

LOCATION SUPPORT AGREEMENT

THIS AGREEMENT (the "Agreement") is dated August 29, 2013 between Daryl A. Katz ("**Daryl**") and the City of Edmonton ("**City**").

RECITALS:

A. RSC is the owner of a National Hockey League franchise for an area which includes the city of Edmonton and is the owner of the Edmonton Oilers. The City and Rexall Sports Corp. ("RSC") have entered into a location agreement ("Location Agreement") dated August 29, 2013, to ensure that the Edmonton Oilers will play their NHL Home Games in the Arena, upon the terms and conditions set forth in the Location Agreement.

B. Daryl indirectly owns and controls RSC, through a series of holding corporations.

NOW THEREFORE in consideration of the mutual promises, undertakings and covenants hereinafter set forth, and intending to be legally bound hereby, Daryl and the City covenant and agree as follows:

1. Definitions

In this Agreement:

- (a) "**Party**" means the City or Daryl as the context requires and "**Parties**" means Daryl and the City;
- (b) all other capitalized words and terms not expressly defined herein shall have the same meaning ascribed to such words and terms in the Location Agreement.

2. Term and Termination

- (a) The term ("Term") of this Agreement shall commence on the date that the Location Agreement comes into effect and shall automatically terminate on the earliest of the following occurring:
 - (i) the termination or expiry of the Location Agreement; and
 - (ii) the date that Daryl ceases to, directly or indirectly, own and control the Franchise and/or the Edmonton Oilers pursuant to a sale, assignment, transfer or other disposition in compliance with the Location Agreement.

3. Covenants

- (a) Daryl represents, warrants, covenants and agrees that during the Term, he will not, directly or indirectly:
 - (i) enter into any contract or agreement of any kind, or make any request or application to the NHL, to relocate the Edmonton Oilers or the Franchise or change or move the home territory of the Edmonton Oilers or the Franchise outside the city of Edmonton or reduce the Edmonton Oilers territorial rights for the playing of NHL Home Games;

- (ii) sell, assign, transfer or convey the shares of RSC or any corporation or other Person that directly or indirectly controls RSC (within the meaning of the *Business Corporations Act* (Alberta) R.S.A. 2000, c.B-9 as amended from time to time) nor create any encumbrance or security interest therein (other than in favour of the Secured Creditors of RSC) unless:
 - A. in any case of a grant of an encumbrance or security interest, the grantee enters into an agreement agreeing to abide by Section 7 of the Location Agreement, substantially in the form of Schedule "B" attached to the Location Agreement (subject to such changes as may be appropriate based on the nature of the encumbrance or security interest and otherwise as may be acceptable to the City, acting reasonably); and
 - B. in the case of a sale, assignment or transfer, the Person who is the purchaser, assignee or transferee enters into an assignment of this Agreement with the City, under which the Person agrees to comply with or be bound by the terms of this Agreement. Daryl shall, on the effective date of the assignment of this Agreement, be released from all obligations, duties, and liabilities under this Agreement.

(b) For clarity

- (i) subject to compliance with whichever of the requirements under subsection (a)(ii), above, is applicable, a sale, assignment, transfer, or creation of an encumbrance or security interest in respect of the shares of RSC or any corporation or other Person which has a direct or indirect controlling interest in RSC is permitted; and
- (ii) a sale, assignment or transfer of the shares of RSC, or any corporation or other Person which has a direct or indirect controlling interest in RSC, arising in insolvency proceedings or proceedings for the enforcement of creditor rights shall not constitute a breach of this Agreement by Daryl; provided however, that notwithstanding such insolvency proceeding or proceeding for the enforcement of creditor's rights, the City has the right to enforce the covenants of RSC under the Location Agreement and the Security Agreement. It is also understood and agreed by Daryl that any insolvency proceeding or proceeding for the enforcement of a creditor's rights brought directly or indirectly by Daryl or by any Affiliate or other Person controlled directly or indirectly by Daryl that results in a sale, assignment or transfer of the shares of RSC, or any corporation or other Person which has a direct or indirect controlling interest in RSC, constitutes a breach of this Agreement by Daryl.

4. Equitable Relief

(a) Daryl acknowledges and agrees that:

- (i) the rights and duties established under this Agreement are of a unique and special nature, and the benefits to be afforded to the City are unique and not subject to ready computation of, or satisfaction by, monetary payments;

- (ii) the Arena is being constructed by the City and RSC's affiliate to enable the Edmonton Oilers to play their NHL Home Games in Edmonton and in the Arena;
 - (iii) the provisions of this Agreement are intended to ensure, amongst other things, that Daryl will not relocate the Edmonton Oilers;
 - (iv) any actual or anticipatory breach or violation of this Agreement by Daryl will result in immediate, unique, continuing and irreparable harm and injury to the City which can not be adequately compensated for by the award of monetary damages or the payment of Rent;
 - (v) the continued payment of Rent and other amounts arising under the Master Agreement (or any Lease contemplated thereunder) would not adequately compensate the City for the losses (financial and otherwise) that it would suffer on account of any breach or violation of this Agreement;
- (b) Accordingly, in the event of an actual breach of this Agreement by Daryl or if the City, acting reasonably, anticipates a breach of this Agreement, the City shall be entitled, without bond or any other security, and without any further demonstration of irreparable harm, balance of harms, consideration of the public interest, or inadequacy of monetary damages, to equitable relief, including, without limitation, injunctive relief and specific performance compelling Daryl to fully comply with his obligations under this Agreement. Daryl, in specific recognition and appreciation of the factors described above, waives the right to assert any defence that any such breach can be compensated adequately in damages. Daryl agrees and irrevocably stipulates that the rights of the City to equitable relief, including without limitation, injunctive relief and specific performance shall not constitute a "claim" pursuant to bankruptcy or creditor protection or arrangement legislation and shall not be subject to discharge or restraint of any nature in bankruptcy or creditor protection or arrangement proceedings.

