

Brantford & District Civic Centre ("BCC") - Facility Lease / License Agreement ("FLA") Term Sheet

Between:

The Corporation of the City of Brantford ("City")

and

Bulldog Hockey Inc. o/a Hamilton Bulldogs ("OHL Team")

1. Term

Three years with an option to extend the term for three (3) additional one (1) year terms at the sole discretion of the OHL Team. The extension terms shall be on the same terms and conditions as the original term unless otherwise negotiated in good faith and mutually agreed upon in writing by the City and the OHL Team.

The OHL Team specifically agrees that the OHL Team will be referred to as the "Brantford Bulldogs" throughout the term of the FLA and any extensions thereto.

2. Non-Exclusive Use of BCC

The BCC will be used by the OHL Team for the sole purpose of playing its Ontario Hockey League Home Games. On non-game days, the OHL Team will be permitted to use the BCC for practices, provided the ice surface has already been set up and there are no conflicts with other pre-scheduled bookings at the BCC.

3. Priority Access to Available Dates

The OHL Team will be permitted to have priority access to available dates within the BCC, generally between the months of September and May for its Ontario Hockey League Season (including pre-season, regular season and playoffs) for the staging of its home games. The City will provide the OHL Team a list of available dates for the OHL Team's upcoming season by no later than December 15 of each year of the term. Available dates will include most Fridays and Saturdays as first priority days, and Wednesdays, Thursdays and Sundays as secondary priority days during this approximate 9-month period; the OHL Team acknowledges that available dates will exclude those dates where an event has previously been scheduled.

Following the release of the OHL Team's schedule by the Ontario Hockey League, the City agrees not to program or schedule, on the OHL Team's game days, any other use or event prior to the posted start time of the OHL Team's home game.

The Parties specifically acknowledge the City's ability to secure events and rentals for the remaining available dates and times (excluding on the OHL Team's game days prior to the posted start time of the OHL Team's home game), including, without limitation, for rentals to minor hockey associations in Brantford (Brantford Community Hockey League), the Brantford 99ers (Ontario Junior Hockey League) and the Brantford Bandits (Greater Ontario Junior Hockey League).

4. OHL Team Leasehold Improvements

a) Description

The OHL Team will undertake various leasehold improvements, including those identified in the Class D Budget estimate prepared by Ball Construction dated December 14, 2022 ("Leasehold Improvements"), which is incorporated into this term sheet for reference:

- OHL Team dressing / locker room addition and renovation of existing stick racks and storage room (Ball Construction Item 1);
- Renovation of existing exercise room and Bulldogs Club (Ball Construction Item 2);
- Potential renovation of two existing dressing rooms to make a new medical / trainer's room (Ball Construction Item 3);
- Replacing the dasherboards, dasherboard glass, fixing the Zamboni gate, relocating the player benches and the penalty box to the opposite side of the BCC (Ball Construction Items 4, 10 and 14);
- Purchasing and installing a new centre-hung video scoreboard (Ball Construction Item 5);
- Modifications to broadcast gondolas, including removing north side and renovations to south side to accommodate officials, video replay and scoreboard controls (Ball Construction Item 6);
- Potential addition of a Party Club Room above the BCC's main entrance (Ball Construction Item 7);
- Upgrades to the existing concession areas (Ball Construction Item 8);
- Upgrading the washrooms in the northwest and southwest corners of the BCC, extending them into existing storage rooms and adding more fixtures (Ball Construction Item 9);
- Upgrading LED event lighting to meet OHL Standards (Ball Construction Item 11);
- Upgrading the BCC's WIFI system (Ball Construction Item 12); and
- Modifying the existing stair openings next to players benches and creating new seating access stairs (Ball Construction Item 14).

The OHL Team will additionally ensure that any additions made to the BCC for a new OHL Team dressing / locker room will be separately metered and the OHL Team agrees to maintain and repair its OHL Team dressing / locker room at its cost, including payment of utility costs.

In finalizing the Leasehold Improvements, the OHL Team agrees to work with the City to ensure that a minimum of six (6) dressing rooms remain available for community hockey use.

