

VANCOUVER ISLAND CPL TEAM IN LANGFORD – STADIUM USE AGREEMENT

This Agreement dated for reference _____, 2024 is

BETWEEN:

PACIFIC FC SPORTS INC., 388 – 1111 West Hastings Street, Vancouver, BC V6E 2J3
(the “**Team**”)

AND:

CITY OF LANGFORD, 2nd Floor - 877 Goldstream Avenue, Langford, BC V9B 2X8
(the “**City**”)

GIVEN THAT:

- A. The Team secured the rights to establish the first British Columbia based men’s professional soccer team in the Canadian Premier League, to play in the league’s inaugural season beginning in the spring of 2019,
- B. The Team wishes to permanently locate the team in Langford as a resident of the City owned stadium shown on Schedule A,
- C. The City sees significant community benefits and amenities to be gained from having the team in Langford,
- D. The City supports the objectives of the Team and endeavours to ensure the Team has a flexible business model, while at the same time needs to partially recoup its investment in the stadium expansion and cover its operating and maintenance costs associated with the expanded stadium and ongoing use,
- E. The Team and the City entered into an agreement, dated for reference April 17, 2019, under which the City permitted the Team to use the Stadium subject to terms and conditions agreed upon by the parties (the “Initial Stadium Use Agreement”);
- F. The City and the Team now wish to extend the term of the Initial Stadium Use Agreement until December 31, 2024, on the terms set out in this Agreement.

THIS AGREEMENT is evidence that in consideration of \$10.00 paid by each party to the other and other good and valuable consideration (the receipt and sufficiency of which each party acknowledges), the Team and the City agree as follows:

Definitions

1. **Definitions** - In this Agreement, in addition to those terms defined above and elsewhere in this Agreement:

- (a) **“Beer Garden”** means the enclosed portion of the Stadium area adjacent to the north side of the field intended to be used as a beer garden/spectator area but does not include other concession locations on the north side of the Stadium.
- (b) **“Booking Operator”** means the person or entity retained on behalf of the City to schedule all bookings at the Stadium, or at such times as the City has not engaged a third party, the City or duly appointed City representative.
- (c) **“Competing Soccer Events”** means any FIFA-governed men’s or women’s professional and semi-professional soccer events, including, but not limited to all events related to the Canadian or other National Teams, the World Cup, CPL, Canadian Championship, CONCACAF Champions and Gold Cups, friendly matches of any international professional teams, and League One or any new leagues created in conjunction with the Canada Soccer Association.
- (d) **“CPL”** means the Canadian professional soccer league known as the Canadian Premier League.
- (e) **“CPL Agreement”** means an agreement, dated for reference May 4, 2018, between the Team and the CPL entitling the Team to own and operate the Soccer Team and to have the Soccer Team play in the CPL commencing in the CPL’s 2019 inaugural season.
- (f) **“CPL Season”** means the CPL men’s premier league soccer season, which for the purposes of this Agreement shall be deemed to begin on April 1 and end on October 31 of the same calendar year.
- (g) **“Event Operator”** means the person or entity retained by or on behalf of the City to provide food, beverage, and liquor services at the Stadium, and to provide event liaison services at the Stadium, or at such times as the City has not engaged a third party, the City or a duly appointed City representative.
- (h) **“Field 2”** means the field known as “Goudy Field” identified on Schedule A.
- (i) **“Minimum Number of Games”** means 85% of the average number of regular scheduled home games per team for any CPL Season plus at least 50% of the post season home games in years where the Soccer Team is competing in the post season.
- (j) **“Soccer Events”** means Soccer Team games, other Soccer Team events and other soccer events (such as CONCACAF Champions League games) that are booked by the Team pursuant to this Agreement and take place at the Stadium.

- (k) **“Soccer Team”** means the men’s soccer team playing in the CPL and based at the Stadium.
- (l) **“Stadium”** means the stadium identified on Schedule A as Westhills Stadium.

Stadium Use

- 2. **CPL Season Game Day Bookings** – For Soccer Team CPL pre-season and regular season games:
 - (a) Prior to the January 1st that precedes the commencement of each CPL Season but no earlier than the September 1st that precedes the commencement of the applicable CPL Season, the Team shall provide to the Booking Operator a game schedule for the CPL Season setting out the dates and times for all pre-season, exhibition and regular season games for the Soccer Team that are to take place at the Stadium during that CPL Season (the **“Regular Season Game Schedule”**).
 - (b) If the Regular Game Season Schedule is submitted to the Booking Operator within the time provided in the previous paragraph, the Team shall be entitled to use the Stadium for each Soccer Team game identified in the Regular Season Game Schedule, except where a previously scheduled booking as scheduled in accordance with section 2(c) conflicts with a game identified in the Regular Season Game Schedule, in which case the Team shall be required to change the time or date of the event in conflict as necessary to accommodate the previously scheduled booking.
 - (c) The Booking Operator, in consultation with the City, is permitted to book the Stadium for other events during the CPL Season prior to receiving the Regular Season Game Schedule, provided that (i) no two consecutive weekends are booked unless approved in writing by the Team, (ii) no more than six (6) events are booked during the CPL Season unless approved in writing by the Team, and (iii) that no events are booked during the anticipated playoff timeframe unless approved in writing by the Team.
 - (d) Despite the rest of this section, the Team shall not be entitled to book the use of Stadium at such times as the World Rugby Sevens event is from time to time scheduled to take place at the Stadium (with that event currently scheduled to take place at the Stadium on May 11th and 12th, 2019).
 - (e) The Team may cancel a game booking up to 48 hours before the day of the game, however, no refund of monies already paid shall be provided if a game is cancelled

less than thirty (30) days before the scheduled game date and is not rescheduled to take place at an alternative day at the Stadium.

