

## LAND INVENTORY AGREEMENT

THIS LAND INVENTORY AGREEMENT is made this 28th day of October, 2011

BETWEEN:

**THE CITY OF EDMONTON**  
(hereinafter referred to as the "City")

- and -

**KATZ GROUP PROPERTIES INC.**  
(hereinafter referred to as the "Owner")

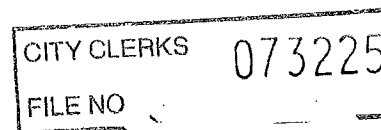
WHEREAS:

- A. The City and the Owner are desirous of setting out the arrangements for all of the land transactions contemplated between the Owner and the City with respect to the downtown Arena project.

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

### **1. DEFINITIONS AND INTERPRETATIONS**

- 1.1 In this Agreement the capitalized terms defined below will have the meanings set forth below:
- 1.1.1 "**Acquisition Date**" means the date upon which the City completes the acquisition of the WAM Lands and the Bridge Lands from the WAM Vendor and the Bridge Vendor as contemplated herein;
- 1.1.2 "**Agreement**" or "**hereto**", "**herein**", "**hereunder**", "**hereof**" and similar expressions when used in this Agreement and the attached Schedules refer to the whole of this Agreement and the attached Schedules and not to any particular article, section or other portions hereof, and any reference to an article or section by number means the appropriate section or article of this Agreement and all attached Schedules unless the context is expressly to the contrary or otherwise required and any reference to a Schedule by letter or number means the appropriate Schedule attached to this Agreement;
- 1.1.3 "**Arena**" means the multipurpose sports and entertainment facility including a professional hockey arena, associated food, beverage and entertainment areas, associated concourse, gathering and circulation areas within the facility and certain parking and loading facilities, to be constructed in downtown Edmonton on the Arena Lands;



1.1.4 **"Arena Lands"** means the lands to be subdivided out of the WAM Lands and the City Lands, to be owned by the City and upon which will be situate the Arena, together with public infrastructure (as contemplated by the Master Development Agreement) an approximation of which area is identified as the Arena Lands and shown on the attached Schedule "A";

1.1.5 **"Bridge Lands"** means the lands legally described as:

FIRST: PLAN B-1

BLOCK TWO (2)

LOTS ONE HUNDRED AND EIGHTY EIGHT (188) TO TWO HUNDRED AND ONE (201) INCLUSIVE, TWO HUNDRED AND THREE (203) AND TWO HUNDRED AND FOUR (204)

EXCEPTING THEREOUT

A. ALL THAT PORTION OF LOT ONE HUNDRED AND NINETY FOUR (194) WHICH LIES NORTH WEST OF A STRAIGHT LINE CONNECTING POINTS ON NORTH AND WEST BOUNDARIES OF SAID LOT, FOUR AND FIVE TENTHS (4.5) METRES RESPECTIVELY DISTANT EASTERLY AND SOUTHERLY FROM THE NORTH WEST CORNER THEREOF

B. ALL THAT PORTION OF LOT ONE HUNDRED AND NINETY FIVE (195), DESCRIBED AS FOLLOWS: COMMENCING AT A POINT FOUR AND FOUR HUNDRED NINETY ONE THOUSANDTHS (4.491) METRES PERPENDICULARLY DISTANT WESTERLY FROM A POINT ON THE EAST BOUNDARY OF SAID LOT, ZERO AND SEVEN HUNDRED EIGHTY SIX THOUSANDTHS (0.786) METRES SOUTH OF THE NORTH EAST CORNER THEREOF; THENCE SOUTH EASTERLY TO A POINT ON SAID EAST BOUNDARY FIVE AND FIVE HUNDRED SIXTY EIGHT THOUSANDTHS (5.568) METRES SOUTHERLY FROM SAID NORTH EAST CORNER; THENCE NORTHERLY TO SAID NORTH EAST CORNER; THENCE WESTERLY ALONG THE NORTH BOUNDARY OF SAID LOT, SEVENTEEN AND TWENTY THOUSANDTHS (17.020) METRES; THENCE SOUTH EASTERLY TO THE POINT OF COMMENCEMENT EXCEPTING THEREOUT ALL MINES AND MINERALS

SECONDLY: PLAN B-1

BLOCK TWO (2)

LOTS ONE HUNDRED AND EIGHTY FIVE (185) TO ONE HUNDRED AND EIGHTY SEVEN (187) INCLUSIVE AND LOT TWO HUNDRED AND TWO (202)

THIRDLY: PLAN B-1

BLOCK TWO (2)

ALL THAT PORTION OF THE NORTH SOUTH LANE WHICH LIES BETWEEN THE NORTH LIMIT OF PEACE (103 AVENUE) AS SHOWN ON THE SAID PLAN AND THE SOUTH LIMIT OF MACKENZIE (104 AVENUE) AS SHOWN ON PLAN B-4

EXCEPTING THEREOUT ALL MINES AND MINERALS

1.1.6 **"Bridge Lands Subdivision Plan"** means the plan of subdivision that upon registration at the land titles office shall create titles to the North Bridge Lands and the South Bridge Lands;



- 1.1.7 **"Bridge Purchase Agreement"** means the agreement in writing dated May 11, 2009 wherein 672884 Alberta Ltd. agreed to sell and 1453351 Alberta Ltd. agreed to purchase the Bridge Lands, which has been assigned to the Owner;
- 1.1.8 **"Bridge Lands Subdivision Date"** means the date the Bridge Lands Subdivision Plan is registered at the Land Titles Office;
- 1.1.9 **"Bridge Vendor"** means 672884 Alberta Ltd.;
- 1.1.10 **"City Land Costs"** means the adjusted purchase price and the City legal costs paid by or on behalf of the City pursuant to the WAM Purchase Agreement and the Bridge Purchase Agreement which are detailed in Schedule "H" to this Agreement;
- 1.1.11 **"City Lands"** means:
  - 1.1.11.1 the Road Lands; and
  - 1.1.11.2 the land legally described as:
    - Plan 9724372
    - Block 9E
    - Lot 3
    - EXCEPTING THEREOUT ALL MINES AND MINERALS
- 1.1.12 **"City Manager"** means the City Manager of the City or his designate;
- 1.1.13 **"Closing Date"** shall mean 12:00 noon on the particular closing date for a transaction contemplated by this Agreement as determined in accordance with the Option Terms;
- 1.1.14 **"Community Rink"** means an ice rink which may be located on the Community Rink Lands adjacent to the Arena which would be used by the National Hockey League team, the Edmonton Oilers, and the Western Hockey League team, the Edmonton Oil Kings, as a practice rink and would serve the needs of the City and the community, further particulars of which are to be contained in the Master Agreement;
- 1.1.15 **"Community Rink Lands"** means the lands to be subdivided out of the WAM Lands and the City Lands and upon which the Community Rink is to be situated, an approximation of which area is identified as the Community Rink Lands and shown on the attached Schedule "A";
- 1.1.16 16(1); 25(1)
- 1.1.17 16(1); 25(1)



- 1.1.18 **"Interest Rate"** means, for the initial 5 (five) year term of this Agreement commencing on the date of execution of this Agreement, a fixed rate equal to 1.796% per annum, and thereafter, at a floating annual rate equal to the 5 year Alberta Capital Finance Authority (ACFA) rate, as posted from time to time by ACFA or any successor entity or organization;
- 1.1.19 **"Interim Design Agreement"** means the interim design agreement to be entered into between the City and Edmonton Arena Corp. with regard to the planning and design of the Arena Area Project, all as described therein;
- 1.1.20 **"Inventory Lands"** means collectively, the Inventory B1 Lands, the Inventory B2 Lands, the Arena Lands and the Community Rink Lands;
- 1.1.21 **"Inventory B1 Lands"** means the portion of lands to be subdivided out of the WAM Lands and the City Lands, an approximation of which area is identified as the B1 Lands and shown on the attached Schedule "A";
- 1.1.22 **"Inventory B2 Lands"** means the portion of lands to be subdivided out of the WAM Lands, an approximation of which area is identified as the B2 Lands and shown on the attached Schedule "A";
- 1.1.23 **"Master Development Agreement"** means the master development agreement that may be entered into between the City and Edmonton Arena Corp. with regard to the planning, design, servicing, construction, operation, maintenance and repair of the Arena, all as described therein;
- 1.1.24 **"Municipality"** means the City of Edmonton acting in its capacity as the authority which approves and regulates subdivision, servicing and development;
- 1.1.25 **"North Bridge Lands"** means the northerly portion of the Bridge Lands, an approximation of which area is shown on the attached Schedule "A", being not less than 50% of the Bridge Lands;
- 1.1.26 **"North Bridge Purchase Price"** means the purchase price for the North Bridge Lands in the amount of \$17,193,341.16;
- 1.1.27 **"Option Terms"** means the terms applicable to each of the options granted hereunder and described in Schedule "B";
- 1.1.28 **"Owner Land Costs"** means those fees, deposits, payments and other costs or expenses made by or on behalf of the Owner pursuant to the WAM Purchase Agreement and the Bridge Purchase Agreement prior to the City's assumption of the WAM Purchase Agreement and Bridge Purchase Agreement, plus the Owner's legal and rezoning costs which are detailed in Schedule "G" to this Agreement, ;
- 1.1.29 **"Permitted Encumbrances"** means in respect of any parcel of land, those specific encumbrances, liens and interests described in Schedule "C" and in respect of all parcels of land:



- 1.1.29.1 any easements, rights of way, restrictive covenants, servitudes or other similar rights in land including, without limiting the generality of the foregoing, rights of way for sewers, drains, gas and water mains, electric items, power, telephone or cable television conduits, poles, wires and cables which are required pursuant to the subdivisions of the WAM Lands and Bridge Lands and approved by the City and the Owner during the subdivision process;
- 1.1.29.2 the reservations, limitations, provisos and conditions in any original grants from the crown of any of the lands or interests therein and statutory exceptions to title under section 61 of the Land Titles Act (Alberta);
- 1.1.29.3 in respect of any purchase, and as to that purchaser, such encumbrances, liens, instruments and charges as may have been made or caused to be made by that purchaser in respect of those lands;
- 1.1.30 **"Purchase Price"** means, unless otherwise specified herein, the purchase price applicable to any parcel of land, established in accordance with this Agreement, exclusive of Sales Taxes;
- 1.1.31 **"Receiving Party"** means the party receiving the Termination Notice;
- 1.1.32 **"Road Lands"** means those lands legally described as:
  - Plan 9623481  
All that portion of road right of way which lies north of 104 Avenue on said plan  
EXCEPTING THEREOUT ALL MINES AND MINERALS
  - and -
  - Plan 9724372  
Block 9E  
All that portion of Walkway within limits of said Block 9E  
EXCEPTING THEREOUT ALL MINES AND MINERALSAnd which are shown on the attached Schedule "D";
- 1.1.33 **"Sales Taxes"** means any sales tax, value added tax, goods and services tax or any other similar tax, charge, duty or rate, irrespective of whether it is created or modified after the Closing Date;
- 1.1.34 **"South Bridge Lands"** means the southerly portion of the Bridge Lands, an approximation of which is shown on Schedule "A", being not more than 50% of the Bridge Lands;



