Purchase Price.

27 Business Days

If the Closing Date or any other date referred to in this Agreement falls on a Saturday, Sunday or statutory or civic holiday in Calgary, the Closing Date or other date shall be deemed to be the next day which is not a Saturday, Sunday or statutory or civic holiday in Calgary.

28 Time of the Essence

Time is of the essence of this Agreement. No extension of time permitted or agreed to by the Vendor shall be held or construed to be or effect a waiver of this provision.

29 Waiver

The waiver of the strict performance of any condition, covenant or stipulation in this Agreement shall not constitute or be deemed a waiver of or abrogate such covenant, condition or stipulation, nor shall it be or be deemed a waiver of any subsequent breach of the same or any other covenant, condition or stipulation.

30 Force Majeure

Subject to Section 10(b), neither the Vendor nor the Purchaser shall be or be deemed to be in default hereunder for any delay due to strikes, unavailability of labour or materials, acts of God, or any other event, occurrence or cause whatsoever which is beyond the Vendor's or the Purchaser's, as the case may be, control (excluding, however, lack of financing, financial inability or market conditions) and the time for completing any act shall be extended accordingly.

31 Governing Law

This Agreement shall be governed by the laws in force in the Province of Alberta.

32 Singular - Plural - Gender

This Agreement shall be read with all changes of number or gender required by the context.

33 Headings

Headings used in this Agreement are inserted for convenience or reference only and shall not affect the construction of or be used in the interpretation of this Agreement.

34 Further Assurances

Each of the parties shall from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

35 Confidentiality

(a) Freedom of Information and Protection of Privacy Act

The Purchaser acknowledges that the Vendor is subject to the protection and disclosure provisions of the *Freedom of Information and Protection of Privacy Act*, R.S.A. 2000, Chapter F-25 (“**FOIP**”), as amended, revised or substituted from time to time and, notwithstanding anything contained in this Agreement, that information submitted to and in the possession of the Vendor is governed by FOIP and may be eligible for disclosure in accordance with the requirements of same. In each case, if the Vendor at any time receives a request for access to any Purchaser information pursuant to FOIP, the Vendor shall, unless prohibited by applicable law, withhold any Purchaser information as required by FOIP.

(b) Confidentiality

The Vendor and the Purchaser will maintain the confidentiality of this Agreement, all information received with respect to the Land pursuant to this Agreement and any due diligence materials (the “**Confidential Information**”) and will not make use of Confidential Information or release it to employees, officials, officers, authorized representatives or external advisors or consultants other than as required for the performance of this Agreement or as required by applicable laws and will not otherwise release or disclose the Confidential Information to any unauthorized third party.

(c) Disclosure of Information

Neither the Purchaser nor the Vendor shall owe an obligation of confidentiality in relation to:

- (i) disclosures of information contemplated in Sections 35(a) and 35(b);
- (ii) disclosures of information by a party to its professional advisors and consultants, to the extent necessary to enable the party to perform its obligations or enforce its rights under this Agreement as long as such professional advisors agree to keep the information confidential and abide by the confidentiality obligations in this Section 35;
- (iii) information that is or has become or hereafter becomes publicly known or available through no fault or breach of confidence by the party receiving it; or
- (iv) information that is required to be disclosed under applicable laws or similar requirements of or by a governmental authority, including a court of competent jurisdiction.

(d) Survival

Notwithstanding anything to the contrary, this Section 35 shall survive any termination of this Agreement.

(e) Improper Disclosure or Use

Improper disclosure or use of Confidential Information may cause irreparable harm to the Vendor or the Purchaser, as the case may be, and such harm may not be adequately compensated by damages. As a result, in addition to all other remedies a party may have, a party may seek and obtain from any court of competent jurisdiction injunctive relief in respect of any actual or threatened disclosure or use of any Confidential Information contrary to the provisions of the Agreement.