3. **CPL Season Practice Bookings** – For Soccer Team CPL Season practice:
 - (a) Prior to the January 1st that precedes the commencement of each CPL Season but no earlier than the September 1st that precedes commencement of the applicable CPL Season, the Team shall provide to the Booking Operator a practice schedule for the CPL Season setting out the dates and times for all Soccer Team practices that are to take place at the Stadium (or Field 2) during that CPL Season (the “**Regular Season Practice Schedule**”).
 - (b) If the Regular Season Practice Schedule is submitted to the Booking Operator within the time provided in the previous paragraph, the Team shall be entitled to use the Stadium (or Field 2) for each practice identified in the Regular Season Practice Schedule to a maximum of one two and a half (2.5) hour practice per day between the hours of 9:00 a.m. and 12:00 p.m. Monday to Friday and on Saturdays and Sundays on those weekends where a Soccer Team game is also scheduled, unless a change to the practice hours is approved by the Booking Operator and except where a previously scheduled booking as scheduled in accordance with section 2(c) or (d) conflicts with a practice identified in the Regular Season Practice Schedule, in which case the Team shall be required to change the time or date of the practice in conflict as necessary to accommodate the previously scheduled booking.
 - (c) The Team may cancel a practice booking up to 48 hours before the day of the practice, however, no refund of monies already paid shall be provided if a practice is cancelled less than thirty (30) days before the scheduled practice date.
 - (d) The Booking Operator may designate whether a practice will take place at the Stadium or Field 2 based on prior scheduling or in the event of bookings made after a Soccer Team practice booking. Further, the Booking Operator may require changes to the times, days and locations to booked Soccer Team practices as part of the Booking Operator’s coordination of practice times among the Soccer Team and other users of the Stadium and Field 2.
4. **Minimum Number of Regular Season Games at Stadium** – The Team shall ensure that a minimum of eighty-five percent (85%) of all regular season Soccer Team home games take place at the Stadium each calendar year and the Team shall book and use the Stadium for at least 14 professional soccer games during each calendar year.
5. **CPL Playoff Bookings** – For any CPL men’s premier league playoff home games for the Soccer Team, the Team shall be given a first priority to any dates within the CPL playoff

period in which a Soccer Team playoff home game may be scheduled. The Booking Operator shall ensure that any bookings made by the Booking Operator or events at the Stadium during the CPL playoff period include, unless otherwise consented to by the Team in writing, a provision that permits the Booking Operator to cancel or reschedule such booking in the event that the Soccer Team is scheduled to have a CPL playoff home game.

6. **Other Team Bookings** – The Team may make other bookings for Soccer Team events and soccer events (such as CONCACAF Champions League games) in the same manner as other users.
7. **Bookings Through Operator** – The Team shall book all games and practices through the Booking Operator.
8. **Rental Rates** – For each game and practice and other service required by the Team from time to time:
 - (a) Soccer Team games: the Team shall pay the City \$5,000 per game, plus applicable taxes such as GST
 - (b) Soccer Team practices: the Team shall pay the Booking Operator such rental rates as may be established by the Booking Operator from time to time for rental by professional organizations
 - (c) Other Soccer Events: the Team shall pay the City \$5,000 per Soccer Event, plus applicable taxes such as GST
 - (d) For each service required by the Team as identified in the Schedule D attached hereto, the Team shall pay the Booking Operator at the rate set out in Schedule D from time to time

The Team shall make payments under this section in accordance with the requirements of the Booking Operator's practice or upon receipt of an invoice as applicable, including with respect to deposits and the timing of such payments.

Revenue Matters

9. **Ticket Revenue** – The Team shall be entitled to one hundred percent (100%) of all ticket revenue for all Soccer Events at the Stadium, provided, however, that the City may impose a service charge of up to \$1.00, on a per ticket basis, to be paid directly to the City by the Team's ticket service provider.
10. **Stadium Advertising** –

- (a) The Team shall be entitled to sell Stadium advertising for display at the Stadium on the following basis, with gross profit (in this section “**gross profit**” means all revenue less any commissions payable by the Team to any arms-length third party entity engaged by the Team to sell advertising) generated from such advertising being allocated on the basis indicated:

Permanent Advertising:

- (i) ‘Camera Visible’ Locations: one hundred percent (100%) of gross profit to the Team.
- (ii) Other Permanent ‘Non-Camera Visible’ Locations: one hundred percent (100%) of gross profit to the Team.
- (iii) For the existing Digital Sign: one hundred percent (100%) of gross profit to the Team. The City shall receive six seconds per minute for City and non-profit community group advertising.