The Parties agree that the formal FLA will include terms and conditions governing the Leasehold Improvements, including, but not limited to:

- Provisions granting the City full and final approval authority as to the nature and specifications associated with the Leasehold Improvements, which approval shall not be unreasonably withheld or unduly delayed;
- Provisions requiring the Leasehold Improvements be performed by competent contractors and workers who possess the requisite licensing and certifications required to undertake the Leasehold Improvements;
- Provisions that the Leasehold Improvements be undertaken in a good and workmanlike manner using first quality materials and equipment and in accordance with the specifications and the requirements of all government authorities with jurisdiction over the approval thereof;

- Penalties for unremedied damage and destruction caused to the BCC during the installation of the Leasehold Improvements;
- Errors and omissions;
- Unforeseen conditions;
- Failure to perform; and
- An obligation of the OHL Team to use reasonable commercial efforts to utilize the services of local, Brantford-based contractors and suppliers.

As time is of the essence, the City will permit the OHL Team to retain consultants and progress plans for the Leasehold Improvements while the formal FLA is negotiated and finalized.

The OHL Team acknowledges the City's desire to undertake improvements to the HVAC system within the main arena bowl / spectator seating area at its cost, and the City agrees to undertake such works outside the OHL Team's hockey season.

b) Financing of Leasehold Improvements

The OHL Team agrees to be solely responsible for all costs, including hard construction costs, soft costs, consultant and sub-consultant fees, bonding, insurance and required furniture, fixtures and equipment associated with the Leasehold Improvements.

The City agrees to provide the OHL Team a leasehold improvement allowance (the "City's Leasehold Improvement Allowance") of up to \$3.0 million. The OHL Team agrees that the City's Leasehold Improvement Allowance will become fully repayable to the City by the OHL Team if (a) another OHL Team does not commence play in the BCC within the twelve (12) month period following the expiration of the initial three-year term of the FLA (for certainty, if the initial three-year term of the FLA is September 1, 2023 through August 31, 2026, the twelve month period following the expiration of the initial three-year term of the FLA will be from September 1, 2026 to August 31, 2027); or (b) the OHL Team does not agree to an extension of the FLA after its initial three-year term, with the City's Leasehold Improvement Allowance to be repayable as follows:

Length of Extension	Amount Repayable
No Extension Following Initial 3 Year Term of FLA	100% of the City's Leasehold Improvement Allowance
No Extension Following First 1 Year Extension Term	66.66% of the City's Leasehold Improvement Allowance
No Extension Following Second 1 Year Extension Term	33.33% of the City's Leasehold Improvement Allowance
Completion of Third 1 Year Extension Term	\$0

The City and the OHL Team additionally agree that if the City elects to build the new sports and entertainment facility noted in Paragraph 15, below, during the term of the FLA or any extension thereto, the OHL Team will not be obliged to repay the amount repayable on the City's Leasehold Improvement Allowance.

The City agrees to provide to the OHL Team the City's Leasehold Improvement Allowance within 30 days following receipt of invoices and other evidence reasonably required by the City to support the actual cost of the Leasehold Improvements.

The OHL Team specifically acknowledges that all Leasehold Improvements made to the BCC will vest in and become the property of the City at the termination of the FLA, including any extension thereto, at no cost to the City (for certainty, all Leasehold Improvements shall remain within or attached to the BCC at the end of the term of the FLA, including any extension thereto, without compensation paid by the City to the OHL Team).

c) Fixturing Period

The OHL Team shall be granted full and unobstructed priority access to the BCC from February 15, 2023 to the date on which the term of the FLA commences (the "Fixturing Period") for the purpose of completing the Leasehold Improvements at no additional cost to the OHL Team. For certainty, the OHL Team shall not be required to pay Rent (as defined in Paragraph 8 below) for the Fixturing Period. Notwithstanding the foregoing, such access and work by the OHL Team shall not unreasonably interfere with prior scheduled usage of BCC.

5. Box Office

The OHL Team will have the exclusive right to sell OHL Team Home Game tickets through the BCC's Box Office. The OHL Team will be responsible for installing and maintaining any required ticketing systems at its cost.

The OHL Team agrees to lease the office space associated with the Box Office (approximately 300 square feet), paying the City \$15.00 per square foot, gross (inclusive of utilities) per year. The OHL Team will be responsible for any damage, repairs, maintenance and janitorial costs associated with the Box Office and associated office space, reasonable wear and tear excepted.