(f) Option Expires Unexercised

If the Option expires unexercised or if the purchase and sale of the Land is not completed for any reason, the Purchaser shall promptly return to the Vendor all documents, information and materials or copies thereof relating to the Land delivered to the Purchaser by or on behalf of the Vendor (other than any documents, materials or copies the Purchaser is required to retain pursuant to applicable laws and to the extent retained in the Purchaser's automatic email/electronic archiving system maintained for compliance purposes) and shall keep in confidence all such documents, information and materials obtained and all discussions between the Vendor and the Purchaser with respect to the Land in connection with the review by the Purchaser of the Land.

36 Execution and Delivery

This Agreement may be executed in counterparts each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear the date first above written. An executed copy of this Agreement may be delivered by any party hereto by facsimile or other electronic means. In such event, such party shall forthwith deliver to the other parties hereto a copy of this Agreement executed by such party.

[Remainder of this page intentionally left blank.]

Executed and Delivered.

THE CITY OF CALGARY

Per: _____
Name: David Duckworth
Title: City Manager

**CSE REAL ESTATE CORPORATION in its
capacity as general partner for and on behalf of
CSE REAL ESTATE LIMITED PARTNERSHIP**

Per: _____
Name: John Bean
Title: President and CEO

Per: _____
Name: Cameron Olson
Title: Executive Vice-President & CFO

SCHEDULE "A" TO THE OPTION TO PURCHASE

Legal Description of the Land

[TO BE INSERTED AS APPLICABLE TO EACH OPTION AREA]

SCHEDULE "B" TO THE OPTION TO PURCHASE

Permitted Encumbrances

- 1 Those reservations or exceptions as may be contained in the original grant from the Crown.
- 2 The Caveat re: Option to Repurchase Agreement.
- 3 A restrictive covenant in favour of Calgary Exhibition & Stampede Limited, substantially in the form attached hereto as Exhibit 1, prohibiting the Land, or any portion thereof, from being used as a standalone parking facility.
- 4 Registrations or interests arising by, through or under the Purchaser or approved by the Purchaser.
- 5 The following registrations: **[NTD: To be included when the City has determined which of the existing encumbrances will not be discharged prior to or concurrently with Closing]**

Exhibit 1

See attached

SCHEDULE "C" TO THE OPTION TO PURCHASE

Form of Option to Repurchase Agreement

Option to Repurchase Agreement (the "Option to Repurchase Agreement")

Dated for reference ____, 20____.

Between

CSE REAL ESTATE CORPORATION, a body corporate carrying on business in Calgary, Alberta, as general partner for and on behalf of **CSE REAL ESTATE LIMITED PARTNERSHIP** (the "Optionor")

and

THE CITY OF CALGARY (the "Optionee")

Recitals

- A. Pursuant to the Original Option Agreement (as hereinafter defined), the parties have agreed to enter into this Option to Repurchase Agreement so that in certain circumstances the Optionee shall have the right to repurchase the Land (as hereinafter defined) from the Optionor.
- B. This Option to Repurchase Agreement is necessary to protect the integrity of the development by the Optionee of the Rivers District in Calgary, Alberta.

The parties, intending to be legally bound, agree as follows.

1 Definitions and Interpretation

The following words and phrases when capitalized in this Option to Repurchase Agreement shall have the following meanings.

- (a) "**Building Commitment Date**" means the date set out in Section 10(b) of the Original Option Agreement as such date may have been extended pursuant to the Original Option Agreement, and as such dates may be extended (without obligation on the part of the Optionee) by written agreement of the Optionee given pursuant to the Original Option Agreement or otherwise.
- (b) "**Closing Date**" means that date which is 60 days after the date the Optionor receives written notice that the Optionee is exercising the Option to Repurchase.
- (c) "**Contaminants**" means any and all contaminants, pollutants, dangerous, hazardous or toxic materials, substances that cause or could cause harm to the life or health of human beings, wastes or other materials, whether solid, liquid or gas, which are now or are hereafter prohibited, regulated or controlled in any manner whatsoever under any applicable laws in the Province of Alberta or which now or hereafter cause or result in (or could cause or result in) a health or safety risk or an adverse environmental condition.
- (d) "**Introduced Contaminants**" has the meaning as set out in Section 8(c).
- (e) "**Land**" means the land legally described in Schedule A attached hereto and in the event that all or a portion of the Land is subdivided, consolidated and/or condominiumized after the date of the

Original Option Agreement, the Lands shall include and this Agreement shall be binding on all of the lots and/or condominium units so created.