- 1.1.35 **"South Bridge Lands Purchase Price"** means the purchase price for the South Bridge Lands in the amount of \$17,193,341.16;
- 1.1.36 **"Subdivision Applications"** means the subdivision applications to be submitted by the City to:
- 1.1.36.1 subdivide the WAM Lands and the City Lands into the Inventory B1 Lands, the Inventory B2 Lands, the Arena Lands and the Community Rink Lands; and
  - 1.1.36.2 subdivide the Bridge Lands into the North Bridge Lands and South Bridge Lands.
- 1.1.37 **"Subdivision Costs"** means the costs of the subdivision including all application fees, endorsement fees, plan of survey costs, and any other costs related to fulfilling and completing the specific conditions of a subdivision approval, including those matters pursuant to Section 655 or any other provision of the Municipal Government Act, R.S.A. 2000 c. M-26 and any amendment thereto, or any other legislation in force in the Province of Alberta, including costs of utility servicing and reserves and cash in lieu thereof (but only to the extent such costs are approved by the Owner in the subdivision process);
- 1.1.38 **"Subdivision Plans"** means:
- 1.1.38.1 the WAM Lands Subdivision Plan; or
  - 1.1.38.2 the Bridge Lands Subdivision Plan;
- 1.1.39 **"Termination Notice"** means the written notice provided by the City or the Owner to the Receiving Party of the party's intention to terminate this Agreement as described in section 8.1;
- 1.1.40 **"Termination Option"** means the option to purchase granted by the City to the Owner for the Bridge Lands and WAM Lands as described in section 8.2;
- 1.1.41 **"Termination Option Term"** means the term commencing on the date of receipt of the Termination Notice by the Receiving Party and ending at 5:00 pm on the ninetieth (90th) day thereafter;
- 1.1.42 **"Termination Purchase Price"** means the purchase price for the WAM Lands and Bridge Lands to be paid by the Owner to the City in the event the Termination Option is exercised by the Owner, to be calculated as follows:
- 1.1.42.1 Owner Land Costs; plus
  - 1.1.42.2 City Land Costs; plus



1.1.42.3 all Subdivision Costs incurred by the City pursuant to the subdivisions of the WAM Lands and Bridge Lands; plus

1.1.42.4 interest on \$40,000,000.00, plus the Owner Land Costs attributable to the WAM Lands, at the Interest Rate from the Acquisition Date to the Closing Date (less the net revenues arising from the WAM Lands during that time with no deduction for amounts of municipal taxes, other than those which are actually paid);  
less

1.1.42.5 the North Bridge Purchase Price.

1.1.43 "Terms and Conditions" means the terms and conditions of sale set forth in Schedule "E" hereto.

1.1.44 "WAM Lands" means those lands legally described as:

Plan 9724372  
Block 9E  
Lot 2  
EXCEPTING THEREOUT ALL MINES AND MINERALS

and

Plan 8622223  
RAILWAY RIGHT OF WAY  
CONTAINING 2.14 HECTARES MORE OR LESS  
EXCEPTING THEREOUT:           HECTARES           (ACRES) MORE OR LESS  
A) Plan 9623481 – ROAD           0.278           0.69  
EXCEPTING THEREOUT ALL MINES AND MINERALS

1.1.45 "WAM Lands Subdivision Plan" means the plan of subdivision that upon registration at the land titles office shall create titles to the Inventory Lands;

1.1.46 "WAM Purchase Agreement" means the Agreement in writing dated April 22, 2009 and made between Katz Group Properties Inc. as purchaser and WAM First Street LP, by its general partner, WAM First Street GP Ltd. wherein the Owner agreed to purchase the WAM Lands from the WAM Vendor;

1.1.47 "WAM Lands Subdivision Date" means the date the WAM Lands Subdivision Plan is registered at the Land Titles Office;

1.1.48 "WAM Vendor" means WAM First Street LP, by its general partner, WAM First Street GP Ltd.;

1.1.49 "Working Days" means days other than Saturdays, Sundays and statutory holidays in the Province of Alberta;



1.2 In this Agreement, any reference to "Lands" or "lands" shall mean and include the land and any and all improvements, appurtenances and permanent fixtures located thereon;

1.3 The Schedules to this Agreement (which shall form part of this Agreement) are:

Schedule "A" – Sketch with approximate areas of Inventory Lands, North Bridge Lands and South Bridge Lands

Schedule "B" – Option Terms

Schedule "C" – Permitted Encumbrances

Schedule "D" – Road Lands

Schedule "E" – Terms and Conditions

Schedule "F" – Assignment Agreement

Schedule "G" – Owner Land Costs

Schedule "H" – City Land Costs

Schedule "I" – Approximate Location and Size of Access Easement

## **PART 1 – ACQUISITION AND SUBDIVISION**

### **2. PURCHASE AND SALE OF ROAD LANDS**

2.1 The City and the Owner acknowledge that the rezoning of the WAM Lands pursuant to Bylaw # 15490 takes effect upon the City's transfer to the Owner of all of its interest in the Road Lands. Accordingly the City shall sell and transfer to and the Owner shall purchase the Road Lands pursuant to the Terms and Conditions and subject only to the Permitted Encumbrances. The Closing Date for the transfer of the Road Lands to the Owner shall be November 30, 2011 and there shall be no adjustments. The Owner shall then immediately transfer the Road Lands back to the City pursuant to the Terms and Conditions and subject only to the Permitted Encumbrances and there shall be no adjustments. Each of the City and the Owner shall pay to the other valuable consideration in the sum of \$539,200.00 (\$85 per square foot) as consideration for the Road Lands.

### **3. PURCHASE OF WAM LANDS AND BRIDGE LANDS**

3.1 The City and the Owner acknowledge that the Owner is entitled to purchase the WAM Lands from the WAM Vendor pursuant to the WAM Purchase Agreement and the Bridge Lands from the Bridge Vendor pursuant to the Bridge Purchase Agreement. The Owner will transfer its interest in the WAM Lands and the Bridge Lands to the City and the City will assume all the obligations of the Owner by assignment and assumption of the obligations of the Owner under the WAM Purchase Agreement and the Bridge Purchase Agreement, respectively, both effective as of the date of the Assignment Agreement (other than the rights under the Undertakings described in section 8.07 of the WAM Purchase Agreement which are retained by the Owner). The City will reimburse the Owner for the Owner Land Costs, such sum to be credited against the Owner's obligation to pay the North Bridge Purchase Price to the City. The form of Assignment Agreement is attached hereto as Schedule "F".



**4. PURCHASE PRICE AND REVENUE FOR NORTH BRIDGE LANDS**

4.1 The Owner will pay a sum equal to the North Bridge Purchase Price less the credit for the Owner Land Costs as contemplated in section 3.1, to the City on the date of execution of this Agreement which sum may be utilized by the City to complete the purchase of the Bridge Lands. The parties acknowledge that the sum payable by the Owner therefore is \$8,622,554.16, but the Owner has paid \$8,734,536.23 so the City agrees to reimburse the Owner for the difference in the sum of \$111,982.07 within five (5) days. In the event that this Agreement is terminated pursuant to section 9 of this Agreement the City shall return a sum equal to the North Bridge Purchase Price within 10 Working Days of the date of termination. The Owner acknowledges and agrees that, notwithstanding payment of a sum equal to the North Bridge Purchase Price, it shall not have any right of possession to the Bridge Lands (or any portion thereof) unless and until the North Bridge Lands are transferred to the Owner in accordance with the terms and conditions contained herein.

4.2 16(1); 25(1)

4.3 The parties will cooperate and act reasonably in respect of all matters relating to dealing with 16(1); 25(1)

4.4 As additional consideration for the City assuming the Bridge Purchase Agreement and acquiring the Bridge Lands the Owner will pay to the City, interest on the South Bridge Lands Purchase Price at the Interest Rate, calculated from the Acquisition Date to the Bridge Lands Subdivision Date. This interest will be payable semi-annually in arrears until the Bridge Lands Subdivision Date. All Net Revenues as defined in paragraph 4.2 above from the South Bridge Lands shall be credited against the Owner's interest obligation under this section 4.4 but there shall be no deduction for any imputed or other municipal taxes.



4.5 The City and Owner acknowledge that as part of the Arena project a pedestrian bridge (the "Bridge") may be constructed over 104 Avenue from the Arena Lands to the North Bridge Lands with ownership of the Bridge to be retained by the City. Subject to the parties mutually agreeing on the terms and conditions of the Subdivision Plans, the Owner shall grant an easement for the Bridge and public access to the Bridge (the "Bridge Easement") on the North Bridge Lands. The Bridge Easement shall be in a form and content satisfactory to the City and the Owner, each acting reasonably and in the approximate location shown in Schedule "I". The consideration for the Bridge Easement shall be \$1.00 payable by the City to the Owner on the date the Bridge Easement is registered.

4.6 The Owner may, at any time, relinquish and terminate all of the South Bridge Lands option, the Community Lands option and the Inventory Lands options to purchase herein granted upon 30 days notice in writing to the City. Upon the expiration of such 30 day period (the "Option Termination Date"), the South Bridge option, the Community Rink option and the Inventory Lands option will terminate, the Owner will have no further rights or interest in respect of any such lands and all such interests will revert in the City. In that event, the Owner shall discharge any caveat registered in respect of its interest, and the obligation to pay interest in respect of any period after the Option Termination Date shall cease and terminate.

5. 25(1)

5.1 25(1)

**6. SUBDIVISION**

6.1 Promptly following the City becoming the registered owner of the WAM Lands and the Bridge Lands the City shall consult with the Owner as to the proposed Subdivision Applications and once approved by both the City and the Owner, the City shall submit the Subdivision Applications to the Municipality. The Subdivision Applications to be submitted by the City shall request that the Municipality take no reserves or cash in lieu of reserves on any of the lands.



- 6.2 All Subdivision Costs associated with the Subdivision Applications shall be borne by the City.
- 6.3 The City shall, in its capacity as an owner of land and not in its capacity as the Municipality, act reasonably and in good faith to obtain subdivision approval to the Subdivision Applications, fulfill the conditions of subdivision and obtain final subdivision endorsement for each of the Bridge Lands Subdivision Plan and the WAM Lands Subdivision Plan prior to December 30, 2012 or such later date as the parties may agree. (the "Subdivision Date"). The City shall keep the Owner fully apprised of the status of the Subdivision Applications at all times and provide the Owner with all such documents and correspondence relating to the Subdivision Applications as the Owner may reasonably request, from time to time, together with a copy of the proposed Subdivision Plans. The City shall obtain the written approval of the Owner, acting reasonably, to the proposed Subdivision Plans prior to submitting it for subdivision approval and for final subdivision endorsement. The Owner or the City shall have the right to withhold its consent to the ultimate registration of the Subdivision Plans or either of them and shall have the right to withhold consent to any Subdivision Plan which requires dedication of lands for reserves or cash payments in lieu thereof or any deferred reserves.
- 6.4 The parties acknowledge that the size and approximate location of each parcel of the Inventory Lands as well as the North Bridge Lands and the South Bridge Lands are approximate and the parties agree to act reasonably and in good faith in approving the final area and outline of all such lands, having regard for the Arena and Arena project. Upon approval of the Subdivision Plans by both parties acting reasonably and promptly, the City shall promptly proceed to apply for subdivision approval for the Subdivision Applications. Upon registration of same, the City shall promptly deliver copies of the titles created upon the registration of the Subdivision Plan to the Owner.

