

LOCATION AGREEMENT

THIS LOCATION AGREEMENT is dated August 29, 2013.

BETWEEN:

REXALL SPORTS CORP.
("RSC")

- and -

THE CITY OF EDMONTON
("City")

RECITALS:

- A. The City and certain Affiliates of RSC have entered into agreements in connection with a substantial investment in the acquisition of lands, and the development, ownership, design, construction, financing and operation of the Arena Area Facilities (as defined in the Master Agreement).
- B. The City and RSC recognize the importance of the sustainability of NHL hockey in Edmonton together with the value and benefit of the Arena Area Facilities to increase economic potential and benefit to the Capital Region, as well as northern and central Alberta.
- C. RSC is the owner of an NHL Franchise for an area which includes the city of Edmonton and is the owner of the Edmonton Oilers. RSC expects to substantially benefit from the investment by the City in the Arena Area Facilities.
- D. The City has a significant interest in ensuring that RSC shall cause the Edmonton Oilers to play their NHL Home Games at the Arena. As a material inducement for the City to enter into the agreements referred to above and make the substantial investment in land and the Arena Area Facilities, RSC has agreed to enter into this agreement with the City to ensure that the Edmonton Oilers will play their NHL Home Games in the Arena, upon the terms and conditions set forth herein.

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

1. Definitions

- (a) In this Location Agreement all capitalized words and terms not expressly defined herein shall have the same meaning ascribed to such words and terms in the Master Agreement (and where applicable their plurals have corresponding meanings). In addition, as used in this Agreement, the following terms have the following meanings:
- (i) "Affiliate" means a corporation, partnership or joint venture that directly or indirectly controls, is controlled by or is under common control with RSC (as the concept of control is used in the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended from time to time);

- (ii) **"Agreement"** means this agreement and any amendments hereto;
- (iii) **"City"** means the City of Edmonton;
- (iv) **"Collateral"** means, collectively, the Franchise, the Edmonton Oilers, and all other NHL Hockey Assets; and, to the extent not expressly included within the foregoing, any and all of the following: player contracts; expansion revenues and other NHL related revenues, including without limitation any revenue or other rights under broadcast contracts; RSC's interest in the arena currently known as Rexall Place; RSC's interest in the Arena; intellectual property rights in hockey-related trademarks, logos and service marks; fixed and personal hockey related equipment and furniture; RSC accounts or accounts receivable and tax refunds; revenue from hockey-related sale of tickets, including season tickets, club seats and suite revenue and extra suite tickets; revenue from hockey-related advertising, including signage (on the ice, dashboards or attached to hockey furnishings such as the player benches, the penalty box or the goal judge boxes); hockey-related concessions and sale of "store" merchandise, including all licensed goods; and RSC cash collateral; any and all other assets of RSC, or direct or indirect ownership interests in any NHL Hockey Assets; and any other property or assets encumbered by any of the Operative Documents (as defined in the NHL Co-operation Agreement); together with the proceeds of any or all thereof; which may in each case at any time, or from time to time, secure (including after the obtaining of a judgment lien) the Obligations;
- (v) **"Edmonton Oilers"** means the professional hockey team which is a member club of and in the NHL pursuant to the Franchise, and any replacement team or other successor in fact or at law in the same territory as that of the Edmonton Oilers, which is owned, directly or indirectly, by Daryl Katz and regardless of whether such team uses the trade name "Edmonton Oilers";
- (vi) **"Effective Date"** means the date of the Master Agreement;
- (vii) **"Franchise"** means the Edmonton Oilers NHL franchise;
- (viii) **"Master Agreement"** means that agreement between the City and Edmonton Arena Corp. dated August 29, 2013;
- (ix) **"NHL"** means the National Hockey League, including the Office of the Commissioner of the NHL, and any successor substitute association or entity of which RSC is a member and which engages in professional hockey in a manner comparable to that now engaged in by the National Hockey League;
- (x) **"NHL Hockey Assets"** means any and all assets used in or necessary for the customary operation of RSC or the performance or exhibition by RSC of NHL games in which it is a participant, or any asset arising out of or in connection with the admission or current status of RSC as a member club of the NHL (including, by way of example and not of limitation: the Franchise; any and all direct and indirect ownership interests in any subsidiary of RSC or any Enterprises Entities (as defined in the NHL Co-operation Agreement) player contracts; expansion revenues and other NHL related revenues and

distributions, including without limitation any revenue or other rights under broadcast contracts; RSC's license interest in and any other rights to play in the arena currently known as Rexall Place and practice facility leases or use licenses; RSC interest in the Arena; naming rights; all rights relating to television, radio, internet and other media broadcasting, distribution and publishing rights related to the ownership or operation of the Franchise or the game of hockey; other media distribution rights or contracts; all sponsorship or advertising agreements related to the ownership or operation of the Franchise or the game of hockey; intellectual property rights in hockey-related trademarks, logos and service marks; fixed and personal hockey-related equipment and furniture; RSC accounts or accounts receivable, notes or other evidences of indebtedness and tax refunds; revenue from hockey-related sale of tickets, including season tickets, club seats, game-day sales, and suite revenue and extra suite tickets; revenue from hockey-related advertising, including signage (on the ice, dashboards, scoreboards, zamboni or attached to hockey furnishings such as the player benches, the penalty box or the goal judge boxes); hockey-related parking revenue, concessions and sale of "store" merchandise, including all licensed goods; rights granted under any NHL collective bargaining agreements; RSC cash collateral; hockey-related uniforms; hockey-related playing and practice equipment; and any and all other assets of RSC or any of its affiliates used in the conduct of hockey operations, regardless of the ownership thereof;

- (xi) **"NHL Home Game"** means the NHL schedule of pre-season, regular season and play-off season and exhibition hockey games played by the Edmonton Oilers as the home team;
- (xii) **"NHL Rules and Regulations"** means, collectively, the Constitution of the National Hockey League, the NHL By-Laws, and any other rules, guidelines, regulations or requirements of the Office of the Commissioner of the NHL, and/or any other Person appointed by the foregoing that are generally applicable to NHL clubs, as applicable, all as the same now exist or may be amended or adopted from time to time;
- (xiii) **"Party"** means the City or RSC as the context requires and **"Parties"** means the City and RSC;
- (xiv) **"Person"** means any natural person, sole proprietorship, partnership, corporation, trust, limited liability corporation, joint venture, unincorporated organization, joint stock company, governmental authority or any other entity;
- (xv) **"Rent"** has the same meaning ascribed in the Lease Agreement;

In addition, the following terms are defined in the following Sections of this Agreement:

Term	Section
"Additional Notice Period"	7(a)(iii)
Amended Compliant Offer	7(a)(ii)
Best Offer	7(a)(i)
Compliant Offer	7(a)(i)
Local Buyer	7(a)(i)
Location Covenants	3(a)
New Local Buyer	7(a)(ii)
NHL Co-operation Agreement	4(b)
NHL Notification	7(a)(iii)
Notice Period	7(a)(i)
Offer	7(b)
Residual Assets	7(d)
Receiver	7(a)
Secured Creditors	4(f)
Security Interest	4(b)
Term	2(a)

2. **Term**

- (a) The term ("Term") of this Agreement shall commence on the Effective Date and shall expire thirty five (35) years after the Lease Commencement Date, unless otherwise extended or terminated in accordance with the provisions hereof.
- (b) This Agreement shall terminate on:
 - (i) the effective date of the termination of the Master Agreement pursuant to Section 17.1 (borrowing bylaw is not passed), Section 20.2(b) (proposed GMP for Arena or Wintergarden causes Arena/WG Project Budget to be exceeded) or Section 20.3(b) (proposed GMP for the Community Rink, Corridor or LRT Link causes the individual maximum Project Costs for such facilities to be exceeded),

- (ii) the expiry of the term of the Lease Agreement; or
- (iii) the effective date of the termination of the Lease Agreement pursuant to Article 18 (destruction or damage) of the Lease Agreement.

3. Location Covenants

- (a) RSC represents, warrants, covenants and agrees that during the Term:
 - (i) it will hold, maintain and defend the right of the Edmonton Oilers to play hockey as a member of the NHL in the City;
 - (ii) neither RSC nor the Edmonton Oilers shall, directly or indirectly, 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;
 - (iii) it will oppose the adoption of any NHL Rules and Regulations that would cause the Edmonton Oilers to be unable to comply with any of the terms of this Agreement;
 - (iv) subject to Sections 6 and 7, it shall not sell, assign, transfer or convey, or attempt to sell, assign, transfer or convey its rights in the Collateral except in the ordinary course of its business operations;
 - (v) RSC will not knowingly or willingly violate the NHL Rules and Regulations, nor will the execution, delivery and performance of this Agreement result in the breach of or constitute a default under any agreement or instrument to which RSC or the Edmonton Oilers are a party or by which RSC or the Edmonton Oilers or their respective assets may be bound or subject;
 - (vi) upon written request from the City, RSC will provide the City with a copy of the NHL Rules and Regulations that it obtains or has received from the NHL and all other agreements of any type between, on one hand, RSC and any of its Affiliates, and on the other, the NHL;
 - (vii) commencing on the Lease Commencement Date, it will cause the Edmonton Oilers to play all of its NHL Home Games at the Arena, provided that the Edmonton Oilers shall be entitled to play NHL Home Games in other locations from time to time in the normal course of operations, for promotional or public relations purposes;
 - (viii) the Edmonton Oilers shall maintain their head office and principal place of business in the city of Edmonton;
 - (ix) the name "Edmonton Oilers" shall be used as the name of RSC's member club in the NHL during the Term;
 - (x) it will maintain the Franchise as an NHL Franchise in good standing in accordance with the NHL Rules and Regulations; and

- (xi) subject to Section 7, and while it owns the Edmonton Oilers, it will not voluntarily dissolve or liquidate all or substantially all of its business assets;

(collectively, the "Location Covenants").

- (b) RSC acknowledges and agrees that the Location Covenants are material inducements for the City to undertake the development of the Arena Area Facilities and to enter into agreements respecting the Arena Area Facilities.
- (c) Notwithstanding subsection (a) above, RSC shall not be in breach of the Location Covenants if, during the term of the Lease Agreement, the Edmonton Oilers play any NHL Home Games at a venue other than the Arena, whether within or outside the city of Edmonton, if and while the Arena is being repaired or rebuilt as a result of damage thereto, in accordance with Article 18 (destruction or damage) of the Lease Agreement.

4. **Indemnification and Collateral Security**

- (a) RSC shall be liable for, and in addition, shall indemnify and save harmless, or reimburse, as the case may be, the City from and against any and all Damages incurred by the City arising from the anticipatory or actual violation or breach or non-performance by RSC of its respective obligations and duties under this Agreement.
- (b) To collaterally secure its obligations under this Agreement, RSC hereby grants to the City a security interest in the Collateral (collectively, the "Security Interest"), subject to approval of the NHL and subject to the NHL entering into a cooperation agreement with the City, substantially in the form attached as Schedule "A" (the "NHL Co-operation Agreement").
- (c) The Security Interest shall be effective on the Effective Date of this Agreement.
- (d) The Security Interest may be enforced by the City in the event of (i) a default, violation or breach of RSC's obligations under this Agreement, (ii) the seizure of any assets of RSC, (iii) the bankruptcy or insolvency of RSC, (iv) the appointment of a receiver or trustee for RSC or for any assets of RSC by or against RSC, or (v) any other type of insolvency proceeding whatsoever and, for greater certainty, Section 7 shall apply to enforcement of the Security Interest by the City.
- (e) Upon enforcement of the Security Interest created hereunder, in addition to the rights and remedies of a secured party under the *Personal Property Security Act*, R.S.A. 2000, c. P-7, as amended from time to time, the City shall be entitled, without bond or any other security, and without any further demonstration of irreparable harm, balance of harms, consideration of public interest, or inadequacy of monetary damages, to equitable relief, including, without limitation, injunctive relief and specific performance.
- (f) The Security Interest shall be subject to the rights of the secured creditors of RSC ("Secured Creditors").

5. **Equitable relief**

- (a) RSC acknowledges and agrees that:

- (i) the rights and duties established under this Agreement, including without limitation the Location Covenants, 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 Location Covenants are intended to ensure, amongst other things, that RSC will not relocate the Edmonton Oilers and will play substantially all of the NHL Home Games at the Arena;
- (iv) any actual or anticipatory breach or violation of this Agreement by RSC 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 the Lease Agreement) 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; and
- (vi) the promises and obligations under this Agreement are intended to be, and are, independent of, and subject to enforcement separately from, any of the various other agreements and promises of the parties to each other in the Master Agreement or otherwise.

Accordingly, in the event of an actual breach of this Agreement by RSC 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 RSC to fully comply and to cause the Edmonton Oilers to fully comply with the terms of Article 3. RSC, in specific recognition and appreciation of the factors described in Section 5(a), waives the right to assert any defence that any such breach can be compensated adequately in Damages.

- (b) RSC 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.

6. Sale, Assignment or Encumbrance of Edmonton Oilers

- (a) Notwithstanding any other provisions of this Agreement, RSC shall not sell, assign or transfer or create any encumbrance or security interest in the Collateral to any Person including its Secured Creditors, unless the following requirements are satisfied:

- (i) in the case of a grant of an encumbrance or security interest, the grantee enters into an agreement with the Parties agreeing to abide by Section 7 of this Agreement, substantially in the form of Schedule "B" attached (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
- (ii) 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. RSC shall, on the effective date of the assignment of this Agreement, be released from all obligations, duties, and liabilities under this Agreement.

For clarity, subject to compliance with whichever of the foregoing requirements is applicable, a sale, assignment, transfer, or creation of an encumbrance or security interest in respect of the Collateral is permitted. Further, RSC may sell, assign or transfer any part of the Collateral as is customary in the ordinary course of carrying on the business operations of RSC.

7. Sale on Insolvency

- (a) If any creditor of RSC or any receiver, liquidator or similar official appointed by any creditor, the NHL or the courts, or any trustee of the assets and property of RSC pursuant to the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, C. B-3 as amended from time to time, (the "Receiver") shall, or shall cause or direct RSC to, dispose of the Collateral or any portion thereof, the following shall apply:
 - (i) If the best *bona fide* offer or agreement acceptable to the Receiver (the "Best Offer") to purchase the Collateral does not include an obligation of the offeror satisfactory to the City to assume, observe and perform the Location Covenants during the Term, the City shall have 90 days from the date it receives from the Receiver written notice of the Best Offer (the "Notice Period") to (A) find a buyer (the "Local Buyer") for the Collateral willing to assume, observe and perform the Location Covenants and (B) obtain a written offer to purchase the Collateral from the Local Buyer that is for a purchase price no less than that contained in the Best Offer and on terms no less favourable than those contained in the Best Offer ("Compliant Offer") and provide a copy of the Compliant Offer to the Receiver, with a copy to RSC. On receipt of the Compliant Offer by the Receiver and RSC within the Notice Period, the Parties shall approve the disposition of the Collateral in accordance with the Compliant Offer (if such Parties' approval is required) and shall do those things necessary and exercise their rights hereunder to cause the Receiver to dispose of the Collateral to the Local Buyer on the terms contained in the Compliant Offer;
 - (ii) If the City does not find a Local Buyer and does not provide a Compliant Offer to the Receiver and RSC within the Notice Period, the Parties shall approve the disposition of the Collateral in accordance with the Best Offer (if such Parties' approval is required) and shall do those things necessary and exercise their rights hereunder to cause the Receiver to dispose of the Collateral to the offeror which made the Best Offer. However, if that offeror does not complete the acquisition of the Collateral substantially in accordance with the terms of the Best Offer, then before the Receiver

consents to any material variation or amendment of the Best Offer, the City shall have a further 60 days from the date it receives written notice from the Receiver of those materially varied or amended terms (the "Extended Notice Period") to (A) find a buyer for the Collateral willing to assume, observe and perform the Location Covenants (the "New Local Buyer") and (B) obtain a written offer to purchase the Collateral from the New Local Buyer that is on the same terms as the Best Offer with such variations or amendments ("Amended Compliant Offer") and provide a copy of the Amended Compliant Offer to the Receiver and RSC. On receipt of an Amended Compliant Offer by the Receiver and RSC within the Extended Notice Period, the Parties shall approve the disposition of the Collateral (if such Parties' approval is required) and shall do those things necessary and exercise their rights hereunder to cause the Receiver to dispose of the Collateral to the New Local Buyer on the terms contained in the Amended Compliant Offer.