- (f) **“Option Period”** has the meaning set out in Section 4.
- (g) **“Option to Repurchase”** means has the meaning set out in Section 2.
- (h) **“Optionee’s Solicitors”** means • or such other firm of solicitors retained by the Optionee in relation to this Option to Repurchase Agreement.
- (i) **“Optionor’s Solicitors”** means • or such other firm of solicitors retained by the Optionor in relation to this Option to Repurchase Agreement.
- (j) **“Original Option Agreement”** means the Option to Purchase dated for reference ●, 202●, between the Optionee (as optionor and vendor) and the Optionor (as optionee and purchaser) pursuant to which the Optionee granted an option to the Optionor to purchase the Land, which the Optionor exercised.
- (k) **“Permitted Encumbrances”** means, with respect to the Land, those interests described in Schedule A attached hereto.
- (l) **“Purchase Price”** means:
 - (i) if the Optionor has not started construction on the Land, 97% of the price paid by the Optionor to purchase the Land under the Original Option Agreement, recognizing that if the Optionee elects to exercise the Option it shall have suffered or will suffer damages including the costs of curing the Optionor’s breaches and duplicated legal fees, selling commissions, marketing expenses, administration costs and so on; or
 - (ii) if construction has started, 90% of the Optionor’s direct cost of the Land, including improvements as constructed, as such cost is agreed to by the Optionor and the Optionee, or failing agreement, determined by adding the price paid by the Optionor to purchase the Land under the Original Option Agreement plus the actual direct “hard” cost of constructing improvements made by the Optionor to the Land as verified by a written certificate of the Optionor’s independent certified professional accountant using methodology acceptable to the Optionee’s independent certified professional accountant (and each party shall instruct its independent certified professional accountant to work with the other to determine those costs), but excluding “soft” costs, recognizing again that the Optionee shall have suffered or will suffer damages as contemplated in subclause (i) and the additional costs of assuming a partly built project.
- (m) **“Trigger Notice”** has the meaning set out in Section 3.

2 Option to Repurchase

As required by the Original Option Agreement and in order, among other things, to ensure the timely construction of approved improvements on the Land pursuant to the Original Option Agreement and the prevention of transactions affecting the Original Option Agreement or the Land contrary to the Original Option Agreement, the Optionor hereby grants to the Optionee the exclusive and irrevocable option (the **“Option to Repurchase”**) to repurchase the entire right, title, estate and interest of the Optionor in the Land free and clear of all reservations, exceptions, encumbrances, mortgages, charges, security interests, liens, easements, restrictive covenants, tenancies or interests whatsoever, except for the Permitted Encumbrances.

3 Condition Precedent

The Option to Repurchase may only be exercised by the Optionee if the Optionor is in breach of any of its obligations under Section 10(b) or Section 11 of the Original Option Agreement and does not cure all such breaches within 120 days of written notice (the “**Trigger Notice**”) of the breaches being given to the Optionor by the Optionee pursuant to Section 13 of the Original Option Agreement. Notwithstanding the foregoing, the Option to Repurchase shall be null and void and of no further force or effect if the Optionor has fulfilled its obligations under Section 10(b) and is not in default of its obligations under Section 11 of the Original Option Agreement. At that time, the Optionee shall provide the Optionor with a registerable discharge of any caveat it has registered at the land titles office in respect of either or both of this Option to Repurchase Agreement or the Option to Repurchase.

4 Exercise

The Option to Repurchase may be exercised by the Optionee at any time during the 180-day period (the “**Option Period**”) commencing on the date which is 121 days after delivery of the Trigger Notice provided that the Optionor has not cured any breaches of Section 10(b) or Section 11 of the Original Option Agreement set out in the Trigger Notice within the said 120 day period following the Trigger Notice. Subject to Section 3, the Optionee may exercise the Option to Repurchase by delivering written notice to the Optionor stating that the Optionee is exercising the Option to Repurchase. If the Optionee fails to exercise the Option to Repurchase during the Option Period, the Option to Repurchase shall immediately lapse and expire and be of no further force and effect. Upon exercise of the Option to Repurchase, the Optionor shall be bound to sell and the Optionee shall be bound to purchase the Land, subject to and in accordance with the provisions of this Option to Repurchase Agreement.