7. Intentionally deleted

8. **TERMINATION OPTION**

- 8.1 If for any reason whatsoever, either party hereto determines in its sole discretion that the proposed Arena project is not going to proceed, then either the City or the Owner may, at any time thereafter up to, but not after, the earliest to occur of the WAM Lands Subdivision Date and the Bridge Lands Subdivision Date, serve written notice to the other party (the "Receiving Party") in accordance with the notice provisions contained herein of its intention to terminate this Agreement (the "Termination Notice"). For certainty, upon the earlier of the WAM Lands Subdivision Date and the Bridge Lands Subdivision Date, the Termination Option defined in section 8.2 will terminate and may not be exercised thereafter.
- 8.2 The City hereby grants to the Owner an option to purchase collectively the WAM Lands and Bridge Lands on the Option Terms (the "Termination Option"). The Termination Option will be open for exercise by the Owner only during the Termination Option Term. The purchase price to be paid by the Owner for the WAM Lands and the Bridge Lands shall be the Termination Purchase Price.

**9. TERMINATION OF AGREEMENT**

- 9.1 If the Termination Option is not exercised by the Owner during the Termination Option Term then:
- 9.1.1 the City shall within 10 Working Days of the expiration of the Termination Option Term return a sum equal to the North Bridge Purchase Price and thereafter all the rights and obligations of the City and the Owner pursuant to this Agreement shall be at an end, and the Owner shall have no rights arising under this Agreement to any of the lands herein described, all of which shall fully revert and revest in the City;
  - 9.1.2 the Owner shall promptly discharge any caveats, encumbrances, liens, charges or other instruments which the Owner may have registered or caused to be registered against the title to the WAM Lands and the Bridge Lands; and
  - 9.1.3 the parties shall have no further obligations or liabilities to the other pursuant to this Agreement.

**PART 2 – AFTER SUBDIVISION PLANS REGISTRATION**

**10. SALE AND TRANSFER OF NORTH BRIDGE LANDS**

- 10.1 On the 10th Working Day after the registration of the Bridge Lands Subdivision Plan the City shall sell and transfer the North Bridge Lands to the Owner or its nominee and the Owner or its nominee shall purchase the North Bridge Lands from the City in accordance with the Terms and Conditions and subject only to the Permitted Encumbrances. The registration of the Bridge Lands Subdivision Plan by December 30, 2012 or such later date as the parties may agree, is a true condition precedent which cannot be waived by either party. In the event the condition precedent is not satisfied, the purchase may not be completed and the North Bridge Purchase Price shall be immediately returned to the Owner. The purchase price to be paid by the Owner or its nominee for the North Bridge Lands shall be the North Bridge Purchase Price, which shall be adjusted on a per square foot basis to reflect the actual size of the North Bridge Lands being conveyed to the Owner, plus:
- 10.1.1 the City Land Costs attributable to the North Bridge Lands as described in Schedule "H" (other than the adjusted purchase price thereof); plus
  - 10.1.2 all Subdivision Costs incurred by the City which are applicable to the North Bridge Lands
- LESS
- 10.1.3 the North Bridge Purchase Price previously paid by the Owner to the City as contemplated by section 4.1.



## **11. INVENTORY LANDS OPTIONS TO PURCHASE**

- 11.1 The City hereby grants to the Owner an option to purchase each parcel of the Inventory B1 Lands and the Inventory B2 Lands (collectively the "Inventory Options"), each on the Option Terms. Subject to the WAM Lands Subdivision Plan being registered at the land titles office by December 30, 2012 or such later date as the parties may agree (which is a true condition precedent which may not be waived by either party), the Inventory Options may each be exercised by the Owner at any time commencing on the Subdivision Plan Registration Date and ending at 5:00 pm on the fifth anniversary of the Subdivision Plan Registration Date (the "Inventory Lands Option Term"). In the event the condition precedent is not satisfied by the date described in this Section, the option may not be exercised.
- 11.2 Subject to the WAM Lands Subdivision Plan being registered at the land titles office by December 30, 2012 or such later date as the parties may agree (which is a true condition precedent which may not be waived by either party), the City hereby grants to the Owner an option to purchase the Community Rink Lands (the "Community Rink Lands Option"), on the Option Terms. The Community Rink Lands Option may be exercised by the Owner at any time during the Inventory Lands Option Term. In the event the condition precedent is not satisfied by the date described in this Section, the option may not be exercised. In the event the City provides written notice to the Owner that it will construct the Community Rink on the Community Rink Lands within a reasonable time, the Community Rink Lands Option will terminate.
- 11.3 The price to be paid by the Owner for the purchase of any parcel of the Inventory Lands will be \$85.00 per square foot, calculated on the final square footage area of each parcel of the Inventory Lands which is transferred to the Owner or its nominee, plus:
- 11.3.1 the Owner Land Costs paid or credited to the Owner by the City and attributable to that parcel of the Inventory Lands and described in Schedule "G"; plus
  - 11.3.2 the City legal costs attributable to that parcel of the Inventory Lands and described in Schedule "H"; plus
  - 11.3.3 all Subdivision Costs incurred by the City which are applicable to that parcel of the Inventory Lands; plus
  - 11.3.4 interest at the Interest Rate from the date of exercise of the applicable option to the Closing Date applicable to that parcel of the Inventory Lands (and less the net revenues applicable to that parcel of Inventory Land from the date of exercise of the applicable option to the Closing Date with no deduction for amounts of municipal taxes other than those which are actually paid); plus
  - 11.3.5 with respect to the Inventory B2 Lands option only, 16(1); 25(1)



**12. SOUTH BRIDGE LANDS OPTION TO PURCHASE**

- 12.1 Subject to the Bridge Land Subdivision Plan being registered at the land titles office by December 30, 2012 or such later date as the parties may agree (which is a true condition precedent which cannot be waived by either party), the City hereby grants to the Owner an option to purchase the South Bridge Lands (the "South Bridge Lands Option") on the Option Terms. The South Bridge Lands Option may be exercised by the Owner at any time commencing on the Bridge Lands Subdivision Date and ending at 5:00 pm on the fifth anniversary of the date of issuance of an occupancy permit for the Arena (the "South Bridge Lands Option Term"). In the event the condition precedent is not satisfied, the option will terminate.
- 12.2 The price to be paid by the Owner for the purchase of the South Bridge Lands will be the South Bridge Lands Purchase Price, to be adjusted based on the final square footage area of the South Bridge Lands being transferred to the Owner or its nominee, and;
- 12.2.1 the Owner Land Costs paid or credited to the Owner by the City and attributable to the South Bridge Lands as described in Schedule "G"; plus
- 12.2.2 the City legal costs attributable to the South Bridge Lands as described in Schedule "H"; plus
- 12.2.3 all Subdivision Costs incurred by the City which are applicable to the South Bridge Lands, if any.
- 12.3 During the South Bridge Lands Option Term, the Owner will pay to the City, interest on the South Bridge Lands Purchase Price at the Interest Rate, calculated from the Bridge Lands Subdivision Date. The option interest will be payable semi-annually in arrears while the South Bridge Lands Option remains outstanding during the South Bridge Lands Option Term. All net revenues arising from the South Bridge Lands shall be credited against the Owner's interest obligation under this section 12.3 but there shall be no deduction for any imputed or other municipal taxes.

**13. RIGHT OF FIRST OFFERS**

- 13.1 Upon the expiry or early termination of the term of the Inventory Options, the Community Rink Lands Option and the South Bridge Lands Option, the City hereby grants the Owner a right of first offer for each such parcel in accordance with the provisions of section 13.2. The term for each right of first offer granted hereunder shall be five (5) years from the expiry or earlier termination date of the relevant option to purchase herein granted. For certainty, the right of first offer applies to each of the Inventory B1 Lands, the Inventory B2 Lands, the Community Rink Lands and the South Bridge Lands.
- 13.2 If the City decides in its sole and unfettered discretion, to sell the Inventory B1 Lands, Inventory B2 Lands, Community Rink Lands or the South Bridge Lands (the "Offered Parcel") during the term of the subject right of first offer, the City shall first make a written offer to sell the Offered Parcel to the Owner, which offer shall specify that the offer is made pursuant to this section 13.2, set out and describe the price (the "Offer



Price") and the other terms and conditions for and on which the City is willing to sell the Offered Parcel to the Owner (the "Offer"). The Offer shall be open for acceptance for 60 days (the "Acceptance Period") after receipt of the Offer by the Owner in accordance with the notice provisions of this Agreement, and shall be exercised by the Owner delivering notice in writing thereof (the "Exercise Notice") to the City during the Acceptance Period and specifying in the Exercise Notice that the Owner wishes to purchase the Offered Parcel.

- 13.3 During the Acceptance Period the parties will negotiate in good faith to establish a mutually agreeable price and terms for the Offered Parcel, but if at the end of the Acceptance Period the City and the Owner have not reached an agreement on any amendments to the Offer or the Owner has not provided the Exercise Notice to the City, then the City may sell the Offered Parcel to any one at a price and on terms acceptable to it in its sole and unfettered discretion.

#### **14. CAVEATS**

- 14.1 The Owner shall be entitled to register a caveat on title to each of the affected parcel of lands in respect of its interests pursuant to sections 4, 8.2, 11, 12 and 13. The Owner shall promptly discharge any caveat to which the interest has expired, been extinguished or terminated.

#### **15. CITY OBLIGATIONS**

- 15.1 The City acknowledges and agrees that the options to purchase herein contained and the rights of first offer are significant and valuable to the Owner and the Owner shall pay separate consideration in the sum of \$10.00 in respect of each option herein granted and in respect of each right of first offer herein granted, such sums to be payable on October 31, 2011. The City agrees not to sell or otherwise dispose of or enter into any agreement to sell or dispose of all or any part of the Bridge Lands or the WAM Lands other than strictly in accordance with the terms of this Agreement. The parties further acknowledge that each and every parcel of the lands described herein are unique and a breach of the parties respective rights and obligations hereunder would not be compensable by damages. Each of the parties hereto will be entitled to seek relief and enforcement of its rights hereunder by way of injunction, specific performance or other equitable remedies.