Temporary Advertising:

- (iv) For Soccer Events at the Stadium the Team may place temporary signs and banners at the Stadium with one hundred percent (100%) of gross profit to the Team.
- (v) LED ribbon lighting around stadium or other similar fixed banners affixed around the playing field (facing crowd, not camera) for display during Soccer Team Events: one hundred percent (100%) of gross profit to the Team.
- (vi) The Team will make LED ribbon lighting or fixed banners under the previous paragraph available to use by other sports user groups provided the applicable group or the City first agrees in writing to be responsible for any damage to such ribbon lighting of fixed banners caused by such group.

Exceptions to Team Advertising Rights:

- (vii) For clarity, except as set out in this section, the City may book and permit others to book temporary and event specific advertising for display at the Stadium (e.g. title sponsors of provincial, national or international events) during non-Soccer Events and the Team shall not be entitled to any revenue from such advertising. Such temporary non-Soccer Event advertising shall not directly cover Stadium name displays and shall not directly cover other permanent Team arranged advertising unless there is

a conflict between such other Team arranged advertising and the temporary event specific advertising, as determined by the Booking Operator, acting reasonably. The Booking Operator shall use commercially reasonable efforts to avoid conflicts that would require coverage of advertising when booking other events and advertisement. Any covering and covering removal shall be done at the expense of the applicable non-Soccer Event or the City.

- (viii) Despite the rest of this section, the Team acknowledges and agrees that the City may have advertising and sponsorship obligations under agreements entered into by the City from time to time with respect to World Rugby Sevens events from time to time held at the Stadium, and that the Team's advertising and sponsorship rights under this Agreement (other than Stadium naming rights) shall be subject to those City obligations, which may require that the City or Booking Operator temporarily remove or cover advertising displayed by the Team pursuant to this Agreement (other than Stadium naming rights), and the Team acknowledges and agrees that the Team shall not be entitled to any compensation as a result of any resulting loss of revenue.

11. **Advertising Costs** – The Team shall be solely responsible for all costs associated with the installation and removal of all permanent and temporary advertising, including but not limited to all associated fixtures and appurtenances, and the restoration of the Stadium to the condition it was in prior to the installation and removal of permanent and temporary advertising.
12. **Advertising Requirements** – The Team shall, in selling and displaying advertising at the Stadium, comply with the following requirements: (i) no structural changes shall be made to the Stadium without the permission of the City, (ii) all displays, signage, banners and advertising shall comply with all applicable enactments, (iii) the displays, signs, banners and advertising material, and the location of the advertising, shall comply with the City's standards as set from time to time, (iv) no tobacco, cannabis or political advertising (as determined by the City) or other advertising that does not meet community standards (as determined by the City) shall be permitted at the Stadium. Where the City identifies advertising that does not comply with any of the foregoing and notifies the Team, the Team shall immediately remove such advertising.
13. **Beverage & Liquor** – The Team and the City shall share gross profit generated from beverage and liquor sales at Soccer Events on the following basis: 85% to the Team and 15% to City. In this section "**gross profit**" means all revenue less costs of beverages and liquor sold and any City or Event Operator costs of providing beverage and liquor service at Soccer Events (including amounts payable to the Event Operator pursuant to the City's

arrangements from time to time with the Event Operator, a reasonable management fee, and any amounts payable to third party beverage and liquor providers).

14. **Pouring Rights** – Gross profit from the sale of pouring rights at Soccer Events at the Stadium will be split with 85% of gross profit to the Team and 15% to the City. For clarity, the City or the Event Operator, together with the Team, shall negotiate and coordinate pouring rights for Soccer Events at the Stadium. In this section "gross profit" means all revenue. This Section does not apply to CPL or CONCACAF mandated pouring rights except if there is an additional agreement for in-house rights between the Team and the grantor of pouring rights to the CPL or CONCACAF.
15. **Food Truck Slots** - The Team may engage food truck operators during Soccer Events with the prior consent of the Event Operator. Such consent may be granted where, in the reasonable opinion of the Event Operator, the food services being offered by the food truck operators are substantially different from the items offered for sale by the Event Operator. The Team shall be entitled to one hundred percent (100%) of all gross profit from the sale of food truck slots at the Stadium. For clarity, it is the responsibility of the Team to negotiate and coordinate the sale of food truck slots at the Stadium. In this Section "**gross profit**" means all revenue.
16. **Suite Revenue** – The Team shall be entitled to one hundred percent (100%) of all gross profit from the sale of Stadium suites for all Soccer Events at the Stadium. Further, the City and the Team confirm their mutual intention that persons who purchase Stadium suites for Soccer Team games shall be provided with an opportunity to purchase Suite tickets for non-Soccer Events at the Stadium under which they would be provided with a period of time before the event to purchase the tickets for their Stadium suite. For clarity, the Team shall not be entitled to any revenue or profit share from the sale of suite tickets to non-Soccer Events. In this section "**gross profit**" means all revenue.
17. **City Suite** – Despite section 16, the Team acknowledges that the City is the owner of suite 5/6 and shall be entitled to not less than thirty (30) tickets per Soccer Event at no cost to the City.
18. **Merchandise Sales at Events** – The Team shall be permitted to sell or distribute soccer related novelty and souvenir items during Soccer Events at the Stadium, including soccer caps, equipment, clothing and programs and shall do so in accordance with existing practices. The Team shall be entitled to one hundred percent (100%) of all gross profit generated from the sale of such novelty and souvenir items sold in portable retail space. In this section "**gross profit**" means all revenue less costs of goods sold.
19. **Product Giveaways** – No person shall be permitted to provide 'product giveaways' at the Stadium during Soccer Events at the Stadium, including as game attendees enter and vacate the Stadium without the prior written approval of the Team.