- (iii) If the NHL does not accept or approve the (or any of the) Compliant Offer(s) or Amended Compliant Offer(s) presented by the City to the NHL during the Notice Period or the Extended Notice Period, as applicable, and the NHL notifies the City of its non-acceptance ("NHL Notification") after expiry of the Notice Period or the Extended Notice Period, as applicable, the City shall have an additional thirty day period ("Additional Notice Period") to (A) find a Local Buyer(s) or New Local Buyer(s) for the Collateral willing to assume, observe and perform the Location Covenants and (B) obtain a Compliant Offer(s) or Amended Compliant Offer(s) as provided for in Section 7(a)(i) and (ii) above, as the case may be. The thirty day period shall commence on the date the NHL provides the NHL Notification to the City.
- (iv) If the NHL Notification is received by the City during the final twenty-nine days of the Notice Period or the Extended Notice Period, as applicable, then the Notice Period or Extended Notice Period shall be deemed to have ended on the date the NHL provides the NHL Notification to the City and the Additional Notice Period shall commence from that date.
- (v) For clarity:
 - A. during the Notice Period and any Extended Notice Period or Additional Notice Period, the City shall have the right to present one or more Local Buyers or New Local Buyers and Compliant Offers or Amended Compliant Offers, as the case may be, and to continue to present such Local Buyers or New Local Buyers and Compliant Offers or Amended Compliant Offers following receipt of any NHL Notification, for consideration and approval. Upon such approvals as required of a Local Buyer or New Local Buyer and Compliant Offer or Amended Compliant Offer, as the case may be, the Parties shall approve the disposition of the Collateral in accordance with the Compliant Offer or Amended Compliant Offer (if such Parties' approval is required) and shall do those things necessary and exercise their rights hereunder to cause the Receiver to dispose of the Collateral to such Local Buyer or New Local Buyer on the terms contained in the Compliant Offer or Amended Compliant Offer, as the case may be; and

- B. If the, or any, Local Buyer(s) or New Local Buyer(s) presented by the City to the NHL during the Additional Notice Period is not approved by the NHL, the City shall be entitled to the remainder of the Additional Notice Period, but not longer.
- (b) Any Best Offer (and, accordingly, any related Compliant Offer or Amended Compliant Offer) (in each case, an "Offer") may involve cash consideration or non-cash consideration or any combination thereof. If any non-cash consideration is referred to in any Offer, then the Receiver shall require that the Offer set out the nature of that non-cash consideration and the offeror's bona-fide estimate of the cash value of that non-cash consideration. If any Party disputes the estimated cash value of the non-cash consideration set out in the Offer and the Parties are unable to agree on an estimated cash value, the disputing Party may, within 10 days of the date that it received written notice of the Offer, apply to a justice of the Court of Queen's Bench of Alberta for the appointment of a sole Canadian chartered business valuator to determine the fair value of the non-cash consideration and the valuation of that sole valuator (which shall be completed within 7 days of the valuation being referred to it) shall be binding on the Parties.
- (c) If the purchase price (or a portion thereof) in an Offer involves a payment or calculation at a date beyond the date specified for the closing in the Offer (other than a calculation of interest or a set-off for an ascertainable amount), the present value of the purchase price (or the applicable portion thereof) shall be determined by the Receiver and communicated to the Parties. If any Party disputes the Receiver's calculation of present value and the Parties are unable to agree on a calculation of present value, the disputing Party may, within 10 days of the date that it received from the Receiver written notice of the Offer, apply to a justice of the Court of Queen's Bench of Alberta for the appointment of one accountant from a Canadian accounting firm to determine the present value of the purchase price and the determination of that sole accountant (which shall be completed within 7 days of the determination being referred to it) shall be binding on the Parties.
- (d) Any offer or agreement (including any Best Offer) pursuant to or referred to in this Article 7 may involve assets (the "Residual Assets") other than the Collateral and in that event, the Receiver shall require that the Best Offer set out the Offeror's bona fide allocation of the consideration for the Collateral only and the Local Buyer shall only be obligated to offer to purchase the Collateral for the bona fide consideration therefor in the Best Offer. Provided however, if the Parties do not concur in the allocation of the consideration for the Collateral then, in the absence of an agreement by the Parties within 5 days of the date that either Party advises the Receiver that such Party does not concur in the allocation of the consideration for the Collateral, either the Receiver or either Party may apply to a justice of the Court of Queen's Bench of Alberta for the appointment of a sole Canadian chartered business valuator to determine the fair consideration for Collateral. The determination of that consideration by the sole valuator shall be the consideration for the Collateral. The Local Buyer may also purchase all of the Residual Assets by matching the consideration for the Residual Assets which shall be deemed to be the difference between the total consideration in the Best Offer and the consideration for the Collateral therein or the amount determined by the valuator therefor.
- (e) A Local Buyer may tender, in lieu of a cash deposit, an irrevocable letter of credit or guarantee drawn on a Schedule 1 Chartered Bank or the Alberta Treasury Branches and any consideration

to be tendered to the Receiver may be tendered to a solicitor for the Receiver on the same trust conditions as those that apply to the tendering of the cash deposit in the Offer.

- (f) The Parties acknowledge and deem as amongst themselves and all others who claim through them, that the provisions of this Article 7 are commercially reasonable. The Parties shall exercise their rights hereunder and in connection with the Collateral so as to consent to and not oppose the provisions of this Agreement, and in particular, Article 7, and so as to consent to, or alternatively make such representations and submissions to the courts to compel any Receiver subject to the authority and direction of the courts to observe the provisions of Article 7 or to conduct its realization activities in accordance with the provisions of Article 7.
- (g) The rights in this Article 7 are continuous and shall not be exhausted upon receipt by a Receiver of any one Offer. If an Offer does not result in a completed sale (whether due to a failure to locate a Local Buyer, a failure of a Local Buyer to close the transaction, a failure of the maker of the Offer to close that offer, or otherwise) then this Article 7 shall apply to any further offers received by the Receiver.
- (h) The covenants and restrictions in this Article 7 are proprietary in nature and not merely personal and attach to all of the interest and property, direct or indirect, of RSC in the Collateral and to the greatest extent permitted by law, the proprietary interest of these covenants and restrictions are to be interpreted as a right in rem and enforceable independent of any other obligation created by this Agreement and as against all who deal with or acquire any interest in the Collateral.

8. Notices

- (a) Any notices required under this Agreement to be given or made to the City and RSC 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

and to RSC 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.

9. **General**

- (a) 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.
- (b) RSC 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 RSC has under FOIP.
- (c) 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.
- (d) An amendment of any term of this Agreement must be in writing and signed by the Parties.
- (e) The relationship of the Parties under this Agreement is solely contractual and the Parties are not to be deemed or construed as being:
 - (i) in partnership;
 - (ii) in a joint venture;
 - (iii) in a relationship of employment; or
 - (iv) principal and agent,under this Agreement, and any representation, claim or assertion to the contrary is hereby negated.
- (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, including Schedule "A" and Schedule "B" which are incorporated into and form part of this Agreement, together with the Master Agreement constitute the entire agreement between the Parties with regard to the matters dealt within it and there are no understandings or agreements, representations, warranties, conditions 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.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF the parties have executed this Agreement.

REXALL SPORTS CORP.



Per: [Signature]
Daryl A. Katz

Per: [Signature]
John D. Karvellas

Approved: [Signature]

As to Form: [Signature]

As to Content: [Signature]

THE CITY OF EDMONTON

Per: [Signature] (seal)
As represented by Simon Farbrother, City Manager

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

SCHEDULE "A"

Form of NHL cooperation agreement

[See attached]

[NHL Letterhead]

[•]

Rexall Sports Corp. (the "Club")
1702 Bell Tower
10104-103 Ave
Edmonton, AB
Canada, T5J 0H8
Attention : Daryl Katz

The City of Edmonton (the "City")
3rd Floor, City Hall
1 Sir Winston Churchill Square
Edmonton, AB
Canada, T5J 2R7
Attention: City Manager

Re: Rexall Sports Corp – Location Agreement

Ladies and Gentlemen:

Reference is hereby made to the following documents, each, unless otherwise noted, dated as of this date, and to the transactions to be consummated in accordance with the terms thereof:

(a) the Location Agreement dated August 29, 2013 (the "Location Agreement"), by and among Rexall Sports Corp. (the "Club"), the holder of the National Hockey League ("NHL") franchise known as the "Edmonton Oilers" (the "Franchise"), and the city of Edmonton (the "City") pursuant to which, inter alia: (i) the Club enters into the Location Covenants (as defined in Section 3 therein) (the "Location Covenants") in favour of the City wherein the Club agrees, inter alia, to maintain the operation of the Club as a member club in the NHL within the City of Edmonton at the Arena (as defined below), subject to the terms and conditions as contained therein, (ii) the City acquires, pursuant to Sections 4 and 5 therein, certain remedies (including, without limitation, equitable relief, injunctive relief and specific performance) in respect of an anticipated or actual breach by the Club of the Location Covenants (collectively, the "Equitable Relief"), and (iii) the City acquires, pursuant to Section 7 therein, certain rights in respect of securing a "Local Buyer" (as defined therein) in the event of a proposed sale of all or any part of the "Hockey Assets" (as defined therein) pursuant to enforcement or insolvency related proceedings (the "Local Buyer Right").

(b) the Location Support Agreement dated August 29, 2013 (the "Location Support Agreement"), by and among Daryl Katz (the "Principal Investor") and the City pursuant to which, inter alia, the Principal Investor provides certain covenants to the City in support of the Location Covenants and other covenants provided by the Club to the City pursuant to the Location Agreement;

(c) the Security Agreement dated February 10, 2014 (the "Security Agreement"), pursuant to which the Club, in order to secure the Obligations (as defined below) has granted to the City a security interest in substantially all of the Club's assets,

including, without limitation, the Franchise (the "Pledged Assets");

(d) the Lease Indemnity (the "Lease Indemnity"), to be entered into between the City and the Club in respect of the Lease and the covenants and obligations of the Club to the City upon the occurrence of a default by Edmonton Arena Corp. ("ArenaCo") pursuant thereto, as provided pursuant to Section 12.1 of the Master Agreement;

(e) the Acknowledgement and Agreement dated February 10, 2014 (the "Acknowledgement and Agreement") between the City and the Club in relation to the execution of the Lease Indemnity concurrent with the execution of the Lease (as defined below),

(the Location Covenants, the Equitable Relief, the Local Buyer Right, the Location Support Agreement, the Security Agreement (together with the security interests created thereby and pursuant to the Location Agreement), the Lease Indemnity and the Acknowledgement and Agreement hereinafter collectively, the "Edmonton Arrangements"); and

(f) the Inter-creditor Agreement dated February 10, 2014, entered into among the City, the Club and The Bank of Nova Scotia, as agent for and on behalf of the Senior Creditors (as defined therein) (as may be amended, restated, replaced, supplemented or otherwise modified from time to time, in accordance with the terms of this Letter Agreement, the "BNS Inter-creditor Agreement") whereby the parties agree to certain arrangements with regard to their respective rights relating to obligations and indebtedness of the Club; and

In addition to the terms otherwise defined herein, the following terms shall have the following meanings for purposes of this Letter Agreement:

(g) "Adverse Modification" means any amendment, supplement or other modification to any provision of any of the Operative Documents the purpose or effect of which would be: (i) to provide for the City to receive any revised or additional security interests in the Collateral or other collateral that would, upon the effectiveness of such security interests, become Collateral; or (ii) to implement any other changes in the terms thereof in any other manner which could be materially adverse to the interests or rights of the NHL.

(h) "Adverse Proceeding" means any proceeding against the Club or any of its affiliates under Article 3.9 of the NHL Constitution, or any other action under the NHL Constitution and Agreements that would reasonably be expected to have as its purpose or effect a material adverse impact on either the security interests of the City in the Collateral or the Local Buyer Right.

(i) "Affiliated NHL Parties" means the NHL, each of the Enterprises Entities, each of the NHL member clubs (other than the Club), and each of their respective subsidiaries and other affiliates and their respective predecessors, successors

and assigns and each of their respective past, present or future, direct or indirect, owners, partners, members, shareholders, directors, officers, agents, trustees and employees and governors (whether acting as agents for the NHL, any Enterprises Entities, the NHL member clubs, any interim operator, designee or in their individual capacities).

(j) "Arena" shall have the meaning set forth in the Master Agreement (as defined below).

(k) "Bankruptcy Code" means Title 11 of the United States Code, together with the rules and regulations promulgated thereunder, as each of such statute, rules and regulations is now constituted or hereafter amended, and any successor federal statute and regulatory regime governing bankruptcy or insolvency.

(l) "BNS Lenders Cooperation Agreement" means that certain letter agreement dated as of November 2, 2012, by and among the NHL, the Lenders (as defined therein), the Oilers Parties and certain other parties, as such agreement may be amended, restated, replaced, supplemented or otherwise modified from time to time.

(m) "Claims" means any and all claims, demands, causes of action, and liabilities of any kind whatsoever (upon any legal or equitable theory, whether contractual, Canadian, United States, foreign, state, provincial, local or otherwise), and whether known or unknown.

(n) "Collateral" means the Pledged Assets; and, to the extent not expressly included within the foregoing, any and all of the following: the Franchise; player contracts; expansion revenues and other NHL related revenues, including without limitation any revenue or other rights under broadcast contracts; the Club's interest in the arena currently known as Rexall Place; the Club's interest in the Arena; intellectual property rights in hockey-related trademarks, logos and service marks; fixed and personal hockey related equipment and furniture; Club accounts or accounts receivable and tax refunds; revenue from hockey-related sale of tickets, including season tickets, club seats and suite revenue and extra suite tickets; revenue from hockey-related advertising, including signage (on the ice, dashboards or attached to hockey furnishings such as the player benches, the penalty box or the goal judge boxes); hockey-related concessions and sale of "store" merchandise, including all licensed goods; and Club cash collateral; any and all other assets of the Club, or direct or indirect ownership interests in any Hockey Related Assets; and any other property or assets encumbered by any Operative Document; together with the proceeds of any or all thereof; which may in each case at any time, or from time to time, secure (including after the obtaining of a judgment lien) the Obligations.

(o) "Enterprises Entities" means any one or more of NHL Enterprises, Inc., NHL Enterprises, L.P., National Hockey League Enterprises Canada, Inc., NHL Enterprises Canada, L.P., NHL Enterprises B.V., Intra-Continental Ensurers, Limited, NHL Network US, L.P., NHL Network US, Inc., NHL Network, Inc., 3918939 Canada Inc., 3918921 Canada Inc., NHL Interactive CyberEnterprises, LLC, any entity that may

be formed by the member clubs of the NHL or any of their respective affiliates.

(p) "Event of Default" means any default under the Operative Documents, including, without limitation, any Event of Default thereunder (and as defined therein) or any event which, with the giving of notice or the passage of time or both could constitute an Event of Default thereunder.

(q) "Foreclosure" means any: (i) acceleration, set-off or any other action under the Operative Documents or otherwise that could give rise to any action or claim, whether direct or indirect, against the Principal Investor, the Club, or any of the Collateral; (ii) commencement of any action or other proceeding for judgment against the Principal Investor, the Club or any of the Collateral; (iii) foreclosure, including deed in lieu thereof, sale or other attempted seizure or other disposition of any of the Collateral or any other conveyance of an interest in the Franchise or any of the other Collateral; or (iv) other action by the City to exercise or take any steps to enforce its rights with respect to the Collateral, or to use, dispose of or exercise any Indicia of Ownership or other dominion or control over, or to seize, sequester, or realize upon, any of the Collateral, including, without limitation, by appointing a receiver, commencing an involuntary proceeding or filing an involuntary petition in a court of competent jurisdiction seeking relief under any Insolvency Law.

(r) "Foreclosure Notice" means a written notice delivered by the City to the NHL and the Agent (as defined in the BNS Inter-creditor Agreement expressly asserting: (i) that the City has under the Operative Documents acquired the immediate right, whether as the result of an Event of Default or otherwise, to commence Foreclosure against the Club and/or the Principal Investor, as the case may be, and (ii) that the City wishes to commence such Foreclosure forthwith.

(s) "Hockey Related Assets" means any and all assets used in or necessary for the customary operation of the Club or the performance or exhibition by the Club of NHL games in which it is a participant, or any asset arising out of or in connection with the admission or current status of the Club as a member club of the NHL (including, by way of example and not of limitation: the Franchise; any and all direct and indirect ownership interests in, any subsidiary of the Club or any Enterprises Entities; player contracts; expansion revenues and other NHL related revenues and distributions, including without limitation any revenue or other rights under broadcast contracts; the Club's license interest in and any other rights to play in the arena currently known as Rexall Place and practice facility leases or use licenses; the Club's interest in the Arena; naming rights; all rights relating to television, radio, internet and other media broadcasting, distribution and publishing rights related to the ownership or operation of the Franchise or the game of hockey; other media distribution rights or contracts; all sponsorship or advertising agreements related to the ownership or operation of the Franchise or the game of hockey; intellectual property rights in hockey-related trademarks, logos and service marks; fixed and personal hockey-related equipment and furniture; Club accounts or accounts receivable, notes or other evidences of indebtedness and tax refunds; revenue from hockey-related sale of tickets, including season tickets, club seats, game-day sales, and suite revenue and extra suite tickets; revenue from

hockey-related advertising, including signage (on the ice, dashboards, scoreboards, zamboni or attached to hockey furnishings such as the player benches, the penalty box or the goal judge boxes); hockey-related parking revenue, concessions and sale of "store" merchandise, including all licensed goods; rights granted under any NHL collective bargaining agreements; Club cash collateral; hockey-related uniforms; hockey-related playing and practice equipment; and any and all other assets of the Club or any of its affiliates used in the conduct of hockey operations), regardless of the ownership thereof.

(t) "Indicia of Ownership" means any claim or right whatsoever to: (A) use, operate, dispose of, exercise dominion or control over, realize upon or otherwise deal with the Collateral or any other assets of, or direct or indirect ownership interests in, the Club; or (B) exercise any Oilers Party's rights to vote and to give consents, waivers and ratifications, make other decisions with regard to the operation of the Club, or otherwise as a member of the NHL or as a shareholder, partner or member of any affiliate of the NHL, including, without limitation, any of the Enterprises Entities.

(u) "Insolvency Law" means any existing or future law of any jurisdiction (domestic, foreign, federal, state, local, provincial or otherwise) relating to bankruptcy, insolvency, reorganization, receivership, liquidation, wind-up, dissolution or similar relief of debtors, together with the rules and regulations promulgated thereunder, including, without limitation, the Bankruptcy Code and the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada), the Personal Property Security Act (Alberta) and the Judicature Act (Alberta), as each of such statute, rule or regulation is now constituted or hereafter amended, and any successor statute, rule or regulatory regime governing bankruptcy, insolvency receivership or other similar law.

(v) "Lease Agreement" means the Lease Agreement to be entered into between the City and ArenaCo in respect of, inter alia, the Arena, as such agreement may be amended, restated, replaced, supplemented or otherwise modified from time to time, as provided pursuant to Section 12.1 of the Master Agreement.

(w) "Master Agreement" means the Master Agreement dated as of August 29, 2013, by and among the City and ArenaCo, in relation to the joint development by the City, ArenaCo and others of the Arena Area Facilities (as defined therein), as such agreement may be amended, restated, replaced, supplemented or otherwise modified from time to time.

(x) "NHL Constitution and Agreements" means: (i) the NHL Constitution, (ii) the NHL Bylaws, (iii) the governing documents of each of the NHL, the Enterprises Entities, and each of their respective subsidiaries and other affiliates (all of the foregoing entities, including the NHL but excluding the NHL member clubs, the "NHL Entities"), (iv) all other existing or future rules, regulations, interpretations, memoranda, procedures, directives, policies, guidelines, positions and resolutions of, including, without limitation, positions taken with, and covenants, representations and warranties made to, any court or governmental or quasi-governmental agency by, each of the NHL Entities, the NHL Board of Governors and the NHL Commissioner, (v) the

current and future Collective Bargaining Agreements between the NHL and the National Hockey League Players' Association and between the NHL and the National Hockey League Officials' Association and all other agreements, consent agreements, decrees, cooperation agreements and settlement agreements presently or hereafter in effect or entered into between or among any NHL Entity or NHL Entities, on the one hand, and the NHL member clubs generally, on the other hand, or any NHL Entity or NHL Entities and/or the NHL member clubs generally, on the one hand, and other persons, on the other hand, in furtherance of the NHL's (or any other NHL Entity's), business or interests or as otherwise authorized, directly or indirectly, by the NHL Board of Governors, the NHL Commissioner, the applicable NHL Entity, the NHL Constitution or Bylaws, (vi) this Letter Agreement, and (vii) the NHL Commissioner's interpretation of, opinions concerning, and the custom and practice under, any of the foregoing, all as may be amended from time to time.