### **PART 3 - GENERAL**

#### **16. NOTICES**

- 16.1 Notice in writing or other correspondence required or permitted to be given to either party pursuant to this Agreement shall be sufficiently given when transmitted by facsimile or electronic mail (addressed as if to be mailed in the manner hereafter provided) and transmitted to the following facsimile number(s) or email, or when personally delivered or mailed by registered mail, postage prepaid, addressed:



to the Owner as follows:

Katz Group Properties Inc.  
1702 Bell Tower  
10104 – 103 Avenue  
Edmonton, AB T5J 0H8  
Attention: John D. Karvellas, Q.C.  
Facsimile: (780) 425-6160  
E-mail: jkarvellas@katzgroup.ca

to the City as follows:

The City of Edmonton  
20<sup>th</sup> Floor, Century Place  
9803 – 102A Avenue  
Edmonton, AB T5J 3A3  
Attention: Rick Daviss  
Facsimile: (780) 496-6557  
E-mail: Rick.Daviss@edmonton.ca

or to any other address as may be designated in writing by the Owner and the City. Notice given by registered mail, if posted in Alberta, shall conclusively be deemed to have been received on the fifth (5th) Working Day following the date on which such notice is mailed. In the event of a postal strike, notice may only be given by personal delivery or sent by fax or email. Notices given by facsimile or electronic mail shall be deemed delivered on the Working Day next following confirmation of sending.

**17. GOVERNING LAW**

17.1 This Agreement and the terms of any agreement of purchase and sale arising herefrom shall be construed and governed by the laws of the Province of Alberta and the laws of Canada applicable therein.

**18. NO WAIVER**

18.1 The waiver of any covenant, condition or provision of this Agreement or any agreement of purchase and sale arising herefrom 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 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.

**19. CAPACITY OF CITY**

19.1 Notwithstanding any other provision contained in this Agreement, it is expressly understood and agreed between the City and the Owner that the City, in entering into this Agreement, is doing so in its capacity as a vendor or purchaser of real property, as





the case may be, 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 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 Ch. M-26, and any amendments thereto, and any other legislation in force in the Province of Alberta. The City, as far as it can legally do so, shall only be bound to comply with and carry out the terms and conditions stated in this Agreement, and 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.

## **20. FURTHER ASSURANCES**

- 20.1 Each of the parties hereto covenants and agrees with the other that each shall, from time to time and at all times hereafter, make, do, and execute or cause or procure to be made, done or executed such further acts, deeds and assurances, consents and approval as may be necessary for the more effectually carrying into effect the terms of this Agreement and any agreement of purchase and sale arising herefrom.

## **21. NO MERGER**

- 21.1 It is expressly agreed to by the City and the Owner that the covenants and provisions herein contained and contained in each agreement arising from or contemplated hereby shall continue beyond the closing of the sale of a subject parcel of land and accordingly, they shall not merge with the registration at the Land Titles Office of any such parcel of land.

## **22. SCHEDULES**

- 22.1 Any Schedule attached hereto shall form part of this Agreement. All definitions contained in this Agreement shall have the same meaning and application in the Schedules unless otherwise stated.

## **23. SEVERABILITY**

- 23.1 Should any provision of this Agreement, including the Schedules hereto, 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.

## **24. TIME OF ESSENCE**

- 24.1 Time is of the essence in this Agreement and any agreement of purchase and sale contemplated herein and no extension or variation of this Agreement operates as a waiver of this provision.



**25. ENUREMENT/ASSIGNMENT**

- 25.1 This Agreement shall enure to the benefit of the parties hereto and their permitted successors and assigns. This Agreement shall be assignable by the Owner to any corporation or entity affiliated with the Owner without the prior written consent of the City. This Agreement may not be otherwise assigned either party without the prior written consent of the other party, which consent may be arbitrarily withheld.

**26. INTERIM DESIGN AGREEMENT**

- 26.1 The City and the Owner acknowledge that there are the Interim Design Agreement and the Master Development Agreement and additional agreements contemplated thereby (the "Other Agreements") between the City and the Owner. The City and the Owner acknowledge and agree that in the event of an express conflict between the terms and conditions of the Other Agreements and this Agreement that relate to matters relating to the acquisitions and dispositions of land (the "Real Property Matters"), the terms of this Agreement will prevail to the extent of any such inconsistency.

**27. NO CONFIDENTIALITY**

- 27.1 Upon the City becoming the registered owner of the Bridge Lands and WAM Lands the City and Owner agree that this Agreement and all terms and conditions contained herein shall not be confidential and that either the City or the Owner may release this Agreement.

**28. COSTS**

- 28.1 The Owner represents and warrants to the City that the Owner Land Costs comprise only those costs that the Owner or its affiliates considered were reasonable and that were directly incurred by the Owner or its affiliates, in the rezoning and acquisition of the WAM Land and Bridge Lands and preparation of the Land Inventory Agreement. The Owner shall permit the City to review the Owner's invoices and receipts and interest calculations in respect of such Costs but the Owner shall be entitled to redact such information as may be necessary to preserve the confidentiality thereof, and there shall be no further negotiation in respect of the credit or payment of same.
- 28.2 The City represents and warrants to the Owner that the City Legal Costs comprise only those costs that the City considered were reasonable and that were directly incurred by the City in the acquisition of the WAM Land and Bridge Lands and preparation of the Land Inventory Agreement. The City shall provide to the Owner evidence, including, without limitation, a copy of the invoice, but the City shall be entitled to redact such information as may be necessary to preserve the confidentiality thereof, and there shall be no further negotiation in respect of the credit or payment of same.



IN WITNESS WHEREOF the parties hereto have caused their corporate seals to be affixed by the hands of the proper officers authorized in that behalf as at the day and year first above written.

**KATZ GROUP PROPERTIES INC.**

Per: \_\_\_\_\_

(Seal)

APPROVED: \_\_\_\_\_

AS TO FORM: \_\_\_\_\_

AS TO CONTENT: \_\_\_\_\_

**THE CITY OF EDMONTON**, as represented by the  
Manager of the Corporate Properties Branch,  
Sustainable Development

Per: \_\_\_\_\_

Rick Daviss

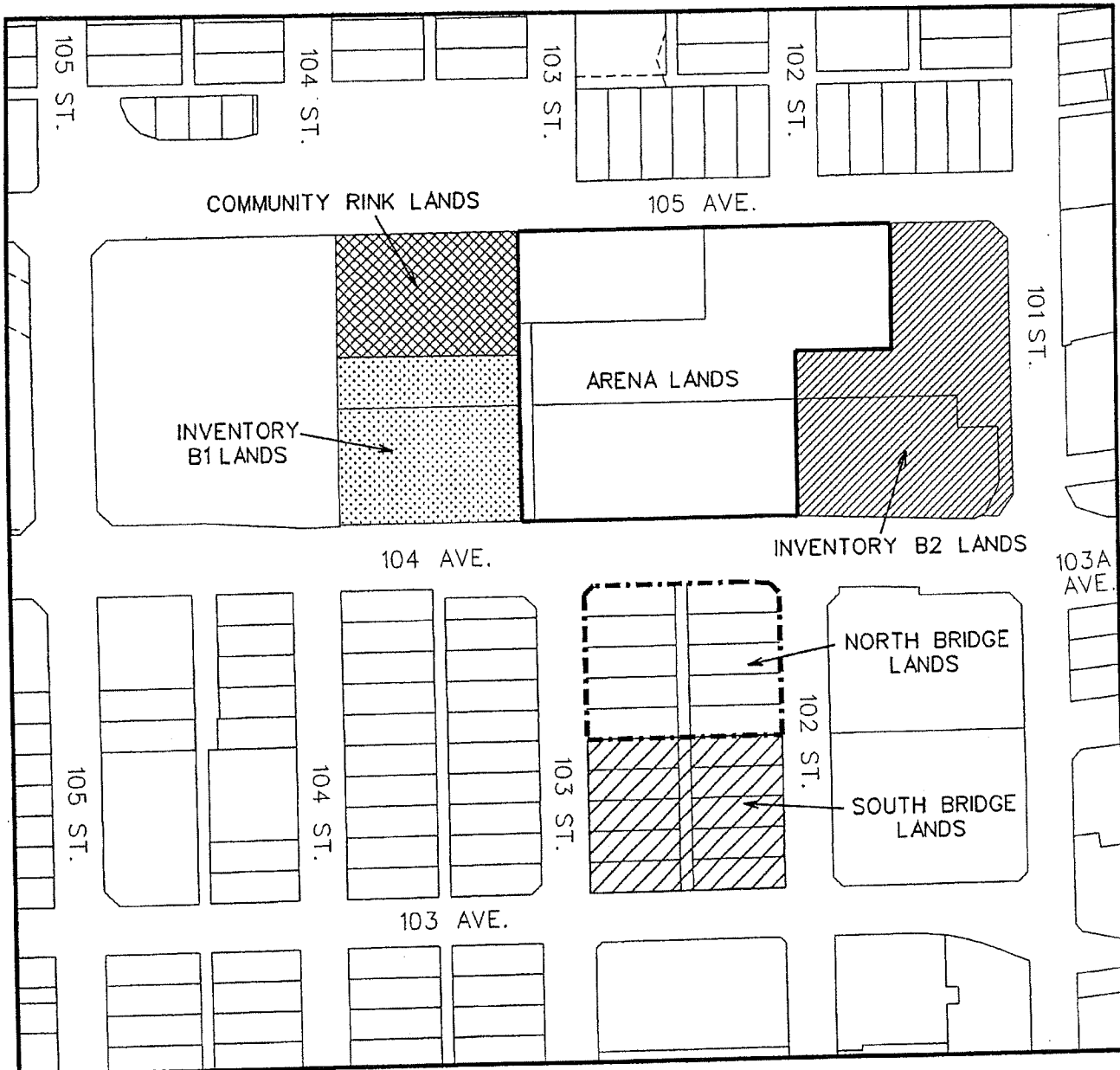








**SCHEDULE "A"**

**Sketch showing Lands  
attached**



8



	ARENA LANDS		INVENTORY B2 LANDS
	COMMUNITY RINK LANDS		NORTH BRIDGE LANDS
	INVENTORY B1 LANDS		SOUTH BRIDGE LANDS



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## **SCHEDULE "B"**

### **Option Terms**

1. All options are to be exercised by the Owner providing written notice to the City in accordance with the notice provisions contained in the Agreement prior to 5:00 p.m. on the day of expiration of the applicable Option Term.
2. Closing Date will be 60 days from the date an option is exercised or if same is not a Working Day, on the next following Working Day.
3. An agreement of Purchase and Sale arising from the exercise of any option will be constituted upon issuance of a notice in accordance with the terms hereof and such purchase and sale shall be concluded on the Terms and Conditions described in this Agreement.