20. **Stadium Naming Rights** – The Team and the City shall share gross profit generated by the sale of Stadium naming rights during the Term on the following basis: 85% to the Team and 15% to City. In this section, “**gross profit**” means all revenue less any commissions payable by the Team to any arms-length third party entity engaged by the Team to sell Stadium naming rights.
21. **Payment, Reporting and Record Keeping** – The Team shall, with respect to the matters under sections 9 through 20 (other than section 13):
- (a) maintain adequate accounts, books and records;
 - (b) ensure that such accounts, books, records and financial reports meet reasonable accounting and tax reporting requirements and meet Generally Accepted Accounting Principles as applied in British Columbia;
 - (c) within 21 days following the end of each calendar month, pay to the City its share of gross profit and gross revenue as provided for under this Agreement and the applicable section of this Agreement and the definitions of gross profit and gross revenue set out herein and provide with such payment a report setting out revenue, costs and gross profit, and the gross profit share allocated to each of the Team and the City, with such detail and in such form as may be required by the City; and
 - (d) permit the City and its officers, employees and advisors, at all reasonable times, to examine and make copies of any and all such reports, accounts, books and records and to audit same.
22. **Transaction Costs** – The Team shall be responsible for all merchant transaction costs arising from the use of point of sale devices that are associated with revenue streams in which the City does not share. The Event Operator shall be responsible for merchant transaction costs arising from the use of point of sale devices that arise from other sales. The Event Operator may reflect those cost in the price of goods sold at the Stadium.

Event Operations

23. **Soccer Game Operations** - For each Soccer Event at the Stadium:
- (a) The Booking Operator, or the Event Operator as applicable, shall provide the following services, in accordance with the existing practices and at the direction of the Team:
 - (i) food and beverage and liquor service throughout the Stadium (including placing all orders for food including pre game-day food orders in Suites ,

coordinating other vendors, providing necessary staff for the provision of food, beverage and liquor service in the Stadium and preparing the general concession menu for game day events, all in accordance with the City's Agreement with the Event Operator

- (ii) pre-event field preparation (setup temporary bleachers, install field protection, remove uprights, setup soccer nets, paint lines, groom field)
 - (iii) Stadium washroom setup (clean and stock existing washrooms, coordinate bringing in temporary 3rd party washrooms for event)
 - (iv) event management support (game day event coordination and management of operations staff, including post-event activities and preparing event reports), at the direction of the Team
 - (v) custodial services & supplies (provided during the event to ensure garbage, washrooms and stands are kept clean and free of liter and debris and all toilet paper, paper towels, garbage bags, soaps and cleaning supplies are stocked)
 - (vi) post-event tear down (Stadium clean up, removal of garbage, recycling, cleaning of washrooms, return temporary bleachers, remove turf protection from field, move soccer nets and return uprights, wash and cover bleacher seats, if required by the Stadium Use Policy)
 - (vii) liability insurance (Incremental insurance costs associated with events of this size)
 - (viii) payment collection (for food, beverage and liquor purchases and in-seat purchases using City-provided point of sale devices)
- (b) The City shall provide:
- (i) post-game cleaning of the visitor's locker rooms.
- (c) The Team shall, at its expense, provide the following services, including all associated planning and operational requirements:
- (i) event parking and traffic control (barricade setup, setup way finding signage, provide parking attendants)
 - (ii) event day setup (tables, cable mats, tents, chairs, etc.)

- (iii) soccer/team-specific set up requirements (including staffing for merchandise booths, other)
- (iv) Beer Garden Family Zone setup (inflate Team provided inflatables)
- (v) event security (security plan, fire and safety plan, security guards, access control, crowd control, and perimeter protection)
- (vi) Stadium tear down (tear down of tents, tables, cable mats, chairs etc.,)
- (vii) Ticketing (full end-to-end ticketing system to be managed and owned by the Team including all marketing, selling, distributing, payment collection and ticket production)
- (viii) Marketing (game and other event marketing is the sole responsibility of the Team,)
- (ix) Selling (all selling of Team events and product/service offerings including all advertising, merchandise, sponsorships, season tickets, and suites)
- (x) Payment Collection (payment collection associated with all tickets and other team product and service offerings but excluding all beverage and liquor purchases, in seat purchases)
- (xi) Audio Visual (broadcasting, event music, replays, streaming, sounds, lighting, staging, announcing, and anything else required by the Team for events at the stadium)) using the existing stadium PA system and the Team will supply any additional equipment required
- (xii) Advertising (setup and tear down of event day advertising boards and digital signage)
- (xiii) ATM Machines (all revenue and all costs associated with renting ATM machines for Team events)
- (xiv) First Aid Facility (provide reasonably adequate first aid facilities for injured patrons, own ambulances, medical equipment, trainers and team doctors for players and coaches)
- (xv) Inflatables (supply of inflatables for Family Zone)