5 Purchase Price and GST

The Purchase Price shall be paid by the Optionee by wire transfer on or before the Closing Date. The closing mechanics of such transaction shall be the same as those set forth in Section 7 of the Original Option Agreement. GST shall be handled in the same manner as set forth in Section 5 of the Original Option Agreement.

6 Adjustments

All customary adjustments shall be made between the Optionor and the Optionee as at the Closing Date. The Optionor shall be entitled to, shall be responsible for and shall pay all such adjustment items accruing to and including the Closing Date and the Optionee shall be entitled to, shall be responsible for and shall pay all such adjustment items accruing from but excluding the Closing Date. If an adjustment item cannot be accurately calculated on the Closing Date the final adjustment shall be calculated and made no later than 90 days from the Closing Date.

7 Possession and Risk

Subject to completion of this Option to Repurchase Agreement on the Closing Date (other than completion of registration of the transfer of land and any other required registrations, where applicable), the Optionor shall provide and the Optionee shall be entitled to vacant possession of the Land on the Closing Date. The land shall remain at the risk of the Optionor until the Closing Date and thereafter, subject to completion of this Option to Repurchase Agreement on the Closing Date (other than completion of registration of the transfer of land and any other required registrations), the Land shall be at the risk of the Optionee.

From and after the Closing Date, except for Introduced Contaminants, the land shall be entirely at the risk of the Optionee and the Optionee shall, as between itself and the Optionor, assume any and all responsibility and liability arising out of or in any way connected with any Contamination existing as of the Closing Date, whenever and howsoever arising, whether known or unknown.

From and after the Closing Date the Optionee for itself, its subsidiaries and affiliates and their respective successors and assigns, absolutely releases and forever discharges the Optionor and those for whom the Optionor is responsible at law from any and all claims relating to Contamination, except for claims relating to Introduced Contaminants.

8 Representations and Warranties

The Optionor represents, warrants, acknowledges and agrees to and with the Optionee as follows:

- (a) Subject to any provision in this Option to Repurchase Agreement relating to the clearing of title, the land shall, on the Closing Date, be free and clear of all reservations, exceptions, encumbrances, mortgages, charges, security interests, liens, easements, restrictive covenants, tenancies or interests whatsoever except the Permitted Encumbrances.
- (b) There shall not, on the Closing Date, be:
 - (i) any leases, licenses or other agreements; or
 - (ii) any notice from a government authority of a breach of any law, bylaw, rule, regulation, ordinance or code respecting the Land,

which would or could affect the Optionee's ability to purchase, own, use or occupy the Land.

- (c) The Optionor shall be responsible for any Contaminants that it, or any party that it is responsible for at law, has brought or caused or allowed to be brought onto or into the Land, or any neighbouring or adjoining lands (the "**Introduced Contaminants**"), and for all liabilities and remedial actions required to be taken relating to such Contaminants under any applicable law. The Optionor hereby indemnifies and holds the Optionee harmless from and against any claims, demands, actions, causes of action, damages, losses, costs, liabilities and expenses (including, without limitation, legal fees calculated as between a solicitor and his or her own client) incurred by the Optionee arising out of any Contaminants brought or caused or allowed to be brought onto or into the Land, or any neighbouring or adjoining lands, by the Optionor.
- (d) On the Closing Date the Optionor will not be a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

9 Closing Arrangements

The Optionor's Solicitors shall deliver to the Optionee's Solicitors, upon reasonable trust conditions and undertakings and sufficiently prior to the Closing Date to permit, in the expected ordinary course, review and confirmation of registration on or before the Closing Date or to permit the placement of title insurance, as applicable, the following:

- (a) a registrable transfer of land;
- (b) a statement of adjustments;
- (c) an assignment of any agreements related to the Project that the Optionee elects to have assigned to the Optionee; and
- (d) such other documents relating to the completion of the transaction contemplated by this Option to Repurchase Agreement as the Optionee may reasonably require from the Optionor.