(y) "NHL Option Agreement" means that certain NHL Option Agreement, dated as of June 27, 2008, by and between the NHL, the Club and certain other holders of direct and indirect interests in the Club, pursuant to which the NHL has the right to convert certain inter-company debt obligations into equity interests in the Club and/or such other holders of such direct and indirect interests, as applicable.

(z) "Non-Relocation Covenants" has the meaning set forth in Section 5 of this Letter Agreement.

(aa) "Notice of Election" has the meaning set forth in Section 9(a) of this Letter Agreement.

(bb) "Obligations" means any of the representations, warranties, covenants, indemnities and other obligations of the Club in favour of the City pursuant to the Location Agreement.

(cc) "Oilers Parties" means the Club and the Principal Investor, and an "Oilers Party" means any one of them.

(dd) "Operative Documents" means, collectively and individually, the Location Agreement, the Location Support Agreement, the Security Agreement, the Lease Indemnity, the Acknowledgement and Agreement, the BNS Inter-creditor Agreement and any and all other documents or instruments executed from time to time that are directly related to and arise out of the subject matter covered in any of the foregoing documents, as same may hereafter be amended, restated, replaced, supplemented or otherwise modified from time to time as permitted by and in accordance with this Letter Agreement (collectively, the "Location Documents"). For the avoidance of doubt, none of this Letter Agreement, the Owner Consent Agreements (as defined below), the Master Agreement or any of the other Ancillary Agreements (as defined in the Master Agreement) with the exception of the Location Documents shall be deemed an "Operative Document".

(ee) "Owner Consent Agreements" means, collectively: (i) the NHL

Owners Consent Agreement dated as of June 27, 2008 between certain of the Oilers Parties (as defined therein) and the NHL, and (ii) the NHL Owners Consent Agreement dated as of November 7, 2008, between certain of the Oilers Parties and the NHL, in each case, as same may be amended, restated, replaced, supplemented or otherwise modified from time to time pursuant to, and in accordance with, the provisions therein.

(ff) "Requesting Parties" means each of the parties hereto other than the NHL.

(gg) "Secured Party Cooperation Agreement" means any agreement by and among the NHL, on the one hand, and any of the Oilers Parties and any other parties, on the other hand, in relation to the granting of a security interest in any of the Collateral, as such agreement may be amended, restated, replaced, supplemented or otherwise modified from time to time, and which, for greater certainty, shall include the BNS Lenders Cooperation Agreement.

(hh) "Voluntary Sale Period" means the period beginning on the date that the City has a right to commence Foreclosure (regardless of whether the City has then issued a Foreclosure Notice) and continuing for one hundred and eighty (180) days after the City gives such Foreclosure Notice to the NHL (or in the event any party contests the right of the City to commence Foreclosure, then continuing for one hundred and eighty (180) days after the City delivers a subsequent written notice to the NHL that the court or other entity having jurisdiction over the matter has made a final non-appealable determination of the right of the City to commence Foreclosure, provided, however, that, in either such event: (A) if the last day of such applicable one hundred and eighty (180) day period is prior to the final game of the Stanley Cup Finals for the NHL season in which such last day would otherwise occur, then such period shall be extended to the date sixty (60) days after the date on which the Stanley Cup Playoffs for such season have been completed. In addition, notwithstanding the foregoing provisions, if a voluntary bankruptcy proceeding is commenced by any Oilers Party or an involuntary bankruptcy proceeding is commenced against any Oilers Party by a party other than the City, the Voluntary Sale Period shall commence on the date the NHL receives written notice of such proceeding; provided, however, if such proceeding is dismissed, withdrawn or otherwise terminated without action against such Oilers Party, the Voluntary Sale Period shall terminate as if it had never commenced, and the City shall be required to file a Foreclosure Notice pursuant to the first sentence of this definition to begin the Voluntary Sale Period.

The Collateral, including the Franchise, and all right, title and interest of the Club thereto, are, and at all times will be, subject to and bound by the provisions of the NHL Constitution and Agreements.

In consideration of the foregoing premises, the NHL's agreement to permit the Club's granting of the security interests in the Collateral to the City pursuant to the Location Agreement and the Security Agreement, and the mutual covenants and agreements contained herein, the NHL, on the one hand, and the Requesting Parties, on the other hand, agree as

follows:

1. NHL CONSENT. Provided that the City is and remains in compliance with all of the terms and conditions set forth in this Letter Agreement, and subject to the limitations and provisions contained herein, the NHL consents to the Club's granting of the security interests in and to the Collateral to the City, as set forth in the Location Agreement and Security Agreement, and agrees that it will recognize the security interests of the City in the Collateral, provided that appropriate filings or other acts are consummated to perfect and record such security interests to the extent required under applicable law. The NHL agrees to execute, deliver and file such other instruments and documents as the City shall reasonably request to evidence and confirm the NHL's acknowledgment and consent as herein given, all at the Club's expense. Assuming the accuracy of the representations and warranties of the City contained herein with respect to its security interests in the Collateral, the NHL acknowledges that, subject to this Letter Agreement, the granting and perfection of such security interests does not violate any of the provisions of the NHL Constitution and Agreements, including, without limitation, Article 3.9 of the NHL Constitution.

2. ADVERSE PROCEEDINGS COMMENCED BY THE NHL. The City and the NHL agree that if the NHL determines to commence an Adverse Proceeding as a result of a financial breach or default by the Club, the Principal Investor, or any other direct or indirect owners of the Club under the NHL Constitution and Agreements, the NHL shall furnish notice of the Adverse Proceeding to the City. To the extent permitted by applicable law and provided: (a) the NHL determines: (i) that any such financial breach or default by the Club, the Principal Investor, or any other direct or indirect owners of the Club resulting in the Adverse Proceeding is such that it can be remedied by the City, (ii) that the NHL's interests and rights could not be materially and adversely affected by any action taken by the City to remedy such financial breach or default, and (iii) any party having a similar right to remedy such financial breach or default by the Club pursuant to a Secured Party Cooperation Agreement, has elected not to exercise such similar right to remedy, then the NHL shall allow the City a period of thirty (30) days (or such other period as the NHL may deem appropriate in order to protect its interests and rights) to remedy such financial breach or default. If the City elects to cure such financial breach or default, the City shall notify the NHL as soon as practicable, but in no event later than thirty (30) days (or such other period as the NHL may deem appropriate in order to protect its interests and rights) after receiving the notice from the NHL of the Adverse Proceeding, of the action that the City proposes to take in respect of the Club's, the Principal Investor's, or any other direct or indirect Club owner's financial breach or default under the NHL Constitution and Agreements or other agreement between such party and the NHL, in which event the NHL agrees not to enforce its rights and remedies with respect to the financial breach or default during the period of time described in the second sentence of this Section 2 (provided that if during such period the NHL determines that its rights or interests could be materially and adversely affected, the NHL shall not be obligated to wait until the end of such period to exercise its rights and remedies). Any failure by the City to notify the NHL of the City's election to cure such financial breach or default within such thirty (30) day period (or such other period as the NHL may deem appropriate in order to protect its interests and rights) shall be deemed a waiver by the City of its rights under this Section 2.

3. Customary Nature of Pledges and Assignments. The Requesting Parties hereby represent and warrant to the NHL that: (i) the Club's granting of the security interests in the Collateral to the City under the Location Agreement and the Security Agreement are intended to be a customary granting of security interests within the meaning of the Personal Property Security Act (Alberta) and not a present conveyance to the City which would entitle the City to any present ownership interest (other than such customary security interest) in or with respect to the Club, the Collateral or the NHL, and (ii) a default by the Club in the performance of any of its covenants and/or obligations pursuant to the Lease Indemnity, or any lease with the Club resulting therefrom, as the case may be, shall not give rise to the enforcement of any security interests in the Collateral granted by the Club to the City under the Location Agreement and/or the Security Agreement. The Oilers Parties hereby represent, warrant, covenant and agree that all Hockey Related Assets (other than any direct or indirect ownership interests in the Club) are and shall at all times be held and owned solely by the Club.

4. LIMITATIONS ON LIABILITY AND RECOURSE. Notwithstanding anything in any Operative Document or this Letter Agreement to the contrary, the Requesting Parties hereby represent, warrant, acknowledge and agree that:

(a) Pledges, Sales or other Transfers of Collateral Require NHL Consent. Except as set forth in Schedule 4(a) attached hereto, none of the Collateral (or any other asset of, or direct or indirect ownership interest in, the Club) nor any interest therein, whether present or future, contingent or unconditional (including, without limitation, any interest in the Club), may be sold, assigned, pledged, or otherwise transferred, and no contingent or conditional assignment may be made currently effective, at any time, whether pursuant to Foreclosure or otherwise, without the prior written consent of such of the NHL and those of the NHL member clubs as may be applicable under the NHL Constitution and Agreements, which consent may be withheld in the NHL's or the NHL member clubs' sole and absolute discretion, as the case may be, and the City hereby agrees that any proposed sale, assignment, pledge or other transfer of any of the Collateral, or any interest therein, without such prior written consent, shall be deemed void ab initio and of no force or effect. Without limiting the foregoing, the City agrees that neither the City nor its designees shall have, or shall exercise, at any time, any Indicia of Ownership, except: (i) to the extent of the amount of any proceeds of sale payable in connection with a sale of any of the Collateral as contemplated in Section 7 hereof, or (ii) as may arise under the Lease Indemnity Agreement, and any lease with the Club resulting therefrom (excluding the right to exercise any right of distraint or any other right or remedy against the Collateral, which rights and/or remedies shall be specifically prohibited), in each case, subject to and in accordance with the provisions of this Letter Agreement.

(b) Location Support Agreement Limitations. The Principal Investor and the City have entered into the Location Support Agreement pursuant to which the Principal Investor provides certain covenants to the City in support of certain of the Location Covenants. The City confirms and acknowledges that any exercise by the City of its remedies in respect of the Location Support Agreement against the indirect interests of the Principal Investor in the Club, or any of the Collateral, shall constitute a

Foreclosure and be subject to the restrictions contained in this Letter Agreement and, notwithstanding any provision hereof to the contrary, the City agrees that it shall not file or commence, cause to be filed or commenced, or join in or otherwise directly or indirectly support or promote any filing or commencement of an involuntary proceeding under any Insolvency Law against the Principal Investor unless and until the Voluntary Sale Period shall have expired and the City shall have consulted with the NHL for at least ten (10) business days.

(c) Limitations on Inter-Company Debt; NHL Option Agreement, and Rights of Conversion. The City hereby confirms and acknowledges the existence of the NHL Option Agreement and the absolute seniority and priority of the rights and benefits of the NHL pursuant to the NHL Option Agreement and the NHL Constitution and Agreements over any and all rights of the City.

5. SUPERIORITY OF NHL CONSTITUTION AND AGREEMENTS.

Each of the Requesting Parties agrees that: (i) the Collateral, and the City's security interests in the Collateral, and the enforcement thereof, as well as any rights the City may have, directly or indirectly, with respect thereto, or any other asset of, or direct or indirect ownership interest in, the Club, (ii) the Equitable Relief, and the enforcement thereof, the Local Buyer Right, and the exercise thereof, and any agreements by the Club or any of its respective affiliates, whether in favor of the City or otherwise, restricting the relocation of the Franchise, including, without limitation, pursuant to the Operative Documents (collectively, "Non-Relocation Covenants"), are subject to and subordinate to the NHL Constitution and Agreements, including, without limitation, this Letter Agreement. In addition, the City agrees, in exercising its rights with respect to such security interests and Non-Relocation Covenants: (i) to abide by the NHL Constitution and Agreements, (ii) not to take or support any positions or actions: (A) which may be inconsistent with any NHL obligations or the NHL Constitution and Agreements, or (B) which may have a material adverse impact on the NHL or its member clubs (other than the Club), and (C) not to challenge at any time or in any forum any aspect of the NHL Constitution and Agreements, except in so far as an appeal right is provided for in the NHL Constitution and Agreements. Each of the Requesting Parties further agrees to execute, deliver and file such other instruments as the NHL shall reasonably request to evidence and confirm the seniority and priority of the NHL Constitution and Agreements as provided in this Letter Agreement at the expense of the Club. In addition, but subject to the next paragraph of this Section 5, the City agrees that if it takes any action which would adversely affect in any material respect the ability of any Oilers Party to exercise any Indicia of Ownership, and such actions are not abated, rescinded and fully remedied within twenty-four (24) hours of written notice from the NHL to the City, then, in addition to all of the NHL's rights under the NHL Constitution and Agreements (including, without limitation, this Letter Agreement) and at law, the Edmonton Arrangements and the Non-Relocation Covenants, notwithstanding any provision of the Operative Documents to the contrary, shall automatically terminate and be of no further force or effect and the Club shall be free to apply to the NHL for and to pursue a voluntary relocation of the Franchise in accordance with the NHL Constitution and Agreements.

Subject to the limitations and conditions contained herein, and without in any way derogating from the rights of the NHL herein, nothing in this Letter Agreement shall be deemed

to annul the rights of the City (as between the City and the Oilers Parties) to exercise its remedies to enforce the express terms of the Operative Documents, subject always to the provisions hereof (including, without limitation, Section 8 hereof), including the City's rights to commence an involuntary proceeding or file an involuntary petition in a court of competent jurisdiction seeking relief under any Insolvency Law, it being acknowledged, however, that the City's right to such exercise or to realization of the benefits of any such exercise is subject to, and may be affected or eliminated by, the obligations of the City hereunder and the rights and remedies of the NHL referred to herein (including, without limitation, the restrictions set forth in Section 4 and Section 8(j) hereof).

The NHL agrees that any amendment to the NHL Constitution and Agreements shall not be effective to annul the security interests in the Collateral granted to the City, as contemplated in the Operative Documents, or the rights of the City recognized hereby, subject to all of the terms and conditions of this Letter Agreement; provided that nothing contained herein shall be deemed to prevent the NHL from otherwise amending the NHL Constitution and Agreements, from time to time, in its sole and absolute discretion, or as may be required by law.

6. DELIVERY OF WAIVERS AND NOTICES, REQUESTS FOR APPROVAL OF MODIFICATIONS AND NOTICE OF RELOCATION.

(a) Notification of Event of Default; Required Delivery of Default Notice. The City agrees that it shall advise the NHL, in writing, of any waiver under the Operative Documents, or any Event of Default upon the occurrence thereof, including particulars in respect of the cure period applicable thereto. If at any time the City shall furnish to the Club, the Principal Investor or any other person or entity a waiver under any Operative Document or any notice regarding an Event of Default, the City shall promptly give to the NHL a copy of such waiver or notice, as applicable.

(b) No Adverse Modification. The City hereby agrees that there shall be no Adverse Modification to any provision of any of the Operative Documents without the prior written approval of the NHL, which approval may be withheld in the NHL's sole and absolute discretion. The parties to the Operative Documents may amend such Operative Documents to the extent any such amendment does not result in an Adverse Modification, provided that the NHL is promptly furnished with a copy of such amendment.

(c) Notice – Application for Franchise/Club Relocation. The NHL agrees to provide the City with prompt notice of any application it receives from the Club, or any direct or indirect owner of the Club, to relocate or dispose of the Franchise or the Club.

7. DISTRIBUTION OF SALE PROCEEDS. The Requesting Parties hereby agree that, in the event that any of the Collateral is sold (other than in the ordinary course of business operations of the Club), the proceeds of sale derived therefrom shall be used: (i) first to pay and/or satisfy all amounts and obligations due and owing by the Club, the Principal Investor, any other direct or indirect owner of the Club or any of their respective affiliates to the NHL, the other NHL Entities, any other entity formed generally by the NHL or its member clubs or the

other NHL Entities after the date hereof, or any other member club, whether in accordance with the terms of the NHL Constitution and Agreements, applicable law or otherwise, and (ii) then as required by law.

8. FORECLOSURE. Any proposed Foreclosure shall be subject to the following terms and conditions:

(a) Required Delivery of Foreclosure Notice. If at any time the City shall furnish to any Oilers Party or any other person or entity any Foreclosure Notice, the City shall promptly give to the NHL a copy of such notice, and the City hereby agrees, notwithstanding any provision in the Operative Documents to the contrary, that no Foreclosure Notice shall be effective unless and until given to the NHL in accordance with the provisions of Section 18 hereof. Any Foreclosure Notice shall specify the Event of Default which has occurred and is continuing, that the City intends to exercise Foreclosure rights on.

(b) No Foreclosure During Voluntary Sale Period; No Foreclosure Against Collateral; Rights of NHL; Acknowledgement by Requesting Parties of Potential Insufficiency of Collateral.

(i) Notwithstanding any other provision contained herein or in the Operative Documents, the City shall not have the right to take any steps to effect Foreclosure unless: (A) an Event of Default has occurred and is continuing, (B) other than in the case of the Lease Indemnity and any lease with the Club resulting therefrom (and in such case, excluding the right to exercise any right of distraint or any other right or remedy against the Collateral, which rights and/or remedies shall be specifically prohibited), the Voluntary Sale Period has expired, and (C) any sale, assignment or other transfer of any of the Collateral, or any ownership interest therein, in connection with the Foreclosure shall be effected in compliance with the NHL Constitution and Agreements, as more fully described in Sections 4 and 5 hereof. The foregoing shall not prohibit the City from giving notice of acceleration to the Club at any time permitted under the Operative Documents.

(ii) During the Voluntary Sale Period, the NHL shall have the exclusive and unrestricted right, notwithstanding any provision of any Operative Document to the contrary, without the prior written consent of the City or any other person or entity, exercisable in its sole and absolute discretion, to select the purchaser to whom the Collateral, or any portion thereof, shall be sold and to establish the terms and conditions of any sale that is consummated or agreed upon in writing within that period.