24. **Soccer Practice Operations** - For Soccer Team practice at the Stadium or Field 2:

- (a) The Booking Operator shall have, and be responsible for all costs thereof, the following responsibilities,
 - (i) Soccer nets – setup prior to Team’s arrival.
 - (ii) Removal of soccer nets – post practice
 - (b) The Team shall have, and be responsible for all costs thereof, the following responsibilities:
 - (i) locker rooms will be accessible via keyed door locks. The Team will be able to let themselves in and are responsible for cleaning the locker room and ensuring the change room is locked after practices. The City will not be responsible for any theft or damage to change rooms that were left unlocked.
25. **Locker Rooms** – The City shall ensure the Team is provided with a locker room at the Stadium for use by the Soccer Team and for other Soccer Events during the CPL Season. The Team shall be responsible for constructing and installing such locker room improvements as the Team considers necessary or desirable for its use of the Stadium. The Team shall not commence such improvements until it has prepared and obtained City approval of the design of such improvements and has entered into an agreement with the City in a form specified by the City to ensure such improvement work is satisfactorily completed and that the City’s interests are protected, which agreement may include, but not be limited to, provisions requiring indemnification of the City, requiring insurance, addressing workplace safety matters and protecting the City and its interest in the Stadium and the lands upon which the Stadium is located from liens and claims of lien under the *Builders Lien Act* (British Columbia). The Team shall cause such design to be prepared to such level of detail as may be required by the City and by a professional person having qualifications acceptable to the City.

Agreement Term

- 26. **Term** – The term of this Agreement shall commence on January 1, 2024 and expire on December 31, 2024 (the “**Term**”).
- 27. **Agreement is Extension** – The parties agree that for all intents and purposes this Agreement shall be considered an extension of the term of the Initial Stadium Use Agreement on the revised terms set out in this Agreement.
- 28. **Team Renewal Option** – The Team may, by providing notice to the City at least six (6) months before the expiry of the Term, renew this Agreement for a further term of five (5)

years commencing on the day following the last day of the Term, on the same terms and conditions except for this renewal option.

Other Operational Matters

29. **Stadium Operations per City Requirements** – Parking, food and beverage and liquor operations, advertising requirements and other matters pertaining to events at the Stadium and Field 2 shall be in accordance with the City Requirements.
30. **Team Compliance with City Requirements** – This Agreement, and the Team’s rights to use the Stadium and Field 2 under this Agreement, are subject to the City’s policies and requirements and the Team shall comply with all requirements in its use of the Stadium and Field 2.

Stadium Naming Rights

31. **Stadium Naming Rights** – The Team shall be entitled to arrange with a third party for a Stadium name, provided that unless otherwise agreed to by the City in writing: (a) the chosen name shall be subject to the approval of the City, and (b) the contract with the third party shall be for no longer than the Term and shall end if this Agreement is terminated.

Team Matters

32. **Soccer Team Advisory Board** – The Team shall establish and maintain throughout the Term, an Advisory Committee comprised of key local stakeholders with respect to the operation of the Team, including minority shareholders, founding sponsor partners, and at least one person appointed by the City of Langford. The intention of the Advisory Committee is to provide these key local stakeholders an opportunity to be consulted with respect to Team operations and with an opportunity to provide feedback directly to the Team’s Board of Directors. For clarity, the Advisory Committee will not hold voting rights on the Board of Directors or overriding control over the Team or soccer operations, but will be consulted on all material aspects of integrating the team into the local community, promotion, game operations, and overall strategies with respect to business and soccer operations.

Team Representations, Warranties & Covenants

33. **Team Confirmation, Representations and Warranties** – The Team hereby confirms, represents and warrants to the City that the following are true, and shall at all times be true during the continuation of this Agreement until such time as this Agreement is terminated or otherwise at an end:

- (a) The Team is validly formed and existing under the *Business Corporations Act* (British Columbia);
- (b) The Team has full power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement;
- (c) The Team has taken all necessary actions, steps and other proceedings to approve and authorize, validly and effectively, the entering into, execution, delivery and performance of this Agreement;
- (d) neither the Team entering into this Agreement nor the performance of its terms will result in the breach of or constitute a default under any term or provision of any indenture, mortgage, deed of trust or other agreement to which the Team is bound or subject; and
- (e) the Team has entered into the CPL Agreement with the CPL, the CPL Agreement is in full force and effect and in good standing and there are no defaults under the CPL Agreement.

The representations and warranties contained in this section shall survive the termination or other end of this Agreement.