②

**SCHEDULE "C"**

**Permitted Encumbrances**

<p><b>WAM Lands</b></p>	<p>With respect to Plan 9724372, Block 9E, Lot 2:          Utility Right of Way #942 124 052          Utility Right of Way #972 383 685          Caveat #972 383 687 re: Development Agreement          Caveat #092 204 165 re: Lease          Caveat #102 399 654 by BNY Trust Company          Caveat #102 399 655 by BNY Trust Company          Caveat #102 399 673 by Computershare Trust Company          Caveat #102 399 674 by Computershare Trust Company          Notice of Security Interest re: Fixtures #102 401 986 by BNY Trust Company          Notice of Security Interest re: Fixtures #102 401 987 by Computershare Trust Company</p> <p>With respect to Railway Plan 8622223:          Utility Right of Way 942 213 011          Utility Right of Way 972 013 555          Caveat #092 204 165 re: Lease          Caveat #102 399 656 by BNY Trust Company          Caveat #102 399 657 by BNY Trust Company          Caveat #102 399 671 by Computershare Trust Company          Caveat #102 399 672 by Computershare Trust Company          Notice of Security Interest re: Fixtures #102 401 988 by BNY Trust Company          Notice of Security Interest re: Fixtures #102 401 989 by Computershare Trust Company</p>
<p><b>North Bridge Lands and South Bridge Lands</b></p>	<p>NIL</p>
<p><b>Inventory Lands</b></p>	<ul style="list-style-type: none"> <li>• the Permitted Encumbrances noted above</li> <li>• the restrictive covenant contemplated in Schedule F of the Gateway Lease, if registered</li> </ul>
<p><b>City Lands</b></p>	<p>with respect to Lot 3, Block 9E, Plan 9724372</p> <ul style="list-style-type: none"> <li>• Utility Right of Way #972 383 685</li> </ul> <p>with respect to the Road Lands</p> <ul style="list-style-type: none"> <li>• Utility Right of Way #112 334 004 (but City is responsible to ensure that this instrument does not interfere with the construction of the Arena or the surrounding public infrastructure)</li> <li>• Public Walkway #112 334 003</li> </ul>



**SCHEDULE "D"**

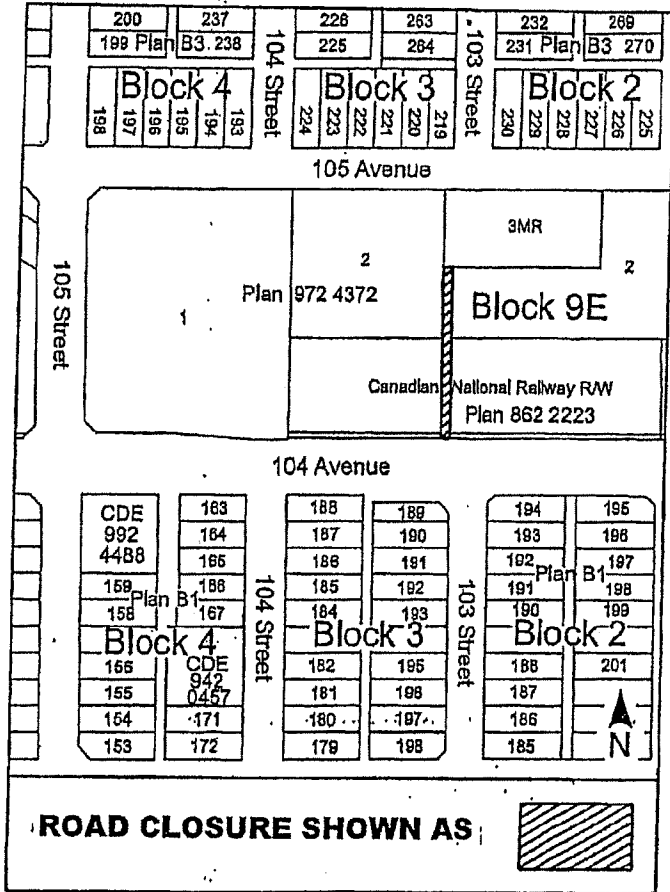
**Description/Sketch of Road Lands**





**SCHEDULE "D"**

**BYLAW 15491**



**Legal Description of Road Lands:**

**First:**  
**Plan 9623481**  
**All that portion of road right of way which lies north of 104<sup>th</sup> Avenue on said plan**  
**Excepting thereout all mines and minerals**

**Second:**  
**Plan 9724372**  
**Block 9E**  
**All that portion of walkway within the limits of said Block 9E**  
**Excepting thereout all mines and minerals**



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## SCHEDULE "E"

### Terms and Conditions

#### 1. CONVEYANCE OF LAND

- 1.1 A conveyance as contemplated herein shall occur on the Closing Date and in the manner herein stated. Unless otherwise specifically provided herein, the Purchase Price, as adjusted, shall be payable by the purchaser to the vendor on the Closing Date.
- 1.2 The vendor covenants and agrees that on or before the Closing Date, it shall transfer the title to the subject land to the purchaser, free and clear of all liens, encumbrances and charges, subject only to the Permitted Encumbrances;
- 1.3 The transfer of land and other conveyancing documents shall be prepared by the vendor, at its expense, and all fees payable in connection with the registration of the transfer of land shall be paid by the purchaser. Conveyancing documents will be delivered to the Purchaser's lawyer at least 10 Working Days prior to the Closing Date (or such other reasonable time as may be required by current Land Titles registration times) on reasonable trust conditions generally utilized in the City of Edmonton.
- 1.4 The vendor and the purchaser acknowledge and agree that, unless otherwise agreed, the payment and discharge of all real property taxes, irrigation charges, drainage district rates and amortized local improvement levies or taxes and all water, gas, fuel, electricity and other similar or usual accounts payable, rentals, tax and operating cost recoveries, prepaid rents or damage deposits and other similar or usual prepaid expenses and other matters which are usually the subject matter of adjustment in commercial transactions in the City of Edmonton, shall be adjusted as of 11:59 p.m. on the subject Closing Date.
- 1.5 Unless otherwise specifically provided or agreed, the vendor shall provide to the purchaser vacant possession on the Closing Date. In the event the Purchaser agrees to accept an existing tenancy, then assignment documents, notices to tenants and tenant estoppels will be required as part of the completion of the purchase.
- 1.6 Notwithstanding any provisions contained in this Agreement, it is expressly agreed to by the vendor that all sales taxes which may be charged, levied or assessed as a result of the purchase shall be paid by the purchaser. If the purchaser is a GST registrant, and has the obligation to pay GST directly to the relevant taxing authority, then the purchaser shall provide a statutory declaration to the vendor confirming the purchaser's registration number and shall indemnify and save harmless the vendor from any claims, liabilities or damages which the vendor may incur in regards to the payment by the purchaser of the GST.
- 1.7 Any monies which are not paid when due hereunder shall bear interest at the Interest Rate until paid. Payments received after 2:00 p.m. on any day shall bear interest to the next Working Day.



- 1.8 All fixtures and improvements on the lands remain at the risk of the Vendor until the Closing Date and proceeds of insurance shall be held in trust for the parties as their interest may appear.
- 1.9 In any case where the purchase price for a parcel of lands is calculated based on a price per square foot, the aggregate purchase price for that parcel will be calculated based on the actual square foot area of the particular parcel which is being conveyed to the purchaser.

## 2. REPRESENTATIONS, WARRANTIES AND AGREEMENTS

- 2.1 The vendor represents to and warrants and agrees with the purchaser as follows:
  - 2.1.1 that the vendor is a corporation validly existing under the laws of the Province of Alberta and has done all necessary corporate acts to give full effect to the transactions contemplated herein, all of which constitute valid and binding obligations of the vendor;
  - 2.1.2 that, except as otherwise stated herein, there are not now nor will there be as at the Closing Date, any lien or rights to lien or other claims, monetary or otherwise by third parties against the subject land other than Permitted Encumbrances, but to the extent that any such lien, right to lien, or claims do or will so exist and have not been caused by the purchaser, the vendor hereby indemnifies and saves harmless the purchaser in respect of all liabilities, claims or demands made or brought against the purchaser in respect thereof;
  - 2.1.3 that unless otherwise specifically provided or agreed, all leases and rights of occupancy shall be terminated as of the Closing Date so that the purchaser shall have vacant possession on the Closing Date;
  - 2.1.4 that there are no claims, actions, proceedings or investigations, existing or pending against the vendor affecting the subject land or to the vendor's knowledge threatened against the vendor affecting the subject land;
  - 2.1.5 there are no contracts or agreements entered into by the vendor relating to the subject lands which have not been disclosed to the purchaser. To the best of the vendor's knowledge, the vendor is not in breach of any contract with respect to the lands;
  - 2.1.6 the vendor shall not enter into any lease, agreement, arrangement or understanding with any person, firm or corporation whatsoever conferring upon such person, firm or corporation any right to lease, use or occupy the lands or any portion thereof without the prior written consent of the purchaser; and
  - 2.1.7 the Vendor is not a "non-resident" of Canada within the meaning of the Income Tax Act (Canada).
- 2.2 The purchaser represents to and warrants with the vendor as follows:



2.2.1 that the purchaser is a corporation validly existing under the laws of the Province of Alberta and has done all necessary corporate acts to give full effect to the transactions contemplated herein, all of which constitute valid and binding obligations of the purchaser;

2.3 The vendor and purchaser covenant with the other that the aforesaid warranties and representations made or given by each of them shall be true and correct as at the Closing Date and that they shall not be discharged by or merged in the transfer of the title to the subject land, but shall survive the Closing Date and shall remain in full force and effect.

### 3. AS IS WHERE IS

3.1 Notwithstanding any other term or condition in this Agreement, the purchaser shall take title to and possession of the subject land on the understanding and agreement that:

3.1.1 there are no agreements, conditions, warranties or representations relating to the subject land, other than as expressly stated herein;

3.1.2 except as provided herein, the vendor does not warrant:

3.1.2.1 the quality, condition or sufficiency of the subject land for any use or purpose;

3.1.2.2 the adequacy of any and all utility services either to or on the subject land;

3.1.2.3 the absence or presence of hazardous substances, in, on, or under the subject land

3.1.3 the subject land is acquired by the purchaser on a strictly "as is, where is" basis and the purchaser shall take title to and possession of the subject land at its own risk, with all faults and imperfections whatsoever; and

3.1.4 the purchaser shall satisfy itself as to the condition of the subject land and the fitness for its intended use.

For the purposes of this section, the term "hazardous substances" includes but is not limited to, biological materials and agents (whether hazardous, in fact, or not), petroleum products and by products, any contaminants, pollutants, dangerous substances, hauled liquid wastes, toxic substances, industrial wastes, hazardous wastes, hazardous materials, hazardous chemicals, and hazardous substances as defined in any federal, provincial or municipal legislation.



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**SCHEDULE "F"**

**The Assignment Agreement**



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THIS ASSIGNMENT AGREEMENT MADE IN WRITING AS OF THIS \_\_\_  
DAY OF OCTOBER, 2011.

