

**FACILITY FEE AGREEMENT AMENDING AGREEMENT NO. 1
(the "Agreement")**

This Agreement is made as of July 30, 2021 (the "**Effective Date**")

AMONG:

**THE CITY OF CALGARY
("The City")**

- and -

**CALGARY SPORTS AND ENTERTAINMENT CORPORATION
in its capacity as general partner for and on behalf of
CALGARY FLAMES LIMITED PARTNERSHIP
("CSEC")**

- and -

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

RECITALS:

- A. The City adopted a resolution at Council's July 29, 2019 Combined Meeting whereby The City's administration was directed to negotiate and execute all definitive documents and agreements and take all actions required to conclude the agreements, arrangements and transactions contemplated in Report C2019-0964. The key deal terms contained in Report C2019-0964 refer to The City charging a facility fee but do not set the fee.
- B. By a Facility Fee Agreement made and effective December 5, 2019 between among The City, CSEC and CSERELP (the "**Facility Fee Agreement**") The City, CSEC and CSERELP agreed to the determination, collection and remittance of the Facility Fee in respect of Events held at the Event Centre in accordance with the terms and conditions therein.
- C. At the June 21, 2021 Combined Meeting of Council, Council directed City Administration to reconsider the deal terms relating to development management set out in Report C2019-0964, and directed City Administration to bring forward a revised development management framework on July 5, 2021 (subsequently deferred to July 26, 2021).
- D. At the July 26, 2021 Combined Meeting of Council, Council directed City Administration to negotiate and execute all definitive documents and agreements and take all actions required to conclude the agreements, arrangements and transactions contemplated in Report C2021 -1164 and the attachments thereto.
- E. The revised Preliminary Project Budget (as defined in the Amended and Restated Event Centre Project Framework Agreement between The City, CSEC and CSERELP made as of July 30, 2021 (the **PFA**)) is \$608,500,000.00 and a City Maximum Contribution Amount (as defined in the PFA) is \$287,500,000.00 with CSERELP to be responsible for any cost overruns above the Preliminary Project Budget.

- F. In consideration of CSERELP agreeing to be responsible for such cost overruns, The City, CSEC and CSERELP wish to amend the Facility Fee Agreement to, *inter alia*, increase the amount of the Facility Fee that can be charged for Non-Sporting Events as hereinafter set forth.

NOW THEREFORE in consideration of good and valuable consideration (the receipt of which is hereby acknowledged by each of the parties), the parties hereto agree as follows:

1. The parties hereby agree to amend the Facility Fee Agreement as follows:
 - (a) the word “and” is deleted in the last line of the definition of “Ticket Price” in section 1.29;
 - (b) the “.” is deleted at the end of the definition of “Ticket Sales Report” in section 1.30 and replaced with “; and”;
 - (c) a new definition of “Non-Sporting Event” is added as section 1.31 as follows:

“1.31 **“Non-Sporting Event”** means any Event which is not a Sporting Event; and”
 - (d) a new definition of “Sporting Event” is added as section 1.32 as follows:

“1.32 **“Sporting Event”** means an Event in which any of the Calgary Flames, the Calgary Hitmen or the Calgary Roughnecks (or any successor franchise to any of the foregoing in the National Hockey League, the Western Hockey League or the National Lacrosse League, respectively, or any successor league to any of the foregoing leagues) is a participant, or an Event in connection with any of the foregoing franchises (or any successor franchise, as provided for above) or an Event for any other sports franchise acquired by CSEC.”
 - (e) Section 3.3 is amended by deleting the Section in its entirety and replacing it with the following:

“3.3 The City Manager has authorized the charging of a Facility Fee and set the Facility Fee at 8% of the Ticket Price on all Tickets for Sporting Events held at the Event Centre during the Term and 9.5% of the Ticket Price on all Tickets for Non-Sporting Events held at the Event Centre during the Term. The City Manager will not change the Facility Fee during the Term except with the prior written consent of CSERELP. CSEC shall charge, or cause to be charged, the Facility Fee on all Tickets for all Events held at the Event Centre during the Lease Term.”
 - (f) Section 5.1(d) is amended by adding the following after the words “aggregate Facility Fee applicable thereto” in the last line:

“, provided that for the purposes of this Agreement, the Parties agree that 65% of the Suite License Fee is deemed to be attributable to Sporting Events and 35% of the Suite License Fee is deemed to be attributable to Non-Sporting Events”.
2. Except as amended by this Agreement, the Facility Fee Agreement remains unchanged and the Facility Fee Agreement is hereby ratified, reinstated and confirmed and time continues to be of the essence.
3. All initially capitalized words used in this Agreement not defined herein shall have the same meaning given to such words in the Facility Fee Agreement.

4. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
5. The parties agree that this Agreement may be executed in counterpart and that the executed counterparts shall together form this Agreement. Any such executed counterpart may be delivered by facsimile transmission or by email in PDF and will be deemed to be an original document.

[The balance of this page intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement as of the year and day first above written.

CALGARY SPORTS AND ENTERTAINMENT CORPORATION AS GENERAL PARTNER FOR AND ON BEHALF OF CALGARY FLAMES LIMITED PARTNERSHIP

Per: _____

Name: John Bean
Title: President and CEO

(Corporate Seal)

Per: _____

Name: Cameron Olson
Title: CFO

We have authority to bind the corporation

CSE REAL ESTATE CORPORATION AS GENERAL PARTNER FOR AND ON BEHALF OF CSE REAL ESTATE LIMITED PARTNERSHIP

Per: _____

Name: John Bean
Title: President and CEO

(Corporate Seal)

Per: _____

Name: Cameron Olson
Title: CFO

We have authority to bind the corporation

APPROVED AS TO CONTENT	INITIALS
Bus. Unit: _____ Name: _____	
APPROVED AS TO FORM BY LAW DEPARTMENT	INITIALS
Name: _____	

THE CITY OF CALGARY

Per: _____
 Name: David Duckworth
 Title: City Manager

(Corporate Seal)

Per: _____
 Name: Kate Martin
 Title: City Clerk