34. **Team General Covenants** – the Team covenants and agrees with the City:

- (a) to maintain and operate a men’s team in the CPL playing at least 85% of its regular season home games at the Stadium and to use the Stadium for this purpose;
- (b) to promptly and diligently observe and perform all of its obligations under the CPL Agreement;
- (c) not to assign, terminate or surrender the CPL Agreement or do anything else that could cause or result in the CPL Agreement coming to an end;
- (d) to promptly pay, when due and other amounts required to be paid by it under this Agreement;
- (e) not to do, suffer or permit any thing in, on or from the Stadium that may be or become a nuisance or annoyance to the owners, occupiers or users of land or Stadium adjacent to or near the Stadium or to the public, including the accumulation of rubbish or unused personal property of any kind;
- (f) not to do, suffer or permit any act or neglect that may in any manner directly or indirectly cause injury to the Stadium;

- (g) to use the Stadium only for the purposes set out in this Agreement;
- (h) to carry on and conduct its activities in, on and from the Stadium in a good, efficient and business-like manner;
- (i) to provide all equipment, furnishings and supplies that may be required to use the Stadium for its purposes, aside from City equipment and furnishings from time to time maintained by the City and the Stadium;
- (j) to pay to the City all goods and services taxes payable in respect of this Agreement and any amounts payable by the Team to the City or the Booking Operator under this Agreement, which amounts do not include GST; and
- (k) to carry on and conduct its activities in, on and from the Stadium in compliance with any and all laws, statutes, enactments, bylaws, regulations and orders from time to time in force, and to obtain all required approvals and permits thereunder, and not to do or omit to do anything in, on or from the Stadium in contravention thereof.

General Terms:

35. **Exclusivity** – The City will not permit the use of the Stadium for Competing Soccer Events during the CPL Season without the prior written consent of the Team, which may be withheld or given subject to conditions, including the receipt of financial or other compensation, at the Team’s discretion.
36. **Indoor Training Facility Lease & Operating Agreement** – Whereas the parties entered into a Lease & Operating Agreement for an indoor training facility and bubble structure dated for reference April 17, 2019 (the “ITF Lease”), under which the City leased the lands described in the ITF Lease to the Team for ten dollars (\$10.00) for the twenty (20) year term, and whereas section 5 of ITF Lease provides that if during the first 10 years of the term of the ITF Lease (i) the Stadium Use Agreement is terminated for any reason, other than by the Team pursuant to section 36(b) of the Stadium Use Agreement, or (ii) the Team does not renew the Stadium Use Agreement for a second five (5) year term pursuant to the Team's right of renewal under the Stadium Use Agreement, then in either case, the Team shall thereafter during the remainder of the first ten (10) years of the term of the ITF Lease pay rent to the City in an amount equal to \$200,000.00 (plus GST) per year, the parties agree as follows:
- (a) nothing in this Agreement affects the Team’s obligation to pay increased rent under section 5 of the ITF Lease which commenced when the Team did not renew the Initial Stadium Use Agreement by June 30, 2023;

- (b) the Team's obligation to pay increased rent under section 5 of the ITF Lease remains in full force and effect; and
 - (c) during the term of this Agreement the City will not enforce Team's obligation to pay increased rent under section 5 of the ITF Lease.
- 37. **Workers Compensation** – The Team shall, in its use of and activities at the Stadium, comply with the *Workers Compensation Act* (British Columbia) and all regulations and orders from time to time in force thereunder, including the Occupational Health and Safety Regulations, and, upon request from the City, provide evidence of any required registration under that Act and evidence of compliance with any requirement under that Act to make any payments or pay assessments.
- 38. **Insurance Requirements** – The Team shall obtain and maintain during the Term insurance in accordance with the requirements of Schedule C. For clarity, the insurance requirements set out in Schedule C are minimum requirements and are not to be interpreted in a manner that limits the Team's obligations under this Agreement and the Team shall be responsible for obtaining and maintaining such additional insurance as would a prudent soccer team operator having similar obligations to those of the Team under the terms of this Agreement.
- 39. **Insurance Certificates** – the Team shall promptly, upon the City's request from time to time during the Term, provide the City with certificates of insurance confirming the placement and maintenance of the insurance.
- 40. **City May Insure** – If the Team fails to insure as required, the City may, after 30 days notice to the Team, effect the insurance in the name and at the expense of the Team and the Team shall repay the City all costs reasonably incurred by the City within 21 days of receipt of an invoice. For clarity, the City has no obligation to obtain any insurance required to be maintained by the Team under this Agreement.
- 41. **Team Indemnity** – The Team shall indemnify and save harmless the City, and its elected and appointed officials, officers, employees, contractors and agents, from and against all claims, actions, damages, liabilities, costs and expenses in connection with loss of life, personal injury or damage to property arising from any Soccer Event or the use of the Stadium by the Team or any of its officers, employees, contractors, agents, invitees or customers, or caused by or arising from any an act or omission of the Team, or any of its officers, employees, contractors, agents, invitees or customers. This indemnity shall survive the expiry or earlier termination of this Agreement.
- 42. **Default and Termination** –

- (a) If the Team breaches any of its obligations under this Agreement and the Team does not correct such default within thirty (30) days written notice from the City, or in the case of default that by its nature takes a longer time to cure the Team does not promptly commence to cure such default and diligently proceed to cure such default within such time-frame as is stipulated in the notice from the City, the City may terminate this Agreement upon notice to the Team.
- (b) The Team may terminate this Agreement, in its sole discretion:
 - (i) at any time during the Term or during a renewal Term, by providing thirty (30) days notice of termination to the City and paying to the City a termination fee equal X, in accordance with the following formula:

$$X = [(A \times 14) - B] \times [C + D]$$

Where:

A is the number of years remaining from the date that the notice of termination was given to the end of the Term (or renewal Term), including the entire year in which the notice of termination is provided;

B is the number of regular season games which the Team actually plays at the Stadium during the calendar year in which the notice of termination is given;

C is the then current rental rate to be paid by the Team for each home game pursuant to this Agreement; and

D is the average amount per game earned by the City for beverage and liquor sales as pursuant to the revenue sharing provided for under this Agreement for the regular season games played at the Stadium during the calendar year in which the notice of termination is provided and the preceding calendar year.