**BETWEEN:**

**KATZ GROUP PROPERTIES INC.**  
(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

**THE CITY OF EDMONTON**  
(hereinafter called the "Assignee")

OF THE SECOND PART

**WHEREAS** by an "Offer and Agreement of Purchase and Sale" made the 22nd day of April, 2009 between WAM First Street GP Inc., as general partner for the WAM First Street Limited Partnership as vendor (the "Owner") and the Assignor as purchaser (such Offer and Agreement of Purchase and Sale is collectively referred to herein as the "Sale Agreement"), the Owner agreed to sell and the Assignor agreed to purchase the property described in Schedule A hereto (the "Property") upon the terms and conditions contained therein;

**AND WHEREAS** the Assignor has agreed to assign its interest in the Sale Agreement and all of its right, title and interest in the Property arising therefrom to the Assignee as of the date hereof on the terms and conditions contained herein;

**NOW THIS AGREEMENT WITNESSETH THAT** in consideration of the premises and the mutual covenants and agreements among the parties hereinafter set forth and contained, , and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each of the parties, **THE PARTIES HERETO AGREE AS FOLLOWS:**

1. Except for the rights of the Assignor under the undertakings described in section 8.07 of the Sale Agreement (which rights are retained by the Assignor), the Assignor hereby absolutely assigns and transfers to the Assignee, its successors and assigns forever, all the estate, right, title, interest, claim and demand whatsoever, both at law and in equity, of the Assignor, of, in and to the Sale Agreement and all of its right, title and interest in and to the Property arising pursuant to the Sale Agreement and all benefits and obligations thereunder, to have and to hold the same with each and every benefit that may be or can be derived from the Sale Agreement unto and to the use of the Assignee, its successors and assigns forever, subject nevertheless to the terms of the Sale Agreement and the covenants and conditions therein contained.

2. The Assignee, for the consideration aforesaid, hereby covenants with the Assignor to assume, pay and discharge all monies now due or to become due under the Sale



Agreement and this Assignment, and to observe, keep and perform all the terms, covenants and conditions in the Sale Agreement and this Assignment to be observed, kept and performed and assumed by the Assignor pursuant to the Sale Agreement.

3. The Assignor hereby represents and warrants to the Assignee the representations and warranties contained in Schedule B hereto.

4. From and after the date of this Assignment, the Assignee covenants and agrees with the Assignor to observe, keep and perform all of the terms, covenants and conditions to be observed, kept and performed by the "Purchaser" as defined under and by virtue of the provisions of the Sale Agreement, arising from and after the date of this Assignment Agreement.

5. The Assignee hereby accepts this Assignment and the assignment of the Assignor's interests in and to the Sale Agreement and all the rights, obligations and benefits of the Assignor contained therein, except for the rights of the Assignor under the undertakings described in section 8.07 of the Sale Agreement (which rights are retained by the Assignor).

6. From and after the date of this Assignment Agreement, the Assignee hereby agrees to indemnify and hold harmless the Assignor and the Assignor's successors and assigns from and against all claims, actions, causes of action, debts, obligations, damages, losses, demands at law or in equity, liabilities or expenses, including, without limitation, reasonable professional fees and all reasonable costs incurred in connection with any of the foregoing, which may be brought against the Assignor or which the Assignor may suffer or incur as a result of any breach or non-observance by the Assignee from and after the date of this Assignment Agreement of any covenant or obligation required to be performed or observed by the Assignee under the Sale Agreement and which arise from and after the date of this Assignment Agreement.

7. From and after the date of this Assignment Agreement, the Assignor hereby agrees to indemnify and hold harmless the Assignee and the Assignee's successors and assigns from and against all claims, actions, causes of action, debts, obligations, damages, losses, demands at law or in equity, liabilities or expenses, including, without limitation, reasonable professional fees and all reasonable costs incurred in connection with any of the foregoing, which may be brought against the Assignee or which the Assignee may suffer or incur as a result of any breach or non-observance by the Assignor prior to the date of this Assignment Agreement of any covenant or obligation required to be performed or observed by the Assignor under the Sale Agreement and which arise prior to the date of this Assignment Agreement.

8. The Assignee and the Assignor covenant and agree with each other to enter into the land inventory agreement in the form agreed to between them (the "Land Inventory Agreement") concurrently with the execution and delivery of this Assignment Agreement by the parties hereto.





9. Time shall remain of the essence of the Sale Agreement and of this Assignment Agreement.

10. This Assignment Agreement shall be read with such changes of number or gender as the context may require.

11. Capitalized terms not otherwise defined in this Assignment Agreement shall have the meanings ascribed to them in the Sale Agreement.

12. This Assignment Agreement shall enure to the benefit and be binding upon the parties hereto, their respective successors and the permitted assigns as contemplated by the Sale Agreement.

13. The Assignee covenants, represents and warrants to the Assignor that it is a registrant for the purposes of collecting and remitting any GST, as contemplated by section 2.04 of the Sale Agreement and indemnifies and saves harmless the Assignor from any and all obligations to collect or remit GST pursuant to the Sale Agreement.

14. The Assignor and the Assignee agree that any notice in writing or other correspondence required or permitted to be given to either party pursuant to this Agreement shall be sufficiently given when transmitted by facsimile or electronic mail (addressed as if to be mailed in the manner hereafter provided) and transmitted to the following facsimile number(s) or email, or when personally delivered or mailed by registered mail, postage prepaid, addressed:

to the Assignor as follows:

**Katz Group Properties Inc.**  
1702 Bell Tower  
10104 – 103 Avenue  
Edmonton, AB T5J 0H8  
Attention: John D. Karvellas, Q.C.  
Facsimile: (780) 425-6160  
E-mail: jkarvellas@katzgroup.ca

to the Assignee as follows:

Manager, Corporate Properties

Sustainable Development  
20<sup>th</sup> Floor, Century Place  
9803 – 102 A Avenue N.W.  
Edmonton, Alberta T5J 3A3  
Attention: Rick Daviss  
Facsimile: (780) 496-6577

or to any other address as may be designated in writing by the Assignor and the Assignee. Notice given by registered mail, if posted in Alberta, shall conclusively be deemed to have been received on the fifth (5th) business day following the date on which such notice is mailed. In the event of a postal strike, notice may only be given by personal delivery or sent by fax or email. Notices given by facsimile or electronic mail shall be deemed delivered on the business day next following confirmation of sending.

15. This Assignment Agreement shall be construed in accordance with and be governed by the laws of Alberta and the laws of Canada applicable therein. The Courts of Alberta shall have exclusive jurisdiction with respect to any dispute arising herefrom.

16. Each of the parties hereto covenants and agrees from time to time and at all times hereafter to do and perform such acts and things and to execute all such deeds, documents and writings and give all such further assurances as may reasonably be required to give effect to the intention of this Assignment Agreement.

17. Upon the Assignee obtaining satisfactory title to the Property the Assignor shall promptly discharge its caveat regarding the purchaser's interest it has registered against title to the Property as #092 212 757.

**IN WITNESS WHEREOF** the parties have executed these presents as of the day and year first above written.

**KATZ GROUP PROPERTIES INC.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

\_\_\_\_\_  
WITNESS

APPROVED:

**THE CITY OF EDMONTON**, as  
Represented by the Manager of the  
Corporate Properties Branch,  
Sustainable Development

AS TO FORM: \_\_\_\_\_

AS TO CONTENT: \_\_\_\_\_

Per: \_\_\_\_\_  
Rick Daviss (Seal)

**SCHEDULE A**

PLAN 9724372  
BLOCK 9E  
LOT 2  
EXCEPTING THEREOUT ALL MINES AND MINERALS

and

PLAN 8622223  
RAILWAY RIGHT OF WAY  
CONTAINING 2.14 HECTARES MORE OR LESS  
EXCEPTING THEREOUT:  
A) PLAN 9623481 – ROAD 0.278 HECTARES (0.69 ACRES) MORE OR LESS  
EXCEPTING THEREOUT ALL MINES AND MINERALS



## SCHEDULE B

The Assignor represents and warrants to and in favour of the Assignee that, as of the date of this Assignment Agreement, or such other date as may be specified:

- (a) Corporate Status. The Assignor is duly incorporated and validly subsisting under the laws of Alberta and has the corporate power, authority, right and capacity to own its property and assets and to enter into, execute and deliver this Assignment Agreement and to carry out the transactions and enter into the other agreements contemplated by this Assignment Agreement in the manner contemplated by this Assignment Agreement;
- (b) Corporate Authorization. The transactions and other agreements contemplated by this Assignment Agreement will by the date hereof have been duly and validly authorized by all requisite corporate proceedings and will constitute legal, valid and binding obligations of the Assignor;
- (c) No Default under Other Agreements. Neither the execution of this Assignment Agreement nor its performance by the Assignor will result in a breach of any term or provision or constitute a default under:
  - (i) the constating documents or by-laws of the Assignor; or
  - (ii) any indenture, mortgage, deed of trust or any other agreement to which the Assignor is a party or by which it is bound;
- (d) No Litigation. To the knowledge of the Assignor, there are no actions, suits or proceedings commenced or, threatened against or affecting the Assignor, the Sale Agreement or the Property thereof, occupancy or use of the Property by the Assignor, in law or in equity, which could affect the validity of this Assignment Agreement, the Sale Agreement, the assignment of the Sale Agreement or the conveyance of the Property to the Assignee, the right of the Assignee from and after the date hereof to enforce the Sale Agreement or, from and after the Closing Date (as defined in the Sale Agreement), own the Property and complete a development thereon or any action taken or to be taken in connection with this Assignment Agreement (other than an LRT notice pursuant to section 62 of Municipal Government Act, a copy of which has been delivered to the City);
- (e) No Indebtedness Constituting a Lien. The Assignor will not on the date hereof have any overdue indebtedness to any person that might by operation of law or otherwise constitute a lien, charge or encumbrance on the Sale Agreement or the Property or any part of the Property or which could affect the right of the Assignee, from and after the date hereof, to enforce the Sale Agreement or, from



and after the Closing Date, own the Property and complete the development thereof, other than the Permitted Encumbrances;

- (f) Sale Agreement in Good Standing. The Sale Agreement is in good standing and contains the entire agreement between the Owner as vendor and the Assignor as purchaser and the Sale Agreement has not been altered or amended in any way and is now in full force and effect according to the original terms as are contained in the Sale Agreement (other than the consent by the Owner to the assignment of the lease of the Lands by the tenant, which consent has been delivered to the City) and there is no default nor is there any event that with the passage of time or the giving of notice would constitute a default existing in the performance or observance of the terms and provisions of the Sale Agreement:
- (i) by the Assignor; or
  - (ii) to the knowledge of the Assignor, by the Owner. Without limiting the foregoing, to the knowledge of the Assignor, the Owner has not made any misrepresentation and is not in breach of any of its warranties made to the Assignor in the Sale Agreement;
- (g) Title to the Sale Agreement and Equitable Interest in Property. The Sale Agreement and the equitable interest in the Property created thereunder are legally and beneficially owned by the Assignor, free and clear of all mortgages, liens, charges, encumbrances, restrictions, security interests, conditional sale agreements, leases, rights of first refusal, options and any other claims and interests whatsoever except for the Permitted Encumbrances and interests arising pursuant to the Land Inventory Agreement;
- (h) Deposits and Fees. The Assignor has paid to the Owner:
- (i) the Deposit of five million dollars (\$5,000,000.00) has been paid by the Assignor to the Owner and has been dealt with in accordance with the terms of the Sale Agreement; and
  - (ii) all of the Interest Payments contemplated in section 2.03 of the Sale Agreement have been paid by the Assignor to the Owner except for the final interest payment of \$20,000.00 which is adjusted in the Statement of Adjustments;

The foregoing representations and warranties shall survive the completion of the transaction of purchase and sale contemplated by the Sale Agreement and shall continue in full force and effect for the benefit of the Assignee after the Closing Date (as defined in the Sale Agreement). The Assignor agrees to protect, indemnify and save the Assignee harmless from and against any and all losses, costs, expenses, damages, liabilities, claims and demands whatsoever arising or suffered by the Assignee as a result of any misrepresentation or breach of warranty by the Assignor under this Assignment Agreement.