6. Fee for Non-Exclusive Use of the BCC ("Rent")

The OHL Team agrees to pay to the City an amount equal to \$1.00 per ticket sold. The OHL Team acknowledges that HST is payable to the City. Rent is to be paid monthly, and the OHL will provide a certified schedule identifying total tickets sold (inclusive of seasons tickets and individual game tickets), total complementary tickets, and total attendance (turnstile count) for each home game staged in the BCC during the immediately preceding month.

7. Complimentary Tickets

The City acknowledges that the OHL Team will have the right to up to 500 complimentary tickets (including trade and contra) for each OHL Team game. Such tickets will not be included in the determination of Rent. Should the OHL Team give out more than 500 complimentary tickets to any OHL Team Game, the OHL Team agrees to remit to the City \$1.00 for each complimentary ticket over 500.



8. Game Staffing - City

The City will provide for all Home Games, at its cost and expense, two (2) Zambonis and Zamboni drivers, ice preparation before and during each Home Game, and pre-game and post-game clean up, including cleaning and monitoring of washrooms and public areas. The City will determine staffing levels to be provided at OHL Team Games in consultation with the OHL Team.

9. Game Staffing – OHL Team

The OHL Team will be responsible for providing, at its cost and expense, for all Home Games the following services and personnel:

- Security;
- Police officers and their supervisor(s) in such numbers required under by-law;
- EMS services and personnel;
- Ticket sellers and takers;
- Concession staff;
- Lounge staff;
- Kitchen staff;
- Sound and video equipment staff*;
- Ushers;
- Game entertainment;
- Any additional ice preparation personnel, in the form of shovel crews (excluding Zamboni operators);
- Personnel required to conduct / provide other services required on game days, whether by the OHL Team or the Ontario Hockey League; and
- All applicable SOCAN (The Society of Composers, Authors and Music Publishers of Canada) royalty fees including for music.

*Provision of the above shall be subject to any obligations of the City pursuant to any collective agreements, as determined in the sole and absolute discretion of the City.

10. Advertising

The OHL Team will have, during the term of the agreement, inclusive of any renewal, the right to all revenues associated with advertising inventory located within or on the BCC, including, but not limited to:

- advertising placed on the ice surface;
- advertising placed on the dashboards;
- advertising placed on the dashboard glass system;
- advertising placed on the on the Zambonis;
- advertising placed within player areas (within / behind player benches, penalty boxes, etc.);
- temporary signs and banners located on parapets and railings;
- electronic messaging and video ads appearing on the scoreboard / videoboard and electronic messaging signs / systems located within the Facility Seating Area (including backlits and electronic positions located on balconies and other exposed walls within the BCC's seating area);
- permanently affixed advertising located on structural walls within the Facility Seating Area;
- advertising placed on stair risers;
- advertising located above vomitory exits from the Facility Seating Area;

- logos permanently affixed to any scoreboard / videoboard, shot clocks, and time of day clocks;
- advertising located elsewhere within the BCC (i.e., not located within the Facility Seating Area), including within the BCC's main entrance, within BCC concourses, washrooms and other public areas;
- advertising placed on all printed and electronic OHL Team Game tickets and ticket envelopes; and
- advertising affixed on the BCC's existing marquee sign.

The OHL Team will be responsible for all costs associated with securing advertising, including the payment of commissions, and all costs associated with the installation and removal of all advertising and signage, and the OHL Team will ensure that all advertising and signage is uniform and tasteful. The OHL Team additionally agrees that any advertising and signage, including any advertiser, will be subject to the City's reasonable standards and policies for advertising, including the designation of certain advertisers as unacceptable advertisers for a public institution. For clarity, this restriction is limited to advertisers that could be deemed offensive to a family-oriented facility, including but not limited to cigarette advertising or advertising involving nudity or sexual content. The City and the OHL Team agree that beer and alcohol-related companies and casinos are acceptable advertisers.

The OHL Team agrees that the City will be entitled to up to nine (9) video ad spots of up to sixty seconds in length per OHL Team game at no cost to the City for the purpose of advertising upcoming events at the BCC or to promote other City initiatives.