- 43. **Soccer Team Status** – If the Team ceases to own and operate a professional men’s soccer team playing in the CPL and playing at least 85% of its regular season home games at the Stadium, or the Team does not book and use the Stadium for at least 14 professional soccer games during a calendar year, the City may terminate this Agreement upon thirty (30) days’ notice to the Team.
- 44. **Interest** – All payments due by the Team to the City under this Agreement shall bear interest at the rate of interest established from time to time by the Royal Bank of Canada,

Main Branch, Vancouver, B.C. as the base rate used to determine interest rates charged by it for Canadian dollar loans to customers in Canada designated by them as the “prime rate” plus 6% per annum calculated monthly not in advance from the date due until paid.

45. **Permitted Excuse** - If the City is prevented from performing or delayed in the performance of any of its obligations under this Agreement as a result of a Permitted Excuse, the City shall be excused from such performance, including the punctual performance, of such obligation for so long as the circumstances giving rise to the prevention or delay persist and any period under this Agreement for the performance of such obligation shall be automatically extended for a corresponding period of time. For clarity, the Team shall not be entitled to any compensation as a result of the occurrence of a Permitted Excuse and any resulting prevention or delay in City performance of any City obligation under this Agreement. In this section “**Permitted Excuse**” means any circumstance beyond the reasonable control of the City that prevents or impedes the due performance by the City of a City obligation under this Agreement, including, but not limited to the following matters:

- (i) strikes, lockouts or other labour disputes;
- (ii) flood, earthquake, fire or other natural disaster;
- (iii) enactment, amendment or repeal of any laws;
- (iv) riots, insurrection, sabotage, rebellion, war, acts of terrorism; and
- (v) fire, explosion or accident, howsoever caused,

provided that the financial circumstances of the City shall not constitute a Permitted Excuse.

46. **Expenses** – For clarity, except as otherwise expressly provided for under this Agreement, each party shall perform its obligations under this Agreement at its expense.
47. **Assignment** – Neither party may assign this Agreement or the benefit hereof without the written consent of the other party, acting reasonably. If by operation of law or by the sale, bequest or other disposition of its shares or securities, the control or the beneficial ownership of the Team is changed at any time, such change will be deemed to be an assignment of this Agreement within the meaning of this section. The Team will, upon request from the City from time to time, make available to the City for inspection or copying or both, all books and records that, along or with other information, identify the ownership of all of the shares and securities of the Team. For the purposes of this section, the Team is controlled by a person if (a) shares of the Team are held or beneficially owned by the person or a corporation controlled by the person, and (b) the votes carried by the

shares mentioned in (a) of this section are sufficient, if exercised, to elect or appoint a majority of the directors of the Team.

48. **Dispute Resolution** – All disputes between the City and the Team respecting this Agreement Lease shall be resolved in accordance with the dispute resolution process set out in Schedule B.
49. **Interpretation** – In this Agreement:
- (a) reference to the singular includes a reference to the plural, and vice versa, unless the context requires otherwise;
 - (b) article and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement;
 - (c) reference to a particular numbered section or article, or to a particular lettered Schedule, is a reference to the correspondingly numbered or lettered article, section or Schedule of this Agreement;
 - (d) an “enactment” is a reference to an enactment as that term is defined in the *Interpretation Act* (British Columbia);
 - (e) reference to any enactment includes any regulations, orders or directives made under the authority of that enactment;
 - (f) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced from time to time, unless otherwise expressly provided;
 - (g) the provisions of s. 25 of the *Interpretation Act* with respect to the calculation of time apply; and
 - (h) where the word “including” is followed by a list, the contents of the list are not intended to circumscribe the generality of the expression preceding the word “including”.
50. **Time of the Essence** – Time is of the essence of this Agreement.
51. **Waiver** – Waiver of any default by either party shall not be deemed to be a waiver of any subsequent default by that party.
52. **Governing Law** – This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia which is deemed to be the proper law thereof.

53. **Schedules** – The following are Schedules to this Agreement and form an integral part of this Agreement:

- Schedule A – Identification of Stadium and Field 2**
- Schedule B – Dispute Resolution Procedure**
- Schedule C – Team Insurance Requirements**
- Schedule D – Additional Services**

As evidence of their agreement to be bound by this Agreement, the parties have executed this Agreement below.