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THIS ASSIGNMENT AGREEMENT MADE IN WRITING AS OF THIS \_\_\_  
DAY OF OCTOBER, 2011.

**BETWEEN:**

**KATZ GROUP PROPERTIES INC.**  
(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

**THE CITY OF EDMONTON**  
(hereinafter called the "Assignee")

OF THE SECOND PART

**WHEREAS** by a "Purchase Agreement" made the 11<sup>th</sup> day of May, 2009 between 672884 Alberta Ltd. as vendor (the "Owner") and 1455351 Alberta Ltd. as purchaser, and assigned to the Assignor by assignment dated concurrently herewith (such Offer and Agreement of Purchase and Sale as so amended is collectively referred to herein as the "Sale Agreement"), the Owner agreed to sell and the Assignor agreed to purchase the property described in Schedule A hereto (the "Property") upon the terms and conditions contained therein;

**AND WHEREAS** the Assignor has agreed to assign its interest in the Property and in the Sale Agreement and all of its right, title and interest in the Property arising therefrom to the Assignee as of the date hereof;

**NOW THIS AGREEMENT WITNESSETH THAT** in consideration of the premises and the mutual covenants and agreements among the parties hereinafter set forth and contained, , and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each of the parties, **THE PARTIES HERETO AGREE AS FOLLOWS:**

1. The Assignor hereby absolutely assigns and transfers to the Assignee, its successors and assigns forever, all the estate, right, title, interest, claim and demand whatsoever, both at law and in equity, of the Assignor, of, in and to the Sale Agreement and all of its right, title and interest in and to the Property arising pursuant to the Sale Agreement and all benefits and obligations thereunder, to have and to hold the same with each and every benefit that may be or can be derived from the Sale Agreement unto and to the use of the Assignee, its successors and assigns forever, subject nevertheless to the terms of the Sale Agreement and the covenants and conditions therein contained.
2. The Assignee, for the consideration aforesaid, hereby covenants with the Assignor to assume, pay and discharge all monies now due or to become due under the Sale Agreement and this Assignment, and to observe, keep and perform all the terms, covenants



and conditions in the Sale Agreement and this Assignment to be observed, kept and performed and assumed by the Assignor pursuant to the Sale Agreement.

3. The Assignor hereby represents and warrants to the Assignee the representations and warranties contained in Schedule B hereto.

4. From and after the date of this Assignment, the Assignee covenants and agrees with the Assignor to observe, keep and perform all of the terms, covenants and conditions to be observed, kept and performed by the "Purchaser" as defined under and by virtue of the provisions of the Sale Agreement, arising from and after the date of this Assignment Agreement.

5. The Assignee hereby accepts this Assignment and the assignment of the Assignor's interests in and to the Sale Agreement and all the rights, obligations and benefits of the Assignor contained therein.

6. From and after the date of this Assignment Agreement, the Assignee hereby agrees to indemnify and hold harmless the Assignor and the Assignor's successors and assigns from and against all claims, actions, causes of action, debts, obligations, damages, losses, demands at law or in equity, liabilities or expenses, including, without limitation, reasonable professional fees and all reasonable costs incurred in connection with any of the foregoing, which may be brought against the Assignor or which the Assignor may suffer or incur as a result of any breach or non-observance by the Assignee from and after the date of this Assignment Agreement of any covenant or obligation required to be performed or observed by the Assignee under the Sale Agreement and which arise from and after the date of this Assignment Agreement.

7. From and after the date of this Assignment Agreement, the Assignor hereby agrees to indemnify and hold harmless the Assignee and the Assignee's successors and assigns from and against all claims, actions, causes of action, debts, obligations, damages, losses, demands at law or in equity, liabilities or expenses, including, without limitation, reasonable professional fees and all reasonable costs incurred in connection with any of the foregoing, which may be brought against the Assignee or which the Assignee may suffer or incur as a result of any breach or non-observance by the Assignor prior to the date of this Assignment Agreement of any covenant or obligation required to be performed or observed by the Assignor under the Sale Agreement and which arise prior to the date of this Assignment Agreement.

8. The Assignee and the Assignor covenant and agree with each other to enter into the land inventory agreement in the form agreed to between them (the "Land Inventory Agreement") concurrently with the execution and delivery of this Assignment Agreement by the parties hereto.

9. Time shall remain of the essence of the Sale Agreement and of this Assignment Agreement.

10. This Assignment Agreement shall be read with such changes of number or gender as the context may require.





11. Capitalized terms not otherwise defined in this Assignment Agreement shall have the meanings ascribed to them in the Sale Agreement.

12. This Assignment Agreement shall enure to the benefit and be binding upon the parties hereto, their respective successors and the permitted assigns as contemplated by the Sale Agreement.

13. The Assignee covenants, represents and warrants to the Assignor that it is a registrant for the purposes of collecting and remitting any GST, as contemplated by section 9.3 of the Sale Agreement and indemnifies and saves harmless the Assignor from any and all obligations to collect or remit GST pursuant to the Sale Agreement.

14. The Assignor and the Assignee agree that any notice in writing or other correspondence required or permitted to be given to either party pursuant to this Agreement shall be sufficiently given when transmitted by facsimile or electronic mail (addressed as if to be mailed in the manner hereafter provided) and transmitted to the following facsimile number(s) or email, or when personally delivered or mailed by registered mail, postage prepaid, addressed:

to the Assignor as follows:

**Katz Group Properties Inc.**  
1702 Bell Tower  
10104 – 103 Avenue  
Edmonton, AB T5J 0H8  
Attention: John D. Karvellas, Q.C.  
Facsimile: (780) 425-6160  
E-mail: jkarvellas@katzgroup.ca

to the Assignee as follows:

Manager, Corporate Properties

1. Sustainable Development  
20<sup>th</sup> Floor, Century Place  
9803 – 102 A Avenue N.W.  
Edmonton, Alberta T5J 3A3  
Attention: Rick Daviss  
Facsimile: (780) 496-6577

or to any other address as may be designated in writing by the Assignor and the Assignee. Notice given by registered mail, if posted in Alberta, shall conclusively be deemed to have been received on the fifth (5th) business day following the date on which such notice is mailed. In the event of a postal strike, notice may only be given by personal delivery or sent by fax or email. Notices given by facsimile or electronic mail shall be deemed delivered on



the business day next following confirmation of sending.

15. This Assignment Agreement shall be construed in accordance with and be governed by the laws of Alberta and the laws of Canada applicable therein. The Courts of Alberta shall have exclusive jurisdiction with respect to any dispute arising herefrom.

16. Each of the parties hereto covenants and agrees from time to time and at all times hereafter to do and perform such acts and things and to execute all such deeds, documents and writings and give all such further assurances as may reasonably be required to give effect to the intention of this Assignment Agreement.

17. Upon the Assignee obtaining satisfactory title to the Property the Assignor shall promptly cause discharge of the caveat regarding the purchaser's interest registered against title to the Property as #092 151 102 by 1455351 Alberta Ltd.

**IN WITNESS WHEREOF** the parties have executed these presents as of the day and year first above written.

**KATZ GROUP PROPERTIES INC.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

\_\_\_\_\_  
WITNESS

APPROVED:

**THE CITY OF EDMONTON**, as  
Represented by the Manager of the  
Corporate Properties Branch,  
Sustainable Development

AS TO FORM: \_\_\_\_\_

AS TO CONTENT: \_\_\_\_\_

Per: \_\_\_\_\_  
Rick Daviss (Seal)



**SCHEDULE A**

FIRST: PLAN B-1

BLOCK TWO (2)

LOTS ONE HUNDRED AND EIGHTY EIGHT (188) TO TWO HUNDRED AND ONE (201) INCLUSIVE, TWO HUNDRED AND THREE (203) AND TWO HUNDRED AND FOUR (204) EXCEPTING THEREOUT

A. ALL THAT PORTION OF LOT ONE HUNDRED AND NINETY FOUR (194) WHICH LIES NORTH WEST OF A STRAIGHT LINE CONNECTING POINTS ON NORTH AND WEST BOUNDARIES OF SAID LOT, FOUR AND FIVE TENTHS (4.5) METRES RESPECTIVELY DISTANT EASTERLY AND SOUTHERLY FROM THE NORTH WEST CORNER THEREOF

B. ALL THAT PORTION OF LOT ONE HUNDRED AND NINETY FIVE (195), DESCRIBED AS FOLLOWS: COMMENCING AT A POINT FOUR AND FOUR HUNDRED NINETY ONE THOUSANDTHS (4.491) METRES PERPENDICULARLY DISTANT WESTERLY FROM A POINT ON THE EAST BOUNDARY OF SAID LOT, ZERO AND SEVEN HUNDRED EIGHTY SIX THOUSANDTHS (0.786) METRES SOUTH OF THE NORTH EAST CORNER THEREOF;

THENCE SOUTH EASTERLY TO A POINT ON SAID EAST BOUNDARY FIVE AND FIVE HUNDRED SIXTY EIGHT THOUSANDTHS (5.568) METRES SOUTHERLY FROM SAID NORTH EAST CORNER; THENCE NORTHERLY TO SAID NORTH EAST CORNER; THENCE WESTERLY ALONG THE NORTH BOUNDARY OF SAID LOT, SEVENTEEN AND TWENTY THOUSANDTHS (17.020) METRES; THENCE SOUTH EASTERLY TO THE POINT OF COMMENCEMENT

EXCEPTING THEREOUT ALL MINES AND MINERALS

SECONDLY: PLAN B-1

BLOCK TWO (2)

LOTS ONE HUNDRED AND EIGHTY FIVE (185) TO ONE HUNDRED AND EIGHTY SEVEN (187) INCLUSIVE AND LOT TWO HUNDRED AND TWO (202)

THIRDLY: PLAN B-1

BLOCK TWO (2)

ALL THAT PORTION OF THE NORTH SOUTH LANE WHICH LIES BETWEEN THE NORTH LIMIT OF PEACE (103 AVENUE) AS SHOWN ON THE SAID PLAN AND THE SOUTH LIMIT OF MACKENZIE (104 AVENUE) AS SHOWN ON PLAN B-4

EXCEPTING THEREOUT ALL MINES AND MINERALS

and all other permanent improvements and services located or installed thereon, and any and all rights or benefit, arising therefrom.