(iii) None of the Requesting Parties shall have any right to object to any sale of Collateral, or any portion thereof (or any asset of, or direct or indirect ownership interest in, the Club) by the NHL as contemplated by any provision of this Section 8, provided that the City has been afforded, to the extent applicable, an opportunity to exercise its Local Buyer Right in accordance with and subject to the provisions of this Letter Agreement (including, without limitation, Section 9 hereof).

If the City and any other interested party or parties claiming rights in and to the amount of

proceeds of sale distributable in connection with the sale of any of the Collateral as contemplated in Section 7(ii) hereof, do not unanimously agree in writing as to the allocation of such amount among the City and such other party or parties, such amount payable in connection with such sale shall be paid to a third party escrow agent or court of competent jurisdiction pursuant to an escrow agreement, an interpleader or similar court proceeding, with such amount to then be paid out as agreed or adjudicated. Upon the payment of such amount to such third party escrow agent or court of competent jurisdiction, the City shall then release its security interests in the Collateral (excluding, for certainty, its security interest in such amount paid to the escrow agent or court) and the NHL Affiliated Parties shall have no liabilities or obligations thereafter with respect to the payment of such amount to, or the apportionment of such amount among, the Requesting Parties or any other party claiming rights in such proceeds.

The Requesting Parties agree that, pursuant to the NHL Constitution and Agreements, the NHL member clubs shall have the right to reject any prospective purchaser in their sole and absolute discretion, whether during the Voluntary Sale Period or otherwise.

(iv) This Section 8(b) shall not prohibit the City, whether during the Voluntary Sale Period or thereafter, from:

(A) in the event that any Oilers Party becomes subject to any proceeding under any Insolvency Law as a result of any action taken by a party other than the City, taking any action in such proceeding for the sole purpose of filing, defending or protecting the City's claim or exercising its rights under statute or rule for the sole purpose of protecting its rights as a secured party and/or landlord, as the case may be, in such proceeding; provided, however, that during the Voluntary Sale Period, the City shall not, except as expressly permitted under this Section 8(b)(iv): (1) use, dispose of or realize upon any of the Collateral, or exercise any Indicia of Ownership, including, without limitation, by right of set-off, or (2) take any action, or cause any action to be taken, which might directly or indirectly: (x) result in a sale or other disposition of any of the Collateral or any other conveyance of an interest in the Collateral, other than in respect of it being afforded, to the extent applicable, an opportunity to exercise the Local Buyer Right, in accordance with and subject to the provisions of this Letter Agreement (including, without limitation, Section 9 herein), or (y) adversely affect in any material respect any Oilers Party's ability to exercise any Indicia of Ownership; and provided further that the City agrees that its interests in any such proceeding to the extent relating to the Club, the Principal Investor or any of the Collateral shall be fully and completely subordinate to the claims and interests of the NHL; and provided further that, during the Voluntary Sale Period, the City shall not take, or cause to be taken, any action to attempt to lift the automatic stay of proceedings with respect to any Collateral.

(B) accelerating the Obligations following an Event of Default to the extent permitted pursuant to the terms of the Operative Documents, or otherwise demanding any payment from the Club at any time as permitted under

the Operative Documents; or

(C) in the event of a sale or other disposition of substantially all of the Collateral, including the Franchise (and the other assets of, or direct or indirect ownership interests in, the Club), thereafter exercising all such rights and remedies as against the proceeds of such sale or disposition distributable as contemplated in Section 7(ii) hereof; provided that this clause (C) shall not be deemed to permit recourse against the assets constituting Collateral (or any other asset of, or direct or indirect ownership interest in the Club) so sold (as opposed to the proceeds of such sale or disposition distributable as contemplated in Section 7(ii) hereof).

(v) Beginning when the City has a right to commence Foreclosure or otherwise direct disposition of the Collateral and prior to the sale of the Collateral in accordance with the terms hereof, the City, to the extent it has a right to do so under the Operative Documents, shall be permitted to continue as the holder of a security interest in the Collateral in accordance with the terms of this Letter Agreement and the Operative Documents until a purchaser (including, without limitation, the NHL if the NHL purchases the Collateral, or any portion thereof) for such Collateral, or portion thereof, is obtained, and the sale of such Collateral to such purchaser, or the NHL, as the case may be, occurs, provided, however, and for greater certainty, notwithstanding anything contained in the Operative Documents to the contrary, or otherwise, in no event shall the City have the right to select the management of the Club, make other decisions with regard to the operation of the Club or otherwise exercise any Indicia of Ownership (including, without limitation, by the exercise of any voting rights with respect to any interests in, or the making of any determinations or decisions regarding, any of the Enterprises Entities), other than in respect of the City's right, if any, in the amount of proceeds of sale distributable in respect of the sale of any Collateral as contemplated pursuant to Section 7(ii) hereof), such rights shall be exercised solely by the NHL or as the NHL may otherwise determine, in its sole and absolute discretion, including by way of a designee of the NHL.

(c) Party Cooperation for Sales Efforts: NHL Right To Elect Sale of All Club Collateral in a Single Package. If a sale meeting the requirements of Section 8 (b) above is not agreed upon within the Voluntary Sale Period, the NHL and the City agree to use reasonable efforts thereafter to locate an acceptable purchaser for the Collateral and otherwise to cooperate with each other to find a purchaser for the Collateral acceptable to such of the NHL and the NHL Member Clubs as may be applicable under the NHL Constitution and Agreements (and, for purposes of clarity, the NHL, in cooperation with the City, shall continue to have the right to pursue a sale of any Collateral that the NHL had the right to pursue during the Voluntary Sale Period). The City specifically agrees and acknowledges that, other than in respect of the City's right in the amount of proceeds of sale distributable in respect of the sale of any Collateral as contemplated pursuant to Section 7(ii) hereof, no sale, assignment or other transfer of any of the Collateral, (or any other asset of, or direct or indirect ownership interest in the Club), or any ownership interest therein, or exercise of any Indicia of Ownership, upon

Foreclosure or any action in lieu thereof may be effected without complying with, and any such sale, assignment, exercise or other transfer is subject to, the NHL Constitution and Agreements.

(d) NHL Consideration of Purchaser After Voluntary Sale Period. If, after the expiration of the Voluntary Sale Period, the City independently locates a prospective purchaser for, at a minimum, substantially all of the Collateral (whether by way of asset or equity sale), the NHL shall consider a written application for the consent of such of the NHL and the NHL member clubs as may be applicable under the NHL Constitution and Agreements to the proposed sale of such Collateral. The NHL shall have no obligation to consider an offer to purchase less than all of the Collateral.

(e) Release of City Security Interest. If: (i) the NHL, whether during the Voluntary Sale Period or thereafter, selects or otherwise approves a purchaser of the Collateral, or any portion thereof, (ii) the City has been afforded, to the extent applicable, an opportunity to exercise the Local Buyer Right, in accordance with and subject to the provisions of this Letter Agreement (including Section 9 herein), and (iii) thereafter, a sale of such Collateral, or any portion thereof, shall have occurred in accordance with and subject to the provisions of this Letter Agreement, the City shall: (x) release: (A) any and all security interests and any other rights it may have with respect to the Collateral being sold, including, without limitation, any contractual rights they may have with respect to such Collateral (including any contractual rights to be granted security interests therein in the future or to restrict the transfer thereof), but excluding the City's right, if any, in the amount of proceeds distributable in respect of the sale of any Collateral as contemplated pursuant to Section 7(ii) hereof, and (B) any and all rights it has under the Operative Documents, other than any right the City may have under the Operative Documents to institute any action against the Club for damages for the breach of covenants pursuant to such Operative Documents (provided that no rights are asserted or enforced in such action against the Collateral, as opposed to the proceeds thereof), or otherwise with respect to the Collateral being sold, including, without limitation, any rights to follow the Franchise, or to challenge the transfer of ownership in or the relocation of such Collateral, and (y) cooperate with the NHL by taking such other steps and executing such other documents as may be reasonably requested by the NHL and at the Club's expense, to permit as promptly as possible the proposed conveyance free and clear of any claims by the City, provided, however, that no such release shall be required unless a sale of the Collateral (or portion thereof) by the NHL as aforesaid, shall have occurred with respect to the Collateral (or portion thereof), and the City has been afforded, to the extent applicable, an opportunity to exercise its Local Buyer Right in accordance with and subject to the provisions of this Letter Agreement (including, without limitation, Section 9 hereof); and provided further, however, that the foregoing shall not be deemed to limit the rights and remedies of the City against the proceeds of sale distributable in respect of the Collateral so sold as contemplated by Section 7(ii) hereof, or release any security interests of the City in such proceeds of sale (as opposed to the Collateral itself). For greater certainty and clarity, notwithstanding anything to the contrary in any of the Operative Documents or in any other document executed in conjunction with the transactions contemplated by the Operative Documents: (i) in the event the NHL selects

or otherwise approves a purchaser of, or desires to itself purchase, the Franchise and any of the Collateral, and (ii) the City has been afforded, to the extent applicable, an opportunity to exercise the Local Buyer Right, in accordance with and subject to the provisions of this Letter Agreement (including, without limitation, Section 9 herein), and a sale of such Collateral shall have occurred in connection therewith, any entity or entities that succeed to the ownership or operation of the Franchise and any other Collateral (an "NHL Transferee") shall, except as such NHL Transferee may otherwise expressly agree in its sole and absolute discretion, hold such assets free and clear of any and all liens, encumbrances and other contractual rights of the City, including, without limitation, the Edmonton Arrangements, the Non-Relocation Covenants and any contractual obligations to grant liens in the future, and such Transferee shall be free to relocate the Franchise in accordance with the NHL Constitution and Agreements.

(f) Multiple Potential Purchasers. If more than one potential purchaser of the Collateral, or any portion thereof, is identified by the City and/or the NHL, as the case may be, the City shall have no right to object to the selection by the NHL or the NHL member clubs, as the case may be, of any such purchaser, the City hereby confirming, acknowledging and agreeing that any such selection rests with the NHL, in its sole and absolute discretion.

(g) Party Cooperation for Sound Operation of the Franchise In the event of any Foreclosure or proposed Foreclosure, the City shall reasonably cooperate with the NHL in preserving the Oilers Parties' ability to meet their obligations to the NHL and the other NHL member clubs, and the City shall reasonably cooperate with the NHL in order to permit the sound operation and maintenance of the Franchise, provided, however, that the City: (i) shall have no obligation to extend credit, incur expense or liability or undertake any financial responsibility in connection therewith, and (ii) shall be entitled, subject to the provisions of Section 8(j) of this Letter Agreement, to exercise its rights and/or remedies pursuant to the Lease Indemnity, and any lease with the Club resulting therefrom (excluding the right to exercise any right of distraint or any other right or remedy against the Collateral, which rights and/or remedies shall be specifically prohibited). The City confirms and acknowledges that: (i) during any period in which termination proceedings under the NHL Constitution are pending, or (ii) in the event of: (A) a Foreclosure; (B) any insolvency proceedings relating to any of the Oilers Parties; or (C) upon the occurrence of an Event of Default, the NHL shall have the right, whether during the Voluntary Sale Period, or thereafter, if it so elects in its sole and absolute discretion, to provide the necessary funding to the Club, to fund the Club's ongoing operations in the ordinary course, consistent with past practice and otherwise in accordance with the requirements of the NHL as determined by the NHL Commissioner, in priority to any and all other secured and unsecured indebtedness of the Club, including the Obligations. For greater certainty, each of the Requesting Parties hereby confirms and acknowledges that: (i) the NHL shall have no obligation to extend any such priority funding to the Club, at any time, but rather any decision by the NHL to fund the operations of the Club shall be in the sole and absolute discretion of the NHL, and (ii) this Letter Agreement shall not be construed in any respect as a guaranty or indemnity by the NHL, or any NHL member club, of any debts, liabilities or obligations whatsoever of

the Club, the Principal Investor, any other party to any of the Operative Documents or any other person or entity. The City further confirms and acknowledges that it will take all reasonable action as may be requested by the NHL to confirm such rights of the NHL (except that for the avoidance of doubt, the foregoing clause shall not be deemed to supersede or otherwise modify any obligations of the Club pursuant to the Owners Consent Agreements); provided, however, this provision shall not prohibit the NHL or the Club from operating in the ordinary course, and consistent with past practice, or from taking advantage of facilities or loan or credit arrangements that are generally available to other NHL member clubs. Except as may be provided in the Lease Indemnity, and any lease resulting therefrom (excluding the right to exercise any right of distraint or any other right or remedy against the Collateral, which rights and/or remedies shall be specifically prohibited), and in such case, subject to the provisions of Section 8(j) of this Letter Agreement, the City covenants and agrees that it shall take no action that may impair in any manner the NHL's ability to exercise its rights pursuant to this Section 8(g), and any such action so taken in violation of this Section 8(g) shall be void ab initio and of no force or effect.

(h) Club Appointment of NHL as Agent and Attorney. The Club hereby irrevocably appoints the NHL, and any officer or agent thereof, as its attorney-in-fact, with full authority in the place and stead of such party and in the name of such party or otherwise, from time to time in the NHL's sole discretion following the receipt by the NHL of a Foreclosure Notice to take any and all actions and to execute any agreement, instrument or other assurance (including, without limitation, any agreement of sale or related document with respect to any Collateral which the NHL may deem necessary or advisable in order to consummate a sale in accordance with the provisions of this Section 8 and to otherwise carry out the terms of this Letter Agreement, including, without limitation: (i) to execute and do all such assurances, acts and things which such party is required to do under the covenants and provisions of this Letter Agreement and (ii) to take all such actions as the NHL may in its sole discretion deem to be necessary or advisable to ensure that the business and affairs of the Club are continued in the ordinary course and that the Collateral is maintained, preserved and protected. To the fullest extent permitted by law, the Club hereby ratifies and approves all acts of any such attorney. The foregoing power-of-attorney, being coupled with an interest, is irrevocable until a sale or transfer of the Collateral has occurred in accordance with the NHL Constitution and Agreements (including this Letter Agreement) and the security interests of the City are released in accordance with Section 8(b) above. The Club hereby acknowledges and agrees that the powers conferred on the NHL (and the exercise thereof by any officer or agent thereof), as the attorney-in-fact for the Club hereunder, are granted solely for purposes of protecting the NHL's ability to exercise its rights to conduct a sale of any of the Collateral pursuant to the provisions of this Section 8 and such grant shall not impose on the NHL or any officer or agent thereof any express or implied duty (whether to the Club or any other Requesting Party) to exercise such powers at all or in any particular manner, or to create or impose any other obligation on the NHL and any officer or agent thereof beyond those expressly set forth herein.

(i) Club Assistance and Indemnification in Respect of Collateral Sale.

The Club agrees that, on or before the fifth business day following the City's delivery of any Foreclosure Notice (if and for so long as it does not dispute in good faith the propriety of the Foreclosure Notice), it shall deliver to the NHL executed originals of all consents, waivers, and agreements of third parties (including any Club-affiliated parties) necessary to permit the sale by the NHL of any of the Collateral pursuant to this Section 8, together with a certificate representing and warranting to the NHL that the consents, waivers, and agreements delivered with such certificate constitute all such consents, waivers, and agreements necessary to permit the sale of such Collateral, except as specifically disclosed on a disclosure schedule attached to such certificate. The Club further agrees that in the event that any consents, waivers, or agreements are listed on the disclosure schedule to such certificate, each of them hereby irrevocably authorizes the NHL and any officer or agent thereof, from and after the fifth business day following the City's delivery of any Foreclosure Notice to contact all necessary third parties directly and to obtain such consents, waivers, or agreements on terms and conditions satisfactory to the NHL in its sole discretion. The Club: (i) agrees to defend, indemnify and hold harmless the Affiliated NHL Parties from and against any and all damages (including all charges, claims, costs, expenses, liabilities and losses of any kind whatsoever, together with reasonable legal fees in respect of any such matter) that any Affiliated NHL Party may incur or suffer as the result of any breach of the representation and warranty made in such certificate, or any action taken or consent given by any Affiliated NHL Party in reliance thereon, provided that no such indemnity shall exist with respect to the willful misconduct of the applicable Affiliated NHL Party, and (ii) irrevocably waives any claims that it may have against any Affiliated NHL Party arising out of actions taken or omitted to be taken in connection with any Affiliated NHL Party's obtaining third-party consents, waivers and agreements as authorized by this Section other than, in any such event, those arising from the willful misconduct of the applicable Affiliated NHL Party.

(j) Additional Considerations Regarding Insolvency Proceedings. The City confirms, acknowledges, covenants and agrees that in no event shall it be entitled to file or commence, nor shall it file or commence, or cause to be filed or commenced, or join in (except as permitted pursuant to Section 8(b)(iv)(A)), or otherwise directly or indirectly support or promote any filing or commencement of an involuntary proceeding under any Insolvency Law in a court of competent jurisdiction seeking relief under any Insolvency Law in respect of any Oilers Party, unless and until: (i) the Voluntary Sale Period shall have expired, and (ii) the City shall have consulted with the NHL for at least ten (10) business days. The City may commence consultations with the NHL, upon notice to the NHL, prior to the termination of the Voluntary Sale Period, provided that an involuntary proceeding shall not under any circumstances be filed or commenced by the City until the expiration of the Voluntary Sale Period.

Notwithstanding the foregoing provisions of this Section 8, the City specifically agrees and acknowledges that no sale, assignment or other transfer of any of the Collateral (or any other asset of, or direct or indirect ownership interest in, the Club, to the extent the City has any such rights), or any ownership interest therein, or exercise of any Indicia of Ownership, upon Foreclosure or any action in lieu thereof, or any other action that would restrict or impair in any material respect any Oilers Party's ability to

exercise any Indicia of Ownership (including following the date when the City has a right to commence Foreclosure or otherwise direct disposition of any of the Collateral) may be effected without complying with, and any such sale, assignment, exercise, transfer, or other action is subject to, the NHL Constitution and Agreements, including, without limitation, the requirement of approval contained in Article 3.5 of the NHL Constitution and the provision for involuntary termination of a franchise contained in Articles 3.9 through 3.12 of the NHL Constitution.