PACIFIC FC SPORTS INC.,
by its authorized signatory:



Dean Shillington, Chairman

CITY OF LANGFORD
by its authorized signatories:

Mayor:

Chief Administrative Officer:

Schedule A

STADIUM USE AGREEMENT – SCHEDULE A: IDENTIFICATION OF STADIUM & FIELD 2



Legal Description of Stadium & Field #1

PARCEL 1 (BEING A CONSOLIDATION OF LOTS C AND E, SEE FB437476) SECTIONS 80, 81, 86 AND 87 ESQUIMALT DISTRICT PLAN VIP78546 PARCEL 1 (BEING A CONSOLIDATION OF LOTS C AND E, SEE FB437476) SECTIONS 80, 81, 86 AND 87 ESQUIMALT DISTRICT PLAN VIP78546 [028-682-718] [Roll:065500.075] [Plan:VIP78546, Lot:] 1089 Langford Pkwy

Legal Description of Goudy Field #2

LOT 2 SECTION 87 ESQUIMALT DISTRICT PLAN VIP87398 [028-087-879] [Roll:06385.322] [Plan:VIP87398, Lot: 2] 1121 Langford Pkwy

Schedule B

Dispute Resolution Procedure

1. Notification of Dispute Resolution. The parties shall inform one another if there is a need to move to a formal dispute resolution procedure.
2. Continuing Obligations. In any dispute resolution procedure, the parties will continue to perform their obligations unless this Agreement is terminated or expires.
3. Within 10 days following notice of a dispute, one to three senior City officials (such as the City's Mayor, Chief Administrative Officer and Booking or Event Operator) and one to three senior Team officials shall meet and endeavor to resolve the dispute.
4. Mediation. If a dispute cannot be resolved by mutual agreement within 7 days of first meeting, or such other period as may be agreed to by the parties, either party may submit the dispute for mediation.
 - (a) Where a matter is referred to mediation, the parties will agree upon a mediator within a reasonable period of time.
 - (b) During a mediation process, no action will be taken by either party to commence arbitration.
 - (c) No proposal or concession made by a party during mediation may be used by either party in any subsequent proceedings. The mediator may not be called as a witness in any subsequent proceedings by either party.
 - (d) The parties will equally share the cost of the mediator and any mediation room rentals and shall otherwise pay their own costs associated with the mediation (including legal fees and expenses).
 - (e) Should mediation fail to result in a resolution of the dispute within fifteen (15) days after the first meeting with the mediator, either party may submit the dispute for arbitration;
5. Arbitration. Arbitration will be conducted in accordance with the following terms:
 - (a) The parties will mutually agree on a single arbitrator.
 - (b) The parties will act in good faith in selecting the arbitrator who is objective and suitably qualified to deal with the arbitration matters.
 - (c) The arbitration will take place in the City of Langford.

- (d) The decision of the arbitrator will be a final determination of the issues and be binding upon the parties. Any written award or decision of the arbitrator will not repeat or recite any evidence which is proprietary or confidential to either party.
- (e) The cost of the arbitration will be borne by the parties as may be specified in the arbitrator's decision, or if no apportionment is specified, then the parties will share in the cost of the arbitration equally.
- (f) Except as modified herein, the provisions of the *Arbitration Act* (British Columbia) applicable to the arbitration will govern the arbitration process.

Schedule C

Insurance Requirements

The Team shall obtain and maintain:

- (a) commercial general liability insurance providing coverage for death, bodily injury, property loss and damage, and all other losses, arising out of or in connection with the Team's use and occupation of the Stadium and Field 2 in an amount of not less than \$5,000,000.00 per occurrence, or such greater amount as may be required from time to time by the City;
- (b) "all risks" insurance, for replacement cost, on all of the Team's personal property and fixtures that are in the nature of trade fixtures, including the provision of coverage for earthquake, sewage back-up and flooding; and
- (c) any other form or forms of insurance that the City may reasonably require from time to time in such amounts and for such perils against which a prudent Team acting reasonably would protect itself in similar circumstances.

All policies of insurance required to be taken out by the Team shall be with companies satisfactory to the City and shall, unless otherwise approved in writing by the City:

- (d) name the City as an additional insured;
- (e) include that the City is protected notwithstanding any act, neglect or misrepresentation by the Team which might otherwise result in the avoidance of a claim and that such policies are not affected or invalidated by any act, omission or negligence of any third party which is not within the knowledge or control of the insureds;
- (f) be issued by an insurance company entitled to carry on the business of insurance under the laws of British Columbia;
- (g) be primary and non-contributing with respect to any policies carried by the City and that any coverage carried by the City is in excess coverage;
- (h) not be cancelled or materially modified without the insurer providing the City with 30 days written notice stating when such cancellation is to be effective or identifying the modification;
- (i) be maintained for a period of 12 months per occurrence;

- (j) not include a deductible greater than \$5,000.00 per occurrence (except for the “all risks” insurance with respect to the Premises, which shall include no deductible);
- (k) include a cross liability clause; and
- (l) be on other terms acceptable to the City, acting reasonably.

SCHEDULE D

ADDITIONAL SERVICES

For each additional service requested by the Team as identified herein, the Team shall pay the Booking Operator at the rate set out below:

- Extension to 105' Lines = \$1,000
- IT Support – At cost to be approved by PFC in advance