Subject to the prior paragraph, on or before the Closing Date, the Optionee's Solicitors shall deliver to the Optionor's Solicitors of the Purchase Price by way of a wire transfer, subject to any adjustment items. The Optionee shall, at its sole cost and expense, register the transfer of land.

The Optionor's Solicitors may use the Purchase Price to pay out all mortgages, registrations and other financial obligations that are the Optionor's obligation to discharge. Within a reasonable period of time after the Closing Date, the Optionor's Solicitor will provide the Optionee's Solicitor with evidence that all non-permitted encumbrances have been discharged including, where required, a certified copy of the title.

10 Postponement of Caveat

The Optionor agrees that the Option to Repurchase constitutes an interest in land and that the Optionee may register a caveat against the Land relating to the Option to Repurchase in priority to or immediately after the transfer of land transferring the Land to the Optionor. The Optionee will postpone any caveat in respect of the Option to Repurchase Agreement and any other caveat in respect of the Original Option Agreement (other than in relation to easement or restrictive covenants) to one or more mortgages (the "**Mortgage**") granted by the Optionor to secure a loan made to purchase the Land and/or to construct the project (the "**Project**") approved pursuant to the Original Option Agreement, provided the mortgagee under any such Mortgage is a chartered bank, trust company, loan company, caisse populaire, pension fund, credit union, ATB Financial, or any other Canadian commercial mortgage lender. The holder of any such Mortgage is called the "**Mortgagee**". Prior to delivery of the postponement, the Mortgagee shall:

- (a) execute and deliver in favour of the Optionee a non-disturbance and acknowledgement confirming that the Mortgagee will be bound by the Option to Repurchase and the obligations of the Optionor under this Option to Repurchase Agreement if the Mortgagee (or a third party under the direction or control of the Optionee, including without limitation a receiver) enforces its security or assumes control of the Land by reason of foreclosure, whether by power of sale, by court action or in any other manner, such agreement to be on terms and conditions satisfactory to the Optionee; provided that in no event shall the party executing such non-disturbance and acknowledgement be contractually bound to comply with the building commitment covenants as set forth in Section 10(b) of the Original Option Agreement; and
- (b) confirm to the Optionee in writing that the advances under the Mortgage, plus any capitalized interest included in the amount secured by the Mortgage, shall not exceed at any time 85% of the total of:
 - (i) the Purchase Price for the Land; and
 - (ii) the cost of construction then in place on the Land plus the cost of "soft costs" to the extent financed by the Mortgagee and attributable to the Project (excluding sales and marketing costs and the cost of any internal (as opposed to third party out of pocket) management or similar fee charged to the Project), all calculated in accordance with the Mortgagee's normal procedures and verified by its cost consultant.

The Optionee shall discharge the caveat as it relates to the Option to Repurchase after a final inspection of the completed development on the Land verifying that the Optionor has satisfied the Optionor's covenants under Section 10(b) of the Original Option Agreement.

11 Notices

Any notice provided for herein shall be in writing and may be effected by hand delivery or by PDF email to the following addresses:

(a) the Optionor at:

c/o Calgary Sports and Entertainment Corporation
555 Saddledome Rise S.E.
Calgary, AB T2G 2W1

Attention: John Bean, President and CEO
Email: [REDACTED]

with a copy to the Optionor's solicitors:

Norton Rose Fulbright Canada LLP
Suite 3700, 400 - 3rd Avenue S.W.
Calgary, Alberta T2P 4H2

Attention: Brad Hayden
Email: [REDACTED]

(b) the Optionee at:

The City of Calgary
Real Estate & Development Services
3rd Floor, 313 - 7 Ave SE
Calgary, Alberta T2G 0J4
Attention: Manager, Sales & Acquisitions
Email: realestateinquiries@calgary.ca

with a copy to:

The City of Calgary
Law, Legislative Services & Security
12th Floor, 800 Macleod Trail SE
Calgary Alberta T2G 2M3
Email: law.reception@calgary.ca

with a further copy to the Optionee's solicitors:

McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Olivia Colic, K.C.
Email: [REDACTED]

Any notice shall be deemed to have been received on the date of delivery. Any email not acknowledged shall be deemed not to have been received and a party receiving an email shall if requested, acknowledge receipt by return email.