(k) Sales and Dispositions Commercially Reasonable. Each of the Requesting Parties specifically agrees that the method of disposing of the Collateral contemplated in this Letter Agreement in the event of Foreclosure would not make a sale or other disposition of the Collateral commercially unreasonable.

(l) NHL's Current Intention. It is the NHL's current intention, based upon the facts and circumstances as the NHL currently believes them to exist, that a sale pursuant to this Section 8 be to a purchaser who intends to maintain and operate the Club in the City of Edmonton.

9. LOCATION AGREEMENT - LOCAL BUYER RIGHT. Each of the Requesting Parties and the NHL confirms and acknowledges that pursuant to Section 7 of the Location Agreement, the Club has granted to the City, an opportunity to exercise the Local Buyer Right. The Club and the City confirm, acknowledge and agree with the NHL, that in respect of the exercise by the City of the Local Buyer Right, in addition to the provisions otherwise contained in this Letter Agreement, the following shall apply:

(a) The City, upon its receipt of a Best Offer (as defined in Section 7 of the Location Agreement), shall within fifteen (15) days of receipt of such Best Offer, deliver to the NHL (in accordance with the provisions of Section 18 herein) and the Club, written notice that the City has exercised the Local Buyer Right together with a copy of such Best Offer (the "Notice of Election").

(b) Each of the Requesting Parties confirms, acknowledges and agrees with the NHL that the exercise of the Local Buyer Right by the City shall apply solely in respect of the sale of all, but not less than all of the Collateral (as opposed to a portion thereof) pursuant to a Best Offer. In the event that, and for so long as, the City is exercising the Local Buyer Right, the City will proceed reasonably, and in consultation with the NHL, to ensure an orderly and reasonable exercise by the City of such Local Buyer Right with a view to securing a Local Buyer (as defined in the Location Agreement) acceptable to the NHL pursuant to the NHL Constitution and Agreements and this Letter Agreement.

(c) For greater certainty, the City specifically confirms, acknowledges and agrees that the sole right and benefit to be derived by the City pursuant to Section 7 of the Location Agreement is an opportunity for the City, in the event of enforcement or insolvency related proceedings in respect of the Club, to present to the NHL one or more Local Buyers, pursuant to Compliant Offers or Amended Compliant Offers (as such terms are defined in the Location Agreement), as the case may be, for consideration by

the NHL in accordance with the NHL Constitution and Agreements and in the NHL's sole and absolute discretion, and nothing in this Letter Agreement, or otherwise, shall be interpreted to require the NHL to approve any such Local Buyer, or any other party presented to the NHL by the City for consideration as a purchaser of the Franchise, the City hereby confirming, acknowledging and agreeing that any such approval rests with the NHL in accordance with the NHL Constitution and Agreements and in the NHL's sole and absolute discretion.

(d) In the event the City does not timely deliver a Notice of Election to the NHL and the Club in accordance with Section 9(a) above, then the City's rights pursuant to Section 7 of the Location Agreement shall immediately and automatically terminate, and thereafter, the City shall be estopped from taking any proceedings whatsoever prohibiting the consummation of a sale transaction in respect of any of the Collateral (or any other asset of, or direct or indirect ownership interest in the Club) whether pursuant to a Best Offer or otherwise.

(e) In the event: (i) the City timely delivers a Notice of Election to the NHL and the Club in accordance with Section 9(a) above, and (ii) thereafter, the City has been afforded an opportunity to exercise the Local Buyer Right in accordance with and subject to the provisions of this Letter Agreement (including this Section 9), the City shall be estopped from taking any proceedings whatsoever prohibiting the consummation of a sale transaction in respect of any of the Collateral (or any other asset of, or direct or indirect ownership interest in the Club) whether pursuant to a Best Offer or otherwise.

(f) For greater certainty, Sections 9(d) and (e) above shall not be deemed to limit the rights and remedies of the City against the proceeds of the Collateral (or any other asset of, or direct or indirect ownership interest in, the Club) so sold or release any security interest of the City in such proceeds (as opposed to the Collateral or any other asset of, or direct or indirect ownership interest in, any Oilers Party, itself) as shall be available under the Operative Documents, at law, in equity or otherwise, in all cases, subject to the provisions of this Letter Agreement, including, without limitation, Section 8(e) hereof.

(g) Each of the Requesting Parties confirms, acknowledges and agrees that, notwithstanding anything contained in any Operative Document to the contrary (including pursuant to Section 7 of the Location Agreement) or otherwise, any sale, assignment or transfer of: (i) the Collateral, including, without limitation the Franchise or any Hockey Related Assets, and (ii) any other asset of, or direct or indirect ownership interest in, the Club may only occur in accordance with and subject to the provisions of the NHL Constitution and Agreements, including without limitation, the requirement of approval contained in Article 3.5 of the NHL Constitution (which approval may be withheld by the NHL in its sole and absolute discretion).

10. RELEASES AND INDEMNITIES.

(a) Other than in respect of amounts, if any, which may be due to the Club in the ordinary course of NHL business, the Requesting Parties agree that the

Affiliated NHL Parties shall have no liability whatsoever for actions taken (or not taken) with respect to the subject matter of this Letter Agreement, provided that such actions do not constitute willful misconduct. Accordingly, the Requesting Parties, in respect of (i) and (ii) below, and the Club, in respect of (iii) below, in each case, on their own behalf and on behalf of their respective partners, subsidiaries and other affiliates and the heirs, executors, administrators, trustees, beneficiaries, legal representatives, successors and assigns of each of them, hereby: (i) release and covenant not to sue in connection with or assert, and agree to cause their respective subsidiaries and other affiliates not to sue in connection with or assert, any Claims which they or any other party may hereafter have in connection with any acts taken (or not taken) by or on behalf of any Affiliated NHL Party, provided that such actions taken (or not taken) do not constitute willful misconduct on the part of the Affiliated NHL Party, (ii) agree to release, and agree to cause their respective subsidiaries and other affiliates to release, the Affiliated NHL Parties from any such Claims, and (iii) agrees to indemnify, and agrees to cause its respective subsidiaries and other affiliates to indemnify, the Affiliated NHL Parties from any such Claims.

(b) If any Affiliated NHL Party asserts a claim against any Requesting Party, then the releases contained in Sections 10(a)(i) and (ii) above shall not prohibit or limit in any manner such Requesting Party from asserting a defence to such claim.

(c) Without limiting any other rights the Affiliated NHL Parties may have, and without limiting any party's affirmative obligation to pay amounts referenced in the Owner Consent Agreements, the Club agrees to indemnify and hold harmless the Affiliated NHL Parties from and against any and all losses, obligations, claims, liabilities, fines, penalties, damages, costs and expenses (including without limitation, reasonable costs of investigation and settlement and attorneys' fees, including in actions with Affiliated NHL Parties) (collectively, "Losses") incurred or required to be paid by an Affiliated NHL Party, arising out of, attributable to or relating to: (i) the transactions contemplated in this Letter agreement, other than a Loss resulting from a breach solely by an Affiliated NHL Party of any of its obligations under this Letter Agreement, (ii) any act, omission or breach by the Club, any of its subsidiaries or other affiliates or any of its respective former or present shareholders, partners, members, managers, investors, directors, officers, employees, representatives or agents, of any obligation set forth in this letter agreement, or (iii) any breach of any representation, warranty, agreement or covenant in this Letter Agreement, other than a Loss resulting from a breach solely by an Affiliated NHL Party of any of its obligations under this Letter Agreement.

(d) The releases and indemnities provided in this Letter agreement shall be in addition to, and not in limitation of, any releases, indemnities and other rights that the NHL may have, including, without limitation, releases, indemnities and rights in favor of the NHL existing on or prior to the date of this Letter Agreement, which releases, indemnities and rights are hereby confirmed and affirmed.

(e) The Club represents, warrants, covenants and agrees that it is not aware of any Claims it may have against any Affiliated NHL Party arising out of, attributable to or relating to, any act, omission, transaction or occurrence taken (or not taken) or occurring (or not occurring) at any time up to and including the date of the

execution of this Letter Agreement, other than in respect of amounts, if any, which may be due to the Club in the ordinary course of NHL business.

11. No Subordination; Oilers Parties' Waiver of Rights of Subrogation By its acceptance hereof:

(a) No Subordination. The City covenants and agrees that, without the NHL's prior written consent, which consent may be unreasonably withheld or delayed in the NHL's sole and absolute discretion, the City will not subordinate its security interests in and to any of the Collateral to any other person, firm, company, institution or entity. Nothing contained herein shall be or be construed or deemed to be a subordination by the NHL of the NHL's rights to receive payments on account of indebtedness or liabilities now or hereafter owing to it or the NHL's member clubs by the Club or any of its direct or indirect owners or to defer distribution for NHL purposes (the NHL's rights to receive such payments from the Club or any of its direct or indirect owners being senior in all respects to the City's rights to receive any payment pursuant to the Operative Documents, or otherwise, from the Club or such direct or indirect owners, or the Collateral), or to constitute consent by the NHL to a relocation of the Franchise to a different territory or a waiver by the NHL of its rights to sell, terminate or relocate the Franchise under the NHL Constitution and Agreements.

(b) For the avoidance of doubt, and notwithstanding anything to the contrary contained in any Operative Document, each Requesting Party hereby confirms and acknowledges: (i) the right of the NHL, the other NHL Entities, any other entity formed generally by the NHL or its member clubs or the other NHL Entities after the date hereof, to make payments directly to or for the benefit of the Club, the Principal Investor, or any other direct or indirect owner of the Club, or any of their respective affiliates, whether by way of loan, advance or otherwise, (ii) the right of the NHL to set off, as against amounts owing by the NHL, the other NHL Entities, any other entity formed generally by the NHL or its member clubs or the other NHL Entities after the date hereof, on the one hand, to the Club, the Principal Investor, or any other direct or indirect owner of the Club, on the other hand, any payments provided by the NHL directly to or for the benefit of the Club, the Principal Investor, any other direct or indirect owner of the Club or any of their respective affiliates, whether by way of loan, advance or otherwise, in priority to the City's rights to receive any payment pursuant to the Operative Documents, or otherwise, from the Club, the Principal Investor or such direct or indirect owners, or the Collateral, as the case may be, and (iii) such NHL right of set off shall be, in all respects, senior to any rights of the City to receive any such payments from the Club, the Principal Investor or such other direct or indirect owners, or the Collateral, as the case may be. Each Requesting Party covenants and agrees that it shall take no action that impairs in any manner the NHL's ability to exercise its right of set off as hereinbefore provided, and any such action that is taken in violation of this Section shall be void ab initio and of no force or effect.

(c) Limited Review by NHL. Each Requesting Party acknowledges and agrees that the NHL has reviewed the final execution versions of the Operative Documents that have been supplied to it by counsel for the Club only for certain limited

purposes, and that the NHL is not charged with knowledge of, or deemed to have any independent obligations under, and the NHL makes no representation, warranty or covenant as to (and specifically disclaims) the accuracy or completeness of any term or provision of any of the Operative Documents.

(d) Accuracy of Description of Operative Documents. Each Requesting Party represents, warrants and agrees that, with respect to the subject matter of this Letter Agreement, the descriptions of the Operative Documents contained herein accurately describe in substance: (i) all material obligations that are guaranteed, incurred or assumed, directly or indirectly, by any Oilers Party or secured by any of the assets of any Oilers Party in favor of the City, and (ii) the Collateral pledged as security for such Obligations.

(e) Delivery of Operative Documents to NHL. Each Requesting Party represents, warrants and agrees that the NHL, on or prior to the date hereof, has been provided with true, complete and accurate copies of all of the material Operative Documents (including, without limitation, any amendments to the Operative Documents) and there are no agreements by or among the Requesting Parties with respect to the subject matter of the Operative Documents not reflected in such copies.

12. Interim Operator. In the event that the NHL or the City take steps to enforce any of their respective rights with respect to the Collateral (or, in the case of the NHL, any other asset of, or direct or indirect ownership interest in, the Club) and an interim operator is required, or in the event that the City at any time has a right to nominate an interim operator of the Club or the Collateral, whether pursuant to the Operative Documents or otherwise, then, subject to the NHL's rights pursuant to this Letter Agreement, including, without limitation, Section 8(b)(v) and Section 8(g) hereof, the NHL agrees to consult with the City and to consider the City's views as to the choice of such interim operator pending the ultimate disposition of the Collateral (or any other asset of, or direct or indirect ownership interest in, the Club), as otherwise contemplated in this Letter Agreement; provided, however, that the City agrees that, notwithstanding any provision of any Operative Document to the contrary, at all times (whether before or during the Voluntary Sale Period, or thereafter), the final decision on: (i) whether to appoint such an interim operator, and (ii) the selection of any such interim operator to be appointed, rests with the NHL, in its sole and absolute discretion.

13. No Guaranty or Indemnity by NHL. This Letter Agreement shall not be construed in any respect as a guaranty or indemnity by the NHL, or any NHL member club, of any debts, liabilities or obligations whatsoever of the Club, the other Oilers Parties, any other party to any of the Operative Documents or any other person or entity.

14. NHL Disciplinary Actions; Franchise Relocations. Nothing in this Letter Agreement shall in any way limit the rights of the NHL or the NHL Commissioner to exercise their respective rights and remedies or to take disciplinary action against the Club or any of its direct or indirect owners under the NHL Constitution and Agreements (or otherwise), including, without limitation, the termination, sale or relocation of the Franchise, and in the event of any involuntary relocation of the Franchise effected in accordance with the NHL Constitution and Agreements, the City shall release any and all rights it may have under the Edmonton

Arrangements, other than the right to institute any action against the Club or the Principal Investor for damages for breach of covenants pursuant thereto (provided that no rights are asserted or enforced in such action against the Collateral (or any other asset of, or direct or indirect ownership interest in, the Club) as opposed to the proceeds thereof), or otherwise with respect to the Collateral (or any other asset of, or direct or indirect ownership interest in, the Club) being sold, including, without limitation, any rights to follow the Franchise, or to challenge the transfer of ownership in or the relocation of the Collateral (or any other asset of, or direct or indirect ownership interest in, the Club), provided that the City has been afforded, to the extent applicable, an opportunity to exercise its Local Buyer Right in accordance with the provisions of this Letter Agreement; and provided further that the foregoing shall not be deemed to limit the rights and remedies of the City against the proceeds of the Collateral sold, transferred or conveyed, or release any security interests of the City in such proceeds (as opposed to the Collateral itself) as shall be available under the Operative Documents, at law, in equity or otherwise. In the event the Club, or any direct or indirect owner in the Club, makes a written application to the NHL for a voluntary relocation, nothing in this Letter Agreement, other than as expressly provided under Sections 8(b)(iii) and 8(e) and Section 9 hereof, shall prevent the City from exercising any rights under the Operative Documents to seek a determination from a court of competent jurisdiction that such action is reasonably likely to constitute a breach of the Club's obligations under the Non-Relocation Covenants and otherwise satisfies the requirements for injunctive relief under the circumstances, and, if the court makes such a determination, seeking such injunctive relief against the Club pursuant to such Non-Relocation Covenants as the court may deem appropriate under the circumstances.

15. Failure to Act Does Not Constitute Waiver. No failure on the part of the NHL or any of its agents to exercise, and no course of dealing with respect to and no delay in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the NHL or any of its agents of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No failure on the part of the City or any of its agents to exercise, and no course of dealing with respect to and no delay in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the City or any of its agents of any right, power, or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

16. NHL Legend. The City agrees to include the following provision on any financing or continuation statements securing the Obligations (including without limitation any uniform commercial code or other similar filings), and in each Operative Document relating to the Obligations, and to furnish the NHL a copy of such Operative Documents after their execution and a copy of such statements upon their filing. The City further agrees to execute, deliver and file such other instruments as the NHL shall reasonably request to evidence and confirm the seniority and priority of the NHL Constitution and Agreements as provided herein to the security interest of such other party in the Collateral, all at the expense of the Club.

Section . NHL Requirements. It is acknowledged, understood and agreed that, notwithstanding anything in this document or any other Operative Document to the contrary, (a) the exercise by the

City of remedies under any Operative Document will be made in accordance with the terms and provisions of the NHL Letter Agreement (as defined below), the terms, conditions and provisions of which each of the parties to any Operative Document has accepted as reasonable and appropriate, and (b) in the event of any conflict or inconsistency between the terms of the NHL Letter Agreement and the terms of any Operative Document (including without limitation this document/agreement), the terms of the NHL Letter Agreement will control. All capitalized terms used in this Section and not defined in this Section are defined in that certain letter agreement, dated as of [Date of NHL Letter Agreement], by and among the NHL, [City], [Club] and the other parties thereto, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time (the "NHL Letter Agreement"). For the avoidance of doubt, the City acknowledges and agrees that nothing herein or in any other Operative Document shall give any Oilers Party an independent right to invoke or enforce any right or remedy set forth in the NHL Letter Agreement.

17. Amendments and Waivers; Governing Law. The terms of this Letter Agreement may be waived, altered or amended only by an instrument in writing duly executed by the NHL, the City and the Club, and any such waiver, alteration or amendment shall be binding upon the NHL, the Requesting Parties, and their respective successors and permitted assigns. This Letter Agreement shall be governed by and interpreted in accordance with the internal laws of the State of New York applicable to contracts made and to be performed wholly within such jurisdiction by residents of such jurisdiction.

18. Notices. All notices required to be delivered hereunder and all communications in respect hereof shall be in writing and shall be deemed given: (a) when personally delivered, (b) one (1) business day after sending if delivered by an overnight delivery courier with a national reputation, or (c) three (3) days after being deposited in the United States mail, registered or certified, return receipt requested, first class, postage pre-paid. If sent to any party (other than the NHL), such notice shall be sent to the address for such party set forth in the address block of this Letter Agreement and, if sent to the NHL, such notice shall be sent to:

National Hockey League
1185 Avenue of the Americas
New York, New York 10036
Attention: Mr. Gary B. Bettman, Commissioner
David Zimmerman, Esq., Executive
Vice President, Chief Legal Officer and
General Counsel

with a copy, which shall not constitute notice, to:

Norton Rose Fulbright Canada LLP
45 O'Connor Street, Suite 1500
Ottawa, Ontario K1P 1A4
Attention: Norman B. Lieff, Esq.

or addressed to such other address or to the attention of such other individual as the addressee shall have specified in a notice delivered pursuant to this Section 18.