## SCHEDULE B

The Assignor represents and warrants to and in favour of the Assignee that, as of the date of this Assignment Agreement, or such other date as may be specified:

- (a) Corporate Status. The Assignor is duly incorporated and validly subsisting under the laws of Alberta and has the corporate power, authority, right and capacity to own its property and assets and to enter into, execute and deliver this Assignment Agreement and to carry out the transactions and enter into the other agreements contemplated by this Assignment Agreement in the manner contemplated by this Assignment Agreement;
- (b) Corporate Authorization. The transactions and other agreements contemplated by this Assignment Agreement will by the date hereof have been duly and validly authorized by all requisite corporate proceedings and will constitute legal, valid and binding obligations of the Assignor;
- (c) No Default under Other Agreements. Neither the execution of this Assignment Agreement nor its performance by the Assignor will result in a breach of any term or provision or constitute a default under:
  - (i) the constating documents or by-laws of the Assignor; or
  - (ii) any indenture, mortgage, deed of trust or any other agreement to which the Assignor is a party or by which it is bound;
- (d) No Litigation. To the knowledge of the Assignor, there are no actions, suits or proceedings commenced or, threatened against or affecting the Assignor, the Sale Agreement or the Property thereof, occupancy or use of the Property by the Assignor, in law or in equity, which could affect the validity of this Assignment Agreement, the Sale Agreement, the assignment of the Sale Agreement or the conveyance of the Property to the Assignee, the right of the Assignee from and after the date hereof to enforce the Sale Agreement or, from and after the Closing Date (as defined in the Sale Agreement), own the Property and complete a development thereon or any action taken or to be taken in connection with this Assignment Agreement;
- (e) No Indebtedness Constituting a Lien. The Assignor will not on the date hereof have any overdue indebtedness to any person that might by operation of law or otherwise constitute a lien, charge or encumbrance on the Sale Agreement or the Property or any part of the Property or which could affect the right of the Assignee, from and after the date hereof, to enforce the Sale Agreement or, from and after the Closing Date, own the Property and complete the development thereof, other than the Permitted Encumbrances;



- (f) Sale Agreement in Good Standing. The Sale Agreement is in good standing and contains the entire agreement between the Owner as vendor and the Assignor as purchaser and the Sale Agreement has not been altered or amended in any way and is now in full force and effect according to the original terms as are contained in the Sale Agreement and there is no default nor is there any event that with the passage of time or the giving of notice would constitute a default existing in the performance or observance of the terms and provisions of the Sale Agreement:
- (i) by the Assignor; or
  - (ii) to the knowledge of the Assignor, by the Owner. Without limiting the foregoing, to the knowledge of the Assignor, the Owner has not made any misrepresentation and is not in breach of any of its warranties made to the Assignor in the Sale Agreement;
- (g) Title to the Sale Agreement and Equitable Interest in Property. The Sale Agreement and the equitable interest in the Property created thereunder are legally and beneficially owned by the Assignor, free and clear of all mortgages, liens, charges, encumbrances, restrictions, security interests, conditional sale agreements, leases, rights of first refusal, options and any other claims and interests whatsoever except for the Permitted Encumbrances and interests arising pursuant to the Land Inventory Agreement;
- (h) Deposits and Fees. The Assignor or its affiliate, 1455351 Alberta Ltd., has paid to the Owner:
- (i) the Initial Deposit of fifty thousand dollars (\$50,000.00) pursuant to section 3.2(a) of the Sale Agreement;
  - (ii) the Subsequent Deposit of four hundred and fifty thousand dollars (\$450,000.00) pursuant to section 3.2(b) of the Sale Agreement;
  - (iii) the two (2) extension fees of two hundred and fifty thousand dollars (\$250,000.00) for a total of five hundred thousand dollars (\$500,000.00) pursuant to section 3.3 of the Sale Agreement;
  - (iv) the three hundred thousand dollars (\$300,000.00) fee to postpone the Closing Date to October 31, 2011 pursuant to section 3.8 of the Sale Agreement;

The foregoing representations and warranties shall survive the completion of the transaction of purchase and sale contemplated by the Sale Agreement and shall continue in full force and effect for the benefit of the Assignee after the Closing Date (as defined in the Sale Agreement). The Assignor agrees to protect, indemnify and save the Assignee harmless from and against any and all losses, costs, expenses, damages, liabilities, claims and demands whatsoever arising or suffered by the Assignee as a result of any



misrepresentation or breach of warranty by the Assignor under this Assignment Agreement.

A handwritten signature or set of initials, possibly 'BB', located in the bottom right corner of the page.

**SCHEDULE "G"**

**Owner Costs**



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LAND INVENTORY AGREEMENT  
SCHEDULE G

Katz Group Properties Inc.

	Total \$	Inventory Lands				Bridge Lands			
		B1	B2	Arena	CR	Total	South	North	Total
Land related costs (net of GST)									
Estimated area (acres)		1.35	2.80	6.90	1.01	12.06	1.85	1.85	3.70
Interest charges paid to vendor	540,000	60,448	125,373	308,955	45,224	540,000	250,000	250,000	500,000
Extension fees	500,000						150,000	150,000	300,000
Extension fees not refundable	300,000						250,000	250,000	500,000
Deposits paid to vendor	5,500,000	559,701	1,160,862	2,860,697	418,740	5,000,000	25,111	25,111	50,222
Environmental	94,478	4,954	10,275	25,321	3,706	44,257	37,311	37,311	74,621
Planning	256,932	20,408	47,327	104,307	15,268	182,311	8,364	8,364	16,727
City of Edmonton rezoning	71,250	6,103	12,659	31,194	4,566	54,523	20,771	20,771	41,542
Legal re acquisition	175,266	14,969	31,047	76,509	11,199	133,724	4,927	4,927	9,854
Legal re land inventory agreement	39,415	3,309	6,863	16,913	2,476	29,561	51,925	51,925	103,850
Public engagement contractors	442,345	37,891	78,589	193,666	28,348	338,495	4,320	4,320	8,640
Polling	36,800	3,152	6,538	16,112	2,358	28,160	802,728	802,728	1,605,455
<b>Total third party land costs</b>	<b>7,956,485</b>	<b>710,936</b>	<b>1,474,534</b>	<b>3,633,674</b>	<b>531,886</b>	<b>6,351,030</b>	<b>45,145</b>	<b>45,145</b>	<b>90,290</b>
Carrying cost re land @ prime + 1%	614,302	58,658	121,661	299,807	43,885	524,011	847,873	847,873	1,695,746
<b>Total land costs</b>	<b>8,570,787</b>	<b>769,594</b>	<b>1,596,195</b>	<b>3,933,481</b>	<b>575,770</b>	<b>6,875,041</b>			

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**SCHEDULE "H"**

**City Costs**

The Adjusted Purchase Price as per Statement of  
Adjustments in respect of the WAM Lands

\$34,989,473.22

The Adjusted Purchase Price as per Statement of  
Adjustments in respect of the Bridge Lands

\$32,673,328.46

\*City legal costs

\$75,000.00

**\*Legal Costs to be allocated on a proportionate basis to each parcel of land being conveyed, with regard to the square footage area of each parcel of land being conveyed**

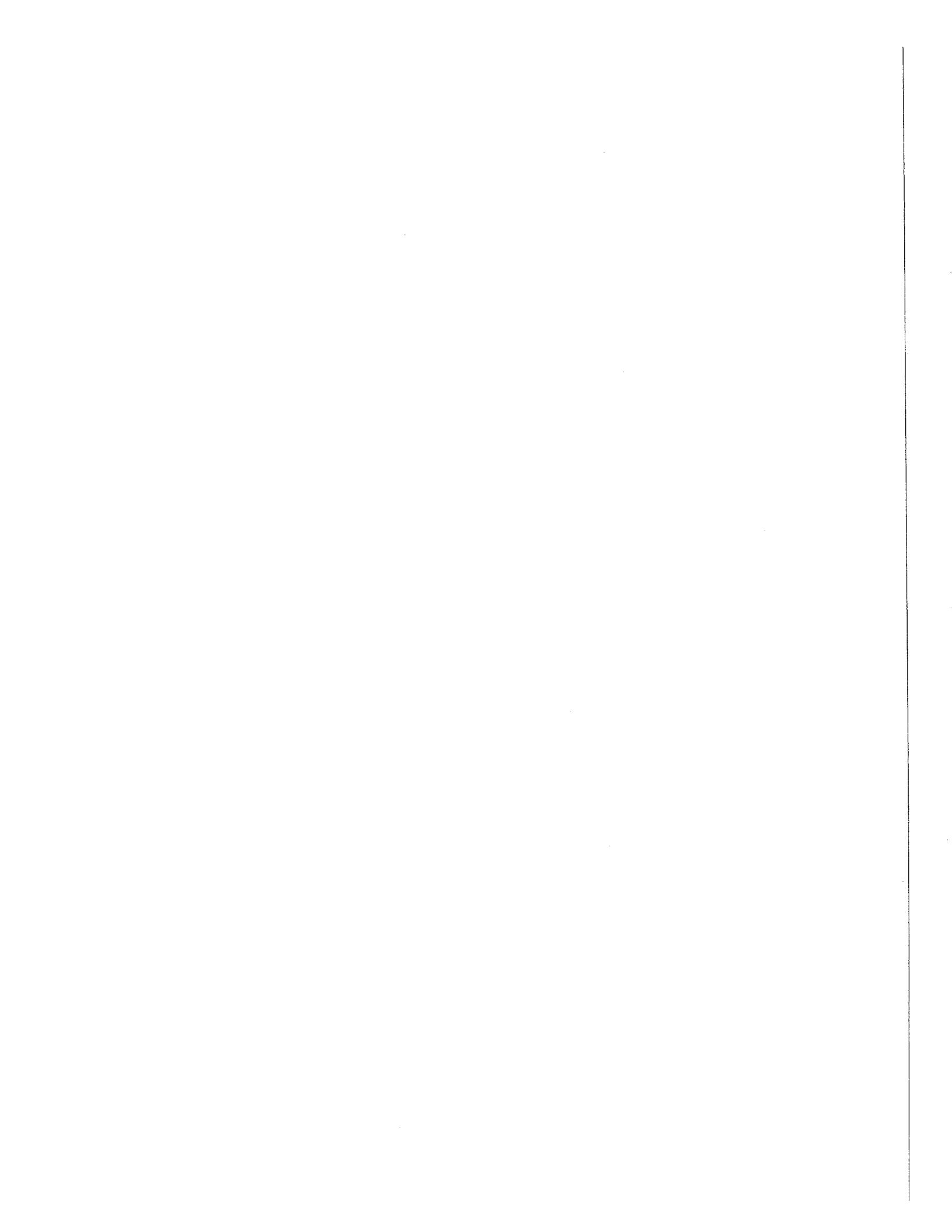


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**SCHEDULE "1"**

**Approximate Location and Size of Access Easement**





**Schedule "T"**  
**Approximate Location and Size of Access Easement**