5. Notices

- (a) Any notices required under this Agreement to be given or made to the City and Daryl shall be conclusively deemed to be sufficiently given if delivered as follows:

to the City at:

The City of Edmonton
 3rd Floor, City Hall
 1 Sir Winston Churchill Square
 Edmonton, Alberta T5J 2R7
 Attention: City Manager

to Daryl at:

1702, 10104-103 Avenue
 Edmonton, Alberta T5J 3V5
 Attention: Daryl A. Katz

or to any other address as may be designated in writing by a Party from time to time.

6. General

- (a) This Agreement is binding on Daryl, his heirs and successors.
- (b) The City is entering into this Agreement in its capacity as a corporation and not in its capacity as a regulatory, statutory or approving body pursuant to any law of the Province of Alberta and nothing in this Agreement or any of its schedules shall constitute the granting by the City of any approval or permit as may be required pursuant to the *Municipal Government Act*, R.S.A. 2000, c. M 26. Nothing in this Agreement restricts the City, its municipal council, its officers, servants or agents in the full exercise of any and all powers and duties vested in them in their respective capacities as a municipal government, as a municipal council and as the officers, servants and agents of a municipal government, subject to the compliance by the City of its obligations under this Agreement.
- (c) Daryl acknowledges that (i) the City is subject to the provisions of FOIP, (ii) the City may be requested to disclose any records relating to this Agreement and under the custody or control of the City, including, without limitation, the contents of this Agreement, and (iii) any such disclosure if required by FOIP will only be made in accordance with and to the extent required by the provisions of FOIP. For greater certainty, the foregoing shall not limit or restrict the rights of objection to disclosure that Daryl has under FOIP.
- (d) A Party is not entitled to rely on a delay in the exercise or non-exercise of a right arising from the occurrence of an event of default as constituting a waiver of that right. A waiver of any covenant, condition or provision of this Agreement must be in writing. The failure of any Party at any time to require strict performance by the other Party of any covenant, condition or provision of this Agreement shall in no way affect such Party's right thereafter to enforce such covenant, condition or provision, nor shall the waiver by any Party of any breach of any covenant, condition or provision hereof be taken or held to be taken as a waiver of any future breach of any such covenant, condition or provision.
- (e) An amendment of any term of this Agreement must be in writing and signed by the Parties.
- (f) The insertion of headings is for convenience of reference only and shall not be construed so as to affect the interpretation or construction of this Agreement.
- (g) The Parties agree that this Agreement shall be construed and governed by the laws of the Province of Alberta and the laws of Canada applicable therein, and that Parties further agree to attorn to the jurisdiction of the Courts of the Province of Alberta.
- (h) Each of the Parties shall from time to time execute and deliver all further documents and instruments and do all things and acts as the other Parties may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.
- (i) Should any provision of this Agreement be illegal or unenforceable for any reason whatsoever, it shall be considered separate and severable from the remaining provisions of this Agreement, which shall remain in force and be binding as though such provision had not been included.

- (j) This Agreement may be executed by exchange of fax or electronic transmission of the respective signatures of the Parties. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

- (k) This Agreement constitutes the entire agreement between the Parties with regard to the matters dealt within it and there are no understandings or agreements, representations, warranties or collateral terms, verbal or otherwise existing between the Parties. If there is a conflict between this Agreement and the Master Agreement, the provisions of this Agreement will prevail.

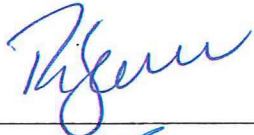

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IN WITNESS WHEREOF the Parties have executed this Agreement.



Witness



DARYL A. KATZ

Approved: 
As to Form: _____
As to Content: 

THE CITY OF EDMONTON


Per: _____ (seal)
As represented by Simon Farbrother, City Manager

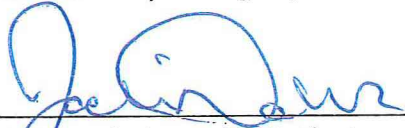
Approved by City Council: January 23, 2013 (Item 6.2); April 10, 2013 (Item 6.11)

AFFIDAVIT OF EXECUTION

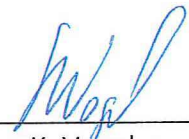
CANADA) I, Shawna K. Vogel,
PROVINCE OF ALBERTA) of the City of Edmonton, in the Province of Alberta,
TO WIT:) MAKE OATH AND SAY:

- 1. I was personally present and did see Daryl A. Katz, named in the annexed instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes named therein.
- 2. That the same was executed at the City of Edmonton, in the Province of Alberta, and that I am the subscribing witness thereto.
- 3. That I know the said person and he is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the City of)
Edmonton, in the Province of Alberta,)
this 29th day of August, 2013.)


_____)

A Commissioner for Oaths in and
For the Province of Alberta



Shawna K. Vogel

JACKIE DANCHUK
MY COMMISSION EXPIRES:
JUNE 29, 20 16