19. Counterparts; Severability. This Letter Agreement may be executed in a number of counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same instrument. In case any one or more of the provisions contained in this Letter Agreement shall be found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

20. Electronic Transmissions, Facsimile. This Letter Agreement may be executed by facsimile transmittal facility, or electronic copy in a portable document format or such similar format and if so executed and transmitted, will be for all purposes as effective as if an executed original of this Letter Agreement had been delivered, and shall be deemed to be binding on all parties thereto when all such parties have executed this Letter Agreement and the NHL has transmitted a fully executed and complete copy of this Letter Agreement to all such parties, by facsimile or by electronic copy in a portable document format or such similar format.

21. NHL Rights to Collateral Under NHL Constitution and Agreements. Nothing herein is intended to modify or diminish the rights with respect to the Collateral (or any other asset of, or direct or indirect ownership interest in, the Club) that the NHL presently holds under the provisions of the NHL Constitution and Agreements. The NHL's consent to the granting of the security interests in favor of the City pursuant to the Location Agreement and the Security Agreement does not constitute a waiver or modification of the applicability of any other provision of the NHL Constitution and Agreements applicable to (or in effect between the NHL and) any party hereto.

22. Successors and Assigns. This Letter Agreement is solely for the benefit of the NHL and the City and their respective successors and assigns, and shall bind the Requesting Parties and the NHL and their respective successors and assigns, and no other person shall have any right, benefit or priority under or because of this Letter Agreement. Neither the Club nor any other Requesting Party may assign this Letter Agreement, including, without limitation, any rights or obligations hereunder, without the NHL's prior written consent, which consent may be withheld in the NHL's sole and absolute discretion. Notwithstanding anything contained in the Operative Documents, the member clubs of the NHL, including the Club, shall have the right: (a) to amend, modify, rescind or restate all governing, constitutive, operating and other agreements or documents relating to the NHL, the Enterprises Entities and any of their subsidiaries or affiliates, whether now existing or formed in the future, and to liquidate, dissolve or merge any of those entities, (b) to vote in favor of the actions set forth in clause (a) hereof, and (c) to invest or acquire an interest in any entity in which NHL teams or member clubs generally are investing or acquiring interests.

23. Injunctive Relief. It is acknowledged and agreed that the NHL will suffer immediate and irreparable harm in the event of a breach of this Letter Agreement by any other party hereto of any of its obligations hereunder and will not have an adequate remedy at law, and therefore, the NHL shall in addition to any other remedy available to it at law or in equity, be entitled to temporary, preliminary and permanent injunctive relief and a decree for specific performance in the event of a breach or threatened or attempted breach, without the necessity of showing any actual damage or irreparable harm or the posting of any bond or furnishing of any other security.

24. Neutral Interpretation; No Duress. This Letter Agreement shall be interpreted neutrally and without regard to the party that drafted it and, in particular, no rule of construction shall be applied as against any party hereto that would result in the resolution of an ambiguity contained herein against the drafting party. The Requesting Parties represent and warrant that in entering into this Letter Agreement they have proceeded with the advice of attorneys of their own respective choosing, that they have read the terms of this Letter Agreement, that the terms of this Letter Agreement have been fully and completely read and explained to them by their respective attorneys, and that those terms are fully understood and voluntarily accepted by them under no compulsion or duress of any kind whatsoever.

25. No NHL Obligation to Fund. For greater certainty, notwithstanding anything contained herein or in any Operative Document to the contrary, the NHL shall be under no obligation to fund the operations of the Club at any time, but rather any decision by the NHL to fund the operations of the Club shall be at the sole and absolute discretion of the NHL.

26. NHL Payments - Priority. Each of the Requesting Parties confirms, acknowledges and agrees that: (i) nothing contained in this Letter Agreement shall in any manner limit or impair the rights of the NHL, or any Affiliated NHL Party, to make payments directly to or for the benefit of the Club, whether by way of loan, advance or otherwise, in the ordinary course of NHL business, as generally made in respect of other NHL member clubs, and (ii) all such payments shall be in priority, in all respects, to any and all other secured and unsecured indebtedness of the Club.

27. NHL Letter Controls in Event of Conflict With Operative Documents. For greater certainty and clarity, notwithstanding anything contained in any Operative Document, whether to the contrary or otherwise, in the event of any conflict or ambiguity between any term or provision contained in this Letter Agreement and the terms or provisions of any Operative Document, the terms of this Letter Agreement shall control. Each of the Requesting Parties hereby acknowledges and agrees that it has reviewed the terms of this Letter Agreement and accepts such terms as reasonable in light of the interests of the NHL in the Collateral and the continued integrity of Club operations.

28. No Additional Rights – City. Each of the Requesting Parties hereby confirms, acknowledges and agrees that nothing in this Letter Agreement is intended, nor shall anything in this Letter Agreement be construed, to grant in favor of the City, any additional rights to those rights which the City presently has been granted under the Operative Documents. For the avoidance of doubt, the City represents, warrants, covenants and agrees that: (i) it has not been granted any rights or interests whatsoever, under the Operative Documents or otherwise, in

any direct or indirect ownership interests in the Club (other than the City's rights in respect of the amount of any proceeds of sale distributable in respect of the sale of any such direct or indirect ownership interests as contemplated in Section 7(ii) hereof), and (ii) it shall not, at any time, be entitled to take, or cause to be taken, any Foreclosure action, whether under the Operative Documents or otherwise, that could give rise to any action, claim or proceeding, whether direct or indirect, against any direct or indirect ownership interest in the Club (other than the City's rights in respect of the amount of any proceeds of sale distributable in respect of the sale of any such direct or indirect ownership interests as contemplated in Section 7(ii) hereof).

29. NHL Costs and Expenses. The Oilers Parties agree that all legal fees and costs incurred by the NHL with respect to the transactions contemplated by this Letter Agreement shall be charged to the Club and shall be the obligation thereof.

30. Entire Agreement. This Letter Agreement contains the entire agreement between the City and the NHL with respect to the subject matter herein and supersedes all other representations, warranties, agreements, and understandings, oral or otherwise, between the City and the NHL with respect to the subject matter hereof.

31. No Modification. Each of the Requesting Parties hereby acknowledges and agrees that nothing in this Letter Agreement or in any other agreement or document delivered in connection herewith shall be construed to amend, affect, terminate or otherwise modify any of the terms or provisions of any consent agreement, guaranty or other agreement or document previously delivered by the Club and/or any of its affiliates to the NHL, each of which: (i) is hereby affirmed, confirmed and ratified by the Requesting Parties, to the extent it is a party thereto, and (ii) shall remain in full force and effect.

32. Other NHL Agreements. For greater certainty and clarity, notwithstanding anything contained in any Operative Documents, whether to the contrary or otherwise, the City shall not have any right under, or to enforce, the NHL Option Agreement, the Owner Consent Agreements, any consent agreement (other than this Letter Agreement) to which it is not a party entered into by the Club, the NHL, one or more of the owners of the Club and the other parties thereto or any guaranty executed in connection therewith by any party thereto in favor of the NHL.

33. Oilers Parties Guaranties. The Requesting Parties acknowledge the rights of the NHL to enforce the obligations of certain of the Oilers Parties under that certain Guaranty dated as of June 27, 2008, and entered into by such Oilers Parties in favor of the NHL, as such Guaranty may be amended or modified from time to time.

34. NHL Proxies. The Requesting Parties hereby confirm and acknowledge the existence of the proxy rights granted to the NHL by certain of the Oilers Parties under the Owner Consent Agreements (the "Proxies"), and the absolute seniority and priority of the rights and benefits of the NHL Commissioner pursuant to the Proxies over any and all rights of the Requesting Parties. Each Requesting Party covenants and agrees that such person (or persons) shall take no action that impairs in any manner the NHL Commissioner's ability to exercise its rights pursuant to the Proxies, and any such action that is taken in violation of this Section 31 shall be void ab initio and of no force or effect. The City hereby acknowledges and agrees that

the existence of the Proxies and any exercise of any Proxy shall not constitute an Event of Default. Each of the Requesting Parties hereby further confirm and acknowledge that on or after the date of this Letter Agreement, existing or future owners of direct or indirect interests in the Club may execute and authorize additional proxies that shall enjoy the same rights and benefits as the Proxies as described above.

35. Secured Party Cooperation Agreement. The Requesting Parties each acknowledge and agree that, if any party to a Secured Party Cooperation Agreement at any time provides notice to the NHL of its intention to initiate any proceedings in respect of an Oilers Party and/or against the Collateral and such party has the right to initiate such proceedings, then the NHL shall be entitled to the rights and remedies provided to it under this Letter Agreement as if such secured party had delivered a notice of Foreclosure (pursuant to such Secured Party Cooperation Agreement) to the NHL (whether or not any such Foreclosure notice actually has been provided by such secured party), in which event the City shall be required to release its security interests in respect of the Collateral to the extent required pursuant to, and in accordance with, the terms of this Letter Agreement.

36. Performance of Master Agreement. Each of the Requesting Parties confirms, acknowledges and agrees if: (i) if the Master Agreement is terminated pursuant to Section 27.3 thereof, or (ii) the Club is no longer bound by the provisions of the Location Agreement, the obligations of the NHL to the City pursuant to this Letter Agreement, including in respect of the exercise by the City of the Local Buyer Right, shall forthwith terminate and be of no further force and effect. Notwithstanding any of the foregoing, each of the Requesting Parties hereby confirms, acknowledges, covenants and agrees that it shall continue to be bound by all of its covenants, obligations and agreements contained in this Letter Agreement, including, without limitation, the releases and indemnities contained in Section 10 of this Letter Agreement.

37. No Violation With NHL Constitution. The Club hereby warrants, represents, agrees and covenants to the NHL that the granting and perfection of the security interests pursuant to, and the consummation of the transactions contemplated by, the Operative Documents subject to this Letter Agreement do not violate any provision of the NHL Constitution (including, without limitation, Article 13 thereof) or the NHL Bylaws.

38. Operative Document Confidentiality Provisions. Notwithstanding anything in any Operative Document, whether to the contrary or otherwise, the NHL shall not be subject to, and shall not otherwise be obligated to comply with, any confidentiality, disclosure or other similar provision therein. The City has advised the NHL that: (i) the City is subject to the provisions of the *Freedom of Information and Protection of Privacy Act* (RSA 2000, c. F-25) ("FOIP"), and (ii) the City may be requested to disclose any records relating to this Letter Agreement and under the custody or control of the City, including, without limitation, the contents of this Letter Agreement. The City confirms, acknowledges and agrees that any such disclosure, if required by the FOIP will only be made in accordance with and to the minimal extent required pursuant to the relevant provisions of the FOIP. For greater certainty, the City confirms, acknowledges and agrees that nothing in this Letter Agreement shall limit or restrict any rights of objection to such disclosure by the City that the NHL and/or any of the Oilers Parties may have pursuant to the FOIP.

39. Headings. The descriptive headings of the several sections and subsections of this Letter Agreement are included for convenience only, and do not constitute a part of this Letter Agreement and shall not affect in any way the meaning or interpretation of this Letter Agreement.

If the foregoing is in accordance with your understanding of our agreement, please indicate your acceptance by countersigning where indicated below and returning a signed and dated counterpart of this Letter Agreement to the NHL, whereupon this Letter Agreement and your acceptance hereof shall constitute a valid and binding agreement between the NHL, the Club and the City.

Very truly yours,

National Hockey League

By: _____
David Zimmerman, Esq.
Executive Vice President, Chief Legal
Officer and General Counsel

The undersigned hereby agree to the foregoing terms and conditions as of the date first written above.

THE CITY OF EDMONTON

Per:

As represented by Simon
Farbrother City Manager

Legally Reviewed and
Approved as to Form:

Approved by City Council
January 23, 2013, Item #6.2
April 10, 2013, Item # 6.11

Law Branch

Approved as to Content:

Club:

REXALL SPORTS CORP.

By: _____

Name:

Title:

SCHEDULE 4(a)

1. Any sale, lease, licence, assignment, transfer or other disposition of assets of the Club by way of the following:
 - (a) a sale of inventory in the ordinary course of business;
 - (b) acquisitions, trades or termination of players, coaches or managers in the ordinary course of business;
 - (c) suite licenses and advertising contracts in the ordinary course of business;
 - (d) a licence of intellectual property in the ordinary course of business;
 - (e) a disposition of obsolete or surplus equipment in the ordinary course of business;
or
 - (f) a disposition of assets the fair market value of which, when added to all other dispositions not otherwise permitted by clauses (a) through (e) above, does not exceed \$1,000,000 in any consecutive period of twelve (12) months.

SCHEDULE "B"

Form of agreement between Secured Party, City and RSC
[See attached]

SCHEDULE B

This Intercreditor Agreement made as of _____ is made by and between [insert name of Lender] with an office in _____, _____ in its capacities described in Section 8.13 hereof (the "Agent"), **Rexall Sports Corp.**, a corporation under the laws of the Province of Alberta ("RSC"), as borrower, and **The City of Edmonton** (the "City").

RECITALS:

A. The Senior Creditors have made and have agreed to make loans or advances and otherwise extend credit to RSC pursuant to the terms of the Credit Agreement.

B. The City has entered into certain arrangements with RSC and certain of its affiliates and shareholders with respect to the acquisition of lands, and the development, ownership, design, construction, financing and operation of a multi-purpose sports and entertainment facility and related facilities (the "**New Edmonton Arena Facilities**") pursuant to the Edmonton Arena Agreements, including without limitation the Location Agreement.

C. Pursuant to the Location Agreement, RSC has made certain representations, warranties, covenants and agreements to and in favour of the City, as more particularly described therein and defined in Section 3 of the Location Agreement as the "**Location Covenants**".

D. Pursuant to the Credit Agreement, the Agent and the other Senior Creditors agreed to recognize and abide by the terms of the Location Agreement applicable to a secured creditor for so long as and to the extent that RSC remains bound by the Location Agreement.

E. RSC has granted security to the Agent over its property and assets in order to secure the indebtedness owing to the Agent and the Creditors.

F. RSC has granted or agreed to grant security over certain of its property and assets in order to secure the performance and payment of its obligations to the City under the Location Agreement.

G. The parties hereto desire to set out their respective rights and priorities with respect to the repayment of the indebtedness and other obligations owing to them and the security granted in connection therewith.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by each of the Parties, the Parties covenant and agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, including in the preamble and recitals hereto:

"**affiliate**" has the meaning given to such term in the *Business Corporations Act* (Alberta);

“Agreement” means this agreement, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions hereof;

“City Cooperation Agreement” means that certain letter agreement dated as of February [____], 2014, by and among the NHL, the City and RSC;

“Collateral” means all of the property, assets, undertakings, rights and interests of any or all of the Debtors, as applicable;

“Credit Agreement” means the credit agreement dated as of _____ among _____, as administration agent, the Lenders, RSC, as borrower, Guarantors, as guarantors, as the same may be amended, modified, supplemented, restated or replaced from time to time, relating to certain credit facilities and other accommodations, products and services which the Senior Creditors have agreed to make available to RSC and certain of its affiliates;

“Credit Facilities” means the credit facilities established and made available to RSC by the Lenders pursuant to the Credit Agreement;

“Creditor Proceedings” means:

- (a) any dissolution, winding-up, total or partial liquidation, adjustment or readjustment of debt, reorganization, compromise, arrangement with creditors, plan of arrangement, proposal or similar proceedings under Insolvency Laws of or with respect to any Debtor or its property or liabilities, in each case under Insolvency Laws;
- (b) any dissolution, winding-up, total or partial liquidation, adjustment or readjustment of debt, reorganization, compromise, arrangement with creditors, plan of arrangement or similar proceedings under the arrangement provisions of any applicable corporate law (in any case which involves the alteration, amendment, conversion, compromise, satisfaction or discharge of obligations of any or all creditors) of or with respect to any Debtor or its property or liabilities;
- (c) any bankruptcy, insolvency, receivership, petition or assignment in bankruptcy, or assignment for the benefit of creditors under any Insolvency Laws of or with respect to any Debtor;
- (d) any marshalling of assets and liabilities of any Debtor under any Insolvency Laws; or
- (e) any proceedings in relation to any of the foregoing,

whether any of the foregoing is voluntary or involuntary, partial or complete, and includes any such proceedings initiated or consented to by any Debtor;

“Debtors” means, collectively, RSC, the Guarantors, and any other subsidiary or affiliate of RSC which may, in future, grant to the Agent or any other Senior Creditor any Senior Security described in subparagraph (a) of the definition thereof and **“Debtor”** means any one of the foregoing individually;

“Edmonton Arena Agreements” means, collectively, the Location Agreement, the Subordinate Security Agreement and such other agreements entered into by the City and RSC as contemplated by the Master Agreement;

"Enforcement Action" means any action under applicable law:

- (a) to foreclose, execute or levy on, collect on, take possession of or control of, or sell or otherwise realize upon (judicially or non-judicially) or to lease, license or otherwise dispose of (whether publicly or privately), any Collateral or otherwise to exercise or enforce remedial rights with respect to Collateral (including by way of set-off, notification of any public or private sale or other disposition pursuant to any PPSA or other applicable law, notification of account debtors, notification of depositary banks under deposit account control agreements or exercise of rights under landlord consents, if applicable);
- (b) to solicit bids from third parties to conduct the liquidation or disposition of any Collateral or to engage or retain sales brokers, marketing agents, investment bankers, accountants, appraisers, auctioneers or other third parties for the purposes of valuing, marketing, promoting and selling any Collateral;
- (c) to receive a transfer of Collateral in satisfaction of any indebtedness or other obligation secured thereby, or
- (d) to otherwise enforce any Security Interest or exercise any other right or remedy, as a secured creditor or otherwise, pertaining to the Collateral at law, in equity (including the commencement of any applicable legal proceedings or other actions against or with respect to all or any portion of the Collateral to facilitate the actions described in the immediately preceding clauses (a), (b) and (c), and exercising voting rights in respect of any equity interests comprising Collateral),

provided that **"Enforcement Action"** shall not include any Permitted Action;

"Guarantors" means _____;

"Insolvency Laws" means the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws applicable to any Debtor or any of its properties or liabilities;

"Lease Agreement" means the lease agreement between the City and Edmonton Arena Corp. entered into or to be entered into pursuant to the Master Agreement;