12 Non-Merger

The covenants and obligations contained in this Option to Repurchase Agreement to be performed or observed by the Optionor shall not merge with the transfer of the Land and shall in all respects remain in full force and effect notwithstanding conveyance of the Land to the Optionee and the payment of the Purchase Price.

13 Business Days

If the Closing Date or any other date referred to in this Option to Repurchase Agreement falls on a Saturday, Sunday or statutory or civic holiday in Calgary, the Closing Date or other date shall be deemed to be the next day which is not a Saturday, Sunday or statutory or civic holiday in Calgary.

14 Time of the Essence

Time is of the essence of this Option to Repurchase Agreement. No extension of time permitted or agreed to by the Optionee shall be held or construed to be or effect a waiver of this provision.

15 Waiver

The waiver of the strict performance of any condition, covenant or stipulation in this Option to Repurchase Agreement shall not constitute or be deemed a waiver of or abrogate such covenant, condition or stipulation, nor shall it be or be deemed a waiver of any subsequent breach of the same or any other covenant, condition or stipulation.

16 Force Majeure

The Optionor shall not be or be deemed to be in default hereunder for any delay due to strikes, unavailability of labour or materials, acts of God, or any other event, occurrence or cause whatsoever which is beyond the Optionor's control.

17 Governing Law

This Option to Repurchase Agreement shall be governed by the laws in force in the Province of Alberta.

18 Further Assurances

Each of the parties shall from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Option to Repurchase Agreement.

19 Singular - Plural - Gender

This Option to Repurchase Agreement shall be read with all changes of number or gender required by the context.

20 Headings

Headings used in this Option to Repurchase Agreement are inserted for convenience or reference only and shall not affect the construction of or be used in the interpretation of this Option to Repurchase Agreement.

21 Freedom of Information and Privacy Protection Act

The Optionor acknowledges that the Optionee is subject to the protection and disclosure provisions of the *Freedom of Information and Protection of Privacy Act*, R.S.A. 2000, Chapter F-25 ("**FOIP**"), as amended, revised or substituted from time to time and, notwithstanding anything contained in this Option to Repurchase Agreement, that information submitted to and in the possession of the Optionee is governed by FOIP and may be eligible for disclosure in accordance with the requirements of same. In each case, if the Optionee at any time receives a request for access to any Optionor information pursuant to FOIP, the Optionee shall, unless prohibited by Applicable Law (as defined in the Project Framework Agreement), withhold any Optionor information as required by FOIP. For clarity, the parties acknowledge that this Option to Repurchase Agreement shall be made public.

22 Execution and Delivery

This Option to Repurchase Agreement may be executed in counterparts each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear the date first above written. An executed copy of this Option to Repurchase Agreement may be delivered by any party hereto by facsimile or other electronic means. In such event, such party shall forthwith deliver to the other parties hereto a copy of this Option to Repurchase Agreement executed by such party.

[Remainder of this page intentionally left blank.]

Executed and Delivered.

**CSE REAL ESTATE CORPORATION in its
capacity as general partner for and on behalf of
CSE REAL ESTATE LIMITED PARTNERSHIP**

Per: _____

Name:

Title:

Per: _____

Name:

Title:

THE CITY OF CALGARY

Per: _____

Name:

Title: City Manager

SCHEDULE "A" TO THE OPTION TO REPURCHASE

The Land

[Note This will be the same legal description of the Lands at Closing of the Option to Purchase Agreement (unless the Purchaser subsequently completes a further subdivision or a condominiumization of the Lands.)]

Permitted Encumbrances

Those reservations or exceptions as may be contained in the original grant from the Crown and the following encumbrances:

- (a) **[Note: List all non-financial registrations on the Optionor's certificate of title at the date of its issuance in the name of the Optionor.];** and
- (b) Those non-financial encumbrances required to be registered after title issues in the name of the Optionor as a result of the Optionor's planning and development approvals received in respect of its development of the Land.