11. Building and Corporate Sponsorships

The OHL Team will have the right to all revenues associated with the securing of building and corporate sponsorships, limited to the term of the agreement, inclusive of any renewal, including the sale of naming rights to the BCC, from the sale of sub-naming / sponsorship rights, and from the sale of building corporate sponsorships, including exclusivity arrangements for beer pouring rights, soft drink pouring rights, food suppliers, etc. Notwithstanding the foregoing, the OHL Team agrees to remit to the City 25.0% of gross revenue, net only of applicable taxes and prior to the payment of broker or other sales commissions, generated from building naming rights.

The OHL Team expressly agrees that the City will have full and final approval authority to any prospective building naming and sub-naming rights sponsor, and that any prospective corporate naming sponsor will be required to continue to utilize the phrase "Civic Centre" in its name.

The OHL Team will be responsible for all costs associated with securing building and corporate sponsorships, including the payment of commissions, and all costs associated with the installation and removal of all signage. The OHL Team will ensure that all signage is uniform and tasteful.

The OHL Team additionally agrees that any building and corporate sponsor will be subject to the City's reasonable standards and policies for advertising, including the designation of certain sponsors as unacceptable advertisers for a public institution. For clarity, this restriction is limited to sponsors that could be deemed offensive to a family-oriented facility, including but not limited to cigarette advertising or advertising involving nudity or sexual content. The City and the OHL Team agree that beer and alcohol-related companies and casinos are acceptable corporate sponsors.

12. Food and Beverage Concessions

The OHL Team will have the right to operate and receive all revenues associated with all food and beverage concessions located within the BCC, limited to the term of the FLA, inclusive of any renewals thereto. The OHL Team will be permitted to outsource food and beverage concessions to a third-party food and beverage concession operator, and the City reserves the right to approve the appointment of any third-party food and beverage concession operator and the food and beverage concessions management contract, with such approval not to be unreasonably withheld or unduly delayed.

If the City enters into a similar arrangement with the third-party food and beverage concession operator to operate concessions at other, non-OHL Team events staged at the BCC, it is expressly understood that the OHL Team will not receive proceeds (whether gross or net) from concession sales generated during non-OHL Team games.

13. Bulldogs Foundation

Throughout the term of this FLA, the OHL Team's charitable foundation (the "Bulldogs' Foundation") commits to enhancing its charitable and social programming within the City of Brantford, particularly in the areas of youth-oriented (including nutrition programs in schools), mental health, LGBTQIA2S+ and gender-based violence educational programming. The Bulldogs' Foundation commits to working with the City to identify and implement Brantford-focused social programs consistent with its main purpose of promoting healthy, active and empowered youth by providing funds to non-profit community groups and by supporting educational and community programs.

14. Marketing Support Provided by the City

The City agrees to place announcements and advertisements created by the OHL Team, so long as they meet criteria established by the City, on its website and various social media platforms, including announcements and advertisements relating to upcoming home games, season ticket launches, ticket sales, etc.

15. New Sports and Entertainment Facility

Throughout the term of the FLA, the City commits to consider the future development of a new sports and entertainment facility in Brantford with a capacity of approximately 5,000 spectators and the capability to host major junior hockey.

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This Term Sheet is not an enforceable agreement, but rather is a non-binding statement of the parties' mutual intent to negotiate a facility lease / license agreement on the foregoing terms. No past or future action, course of conduct, or failure to act relating to the matters contemplated in this term sheet or relating to the negotiation of the terms proposed in this term sheet, shall give rise to, or serve as a basis for any obligation or other liability on the part of the Club or the City of Brantford. No terms in this Term Sheet are binding on either party, and no binding commitments or agreements shall exist between the parties unless and until the parties (each acting in its sole discretion) enter into a separate agreement or agreements that are expressly binding on the parties.

ACKNOWLEDGEMENT

Bulldog Hockey Inc.

Signature:



Name:

MICHAEL ANDAUER

Title:

CEO

Date:

I have authority to bind the corporation.

JANUARY 26th, 2023

The Corporation of the City of Brantford

Signature:

Name:

Title:

Date:

I have authority to bind the corporation.