"Lease Indemnity Agreement" means the lease indemnity agreement between the City and RSC entered into or to be entered into pursuant to the Master Agreement;

"Lenders" means _____, _____, _____, and each other person that becomes a party to the Credit Agreement as a lender;

"Loan Documents" means the Credit Agreement, all guarantees, security documents, hedging agreements, cash management and account concentration agreements, credit card agreements and each and every other ancillary agreements, loan and security agreements, or other agreement, instrument or other document which evidences or relates to any Senior Obligations, all as may be renewed, amended, extended, increased or supplemented from time to time;

"Local Buyer Right" has the meaning set forth in the City Cooperation Agreement, as such Local Buyer Right is modified and supplemented by the City Cooperation Agreement;

“**Location Agreement**” means the location agreement between RSC and the City dated August 29, 2013;

“**Master Agreement**” means the master agreement between the City and Edmonton Arena Corp. dated August 29, 2013;

“**NHL**” has the meaning set out in the Location Agreement;

“**Obligations**” means the Senior Obligations and the Subordinate Obligations;

“**Parties**” means the parties to this Agreement;

“**Permitted Action**” means, with respect to the City:

- (a) the making of a demand upon RSC for performance and/or payment of any of the Subordinate Obligations when the same are required to be performed and/or are due and payable;
- (b) the filing of a claim or statement of interest with respect to the Subordinate Obligations or Subordinate Security in any Creditor Proceeding commenced by or against RSC (but not the commencement of any such Creditor Proceeding);
- (c) the taking of any action (not adverse to the priority status of the Senior Security, or the rights of the Agent or other Senior Creditors to exercise remedies in respect thereof) in order to create, perfect, preserve or protect a Security Interest on the Collateral, or the validity thereof;
- (d) the filing of any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims of the City, including any claims secured by the Collateral, if any, in each case in accordance with the terms of this Agreement;
- (e) the filing any proof of claim, making other filings and making any arguments and motions that are, in each case, in accordance with the terms of this Agreement, with respect to the Subordinate Obligations and Subordinate Security;
- (f) the exercise of the Local Buyer Right, including the commencement of proceedings or the joining or participation in any Creditor Proceeding or Enforcement Action with respect to RSC to preserve, protect and enforce the Local Buyer Right in accordance with the terms of the Location Agreement and the City Cooperation Agreement;
- (g) the exercise of its rights and remedies under the Lease Agreement, the Lease Indemnity Agreement and any lease resulting from the Lease Indemnity Agreement (collectively, the “**Arena Lease Agreements**”), including (i) any right to enforce an obligation to remedy a prior and subsisting default (but excluding any right of distraint or other right or remedy against the Collateral), and (ii) the commencement of proceedings (other than proceedings against any Collateral) or the joining or participation in any Creditor Proceeding or Enforcement Action (but not the commencement of any such Creditor Proceeding or Enforcement Action) with respect to RSC to enforce the Arena Lease Agreements in accordance with the terms thereof and of any non-disturbance agreement with respect thereto between (among others) the City and the Agent;

- (h) the joining (but not exercising any control with respect to) any judicial proceeding or other judicial enforcement proceeding with respect to the Collateral initiated by the Agent or another Senior Creditor to the extent that any such action could not reasonably be expected, in any material respect, to restrain, hinder, limit, delay for any material period or otherwise interfere with the Enforcement Action by the Agent or any such other Senior Creditor, except as expressly contemplated in subparagraphs (f) and (g) above; or
- (i) the participation in any proposal or similar proceeding involving a Creditor Proceeding with respect to RSC initiated by the Agent or another Senior Creditor or in which the Agent or another Senior Creditor is participating, provided the City does so in a manner not inconsistent with this Agreement;

“PPSA” means the *Personal Property Security Act* (Alberta) and all other applicable personal property security acts now or hereafter enacted in any other applicable jurisdiction in which Collateral may be located;

“Security” means, collectively, the Senior Security and the Subordinate Security;

“Security Interest” means mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retentions, security created under the *Bank Act* (Canada), liens, encumbrances, security interests or other interests in property, howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation and, including, in any event:

- (a) deposits or transfers of cash, marketable securities or other financial assets under any agreement or arrangement whereby such cash, securities or assets may be withdrawn, returned or transferred only upon fulfilment of any condition as to the discharge of any other indebtedness or other obligation to any creditor;
- (b) (i) rights of set-off or (ii) any other right of or arrangement of any kind with any creditor, which in any case are made, created or entered into, as the case may be, for the purpose of or having the effect (directly or indirectly) of (A) securing indebtedness for borrowed money, (B) preferring some holders of indebtedness over other holders of indebtedness or (C) having the claims of any creditor be satisfied prior to the claims of other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or later acquired (other than, with respect to (C) only, rights of set-off granted or arising in the ordinary course of business);
- (c) the rights of lessors under capital leases, operating leases and any other lease financing; and
- (d) absolute assignments of accounts receivable, except for absolute assignments of accounts receivable made in conjunction with a sale of related assets which is permitted by the provisions of the Credit Agreement;

“Senior Creditors” means, collectively, the Lenders, affiliates of the Lenders who may from time to time provide products and services to any of the Debtors, including without limitation currency, interest rate and commodity hedging arrangements, and the Agent;

“Senior Obligations” means all present and future obligations, indebtedness, liabilities, covenants, agreements and undertakings of RSC and the other Debtors (or any of them) to any and all of the Senior

Creditors, whether direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred or arising, and any ultimate unpaid balance thereof, and whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether RSC or such other Debtor be bound alone or with others and whether as principal or surety, including all expenses paid or incurred by any of the Senior Creditors in endeavouring to collect or realize upon the foregoing;

“Senior Obligations Default” means any default, event of default or similar event, occurrence or circumstance by or affecting RSC or any other Debtor under the Credit Agreement;

“Senior Security” means, as the context requires:

- (a) all assignments, mortgages, debentures, pledges, guarantees and other security agreements of whatsoever in kind now, heretofore, or hereafter executed and delivered by the Debtors in favour of the Agent, the other Senior Creditors or any of them or now, heretofore, or hereafter existing as security on or against any Collateral in favour of the Agent, the other Senior Creditors or any of them, in each case, which secure payment or performance of the Senior Obligations;
- (b) the Security Interests, rights, interests and benefits created or arising pursuant to such assignments, mortgages, debentures, pledges, guarantees and other security agreements; or
- (c) the Collateral charged under or subject to such assignments, mortgages, debentures, pledges, guarantees and other security agreements;

“Subordinate Obligations” means any and all warranties, representations, covenants, indemnities and other obligations of RSC in favour of the City set out in the Location Agreement. For greater certainty, the **“Subordinate Obligations”** will not in any event include rent due or accruing due under the Arena Lease Agreements or any amounts due to the City under the Master Agreement;

“Subordinate Obligations Default” means any default, event of default or similar event, occurrence or circumstance under the Location Agreement;

“Subordinate Rights” means, collectively, all rights, remedies and powers of the City:

- (a) under, pursuant or relating to the Subordinate Security or any agreement, instrument or other document evidencing or relating to any Subordinate Obligations;
- (b) in any Creditor Proceedings; and
- (c) otherwise available to the City pursuant to applicable laws to enforce payment and performance of the Subordinate Obligations; and

“Subordinate Security Agreement” means the security agreement made as of February 10, 2014 between the City and RSC;

“Subordinate Security” means, as the context requires:

- (a) the Subordinate Security Agreement;

- (b) the Security Interests, rights, interests and benefits created or arising pursuant to the Subordinate Security Agreement; or
- (c) the Collateral charged under or subject to the Subordinate Security Agreement.

1.02 Headings; Articles and Sections

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.03 Number; persons; including

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.04 References to Agreements and Enactments

Unless otherwise stated, references herein to any agreement, instrument, licence or other document shall be deemed to include reference to such agreement, instrument, licence or other document as the same may from time to time be amended, modified, supplemented or restated; and reference herein to any enactment shall be deemed to include reference to such enactment as re-enacted, amended or extended from time to time and to any successor enactment.

**ARTICLE 2 -
SUBORDINATION, POSTPONEMENT AND PRIORITY**

2.01 General

Notwithstanding the terms of the agreements, instruments or other documents giving rise to the Obligations, the Security or the Subordinate Rights, the time of default under or the dates of any advances, creation or incurrence of the Obligations or the dates of creation or perfection of the Security, the Parties agree that all and any of their rights in respect of the Obligations, the Security and the Subordinate Rights, as between the City and the Senior Creditors, shall be governed by the terms of this Agreement.

2.02 Postponement and Subordination of Subordinate Obligations; Distributions to Creditors

(1) The payment and performance of all Subordinate Obligations is hereby postponed and subordinated to the indefeasible payment and performance, in full, in same day funds, in final satisfaction of all Senior Obligations. The City will not directly or indirectly, accept from any Debtor, in any manner, directly or indirectly, payment of, or consideration for the reduction of, the whole or any part of the Subordinate Obligations in any manner contrary to this Agreement and if any such payment is received or

made on the Subordinate Obligations, such payment shall be held by the City in trust for the benefit of, and shall be promptly paid over in the form received (duly endorsed, if necessary, to Agent) to, the Agent for the benefit of the Senior Creditors.

- (2) Upon any Creditor Proceedings which are continuing:
 - (a) all of the Senior Obligations shall first be indefeasibly paid and satisfied in full, in same day funds, before the City shall be entitled to receive or retain (except on behalf of the Senior Creditors) any payment or distribution on account of Subordinate Obligations: (i) from any Debtor or any receiver, trustee in bankruptcy, trustee named in a bankruptcy proposal, liquidator, agent or other person making such payment or distribution, (ii) in respect of such proceedings or (iii) under or in respect of any of the Subordinate Rights; and
 - (b) any payment or distribution of assets of any Debtor of any kind or character, whether in cash, property or securities, to which the City would be entitled in respect of the Subordinate Obligations or the Subordinate Rights and the receipt of which could be contrary to this Agreement, shall be paid by such Debtor or by any receiver, trustee in bankruptcy, trustee named in a bankruptcy proposal, liquidator, agent or other person making such payment or distribution, directly to the Agent for the benefit of the Senior Creditors to the extent necessary to satisfy and indefeasibly pay in full and in same day funds all the Senior Obligations before any payment or distribution is made to the City or any representative thereof.

2.03 Priority of Security

(1) The Subordinate Security shall rank subordinate to and is hereby postponed to the Senior Security with respect to all of the Collateral.

(2) Any and all proceeds of realization from or relating to the enforcement of any Security against any and all of the Collateral shall be applied to the Senior Obligations and Subordinate Obligations in the following order:

- (a) first, to the payment of costs, charges, expenses and liabilities incurred in connection with the enforcement of or realization upon any:
 - (i) Senior Security, including any reasonable legal fees on a full indemnity basis and all proper costs, charges, expenses and liabilities of any receiver, receiver and manager or other person having similar power or authority appointed by the Agent or by a court of competent jurisdiction at the instance of the Agent, which costs, charges, expenses and liabilities, in each case and to the extent required by law, have been approved by a court of competent jurisdiction; or
 - (ii) Subordinate Security, provided that the payment of such costs, charges, expenses and liabilities in first priority pursuant to this Section 2.03(2)(a) (as opposed to pursuant to Section 2.03(2)(c)) shall be limited to those costs, charges, expenses and liabilities which are (A) incurred in connection with the enforcement of or realization upon the Subordinate Security prior to any enforcement of or realization upon any Senior Security, (B) proper costs, charges, expenses and liabilities of any receiver, receiver and manager or other person having similar power or authority appointed by a court of competent jurisdiction at the instance

of the City and (C) to the extent required by law, approved by a court of competent jurisdiction;

- (b) second, to the indefeasible payment and satisfaction in full and in same day funds of all Senior Obligations;
- (c) third, after payment and satisfaction in full and in same day funds of all Senior Obligations, to the payment and satisfaction in full and in same day funds of all Subordinate Obligations; and
- (d) fourth, to the Debtors or such other persons as may be entitled thereto under applicable laws.

2.04 Standstill

Without the prior written consent of Agent on behalf of the Senior Creditors, the City shall not:

- (a) receive payment of any Subordinate Obligations; provided that nothing herein shall limit the right of the City to make demand for performance or payment of the Subordinate Obligations when the same are required to be performed and/or are due and payable;
- (b) other than Permitted Actions, (i) commence any action or proceeding to enforce, collect or receive payment or performance of any Subordinate Obligations or exercise any Subordinate Rights to enforce payment or performance of any Subordinate Obligations, (ii) enforce or exercise any remedies under any Subordinate Security or take any other Enforcement Action; or
- (c) commence, or join with any other creditor (other than the Agent or Senior Creditors) in, any Creditor Proceedings or take any steps or proceedings in connection therewith, other than (i) Permitted Actions, or (ii) the filing of proofs of claim and other actions related to a Creditor Proceeding deemed necessary by the City to protect and preserve its rights as against RSC, so long as such actions could not reasonably be expected to adversely affect the Senior Creditors, the Senior Security or the Senior Creditors' rights under this Agreement and so long as such actions are not otherwise inconsistent with this Agreement;

provided, however that the foregoing restrictions on the City contained in Sections 2.04(a), (b) and (c) shall immediately terminate upon any one or more of the following:

- (i) the acceleration or final maturity of the Senior Obligations;
- (ii) the commencement of any Enforcement Action by the Agent or another Senior Creditor in respect of the Senior Obligations or the Senior Security;
- (iii) the commencement by RSC of any Creditor Proceedings;
- (iv) the commencement by the Agent or another Senior Creditor of, or the joining with any other creditor in, any Creditor Proceedings; or

- (v) the commencement of Creditor Proceedings by creditors other than the Creditors, which proceedings (A) are not contested by RSC within the applicable time period for doing so, (B) are not stayed or dismissed within sixty days after the initiation thereof, or (C) result in RSC being adjudged bankrupt or insolvent by a court of competent jurisdiction.

2.05 Certain Covenants of the City

The City hereby covenants with the Agent for the benefit of the Senior Creditors as follows:

- (a) the City shall not receive or hold any guarantee or other assurance in respect of the Subordinate Obligations, or any Security Interest securing any of the same, from any Guarantor unless and until the City shall have executed and delivered to the Agent for the benefit of the Senior Creditors a subordination agreement respecting such indebtedness which agreement is in form and substance satisfactory to the Agent in its sole discretion;
- (b) the Subordinate Obligations and the agreements, instruments and other documents, which at any time evidence, create or relate to the Subordinate Obligations and the Subordinate Security shall be in form and substance satisfactory to the Agent, acting reasonably; and
- (c) the City shall not receive or retain any payment on or in respect of any Subordinate Obligations until the Senior Obligations has been paid, performed and indefeasibly satisfied in full and the Credit Facilities has been cancelled, and any such payment received in contravention of the foregoing shall not be retained by the City, but shall be held in trust for the benefit of, and shall be promptly paid over in the form received (duly endorsed, if necessary, to the Agent) to, the Agent for the benefit of Senior Creditors; provided that nothing herein will prohibit the performance (as opposed to payment) of any Subordinate Obligations or Permitted Actions enforcing such performance.

2.06 Obligations of Debtors not Affected

Nothing contained in this Agreement is intended to or shall impair, as between RSC and the City, the obligation of RSC to observe and perform all of its obligations under the Location Agreement and the other Edmonton Arena Agreements, nor shall anything herein or therein prevent the City from exercising all remedies otherwise permitted by applicable law in respect of the Subordinate Obligations, in each case, subject to (a) the terms and provisions of this Agreement, (b) the postponement of the Subordinate Obligations to the Senior Obligations set forth herein, (c) the priority of the Senior Security over the Subordinate Security set forth herein, and (d) the rights and interests of the Agent and the other Senior Creditors hereunder.

2.07 Trust

If upon any such Creditor Proceedings, or proceedings in relation thereto, whether voluntary or involuntary, partial or complete (including any acts or proceedings related to the Subordinate Rights), any payment or distribution of assets of any Debtor of any kind or character, whether in cash, property or securities, shall be received by the City or any representative thereof before all the Senior Obligations are indefeasibly paid and performed in full and satisfied, such payment or distribution shall be held by the City (or such representative) in trust for the benefit of, and shall be promptly paid over in the form received (duly endorsed, if necessary, to the Agent) to, the Agent for the benefit of the Senior Creditors.

2.08 No Marshalling

The Agent and Senior Creditors shall not be required to marshal any Senior Security or rights held by them in favour of the City.

2.09 Application of Proceeds

All payments and distributions received by the City in respect of the Subordinate Obligations or Subordinate Rights, to the extent received in or converted into cash and paid over to the Agent, may be applied by the Agent first to the payment of any and all expenses (including legal fees and expenses on the basis of a full indemnity) paid or incurred by the Agent or other Senior Creditors in enforcing the provisions hereof or in endeavouring to collect or realize upon any of the Senior Obligations, and any balance thereof shall, solely as between the City and the Senior Creditors, be applied by the Agent and the other Senior Creditors to the payment of the Senior Obligations until indefeasibly paid in full and satisfied in such order of application as the Agent and the other Senior Creditors may from time to time select; and, notwithstanding any such payments or distributions received by the Agent and the other Senior Creditors in respect of the Subordinate Obligations or Subordinate Rights and so applied by the Agent toward the payment of the Senior Obligations, the City shall be subrogated, without recourse, representation and warranty to the then existing rights of the Senior Creditors, if any, in respect of the Senior Obligations subject to the provisions of Section 2.11.

2.10 Insurance and Expropriation Proceeds

Any insurance proceeds or compensatory amounts to which RSC would otherwise be entitled in respect of expropriation, other forced disposition or sale to any expropriating authority under threat of expropriation shall be dealt with according to the provisions hereof as though such insurance proceeds or compensatory amounts were paid or payable as proceeds of disposition of the Collateral for which they compensate.

2.11 Restriction on Subrogation

The City shall not exercise any rights which it may acquire by way of subrogation or contribution under this Agreement until this Agreement has ceased to be effective in accordance with Section 6.01. If any amount is paid to the City on account of such subrogation or contribution rights at any time before this Agreement has ceased to be effective in accordance with Section 6.01, such amount shall be held in trust by the City for the benefit of the Senior Creditors and shall be promptly paid to the Agent for the benefit of the Senior Creditors.

ARTICLE 3 -

ACKNOWLEDGEMENTS OF THE CITY; FURTHER COVENANTS; REPRESENTATIONS AND WARRANTIES

3.01 Absolute Obligations

This Agreement shall operate and apply, and shall remain in full force and effect, in all events and circumstances and the obligations of the City hereunder shall be absolute, irrevocable and unconditional in all events and circumstances. In addition to and without limiting the foregoing, this Agreement shall remain in full force and effect and the obligations of the City hereunder shall be absolute, irrevocable and unconditional irrespective of:

- (a) any change in the time, manner or place of payment of, or in any other term of, any of the Senior Obligations, the Loan Documents, or any other amendment or waiver of or any consent to departure from any of the Senior Obligations or the Loan Documents;
- (b) any release or amendment or waiver of or consent to departure from any covenant, agreement or undertaking of any person respecting any of the Senior Obligations or the Loan Documents;
- (c) any merger, consolidation, amalgamation, dissolution, winding-up, liquidation or termination of the existence of the Agent or any other Senior Creditor or the City into or with any other person or any other change of its identity or capacity;
- (d) any (i) Creditor Proceeding or other event or proceeding relating to, or which might affect the existence, obligations, creditors, assets, business or affairs of, (ii) change or changes in the name of, or (iii) amalgamation, consolidation, merger or reorganization of any kind of, or with respect to, any Debtor;
- (e) any change in applicable laws or any defence, claim or right of any Party which would effect a result contrary to the terms in this Agreement; or
- (f) any impossibility or impracticality of performance or force majeure, any act of any governmental authority, or any other circumstance which might constitute a defence available to, or a discharge of, any Debtor in respect of the Senior Obligations or the Loan Documents.

3.02 Dealings by Senior Creditors

Notwithstanding anything in this Agreement, the City acknowledges and agrees that the Senior Creditors shall be entitled to:

- (a) lend monies or otherwise extend or increase credit or accommodations to any Debtor as part of the Senior Obligations;
- (b) agree to any change in, amendment to, waiver of, or departure from, any term of any Loan Document including any amendment, renewal, restatement or extension of any Loan Document, or increase, decrease, deferral or acceleration in the payment or other obligations of any Debtor under any Loan Document;
- (c) take any Security Interest from any Debtor;
- (d) grant time, renewals, extensions, releases, discharges or other indulgences or forbearances to any Debtor in respect of Senior Obligations;
- (e) waive timely and strict compliance with or refrain from exercising any rights under or relating to any Senior Obligations;
- (f) accept or make any compositions, arrangements, plans of reorganization or compromises with any Debtor as the Senior Creditors may deem appropriate in connection with any Senior Obligations;

- (g) change, whether by addition, substitution, removal, succession, assignment, grant of participation, transfer or otherwise, the Senior Creditors;
- (h) acquire, give up, vary, exchange, release, discharge or otherwise deal with or fail to deal with any Security Interests relating to any Senior Obligations, or allow any Debtor or any other person to deal with any property which is subject to such Security Interests, all as the Senior Creditors may deem appropriate; or
- (i) abstain from taking, protecting, securing, registering, filing, recording, renewing, perfecting, insuring or realizing upon any Security Interests for any Senior Obligations; and no loss in respect of any of the Security Interests received or held by the Agent or any other Senior Creditor, whether occasioned by fault, omission or negligence of any kind by the Agent or such other Senior Creditor, or otherwise, shall in any way limit or impair the liability of the City or the rights of any Senior Creditor under this Agreement,

all of which may be done without notice to or consent of the City and without impairing, releasing or otherwise affecting any rights or obligations of the City hereunder or any rights of the Senior Creditors hereunder.

3.03 Notice of Demand, Acceleration, Default and Enforcement

(1) The City shall give the Agent prompt (and, in any event, within ten (10) Banking Days) written notice of each of the following:

- (a) the occurrence of a Subordinate Obligations Default of which it has actual knowledge;
- (b) the making of a demand for payment or performance of any Subordinate Obligations;
- (c) any enforcement of or other exercise of any remedies under any Subordinate Security; and
- (d) the commencement of any action or proceeding to compel or enforce performance of, or to enforce, collect or receive payment of, any Subordinate Obligations or other Enforcement Action to enforce performance or payment of any Subordinate Obligations or exercise any Subordinate Rights.

(2) The Agent shall give the City prompt (and, in any event, within ten (10) Banking Days) written notice of each of the following:

- (a) the occurrence of any of the events or circumstances set forth in Sections 2.04(c)(i), (ii) and (iv); and
- (b) any enforcement of or other exercise of any remedies under any Senior Security.

(3) The failure to give the notices required pursuant to Section 3.03(1) or Section 3.03(2) shall not release, restrict or otherwise affect any of the obligations of the City or the Agent hereunder nor limit, derogate from or otherwise affect any of the other provisions hereof or the effect thereof.

3.04 Agreement Not to Challenge

(1) The City shall not at any time challenge, dispute or contest the validity or enforceability of any of the Senior Obligations, the Senior Security or the Loan Documents (including this Agreement) or the perfection of the Security Interests constituted by any of the Loan Documents, nor shall it at any time challenge, dispute or contest the validity or enforceability of the subordination and postponement provided for herein or take any action whereby the subordination and postponement contemplated hereby may be prejudiced. Likewise, the Agent shall not at any time challenge, dispute or contest the validity or enforceability of any of the Subordinate Obligations, the Subordinate Security or the Subordinate Documents (including this Agreement) or the perfection of the Security Interests constituted by any of such Subordinate Documents.

(2) In addition to and without limiting the foregoing, each of the City and the Agent covenants that it shall act in a manner consistent with and so as to give effect to the terms and conditions of this Agreement, including with respect to the filing of any proof of claim in the bankruptcy, insolvency or liquidation of RSC and with respect to any proposal, arrangement, plan of arrangement or reorganization under or with respect to a Creditor Proceeding and, for certainty, neither such Party shall approve any such proposal, arrangement, plan of arrangement or reorganization (unless this provision has been specifically waived in writing by the other such Party) if the effect thereof would be (a) to have any payments or distributions be made to and be retained by the City on account of the Subordinate Obligations when the Senior Obligations are not to be indefeasibly paid, performed and satisfied in full and in cash pursuant thereto, or (b) to avoid the obligations of the Agent and the other Senior Creditors under Section 4.01.

3.05 Representations and Warranties

The City hereby represents and warrants to the Agent and the other Senior Creditors that:

- (a) it has all necessary power and authority to enter into this Agreement and to perform its obligations hereunder, the execution, delivery, observance and performance on its part of this Agreement has been duly authorized by all necessary action and it has duly executed and delivered this Agreement;
- (b) this Agreement constitutes a valid and legally binding obligation of it, enforceable against it in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and to the qualification that equitable remedies such as specific performance and injunction are only available in the discretion of the court from which they are sought and general equitable principles; and
- (c) none of the authorization, execution or delivery of this Agreement or performance of any obligation pursuant hereto requires or will require, pursuant to applicable law now in effect, any approval or consent of any governmental authority having jurisdiction (except such as has already been obtained and are in full force and effect) nor is in conflict with or contravention of (i) the City's articles, by laws or other constating documents or any resolutions of its municipal council or (ii) the provisions of any other indenture, instrument, undertaking or other agreement to which the City is a party or by which it or its properties or assets are bound.

**ARTICLE 4 -
RECOGNITION OF LOCATION AGREEMENT**

4.01 Acknowledgement and Confirmation

The Agent, for and on behalf of all Senior Creditors, hereby irrevocably and unconditionally:

- (a) acknowledges that RSC has entered into the Location Agreement with the City in connection with, and as a material inducement to the City with respect to, the City's substantial investment in the acquisition of lands, and the development, ownership, design, construction, financing and operation of the New Edmonton Arena Facilities by the City and certain affiliates of RSC;
- (b) agrees to recognize and be bound by the terms of the Location Agreement, and to perform the covenants and agreements thereunder, in each case, applicable to a secured creditor of RSC (including, without limitation, pursuant to Section 7 therein), as if an original signatory thereto, for so long as and to the extent that RSC remains bound by the Location Agreement;
- (c) without limiting the generality of Section 4.01(b) above, hereby acknowledges the Local Buyer Right, and agrees, as between the City and the Senior Creditors, to afford to the City the Local Buyer Right in the context of (i) any Creditor Proceeding or (ii) any Enforcement Action brought by or on behalf of the Senior Creditors, in each case, subject to and in accordance with its terms. For greater certainty, if the City's rights under Section 7 of the Location Agreement terminate pursuant to the provisions of the City Cooperation Agreement, the agreement of the Agent and the other Senior Creditors to recognize and be bound by Section 7 of the Location Agreement and to afford the City the Local Buyer Right shall also terminate;
- (d) acknowledges and agrees that 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 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; and
- (e) acknowledges that (i) the City is subject to the provisions of the *Freedom of Information and Protection of Privacy Act* (RSA 2000, C. F-25) ("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 the Agent has under FOIP.

**ARTICLE 5 -
ACKNOWLEDGEMENTS OF RSC**

5.01 Acknowledgements

RSC hereby acknowledges, covenants and agrees that:

- (a) subject to Section 7.03 below, it authorizes the Agent, the other Senior Creditors and the City to share with each other any information possessed by them relating to the Obligations, and to the payment and performance thereof in favour of the Agent, the other Senior Creditors and the City;
- (b) this Agreement shall not modify, relieve or release it or any other Debtor from any of its Obligations under the agreements, instruments or other documents giving rise to the Subordinate Rights;
- (c) it is a party hereto solely for the purpose of providing the acknowledgements, covenants and agreements set forth herein and does not, and is not intended to, derive any benefits hereunder; and
- (d) it consents to the terms of this Agreement and agrees to comply with, and to not act contrary to, the terms of this Agreement.

**ARTICLE 6 -
TERMINATION**

6.01 Termination

The provisions hereof shall in all respects be a continuing agreement and shall remain in full force and effect until: (a) the final and indefeasible payment (in same day funds), performance and satisfaction in full of all of the Senior Obligations; and (b) the cancellation of the Credit Facilities under and termination of the Credit Agreement.

6.02 Reinstatement

This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment or performance of the Senior Obligations is rescinded, reversed, nullified, rendered void or voidable or must otherwise be restored, refunded, returned or unwound for any reason, all as though such payment had not been made or such performance had not occurred.

**ARTICLE 7 -
CONTINUING SUBORDINATION**

7.01 Continuing Subordination

This Agreement shall create a continuing subordination and shall:

- (a) be binding upon the City, the Agent and the other Senior Creditors, and their respective successors and assigns until terminated in accordance with Article 6; and
- (b) enure, together with the respective rights and remedies hereunder of the Agent and the other Senior Creditors, and of the City, to the benefit of and be enforceable by the Agent

and the other Senior Creditors, and by the City, and, in each case, their respective successors and assigns for their benefit and for the benefit of any other person entitled to the benefit of any Loan Documents or Edmonton Arena Agreements, as the case may be, from time to time, including any permitted assignee or participant of some or all of the Loan Documents, or any permitted assignee of some or all of the Edmonton Arena Agreements.

7.02 Other Obligations not Affected

The subordination provided for herein is in addition to and not in substitution for any other agreement or any other security by whomsoever given or at any time held by the Agent or any other Senior Creditor in respect of the Senior Obligations, and the Agent and the other Senior Creditors shall at all times have the right to proceed against or realize upon all or any portion of any other agreement or any security or any other monies or assets to which they may become entitled or have a claim in such order and in such manner as the Agent or other Senior Creditors in their sole discretion may deem appropriate.

7.03 Acknowledgments re: Documentation

The City hereby acknowledges and agrees with each of the other Parties that the terms of the Credit Agreement and all other Loan Documents will not be disclosed to the City, nor will any amendments, modifications or supplements to any of the aforementioned documents, nor will any other documents, instruments or agreements which are executed in the future pursuant to which Senior Obligations or Senior Security may arise, nor does or will the City require such disclosure in connection with this Agreement. The City irrevocably agrees that such disclosure is not a prerequisite or condition of its covenants, agreements and obligations under this Agreement. No Senior Creditor shall in any manner have any obligation to disclose any such documents to the City, nor shall the City's lack of receipt in any way affect the absolute, irrevocable and unconditional nature of the City's obligations hereunder in respect of the Senior Obligations or Senior Security thereby created or arising. Unless and until the City is notified in writing by the Agent, the City is entitled to deal solely with the Agent and not with any other Senior Creditor whose identity has not been disclosed to the City in writing by the Agent.

7.04 Consents to Security

The Agent on behalf of the Senior Creditors hereby consents to the Subordinate Security and, notwithstanding any lack of receipt of copies thereof, the City hereby consents to the Senior Security.

**ARTICLE 8 -
MISCELLANEOUS**

8.01 Assignments and Participations by Senior Creditors

Without limiting (as between the Senior Creditors and RSC) the provisions of the Credit Agreement relating to assignments and participations, any Senior Creditor may, from time to time without notice to or consent of the City, assign or transfer or grant participations in respect of any or all of the Senior Obligations owing to it, the Senior Security or any interest it may have therein; and, notwithstanding any such assignment or transfer or grant of a participation or any subsequent assignment or transfer thereof or grant of a participation therein, the City acknowledges that such Senior Obligations shall be and remain Senior Obligations for the purposes hereof, and every immediate and successive assignee or transferee of any of the Senior Obligations or of any interest therein shall, to the extent of the interest of such assignee or transferee in the Senior Obligations, be entitled to the full rights and benefits

hereof; provided that, as a condition of any such assignment or transfer of the Senior Obligations by the Agent in its capacity as such, any assignee or transferee of the Agent shall agree in writing to be bound by the terms and provisions of this Agreement.

8.02 Assignment by the City or RSC

RSC shall not assign all or any portion of its obligations under this Agreement or the Subordinate Obligations. The City shall not assign all or any portion of the Subordinate Obligations, Subordinate Rights or its other rights and obligations under this Agreement without prior written notice to Agent. The Agent shall neither resign as agent of the Lenders, nor assign its rights and obligations as agent of the Lenders under the Credit Agreement without prior written notice to the City. It shall be a condition of any such assignment by the Agent or the City, or of the appointment of a successor agent of the Lenders under the Credit Agreement, that any assignee or successor of the Agent, or any assignee of the Subordinate Obligations, Subordinate Rights or obligations under this Agreement, as the case may be, shall agree in writing to be bound by the terms and provisions of this Agreement.

8.03 Accounts

The accounts and records of the Agent shall constitute, in the absence of manifest error, *prima facie* evidence of the Senior Obligations.

8.04 Further Assurances

Each Party agrees to execute and deliver all deeds, documents, instruments and assurances (including discharges) as may be reasonably required by another Party from time to time (but at the expense of RSC) to reflect, confirm or give effect to the terms hereof and to provide such information regarding the Obligations, the Security and the Subordinate Rights as may be reasonably requested from time to time, subject to Section 7.03.

8.05 Severability

Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.

8.06 Amendments; Waivers

- (a) No provision of this Agreement may be amended, waived, discharged or terminated orally nor may any breach of any of the provisions of this Agreement be waived or discharged orally, and any such amendment, waiver, discharge or termination may only be made in writing signed by the Agent and the City; provided that any amendment to the provisions of Section 5.01 or Section 7.03 must also be signed by RSC.
- (b) No failure on the part of the Agent or any other Senior Creditor to exercise, and no delay in exercising, any right, power or privilege hereunder shall operate as a waiver thereof unless specifically waived in writing, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

- (c) Any waiver of any provision of this Agreement or consent to any departure therefrom given by the Agent or the City, as the case may be, shall be effective only in the specific instance and for the specific purpose for which given and shall not in any way be or be construed as a waiver of any future requirement.

8.07 Negotiated Document

This Agreement is the result of negotiations between the Parties hereto and has been reviewed by legal counsel to each of the Parties hereto and is the product of all of the Parties hereto. Accordingly, this Agreement is not to be construed against the Agent (or the Senior Creditors) merely because of its involvement in the preparation of this Agreement.

8.08 Notice

Any notices or other communications to be given by any Party hereunder to any other Party shall be given or made by delivering the same by hand, or by mailing the same in a sealed envelope by registered mail, return receipt requested, or by facsimile transmission addressed to the Party to whom the notice is directed, at the address set out below or to such alternative address as may from time to time be designated by notice given in the manner provided in this Section:

- (a) to the Agent at:

Attention: _____
Facsimile: _____

- (b) to the City at:

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

Attention: City Manager
Facsimile: (780) 496-8220

- (c) to RSC at:

Edmonton, Alberta T5H 0H8

Attention: _____
Facsimile: _____

8.09 **Governing Law**

This Agreement is conclusively deemed to be made under, and for all purposes to be governed by and construed in accordance with, the laws of the Province of Alberta and of Canada applicable therein. The Parties hereby irrevocably submit and attorn to the jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to this Agreement or any of the transactions contemplated hereby.

8.10 **Enurement**

This Agreement shall be binding upon the Parties and their respective successors and permitted assigns.

8.11 **Time of Essence**

Time shall be of the essence with respect to this Agreement.

8.12 **Entire Agreement**

This Agreement contains the entire agreement between the Parties with respect to the matters herein contained and there are no other representations, warranties, covenants or collateral agreements between any of the Parties in connection therewith other than as expressly herein provided.

8.13 **Lender Execution**

The [insert name of Lender] is entering into this Agreement in its capacity as administrative agent under the Credit Agreement and as agent for and on behalf of each of the Senior Creditors (including, for certainty, [insert name of Lender] and its affiliates in their capacities as Senior Creditors).

8.14 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be as effective as delivery of a manually executed counterpart of this Agreement.

[The remainder of this page has been intentionally left blank.]

6602203_1|NATDOCS

IN WITNESS WHEREOF each Party has duly executed this Agreement as of the date and year first above written.

as Agent of the Senior Creditors

Per: _____
Name:
Title:

Per: _____
Name:
Title:

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REXALL SPORTS CORP.

Per: _____

THE CITY OF EDMONTON

Legally Reviewed and
Approved as to Form:

Law Branch

Per:

As represented by Simon
Farbrother City Manager

Approved by City Council
January 23, 2013, Item #6.2
April 10, 2013, Item # 6.11

Approved as to Content:
