

COURT FILE NUMBER

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COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

EDMONTON

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED
AND THE *JUDICATURE ACT*, RSA 2000, c J-2

AND IN THE MATTER OF THE RECEIVERSHIP OF
MAYFIELD INVESTMENTS LTD., CAMROSE
CASINO CORPORATION, and CAMROSE CASINO
LIMITED PARTNERSHIP

DOCUMENT

FOURTH REPORT OF THE RECEIVER

February 14, 2025

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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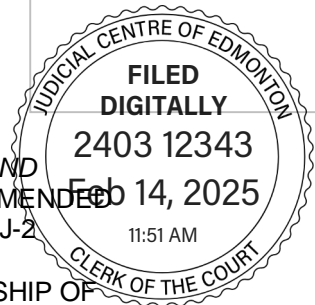


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INTRODUCTION

1. Ernst & Young Inc. (“**EYI**”) was appointed as the receiver (the “**Receiver**”) of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (collectively, the “**Mayfield Property**”) of Mayfield Investments Ltd. (“**Mayfield**” or the “**Company**”) pursuant to an Order of this Honourable Court (the “**Receivership Order**”) dated September 6, 2024.
2. The Receivership Order was immediately stayed until the earlier of: (i) October 31, 2024, or such date as may be amended or extended by the written agreement of ATB Financial (“**ATB**”) and Mayfield, in their sole discretion; or (ii) the date on which ATB filed the Lender’s Certificate (as defined in the Receivership Order).
3. On October 24, 2024, ATB filed the Lender’s Certificate with this Honourable Court, resulting in the Receivership Order being effective on October 24, 2024 (the “**Appointment Date**”).
4. On October 28, 2024, an application was brought by Mayfield (the “**October 28th Application**”) to this Honourable Court seeking the following relief, among other things:
 - a. staying the effects of the Receivership Order until February 1, 2025 or such other time as the Court deems just; and
 - b. alternatively, staying the effect of the Receivership Order until the Court rules on Mayfield’s competing application for protection under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36.
5. On October 30, 2024, the Honourable Justice M.A. Marion issued a decision dismissing the October 28th Application.
6. On January 14, 2025 pursuant to an Order of the Honourable Justice G.S. Dunlop (the “**Receivership Extension Order**”), the Receivership Order was extended to include Camrose Casino Corporation (“**Camrose Casino GP**”) and Camrose Casino Limited Partnership (“**Camrose Casino LP**”, and together with Camrose Casino GP, the “**Camrose Casino**”) and the Receiver was appointed receiver of the current and future assets, properties and undertakings (collectively, and together with the Mayfield Property, the “**Property**”) of the Camrose Casino, on the same terms, and with the same powers and charges in its favour, as the Receiver was appointed pursuant to the Receivership Order.
7. Also on January 14, 2025, pursuant to an Order of the Honourable Justice G.S. Dunlop (the “**SISP Order**”), the Court approved a sales process for the Mayfield Property (the “**SISP**”).

8. On January 27, 2025, the Receiver applied to the Court for a declaration that the Withdrawing Event (as defined in the Third Report) as it relates to the 1995 Unanimous Shareholder Agreement is void and unenforceable and confirming that the Receiver is authorized to market and sell Mayfield's shares in 1995472 Alberta Ltd. ("**1995**"). On January 31, 2025, the Honourable Justice G.S. Dunlop rendered his reasons for decision granting the relief sought by the Receiver (the "**Anti-Deprivation Decision**"). On February 7, 2025, Albert Stark (one of the other shareholders of 1995) filed a civil notice of appeal in respect of the Anti-Deprivation Decision and indicated that its leave to appeal application would be brought forward on March 6, 2025.

PURPOSE

9. The purpose of this fourth report of the Receiver (this "**Fourth Report**") is to provide this Honourable Court and Mayfield's stakeholders with information and the Receiver's comments with respect to the following:
- a. a summary of the activities of the Receiver since the second report of the Receiver dated January 6, 2025 (the "**Second Report**");
 - b. a statement of receipts and disbursements for the period of January 1, 2025 until January 31, 2025;
 - c. the Receiver's request for approval of an asset purchase agreement dated February 13, 2025 entered into between the Receiver and Capital City Casinos Ltd. ("**Capital City**") to sell the business and assets of Camrose Casino to Capital City (the "**Revised Capital City APA**");
 - d. in connection with the Revised Capital City APA, the Receiver's request for approval of the lease agreement dated February 13, 2025, entered into between the Receiver and Capital City to lease the premises inside the Camrose Resort Casino Hotel (the "**CRC**") in which the Camrose Casino is located (the "**Capital City Lease Agreement**");
 - e. the Receiver's request for approval of a proposed claims process to solicit claims against Camrose Casino (the "**Camrose Claims Process**");
 - f. the Receiver's request for a sealing order for the confidential supplement to the Fourth Report and related confidential appendices;
 - g. the Receiver's request for approval of the activities, fees and expenses of the Receiver and the Receiver's counsel; and
 - h. the Receiver's recommendations to this Honourable Court.

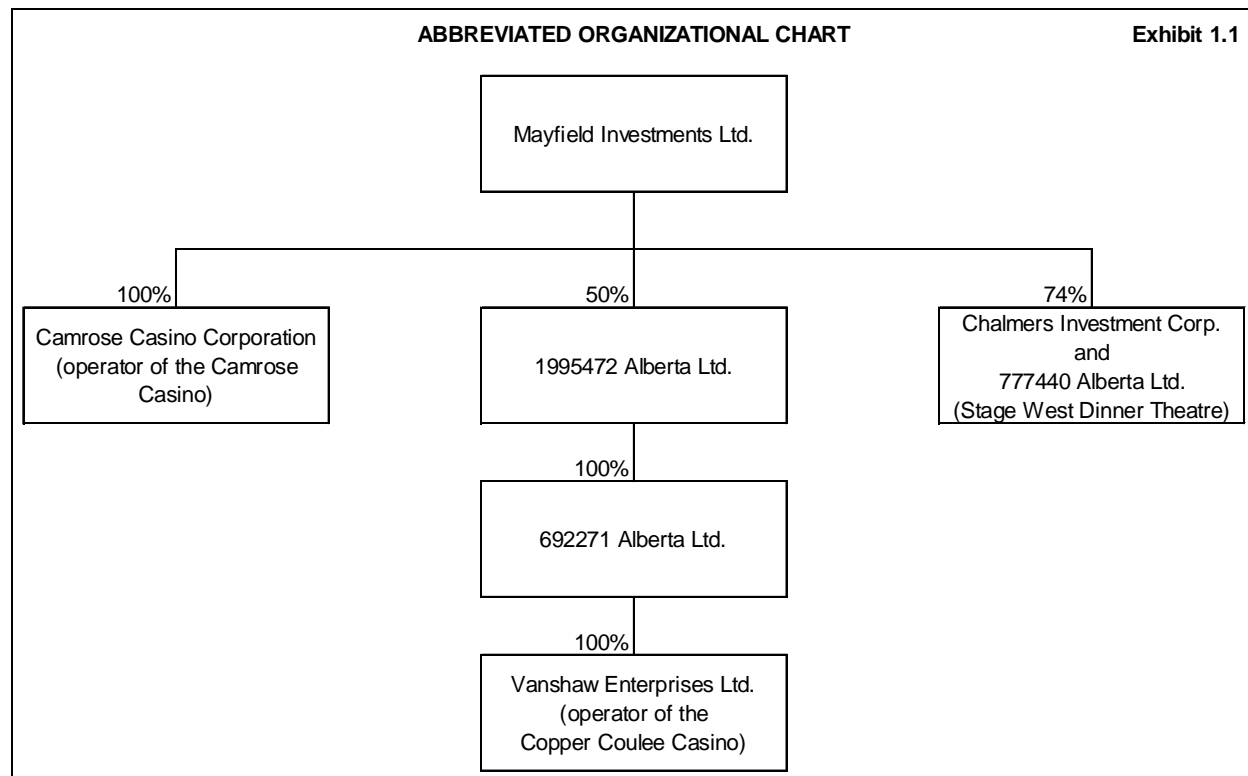
TERMS OF REFERENCE AND DISCLAIMER

10. In preparing this Fourth Report, the Receiver has relied upon unaudited financial information, the Company's books and records, and discussions with Mayfield's managers and employees.
11. The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the Company's financial and other information.
12. Capitalized terms not defined in this Fourth Report are as defined in the prior reports of the Receiver (including supplemental reports) the Receivership Order, or in other materials filed with the Court in connection with these proceedings to date.
13. All references to dollars are in Canadian currency unless otherwise noted.

BACKGROUND

14. Mayfield's business includes owning and operating certain hotels, which include casino and gaming operations in Camrose, Alberta and Medicine Hat, Alberta. Specifically, Mayfield's assets consist of (i) the CRC, located in Camrose, Alberta, and (ii) the Medicine Hat Lodge (the "**MHL**"), located in Medicine Hat, Alberta.
15. The CRC is comprised of a hotel with approximately 112 guest rooms and suites, a casino, two restaurants (Rosie's Family Restaurant and Joker's Den Lounge), a waterpark and a convention centre.
16. The MHL is part of the Trademark Collection by Wyndham and consists of a hotel with 219 guest rooms and suites, three restaurants (Redwood Restaurant & Bar, Teakwood Family Restaurant & Lounge and Elements Restaurant & Bar), a waterpark and a convention centre with four meeting rooms.

17. Mayfield owns a 50% interest in 1995472 Alberta Ltd. (“**1995**”), which owns 100% of the shares of Vanshaw Enterprises Ltd (“**Vanshaw**”). Vanshaw owns and operates the CCC, which is attached to the MHL. An updated abbreviated organizational chart of the group of companies associated with Mayfield is shown in Exhibit 1.1 below:



18. Mayfield’s businesses were negatively impacted by the COVID-19 Pandemic and have continued to experience financial difficulties. Additionally, the CRC was subject to a serious flood in 2021, impacting 83 guest rooms and resulting in a partial re-build of the hotel, which materially impacted operations.
19. As at the Appointment Date, the aggregate of all indebtedness and accrued interest owed by Mayfield to ATB, the primary secured creditor of Mayfield, totalled approximately \$38.8 million.
20. Additional background information on Mayfield is available on the Receiver’s website at www.ey.com/ca/mayfield (the “**Receiver’s Website**”).

ACTIVITIES OF THE RECEIVER

21. Since the Second Report, the Receiver has, among other things, undertaken the following activities:

Medicine Hat Lodge

- a. continued the operations of the MHL in the normal course;
- b. attended weekly management meetings with the MHL management team to discuss operational items and address questions of the management team;
- c. held meetings with the City of Medicine Hat and negotiated the renewal of the utility contract which expired on December 31, 2024;
- d. held meetings with various creditors and stakeholders to provide further information on the receivership;
- e. replaced certain aged infrastructure at the MHL to improve guest experience;
- f. engaged a contractor to complete certain necessary repairs and routine maintenance of the MHL;

Camrose Resort Casino Hotel

- g. attended on-site regularly at the CRC and Camrose Casino to ensure continued operations with minimal disruption to the business and answer questions of the employees;
- h. attended various meetings in-person and virtually with the general manager and other management personnel;
- i. continued the assessment of the missing siding and cracks located in two windows around the section of the hotel where the waterslide and pool are located, including the following activities:
 - (a) received and reviewed an initial report from Read Jones Christofferson Ltd. (the “**Structural Engineer**”) on the structural integrity of the hotel section where the waterslide and pool are located;
 - (b) continued the engagement with the Structural Engineer to prepare a final detailed report and facilitate a bid process to engage a general contractor to complete the repairs; and

- (c) following the receipt of the final report from the Structural Engineer, the Receiver intends to engage a general contractor through a competitive bid process to complete the required structural repairs;
- j. corresponded with the Mayfield insurance broker to consider filing an insurance claim for business interruption as a result of the closure of the waterslide and pool area;

Camrose Casino

- k. attended on-site regularly at the Camrose Casino to ensure continued operations with minimal disruption to the business and answer questions of the employees;
- l. worked with the Camrose Casino Slot Supervisor and other management personnel to maintain the cash float level to allow the Camrose Casino to operate with sufficient levels of cash float and facilitating weekly (or more frequent) money orders from GardaWorld, a private security firm;
- m. completed all bi-weekly cash sweeps of casino revenue by the AGLC;
- n. as discussed in greater detail below, advanced discussions and negotiations with Capital City and entered into the Revised Capital City APA and negotiated and agreed to the form of the Capital City Lease Agreement for the sale of the Camrose Casino GP and the Camrose Casino LP to Capital City and the lease of the Camrose Casino premises to Capital City post-closing;

Sales Process

- o. worked with Avison Young Avison Young Commercial Real Estate Services, LP (“**Avison Young**” or the “**Selling Agent**”), pursuant to the Listing Agreement (as defined in the Second Report) approved by this Honourable Court on January 14, 2025, to undertake the pre-marketing activities and launching the sales process, including the following activities:
 - (a) prepared a non-confidential teaser letter, with the assistance of Avison Young, which described the Mayfield Property sale opportunity pursuant to the SISF, which was posted on the Receiver's website, Avison Young's website and included in an email blast to potential buyers;
 - (b) prepared materials to be included a data room (the “**Data Room**”) and uploaded various documents to the Data Room hosted by Avison Young;

- (c) prepared a confidentiality agreement (“**Confidentiality Agreement**”) to be signed by potential buyers interested in gaining access to the Data Room;
- (d) drafted newspaper ads to provide notice of the SISP in the *Globe & Mail*, *Edmonton Journal*, the *Calgary Herald* and the *Medicine Hat News*;
- (e) prepared a list, in consultation with Avison Young, of potential buyers, including parties that had contacted the Receiver or Avison Young, previously, for further information on the opportunity;
- (f) prepared a letter of intent form for potential buyers to submit a Phase 1 non-binding letter of intent in a form acceptable to the Receiver;
- (g) engaged a contractor to perform building condition assessments and Phase 1 environmental assessments of the CRC and MHL, who commenced site visits at the CRC and MHL with the Receiver in mid-February;
- (h) prepared a confidential information memorandum to be shared with potential buyers who execute the Confidentiality Agreement and gain access to the Data Room;
- (i) coordinated with Avison Young to begin site visits with potential buyers; and
- (j) advanced an application and received the Anti-Deprivation Decision from the Court.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

22. Table 1.0 below is a summary of the receipts and disbursements of Mayfield since the January 1, 2025 to January 31, 2025 (the “**Reporting Period**”), a summary of receipts and disbursements for the period of the Appointment Date until December 31, 2024 is provided in the Second Report:

Mayfield Investments Ltd.
Statement of Receipts and Disbursements
January 1, 2025 to January 31, 2025
\$CAD, unaudited

Table 1.0

	<i>Notes</i>		<i>Ref</i>
Opening cash balance	<i>a</i>	1,526,218	<i>A</i>
Receipts			
Receipts from Camrose Casino	<i>b</i>	1,116,186	
Receipts from the Medicine Hat Lodge	<i>c</i>	670,324	
Receipts from the Camrose Resort Casino Hotel	<i>c</i>	264,744	
Rent from the Copper Coulee Casino	<i>d</i>	32,550	
Other receipts	<i>e</i>	10,756	
Total receipts		2,094,560	<i>B</i>
Disbursements			
AGLC payments and sweeps	<i>f</i>	(776,777)	
Operating expenses	<i>g</i>	(628,387)	
Receiver's and Receiver's counsel fees	<i>h</i>	(533,524)	
Salaries and wages	<i>i</i>	(457,437)	
Utilities	<i>j</i>	(182,517)	
Casino cash float orders	<i>k</i>	(115,000)	
Casino table and jackpot cheques	<i>l</i>	(51,422)	
Insurance	<i>m</i>	(45,139)	
Property taxes	<i>n</i>	(14,314)	
Bank fees and other	<i>o</i>	(1,586)	
Total disbursements		(2,806,103)	<i>C</i>
Ending cash balance (A + B + C)	<i>p</i>	814,676	

23. Notes to the Receiver's statement of receipts and disbursements for the Reporting Period are as follows:

- a. the opening cash balance represents the cash balances for all Mayfield accounts as at January 1, 2025; the cash balance is exclusive of the casino float;
- b. receipts from the Camrose Casino represents deposits from the VLT and slot machines located at the Camrose Casino, including bank deposits of casino float;
- c. receipts from the MHL and the CRC represent room sales, food and beverage and ancillary sales from the hotel operations;

- d. the Receiver received rent payments of \$32,550 from the Copper Coulee Casino (the “CCC”) for the month of January pursuant to the rent agreement between Mayfield and the CCC;
- e. other receipts include ATM fees and other receipts received by Mayfield;
- f. AGLC payments and sweeps include bi-weekly casino sweeps by the AGLC and AGLC sweeps for the lottery machines located at the MHL and CRC, the Receiver has completed all required AGLC cash sweeps;
- g. the Receiver has disbursed \$0.6 million related to on-going operating costs associated with the MHL, CRC and Camrose Casino, including food & beverage orders, hotel supplies, maintenance costs, and other operating expenses;
- h. the Receiver has incurred and invoiced fees of \$324,831 (inclusive of GST) from the Appointment Date up to and including December 6, 2024 and the Receiver’s legal counsel has incurred and invoiced fees and disbursements of \$208,693 (inclusive of GST) up to and including December 31, 2024 (in respect of which, as discussed below, the Receiver now seeks approval);
- i. salaries and wages include all payroll for the MHL, CRC, Camrose Casino and head office, including employee benefits;
- j. the Receiver continued paying utilities at the MHL and CRC in the normal course of business;
- k. the Receiver has made cash orders of \$115,000 from GardaWorld to replenish the Camrose Casino cash float following cash deposits from the Camrose Casino to the ATB bank accounts;
- l. cheques were issued in the amount of \$51,422 related to jackpot winnings and table games;
- m. the Receiver has paid insurance of \$45,139 under the existing insurance policy to ensure the Property is adequately insured;
- n. monthly property tax installments amounting to \$14,314 have been paid by the Receiver for the CRC and the Receiver is working with the City of Medicine Hat to reconcile certain amounts owing for property taxes related to the MHL and intends to

make payment for the property taxes to be current upon finalization of the reconciliation;

- o. bank fees and other disbursements of \$1,586 have been paid by the Receiver; and
- p. the ending cash balance as at January 31, 2025 is approximately \$800,000, exclusive of the casino float balance of approximately \$350,000.

CAMROSE CASINO SALE CONSIDERATIONS

Pre-Receivership Background

- 24. As outlined in the First Report, in April 2024, Camrose Casino GP entered into an asset purchase agreement with Capital City (the “**Pre-Receivership Capital City APA**”) pursuant to which, Camrose Casino GP and Capital City were to apply to the Alberta Gaming, Liquor & Cannabis Commission (the “**AGLC**”) to transfer the previous casino facility licence held by Camrose Casino LP (the “**Licence**”) from the Camrose Casino to a casino proposed to be developed and operated by Capital City in southeast Edmonton (the “**Proposed Edmonton Casino**”).
- 25. Pursuant to the Pre-Receivership Capital City APA, the purchase price for the Licence was \$5.5 million, to be paid by Capital City as follows:
 - a. a \$4.125 million deposit (the “**Licence Deposit**”) to be paid to Camrose Casino GP within three business days of the date on which the AGLC determines in writing that the relocation of the Licence from the Camrose Casino to the Proposed Edmonton Casino can move forward; and
 - b. the balance of the purchase price (\$1.375 million) to be satisfied by payment from Capital City to Camrose Casino GP on the closing date, defined as:
 - i. the date on which the AGLC cancels the Licence in the name of Camrose Casino GP and issues the Licence in the name of Capital City; or
 - ii. such other date as agreed between the Camrose Casino GP and Capital City.
- 26. The Receiver understands that the Licence Deposit was paid by Capital City and is currently held in trust by Duncan Craig LLP.
- 27. On October 10, 2024, the ALGC issued a press release indicating that it approved an application for the Licence to be relocated to southeast Edmonton.

28. On October 24, 2024, legal counsel to Capital City e-mailed the Receiver's legal counsel advising of Capital City's intention to proceed under the terms of the Pre-Receivership Capital City APA and relocate the Licence to the Proposed Edmonton Casino.

Post-Receivership Communications with Capital City and the AGLC

29. The Receiver has held multiple virtual meetings with Capital City, including meetings with the Receiver's legal counsel and legal counsel to Capital City, since the Appointment Date to discuss the Pre-Receivership Capital City APA.
30. The Receiver indicated to Capital City that certain terms of the Pre-Receivership Capital City APA were not acceptable to the Receiver. In particular, the Pre-Receivership Capital City APA provided for the Licence Deposit and the remaining balance of the purchase price of \$1.375 million to be paid only following the construction of the Proposed Edmonton Casino and closing of the Pre-Receivership Capital City APA, which would take approximately 2 years.
31. After negotiations, the Receiver and Capital City agreed to a revised form of transaction, whereby the full purchase price would be payable upon court approval and Capital City would enter into a lease agreement with Mayfield to operate the Camrose Casino in the CRC while the Proposed Edmonton Casino is constructed (the "**Revised Capital City Transaction**").
32. The Receiver also held multiple virtual meetings with the AGLC to discuss the Revised Capital City Transaction. The AGLC has indicated to the Receiver that the Revised Capital City Transaction structure is acceptable to AGLC.
33. In connection with the proposed Revised Capital City Transaction, the Receiver and Capital City entered into a Confidentiality Agreement on November 20, 2024, and the Receiver provided certain financial information and other operational information to Capital City.
34. On February 13, 2025, the Revised Capital City APA was executed for the sale of the business and assets of the Camrose Casino to Capital City, which Revised Capital City APA schedules/appends thereto the Capital City Lease Agreement whereby the Receiver will lease the current Camrose Casino premises to Capital City. Further details of the Revised Capital City APA and the Capital City Lease Agreement are provided herein.

Communications With Other Parties Expressing Interest

35. Concurrent with the Receiver's communications and negotiations with Capital City, the Receiver received expressions of interest from four different parties interested in acquiring the Camrose Casino. Three of the four parties expressing interest are currently licenced operators of casinos in Alberta.
36. Two of these interested parties entered into a confidentiality agreement with the Receiver pursuant to which the Receiver provided the same information as was provided to Capital City by the Receiver.
37. The Receiver is of the view that further details of the interested parties and communications, including the detail of the unexecuted offer received, contain commercially sensitive information that could negatively impact the SISP if made public prior to the completion of the SISP as well as any future efforts by the Receiver to sell the business and assets of the Camrose Casino should the Revised Capital City APA not be approved or the transaction contemplated thereunder not close.
38. The Receiver has provided further detail on the interested parties and communications in the confidential supplement to this Fourth Report and the Receiver is seeking a sealing order to seal the contents of the confidential supplement to this Fourth Report.

Correspondence With the AGLC

39. The Receiver has held multiple virtual meetings with the AGLC, including virtual meetings with the Receiver's legal counsel and in-house counsel to AGLC in attendance, to discuss the operations of the Camrose Casino and the Revised Capital City Transaction.
40. On January 2, 2025, the AGLC provided written confirmation to the Receiver (the "**AGLC Confirmation**") of its support of the sale of the Camrose Casino to Mather Gaming and Entertainment Investments Inc. ("**MGII**") (who the Receiver understands is affiliated with Capital City), subject to certain conditions, including:
 - a. the business of the Camrose Casino continues in its existing location until such time as it can move to the Proposed Edmonton Location;
 - b. the Directors/Shareholders of MGII have not changed since AGLC approved the pre-receivership proposed transaction on October 7, 2024;

- c. AGLC's review of the Revised Capital City APA and the Capital City Lease Agreement;
and
- d. at least 7 business days' notice of the intended closing date.

A copy of the AGLC Confirmation is attached hereto at Appendix 'C'.

41. The Receiver believes the conditions set out in the AGLC Confirmation will be able to be satisfied, as:
- a. the Receiver is of the view that the Revised Capital City APA and the Capital City Lease Agreement meet the condition that Capital City will continue to operate the Camrose Casino business in its existing Camrose location until such time as the Proposed Edmonton Casino is ready to open;
 - b. the AGLC has confirmed that Mr. Mather has already confirmed the condition relating to no change to Directors/Shareholder;
 - c. the Receiver intends to provide signed copies of the Revised Capital City APA and the Capital City Lease Agreement to the AGLC concurrently with filing this Fourth Report;
and
 - d. the Receiver will be able to provide at least 7 business days' notice of the intended closing date.
42. The Receiver understands that if the Receiver were to seek approval of a transaction for the Camrose Casino with a party other than Capital City, the standard AGLC process would entail extensive due diligence by the AGLC, including financial due diligence and competitive due diligence. The Receiver understands that this AGLC process would take a minimum of 60 days to complete (and could take much longer depending on the party).

REVISED CAPITAL CITY APA AND CAPITAL CITY LEASE AGREEMENT

Terms of the Revised Capital City APA¹

43. The key terms of the Revised Capital City APA include the following:

- a. **Purchase Price:** \$5.5 million;
- b. **Deposit:** \$4.125 million deposit payable through commercially reasonable efforts to cause Duncan Craig LLP to pay the deposit held in trust pursuant to the Pre- Receivership Capital City APA (the “**Prior Deposit**”). If the Prior Deposit is not paid to the Receiver by Duncan Craig LLP on or before 9:00 am (Mountain Time) on February 18, 2025, then;
 - i. Capital City shall pay to the Receiver a deposit of 15% of the purchase price of \$5.5 million on or before 4:00pm (Mountain Time) on February 19, 2025 (the “**Alternative Deposit**”); and
 - ii. in the event that the Alternative Deposit is paid by Capital City to the Receiver, and the Prior Deposit is paid to the Receiver prior to closing, the Receiver shall immediately pay the Alternative Deposit to Capital City;
- c. **Closing date:** March 31, 2025, subject to Court approval, the AGLC consenting to issue a new casino licence to Capital City, and execution of the Capital City Lease Agreement (the terms of which are discussed in greater detail below);
- d. **Interim Operations:** Capital City will operate the business of the Camrose Casino for an interim period of a minimum of 20 months, commencing on March 31, 2025, which period can be extended pending completion of the Proposed Edmonton Casino;
- e. **Purchased Cash:** a purchased cash mechanism outlined in Schedule B of the Revised Capital City APA, of which, Capital City will purchase all amounts of cash and coin located at the Camrose Casino (including the casino float) less gaming liabilities payable to the AGLC;

¹All capitalized terms used in this section, but not otherwise defined shall have the meanings given to them in the Revised Capital City APA.

- f. **Employees:** Capital City to make offers of employment on substantially similar terms to all existing employees whose employment duties substantially relate to the Camrose Casino business; and
- g. **Outside Date:** April 30, 2025, which may be extended on certain terms up to an additional 180 days, provided that the outside date does not extend past July 31, 2025.

A copy of the Revised Capital City APA is attached hereto at Appendix 'A'.

Terms of the Capital City Lease Agreement²

44. The key terms of the Capital City Lease Agreement include the following:

- a. **Term:** commencing March 31, 2025, conditional on the closing of the Revised Capital City APA, for a minimum 20-month term with a month-to-month extension option, of which the landlord may terminate after 6 months and an additional extension option to a maximum of 4 years from the lease commencement date (the "**Extension Option**");
- b. **Minimum rent:** starting minimum rent of \$15.00 per square foot on the commencement date, increasing by \$1.00 per square foot every 2 months to a maximum \$20.00 per square foot, and if the lease is extended on a month-to-month basis or under the Extension Option the minimum rent shall be calculated as the greater of (i) \$20.00 per square foot indexed to the consumer price index for the immediately prior 12-month period, or (ii) market rent (as defined in the Capital City Lease Agreement);
- c. **Operational costs:** Capital City will pay a proportionate amount of any shared costs with the CRC (utilities, property tax, maintenance, common area costs, snow removal, cost of employees engaged in maintenance, etc.) based on the square footage of the casino to the overall square footage of the CRC plus a management fee of 10% on all costs;
- d. **Security deposit:** \$33,000;
- e. **Insurance:** Capital City to maintain adequate tenant's insurance throughout term of the lease;

² All capitalized terms used in this section, but not otherwise defined shall have the meanings given to them in the Capital City Lease Agreement.

- f. **Indemnity:** Capital City to indemnify the Landlord against any claims, action, damages, liability and expenses with personal injury and damage to the property arising out of the lease;
- g. **Transfer or assignment of lease:** the Landlord has the right to assign the lease to a potential purchaser of the CRC without consent of Capital City; and
- h. **Termination:** Capital City may not terminate the Capital City Lease Agreement prior to expiry of a minimum 20-month initial term.

A copy of the Capital City Lease Agreement is attached hereto at Appendix 'B'.

Receiver's Analysis and Commentary with Respect to the Revised Capital City APA and the Capital City Lease Agreement

- 45. The Receiver is of the view that the Revised Capital City APA and the related Capital City Lease Agreement are in the best interests of the stakeholders of Camrose Casino GP, Camrose Casino LP, and Mayfield for the following reasons:
 - a. the Receiver is of the view that the purchase price provided for under the Revised Capital City APA is a fair and reasonable price for the Camrose Casino, as discussed in greater detail in the confidential supplement to this Fourth Report, including two draft appraisals reviewed by the Receiver, prepared with respect to the Camrose Casino;
 - b. the Receiver understands that former management of Mayfield began negotiations with Capital City in 2022 regarding a potential transaction to relocate the Camrose Casino licence to southeast Edmonton and extensive consultation with the AGLC and due diligence occurred from 2022 until the Pre-Receivership Capital City APA was executed in April 2024;
 - c. Capital City had previously completed significant due diligence with respect to the Camrose Casino prior to the commencement of these receivership proceedings and in connection with the Pre-Receivership Capital City APA;
 - d. the AGLC has consented to the Revised Capital City Transaction, with a new license being issued to Capital City expediently to permit the Revised Capital City Transaction to close on or about March 31, 2025 (the anticipated closing date), subject to the conditions outlined by the AGLC and described in paragraph 41 of this Fourth Report;

- e. a transaction with a party other than Capital City would require the AGLC to undertake further and potentially significant due diligence before it could agree to issue a license to such other party (which agreement may not be forthcoming). This additional review and diligence may delay any transaction for the Camrose Casino (and any recovery for the Camrose Casino estate) for a potentially significant period of time;
- f. due to the nature of the gaming business and the high volume of cash transactions, the Camrose Casino requires significant oversight by the Receiver and increased professional costs. Closing the sale of the Camrose Casino to Capital City on or about March 31, 2025, will materially decrease these costs and result in savings to the estate;
- g. As described herein, the Receiver received an unexecuted offer to purchase the Camrose Casino licence on January 13, 2025, from a party expressing interest. The Receiver is of the view that uncertainty exists with the purchase price and other key transaction terms in the unexecuted offer as it was received without the interested party having access to financial and other information and due diligence was not performed on the financial and other information of Camrose Casino; and
- h. the proceeds of the Revised Capital City APA will be available for distribution to creditors of the Camrose Casino once the Revised Capital City Transaction closes. Based on the books and records of the Camrose Casino, it appears to the Receiver that there will be more than sufficient net proceeds to settle all known claims, with excess sales proceeds available to distribute to Mayfield, who directly or indirectly holds a 100% interest in the Camrose Casino.

46. With respect to the Capital City Lease Agreement specifically:

- a. the Receiver engaged Ernst & Young LLP's Transaction Real Estate team ("EY TRE") to provide an analysis of reasonable minimum rent rates for similar properties. The rental rate provided for under the Capital City Lease Agreement is within the range provided by EY TRE;
- b. the Receiver consulted with Avison Young regarding lease rates for alternative uses of the Camrose Casino premises and the minimum rent rate provided for under the Capital City Lease Agreement is in excess of the alternative use minimum rent rates provided by Avison Young;
- c. prior to the closing of any transaction for the CRC, the monthly lease payments under the Capital City Lease Agreement will be collected by the Receiver and the Receiver will recover proportionate operating costs for shared costs with the Camrose Casino,

providing a benefit to the Mayfield estate;

- d. the minimum rent in the Capital City Lease Agreement is in excess of the minimum rent in the lease agreement between Mayfield and Vanshaw as described in the Third Report of the Receiver dated January 20, 2025 for the Copper Coulee Casino located in MHL; and
- e. the Capital City Lease Agreement may add value to the CRC and enhance the realizable value of the CRC pursuant to the SISP.

CAMROSE CLAIMS PROCESS³

Background

- 47. The Receiver understands that the liabilities of the Camrose Casino primarily consist of trade accounts payable to a limited number of vendors and a potential claim of Agriculture Financial Service Corporation ("**AFSC**") with respect to a guarantee from Camrose Casino LP and Camrose Casino GP related to a loan facility previously provided by Mayfield to AFSC. Furthermore, the Receiver understands that ATB, as the primary secured creditor of Mayfield, does not have a direct claim against the Camrose Casino or security over the assets of Camrose Casino. Its security is limited to Mayfield's direct or indirect 100% interest in the Camrose Casino LP.
- 48. The Receiver expects that the net proceeds from the Revised Capital City APA will be in excess of the total liabilities of the Camrose Casino and that excess proceeds, after all liabilities of Camrose Casino are satisfied in full would be available for distribution to Mayfield.

Proposed Notification Process

- 49. The proposed notification process for the Camrose Claims Process is as follows:
 - a. the Receiver shall send a claims package including notice of the Claims Process Order, if granted by this Honourable Court, and a proof of claim form (the "**Claims Package**") to each claimant identified as a creditor per the Camrose Casino books and records by regular mail, fax, courier, or email on or before March 7, 2025;

³ All capitalized terms used in this section, but not otherwise defined shall have the meanings given to them in the draft Claims Process Order attached as Schedule "**B**" to the application of the Receiver dated February 14, 2025.

- b. the Receiver shall publish a notice in one edition of the *Edmonton Journal*, the *Insolvency Insider* and any other publications the Receiver considers advisable on or before March 7, 2025;
- c. the Receiver shall post the Claims Package on the Receiver's Website as soon as practicable if this Honourable Court grants the Claims Process Order; and
- d. the Receiver shall send a Claims Package to any person requesting such materials as soon as practicable on receipt of a written request for a Claims Package from such person.

Proposed Claims Bar Date

- 50. A claimant must deliver a proof of claim setting out its claim as at January 14, 2025 (its "**Camrose Claim**"), the date on which this Honourable Court granted the extension of the receivership proceedings to Camrose Casino GP and the Camrose Casino LP, to be received by the Receiver pursuant to the instructions in the Claims Package no later than 4:00 p.m. (prevailing Mountain Time) on April 7, 2025 (the "**Claims Bar Date**").
- 51. The Receiver shall review each proof of claim received by the Claims Bar Date as soon as practicable and shall accept, revise or disallow each claim as applicable.

Notice of Dispute

- 52. If the Receiver determines to revise or disallow a Camrose Claim, the Receiver shall send a notice of revision or disallowance to the creditor (a "**Notice of Revision or Disallowance**").
- 53. Any creditor who disputes the classification or amount of its Camrose Claim as set forth in a Notice of Revision or Disallowance shall deliver notice of dispute (the "**Notice of Dispute**") to the Receiver by 4:00 p.m. (prevailing Mountain Time) on the day that is 15 days after the date of the receipt of the Notice of Revision or Disallowance outlining the particulars of the dispute.
- 54. Upon receipt of a Notice of Dispute, the Receiver may attempt to consensually resolve the classification or amount of the Camrose Claim with the disputing creditor.

Proposed Distributions for Camrose Claims

- 55. Upon acceptance of or resolution of a Notice of Dispute, the Receiver shall determine the total amount of accepted Camrose Claims and determine a distribution to the claimants of the Camrose Casino. The Receiver shall apply to this Honourable Court for an order approving a distribution to the claimants of the Camrose Casino.

56. The Receiver shall also be at liberty to apply to Court for assistance in determining any Claim set forth in a Proof of Claim, including without any limitation any Proof of Claim for which the Receiver has sent a Notice of Revision or Disallowance or received a Notice of Dispute.

Recommendation

57. The Receiver believes that it is appropriate to commence the Claims Process at this juncture and is of the view that the Claims Process set out in the proposed Claims Process Order will provide the creditors of Camrose Casino LP and Camrose Casino GP with sufficient and timely notification to allow them to establish their claims.
58. The Receiver is of the view that the proposed Camrose Claims Process is an efficient, fair and reasonable way to determine any claims that may exist against the Camrose Casino and is of the view that approval of the Camrose Claims Process is in the best interests of the estate.

SEALING ORDER

59. The Receiver has prepared a confidential supplement to the Fourth Report that provides further information related to the following:
- a. other considerations of the Receiver including the Receiver's comments with respect to two draft appraisals for the Camrose Casino and other property of Mayfield; and
 - b. information on the other parties that expressed interest in acquiring the Camrose Casino, including the unexecuted offer received, and the Receiver's views on the unexecuted offer.
60. The Receiver is of the view that the contents of the confidential supplement to the Fourth Report contains commercially sensitive information that could negatively impact the SISP (as defined in the Second Report) if made public prior to the completion of the SISP, as well as any future efforts by the Receiver to sell the Camrose Casino should the Revised Capital City APA not be approved or the transaction contemplated thereunder not close.
61. The Receiver is of the view that that this information should remain confidential until the completion of the SISP and closing of all sales transactions related to the Property. Therefore, the Receiver is seeking an Order of this Honourable Court (the "**Sealing Order**") sealing the contents of the confidential supplement to the Fourth Report and associated appendices.

FEES AND COSTS OF THE RECEIVER AND ITS LEGAL COUNSEL

62. Professional fees and costs of the Receiver and its legal counsel incurred and billed since the Appointment date are as follows:
- a. **Receiver:** \$324,831 (inclusive of GST) for the period of the Appointment Date up to and including December 6, 2024; and
 - b. **Receiver's legal counsel:** \$208,693 (inclusive of GST) for the period of the Appointment Date up to and including December 31, 2024.
63. Copies of the Receiver and its legal counsel's invoices contain confidential information and are not attached to this Fourth Report, however, are available to this Honourable Court if requested.
64. Total professional fee and costs of the Receiver and its legal counsel incurred but not billed since the Appointment Date are estimated as follows:
- a. **Receiver:** approximately \$150,000 (as at January 31, 2025); and
 - b. **Receiver's legal counsel:** approximately \$330,000 (as at January 31, 2025).
65. The Receiver respectfully requests that this Honourable Court approve the fees and costs of the Receiver and its legal counsel, including the fees and costs incurred but not billed.

RECEIVER'S RECOMMENDATIONS

66. The Receiver respectfully recommends that this Honorable Court approve:
- a. the Revised Capital City APA;
 - b. the Capital City Lease Agreement;
 - c. the Camrose Claims Process;
 - d. the Sealing Order to seal the confidential supplemental to the Fourth Report; and
 - e. the activities, fees and costs of the Receiver and its legal counsel.

Dated at Calgary, Alberta this 14th day of February, 2025.

ERNST & YOUNG INC.

**in its capacity as the Receiver of
Mayfield Investments Ltd., Camrose Casino Corporation, and
Camrose Casino Limited Partnership
and not in its personal or corporate capacity**

A handwritten signature in black ink, appearing to read 'Peter Chisholm'.

Peter Chisholm, CPA, CA, CIRP, LIT
Senior Vice President

A handwritten signature in black ink, appearing to read 'Josh Heagy'.

Josh Heagy, CPA, CIRP, LIT
Senior Director

Appendix 'A'
Revised Capital City APA

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made as of February 13, 2025.

BETWEEN:

CAPITAL CITY CASINOS LTD., a corporation incorporated under the Laws of the Province of Alberta

(the “**Purchaser**”)

AND:

ERNST & YOUNG INC., in its capacity as Court-appointed Receiver of **Camrose Casino Corporation** (“**Camrose Casino GP**”), a corporation incorporated under the Laws of the Province of Alberta, and **Camrose Casino Limited Partnership** (“**Camrose Casino LP**”, and together with Camrose Casino GP, “**Camrose**”), a limited partnership organized under the Laws of the Province of Alberta

(the “**Receiver**”)

(Each a “**Party**” and together the “**Parties**”)

WHEREAS:

- A.** Camrose Casino LP, a related party to Mayfield Investments Ltd. (“**Mayfield**”), was issued a Casino Facility License (the “**Previous License**”) from the Alberta Gaming, Liquour and Cannabis Commission (“**AGLC**”) in respect of the casino operating at 3201 – 48 Ave Camrose, AB (the “**Camrose Casino**”).
- B.** Camrose Casino GP and the Purchaser previously entered into an agreement dated April 29, 2024 (the “**Previous Agreement**”) for the purchase of the Previous License by the Purchaser, and Camrose Casino GP and the Purchaser applied to the AGLC for approval of (i) the sale of the Previous License by Camrose Casino LP to the Purchaser and (ii) the relocation of the casino operations under the Previous License to a proposed casino to be developed and operated by the Purchaser on certain lands within the City of Edmonton (the “**Proposed Edmonton Casino**”).
- C.** Pursuant to an Order of the Court of King’s Bench of Alberta (the “**Court**”) dated September 6, 2024 (the “**Receivership Order**”), Ernst & Young Inc. was appointed as receiver over the assets, undertakings, and property of Mayfield, effective October 24, 2024 (the “**Effective Date**”).
- D.** On October 10, 2024, AGLC approved (i) the sale of the Previous License by Camrose Casino LP to the Purchaser and (ii) the relocation of the casino operations under the Previous License to the Proposed Edmonton Casino (the “**Previous AGLC Approval**”).

- E. Following the Effective Date, AGLC cancelled the Previous License and issued a Temporary Casino Facility License to the Receiver, in its capacity as receiver of Mayfield (the "**Temporary License**").
- F. Pursuant to an Order of the Court dated January 14, 2025 (the "**Receivership Extension Order**", and together with the Receivership Order, the "**Receivership Orders**"), the Receivership Order was amended to appoint Ernst & Young Inc. as Receiver over the assets, undertakings, and property of Camrose.
- G. The Purchaser and the Receiver wish to proceed with the sale and transfer of the business of Camrose involving the operation of the Camrose Casino in accordance with the terms and conditions of the Temporary License (the "**Business**"), with the AGLC issuing a new Casino Facility License (the "**New License**") to the Purchaser to operate the Camrose Casino at its current location for a period of no less than 20 months and with the Purchaser subsequently completing the relocation to the Proposed Edmonton Casino in accordance with the Previous AGLC Approval.
- H. The Receiver wishes to sell to the Purchaser, and the Purchaser wishes to purchase, the rights of the Receiver, in its capacity as receiver of Camrose, to the Business, subject to the terms and conditions set forth herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Parties), the Parties agree as follows:

ARTICLE 1: INTERPRETATION

1.1 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) "**Accountant**" has the meaning set out in Article 2.5(b);
- (b) "**Aggregate Cash**" has the meaning set out in Article 2.5(a);
- (c) "**Aggregate Gaming Liabilities**" has the meaning set out in Article 2.5(a);
- (d) "**AGLC**" has the meaning set out in the recitals to this Agreement;
- (e) "**AGLC Consent**" has the meaning set out in Article 7.1(b);
- (f) "**Agreement**" "herein", "hereof", "hereunder", and similar terms means this Asset Purchase Agreement between the Parties and includes all schedules and exhibits, and any amendments made in the accordance with the provisions hereof;
- (g) "**Alternative Deposit**" has the meaning set out in Article 2.3(c)(ii)(A);
- (h) "**Applicable Law**" means:
 - (i) any applicable law including any statute or subordinate legislation; and

- (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority having the force of law;
- (i) **"Business"** has the meaning set out in the recitals to this Agreement;
- (j) **"Business Day"** means a day other than a Saturday, Sunday or statutory holiday in the Province of Alberta;
- (k) **"Camrose Casino"** has the meaning set out in the recitals to this Agreement;
- (l) **"Camrose Employees"** means all current employees of Camrose whose employment duties primarily relate to the Business;
- (m) **"Claim"** means any actual or threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim or demand resulting therefrom or any other claim or demand of whatever nature or kind and whether before a court, arbitrator or Governmental Authority;
- (n) **"Closing"** has the meaning set out in Article 2.7;
- (o) **"Closing Amount"** has the meaning set out in Article 2.2;
- (p) **"Closing Date"** means:
 - (i) if all of the conditions to Closing set forth in Articles 7.1, 7.2 and 7.3 are satisfied or waived as of such date (other than those conditions which by their nature are satisfied by the occurrence of Closing), the Closing Date shall be:
 - (A) March 31, 2025 if such date is the first day of a charity gaming event conducted at the Camrose Casino; or
 - (B) If March 31, 2025 is not the first day of a charity gaming event, the next such Business Day that is the first day of a charity gaming event;
 - (ii) if all of the conditions to Closing set forth in Articles 7.1, 7.2 and 7.3 are not satisfied or waived as of the applicable date set forth in Article 1.1(p)(i) (other than those conditions which by their nature are satisfied by the occurrence of Closing), the Closing Date shall be the date that is five (5) Business Days following that satisfaction or waiver of such conditions; or
 - (iii) such other date as may be mutually agreed by the Parties,in each case provided that the applicable date has been approved by the AGLC.
- (q) **"Closing Time"** has the meaning set out in Article 2.7.
- (r) **"Closing Statement"** has the meaning set out in Article 2.5(b);

- (s) **"Confidentiality Agreement"** has the meaning set out in Article 8.2;
- (t) **"Court"** has the meaning set out in the recitals to this Agreement;
- (u) **"Deposit"** has the meaning set out in Article 2.3(a)(i) or 2.3(c)(ii)(A), as applicable;
- (v) **"Dispute Notice"** has the meaning set out in Article 2.5(b);
- (w) **"Duncan Craig"** has the meaning set out in Article 2.3(c);
- (x) **"Encumbrance"** means any lien, pledge, hypothec, mortgage, deed of trust, security interest, charge, claim, easement, encroachment or other similar encumbrance;
- (y) **"Found Money"** means all money collected from TITO tickets which have not been redeemed by casino patrons and have been collected and redeemed by Camrose Employees and historically segregated for the primary purpose of benefiting employees of the Camrose Casino and the hotel located at the same premises;
- (z) **"Governmental Authority"** means any legislative, executive, judicial or administrative body or Person having jurisdiction in the relevant circumstances;
- (aa) **"GST"** means all taxes levied under the GST Act;
- (bb) **"GST Act"** means Part IX of the *Excise Tax Act* (Canada);
- (cc) **"Interest"** has the meaning set out in Article 2.4(e);
- (dd) **"Interim Operating Period"** has the meaning set out in Article 5.1;
- (ee) **"Lease Agreement"** has the meaning set out in Article 5.3;
- (ff) **"Mayfield"** has the meaning set out in the recitals to this Agreement;
- (gg) **"New License"** has the meaning set out in the recitals to this Agreement;
- (hh) **"Outside Date"** means April 30, 2025 or such other date as may be mutually agreed in writing by the Parties, provided that either Party may extend the Outside Date up to an additional 180 days to the extent necessary to obtain the Vesting Order or the AGLC Consent; provided that the Outside Date may not be extended past July 31, 2025;
- (ii) **"Permits"** means all permits, consents, waivers, licenses, certificates, approvals, authorizations, registrations, franchises, rights, privileges, quotas and exemptions, or any item with a similar effect, issued or granted by any Person;
- (jj) **"Person"** means an individual, legal personal representative, corporation, body corporate, firm, partnership, trust, trustee, syndicate, joint venture, unincorporated organization or Governmental Authority;
- (kk) **"Previous AGLC Approval"** has the meaning set out in the recitals to this Agreement;

- (ll) **"Previous Agreement"** has the meaning set out in the recitals to this Agreement;
- (mm) **"Previous License"** has the meaning set out in the recitals to this Agreement;
- (nn) **"Prior Deposit"** has the meaning set out in Article 2.3(c);
- (oo) **"Proposed Edmonton Casino"** has the meaning set out in the recitals to this Agreement;
- (pp) **"Purchase Price"** has the meaning set out in Article 2.2;
- (qq) **"Purchased Assets"** has the meaning set out in Article 2.1;
- (rr) **"Purchased Cash"** has the meaning set out in Article 2.5(a);
- (ss) **"Purchased Cash Review Period"** has the meaning set out in Article 2.5(b);
- (tt) **"Purchaser"** has the meaning set out in the recitals to this Agreement;
- (uu) **"Purchaser's Closing Certificate"** has the meaning set out in Article 7.2(b);
- (vv) **"Receiver"** has the meaning set out in the recitals to this Agreement;
- (ww) **"Receiver's Certificate"** means a certificate of the Receiver, in its capacity as receiver of Camrose, in the form appended to the Vesting Order.
- (xx) **"Receivership Order"** means the Order of the Court dated September 6, 2024, which was effective as of October 24, 2024;
- (yy) **"Receivership Extension Order"** means the Order of the Court dated January 14, 2025;
- (zz) **"Tax Act"** means the *Income Tax Act* (Canada), as may be amended from time to time and the regulations promulgated thereunder;
- (aaa) **"Taxes"** means all federal, provincial and municipal taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority including, (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, license, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law; and

(bbb) **"Temporary License"** has the meaning set out in the recitals to this Agreement; and

(ccc) **"Vesting Order"** means an Order of the Court vesting the Receiver's right, title and interest in the Purchased Assets in the Purchaser.

1.2 Headings

The division of this Agreement into Articles and sections and the insertion of headings are for convenience of reference only and will 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.

1.3 Extended Meanings

In this Agreement words importing the singular number only will include the plural and vice versa, words importing the masculine gender will include the feminine and neuter genders and vice versa and words importing persons will include individuals, partnerships, associations, trusts, unincorporated organizations and limited partnerships.

1.4 Currency

All references to currency herein as to lawful money of Canada.

ARTICLE 2: SALE AND PURCHASE

2.1 Asset to be Sold and Purchased

On the Closing Date and upon and subject to the terms and conditions of this Agreement, the Receiver hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser hereby agrees to purchase from the Receiver, all of the right, title and interest of the Receiver, in its capacity as receiver of Camrose, in all of the assets, properties and rights of Camrose relating to the Business (collectively, the **"Purchased Assets"**), including the assets, properties and rights set out in Schedule A, free and clear of all Encumbrances. For greater certainty, the Purchased Assets do not include the Temporary License, which will be cancelled at Closing and replaced by the New License.

2.2 Purchase Price

The aggregate purchase price (the **"Purchase Price"**) for the Purchased Assets will be the amount equal to \$5,500,000 (the **"Closing Amount"**) plus or minus the Purchased Cash (as defined below).

2.3 Payment of Purchase Price

- (a) The Purchase Price will be paid by the Purchaser as follows:
 - (i) the Deposit shall be paid by the Purchaser to the Receiver in accordance with Article 2.3(c);

- (ii) an amount equal to the Closing Amount less the Deposit shall be paid by the Purchaser to the Receiver on the Closing Date; and
 - (iii) the Purchased Cash shall be paid by the applicable Party within five (5) Business Days of the final determination of the Purchased Cash in accordance with Article 2.5.
- (b) Subject to Article 2.3(c), each such payment set forth in Article 2.3(a) will be made by certified cheque, bank draft, solicitor's trust cheque or wire transfer of immediately available funds to an account designated in writing by the Receiver to the Purchaser.
- (c) The Parties acknowledge that the amount of \$4,125,000 (the "**Prior Deposit**") is currently held in trust by Duncan Craig LLP ("**Duncan Craig**") pursuant to the Previous Agreement. Within one (1) Business Day following execution of this Agreement, the Parties will use all commercially reasonable efforts to cause Duncan Craig to pay the Prior Deposit to the Receiver on or before 9:00 am (Mountain Time) on February 18, 2025 (and if not paid on or before 9:00 am (Mountain Time) on February 18, 2025, then the Parties will use all commercially reasonable efforts to cause Duncan Craig to pay the Prior Deposit to the Receiver prior to Closing). If:
 - (i) the Prior Deposit is paid to the Receiver by Duncan Craig on or before 9:00 am (Mountain Time) on February 18, 2025, then the Prior Deposit shall be deemed to be the "**Deposit**" hereunder and such payment shall satisfy the Purchaser's obligations under Article 2.3(a)(i); or
 - (ii) if the Prior Deposit is not paid to the Receiver by Duncan Craig on or before 9:00 am (Mountain Time) on February 18, 2025, then:
 - (A) the Purchaser shall pay to the Receiver an aggregate amount equal to fifteen percent (15%) of the Closing Amount (the "**Alternative Deposit**") on or before 4:00 pm (Mountain Time) on February 19, 2025 in the manner set forth in Article 2.3(b), which Alternative Deposit amount shall be deemed to be the "**Deposit**" hereunder and such payment shall satisfy the Purchaser's obligations under Article 2.3(a)(i);
 - (B) the Receiver shall not seek the issuance of the Vesting Order unless the Purchaser has paid the Deposit to the Receiver (either by way of the Prior Deposit or the Alternative Deposit as contemplated by Section 2.3(c)(ii)(A)); and
 - (C) in the event that the Alternative Deposit is paid by the Purchaser in accordance with Article 2.3(c)(ii)(A) and the Prior Deposit is paid to the Receiver by Duncan Craig prior to Closing, promptly upon receipt of the Prior Deposit by the Receiver from Duncan Craig, the Receiver shall immediately pay an amount equal to the Alternative Deposit to the Purchaser by certified cheque, bank draft, solicitors trust cheque or wire transfer of immediately available funds to an account designated in writing by the Purchaser to the Receiver.

2.4 Application of Deposit

- (a) If after the Deposit is paid to the Receiver in accordance with Article 2.3, the Closing does not occur for reason beyond the control of the Purchaser, including where the Court declines to grant the Vesting Order or the AGLC Consent (as defined below) is not obtained, the Deposit (together with all interest thereon) will be promptly returned to the Purchaser without deduction.
- (b) If after the Deposit is paid to the Receiver in accordance with Article 2.3, the Closing does not occur for reason within the control of the Purchaser, including any breach of this Agreement, the Deposit will be retained by the Receiver as liquidated damages as the Receiver's sole and exclusive remedy in respect of any failure by the Purchaser to complete the transaction contemplated by this Agreement.
- (c) At the Closing, the Deposit will be credited against the Closing Amount.
- (d) The Receiver will hold the Deposit "in trust" and deal with the Deposit in accordance with the terms hereof, or, if applicable, in accordance with any order of the Court.
- (e) The Deposit, when received by the Receiver, shall be held by the Receiver in an interest-bearing trust account until the Closing Date. Any interest earned on such Deposit (the "**Interest**") shall be paid as follows:
 - (i) if Closing does not occur in accordance with Article 2.4(a), such Interest will be paid to Purchaser; or
 - (ii) if Closing does not occur in accordance with Article 2.4(b), such Interest will be retained by Receiver.
- (f) In holding and dealing with the Deposit and the Interest, the Receiver is not bound in any way by any agreement other than this Agreement, and the Receiver shall not be considered to have assumed any duty, liability, or responsibility, other than to hold the Deposit and Interest in accordance with the provisions hereof or any order of the Court. In the event of a dispute between the Parties as to the legal entitlement to the Deposit and any Interest thereon, the Receiver may, in its discretion, pay the Deposit and Interest into Court, whereupon the Receiver shall have no further obligations relating thereto. The Receiver shall not, under any circumstances, be required to verify or determine the validity of any notice or document whatsoever delivered to the Receiver and the Receiver is hereby relieved of any liability or responsibility for any loss or damage which may arise as a result of the acceptance by the Receiver of any such notice or other document in good faith.
- (g) The provisions of this Article 2.4 will survive the termination of this Agreement.

2.5 Purchased Cash

- (a) The Purchaser will purchase from the Receiver all cash and coin located on the premises of the Camrose Casino at the Closing up to a maximum amount of

\$500,000 (the “**Purchased Cash**”). The amount of Purchased Cash will be calculated as: (i) the aggregate amount of cash and coin located on the premises of the Camrose Casino at the Closing (the “**Aggregate Cash**”) less (ii) the aggregate amount of gaming liabilities as of the Closing (the “**Aggregate Gaming Liabilities**”) less (iii) the aggregate amount of Found Money located on the premises of the Camrose Casino at the Closing, as more particularly set forth on Schedule B; provided that if the calculation of the Purchased Cash results in a negative amount, the Receiver shall pay such amount to the Purchaser and such amount shall be deducted from the Purchase Price.

For greater certainty, the Receiver shall be entitled to retain all Found Money located on the premises of the Camrose Casino at the Closing.

- (b) Promptly following the Closing and no later than 10 Business Days after the Closing Date, the Receiver will deliver to the Purchaser a statement, in the form set forth on Schedule B, setting out the actual amount of Aggregate Cash, the actual amount of the Aggregate Gaming Liabilities and the actual amount of Found Money, each as determined by the Receiver as of the Closing Time (the “**Closing Statement**”). The Receiver will provide such supporting documentation as may be reasonably requested by the Purchaser to confirm the Purchased Cash. In the event that the Purchaser disputes the calculation of the Purchased Cash, the Purchaser shall notify the Receiver in writing (the “**Dispute Notice**”) of the amount, nature and basis of such dispute within five Business Days of the Purchaser’s receipt of the Closing Statement (the “**Purchased Cash Review Period**”). The Purchaser and the Receiver shall use commercially reasonable efforts to reach agreement on the items set forth in the Dispute Notice. If the Purchaser and the Receiver do not obtain a final resolution within 15 Business Days following the Receiver’s receipt of the Dispute Notice, the Purchaser and the Receiver shall refer any remaining objections or disputes arising pursuant to this Article 2.5(b) to BDO Canada or such other accounting firm that is mutually agreed upon (the “**Accountant**”) to resolve such remaining objections or disputes, with the expenses of such Accountant borne equally by the Receiver, on the one hand, and the Purchaser, on the other hand. The determination of the Accountant as to the resolution of each dispute in the Dispute Notice shall be binding and conclusive upon the Purchaser and the Receiver. Immediately upon the earliest to occur of: (i) the expiration of the Purchased Cash Review Period, if no Dispute Notice is given; (ii) notification by the Purchaser that no Dispute Notice will be given; or (iii) the resolution of the disputes contained in the Dispute Notice, if any, pursuant to this Article 2.5, the amount of Purchased Cash shall be final and binding on all Parties.

2.6 GST

- (a) The Purchaser shall be responsible for paying all applicable GST, value added, sales, use, transfer and similar taxes in addition to the Purchase Price. Camrose is registered for GST purposes under the GST Act and its registration number is 860219203 RT0001.
- (b) The Receiver and the Purchaser shall elect jointly pursuant to subsection 167(1) of the GST Act (the “**GST Election**”), by completing at or prior to Closing all prescribed forms and related documents in such a manner as is prescribed, so

that for purposes of the GST Act no GST is payable in respect of the purchase and sale of the Purchased Assets being purchased from the Receiver. The Purchaser covenants that, following the Closing Time, it will file with relevant Governmental Authority the joint election made under subsection 167(1) of the GST Act in the manner and within the time period prescribed by the GST Act and will provide the Receiver with written confirmation of such filing. Notwithstanding anything to the contrary in this Agreement, the Purchaser shall indemnify and hold harmless the Receiver or Camrose in respect of any GST, penalties, and interest that may be assessed against the Receiver or Camrose as a result of the transactions under this Agreement not being eligible for such election or as a result of the Purchaser's failure to file the election within the prescribed time.

2.7 Closing

The closing of the purchase and sale of the Business in consideration of the Purchase Price (the "**Closing**") will be completed at 10:00 am (Mountain Time) (the "**Closing Time**") on the Closing Date or such other time as agreed between the Parties. At the Closing:

- (a) the Purchaser shall deliver, or cause to be delivered, to the solicitors for the Receiver the closing deliverables set forth in Article 7.2; and
- (b) the Receiver shall deliver, or cause to be delivered, to the solicitors for the Purchaser the closing deliverables set forth in Article 7.3.

ARTICLE 3: SPECIAL PROVISIONS – RECEIVERSHIP ORDERS

3.1 Receivership Orders

The entering into of this Agreement by the Receiver is made pursuant to the Receivership Orders and neither made nor purported to be made as a seller or owner of the Business. The entering into of this Agreement by the Receiver is expressly subject to the approval of the Court, and all such other modifications, variations, and orders of the Court, as may be applicable, and shall only become effective from and after an order is made by the Court approving this Agreement.

3.2 Purchaser's Acknowledgments

The Purchaser acknowledges and agrees that:

- (a) the Receiver shall cause its counsel to file and serve an application seeking the issuance of the Vesting Order on a date determined in the sole discretion of the Receiver, acting reasonably, which date is anticipated to be on or around February 21, 2025;
- (b) at all times, the Receiver is subject to the jurisdiction and discretion of the Court to entertain other offers for the Business and to abide by any further orders the Court may make regarding the Business and the Receivership Orders;
- (c) while the Receiver will not solicit further offers for the Business once this Agreement is entered into, should other offers be received, the Receiver may be compelled to advocate that the Court consider other offers to obtain the highest price for the Business, and, in this regard and if so compelled, the Receiver gives

no undertaking or commitment to the Purchaser to advocate or otherwise express support for the acceptance of this Agreement;

- (d) the Purchaser shall make its own arrangements to support this Agreement in Court;
- (e) until the Vesting Order is pronounced, the Receiver is at liberty to deal with any and all other prospective purchasers of the Business to the extent other offers or expressions of interest for the Business are received by the Receiver; and
- (f) if the Court vacates, sets aside or varies the Vesting Order for any reason whatsoever, the Receiver shall not be liable to the Purchaser or any Person in any way whatsoever,

and, following such termination, the Parties shall have no further obligations or liabilities to each other under this Agreement except as set out in Article 6.

ARTICLE 4: REPRESENTATIONS AND WARRANTIES

4.1 As is, where is

The Purchaser acknowledges and agrees that the Purchaser is purchasing the Purchased Assets and the Business on a strictly “*as is, where is*” basis. Without limiting the generality of the foregoing, the Purchaser acknowledges and agrees that, except as expressly set out in this Agreement, the Receiver has neither made, nor is required hereunder to make, any warranties or representations whatsoever with respect to the Purchased Assets or the Business, whether express or implied.

4.2 Purchaser’s Representations

The Purchaser represents and warrants, with the intent that the Receiver will rely on these representations and warranties in entering into this Agreement and in concluding the transactions contemplated hereby, that as of the date of this Agreement and the Closing Date:

- (a) the Purchaser is duly incorporated, organized and subsisting under the laws of the Province of Alberta;
- (b) the Purchaser has full power and capacity to enter into and deliver this Agreement, to carry out the transactions contemplated hereby, and to observe and perform all of its obligations contained in this Agreement;
- (c) the execution and delivery of this Agreement and the completion of the transactions contemplated hereby will be duly and validly authorized by all necessary corporate action of the Purchaser;
- (d) this Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;
- (e) the Purchaser is not a non-resident of Canada for the purposes of the Tax Act; and

- (f) the Purchaser is registered for GST purposes under the GST Act and its registration number is 778425801 RT0001.

4.3 Survival of Representations and Warranties

The representations and warranties of the Purchaser set forth in Article 4.2 survive Closing and shall continue in full force and effect for the benefit of the Receiver.

ARTICLE 5: COVENANTS

5.1 Interim Operating Period

The Purchaser agrees that, provided that the Lease Agreement has not been terminated in accordance with its terms, it will use the Purchased Assets to operate the Business at the Camrose Casino for a minimum of twenty (20) months following the Closing (the “**Interim Operating Period**”) and shall not finalize or effect a transfer of the casino facility license issued pursuant to the AGLC Consent to the Proposed Edmonton Casino during the Interim Operating Period.

5.2 Operation during the Interim Operating Period

During the Interim Operating Period, provided that the Lease Agreement has not been terminated in accordance with its terms, the Purchaser shall carry on the Business and the operation of the Camrose Casino in the ordinary course of business.

5.3 Lease Agreement

The Parties agree that in order to permit the operation of the Camrose Casino by the Purchaser during the Interim Operating Period, the Purchaser shall enter into a lease agreement with the Receiver (the “**Lease Agreement**”), a copy of which is attached as Schedule C to this Agreement.

5.4 Employees

- (a) The Receiver will use commercially reasonable efforts to provide the Purchaser with information about the seniority and compensation of the Camrose Employees at least 15 Business Days prior to the Closing.
- (b) The Purchaser agrees that, no later than 10 Business Days prior to the Closing Date, or such other date as is agreed by the Parties, the Purchaser shall extend written offers of employment to the Camrose Employees, effective as of the Closing Date, on substantially similar terms and conditions as the Camrose Employees are currently employed under by the Camrose Casino. The Purchaser shall recognize the past service of the Camrose Employees with the Camrose Casino for all purposes, including any required notice of termination, termination and/or severance pay, vacation and benefits (contractual, statutory or at common-law).
- (c) The Purchaser agrees that, following the Closing Date, the Purchaser shall be solely responsible for any and all salary, wages, bonuses, commissions, benefits, vacations, vacation pay, notice of termination, termination and/or severance pay, and other compensation relating to the employment from and after the Closing

Date of all Camrose Employees who have accepted the offers of employment made by the Purchaser pursuant to this Article 5.4. For greater certainty, Camrose will continue to be responsible for all Camrose Employees up to the close of business on the date prior to the Closing Date, and thereafter for any Camrose Employees who do not accept the offers of employment made by the Purchaser pursuant to this Article 5.4.

5.5 Sale of the Camrose Hotel

The Purchaser acknowledges that, pursuant to the terms of the Receivership Orders, the Receiver intends to market and sell the Camrose Resort and Casino in which the Camrose Casino is located. The Purchaser agrees that it will not contest any future Court application made by the Receiver with respect to a sale of the Camrose Resort and Casino provided that such sale does not include the Business or the Purchased Assets.

5.6 AGLC Consent

The Purchaser shall be responsible for obtaining the AGLC Consent and shall use commercially reasonable efforts to obtain such consent as promptly as possible following the date upon which an order is made by the Court approving this Agreement. The Receiver shall use commercially reasonable efforts to assist the Purchaser to obtain the AGLC Consent.

5.7 Books and Records

The Receiver will use commercially reasonable efforts to deliver to the Purchaser on the Closing Date the Books and Records, provided that the Receiver may retain a copy of such Books and Records, which the Receiver maintain in confidence, subject to Applicable Law. To the extent that any Books and Records are not delivered to the Purchaser on or before the Closing Date, the Receiver will continue to use commercially reasonable efforts until the date that is 60 days after the Closing Date to deliver such Books and Records to the Purchaser.

ARTICLE 6: TERMINATION

This Agreement may be terminated at any time prior to Closing:

- (a) in accordance with Article 3.2 above;
- (b) by mutual written consent of the Parties;
- (c) by the Purchaser, if the Closing shall not have been consummated on or before the Outside Date (unless the failure of the Closing to occur by or on the Outside Date results primarily from the failure of the Purchaser to fulfill or comply with any obligation or covenant under this Agreement);
- (d) by the Receiver, if the Closing shall not have been consummated on or before the Outside Date (unless the failure of the Closing to occur by or on the Outside Date results primarily from the failure of the Receiver to fulfill or comply with any obligation or covenant under this Agreement);
- (e) by the Receiver, if there has been a breach by the Purchaser of any of the representations, warranties, covenants or agreements made by the Purchaser in

this Agreement which would result in the failure to materially satisfy any of the conditions to Closing specified in Article 7.1 or 7.2 as of the Closing Date, provided that such breach (if capable of being cured) has not been cured within ten days of written notice the Purchaser and provided further that such breach is not due to an act of the Receiver; or

- (f) by the Purchaser, if there has been a breach by the Receiver of any of the covenants or agreements made by the Purchaser in this Agreement which would result in the failure to materially satisfy any of the conditions to Closing specified in Article 7.1 or 7.3 as of the Closing Date, provided that such breach (if capable of being cured) has not been cured within ten days of written notice the Receiver and provided further that such breach is not due to an act of the Purchaser; or
- (g) by either Party, if any Governmental Authority shall have issued an order, decree or ruling or taken any other action enjoining or otherwise prohibiting the Closing and such order, decree, ruling or other action shall have become final and non-appealable.

If this Agreement is terminated pursuant to this ARTICLE 6, all rights and obligations of the Parties shall terminate and no Party shall have any liability to the other Parties, except that (i) the obligations of the Parties in Article 2.3(c)(ii), Article 2.4, Article 4.3, this ARTICLE 6, ARTICLE 8 and Article 9.10 shall survive the termination of this Agreement and (ii) such termination shall not relieve any Party of liability for any willful breaches of any representation, warranty, covenant or agreement set forth in this Agreement.

ARTICLE 7: CLOSING

7.1 Mutual Closing Conditions

Each Party's obligation to complete the purchase and sale of the Purchased Assets on the Closing Date is subject to and conditional upon each of the following conditions precedent being satisfied or waived on or before the Closing Date:

- (a) the Vesting Order shall have been pronounced by the Court and be effective; and
- (b) the AGLC shall have consented to issue the New License to the Purchaser for the operation of the Business effective as of the Closing (the "**AGLC Consent**"),

which conditions may not be waived by either Party.

7.2 Closing Conditions of the Receiver

The Receiver's obligation to complete the purchase and sale of the Purchased Assets on the Closing Date is subject to and conditional upon the Purchaser having delivered the following closing deliveries, duly executed as appropriate, to the Receiver:

- (a) an amount equal to the Closing Amount less the Deposit;
- (b) a certificate from the Purchaser effective the Closing Date (the "**Purchaser's Closing Certificate**"), certifying that:

- (i) all representations and warranties of the Purchaser contained in this Agreement and in any documents delivered pursuant to this Agreement are true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made as of the Closing Date; and
- (ii) all of the covenants, agreements and obligations of the Purchaser to be performed or observed on or before the Closing Date pursuant to this Agreement have been duly performed or observed in all material respects;
- (c) a certified copy of a resolution of the directors of the Purchaser approving the execution and delivery of this Agreement and the transactions contemplated hereby;
- (d) the Lease Agreement duly executed by the Purchaser;
- (e) a conveyance agreement for the Purchased Assets duly executed by the Purchaser, in a form mutually agreed by the Parties; and
- (f) such further documentation relating to the completion of the purchase and sale of the Purchased Assets as the solicitors for the Receiver may reasonably require,

which conditions may be waived in the sole discretion of the Receiver.

7.3 Closing Conditions of the Purchaser

The Purchaser's obligation to complete the purchase and sale of the Purchased Assets on the Closing Date is subject to and conditional upon the Receiver having delivered the following closing deliveries, duly executed as appropriate, to the Purchaser:

- (a) a certified copy of the Vesting Order;
- (b) the Receiver's Certificate duly executed by the Receiver;
- (c) the Lease Agreement duly executed by the Receiver;
- (d) a conveyance agreement for the Purchased Assets duly executed by the Receiver, in a form mutually agreed by the Parties; and
- (e) such further documentation relating to the completion of the purchase and sale of the Purchased Assets as the solicitors for the Purchaser may reasonably require,

which conditions may be waived in the sole discretion of the Purchaser.

7.4 Receiver's Certificate

Immediately following Closing, the Receiver shall file as soon as practicable a copy of the Receiver's Certificate with the Court. The Purchaser acknowledges and agrees that the Receiver will be entitled to file the Receiver's Certificate with the Court without independent investigation and will have no liability to the Purchaser or any other Person as a result of the filing of the Receiver's Certificate.

ARTICLE 8: MISCELLANEOUS

8.1 Fees and Expenses

Except as expressly provided in this Agreement, the Purchaser and the Receiver will each bear their own expenses (including, without limitation, legal and accounting fees and expenses) in connection with all aspects of the transactions contemplated by this Agreement (including, without limitation, with respect to the negotiation and settlement of this Agreement and all documents contemplated hereby and thereby).

8.2 Confidentiality

The Parties acknowledge that the Parties have entered into a confidentiality agreement dated November 20, 2024, in respect of the transaction contemplated herein and the Parties shall comply with such agreement in accordance with its terms (the "**Confidentiality Agreement**"). Upon Closing, the Confidentiality Agreement will terminate. If the Closing does not occur, the Confidentiality Agreement will remain in effect in accordance with and subject to its terms. Notwithstanding the foregoing: (i) the Parties shall be authorized to disclose the terms of this Agreement and the transactions contemplated herein to the AGLC, including in connection with the Purchaser's obligations under Article 5.6; and (ii) the Receiver shall be authorized to disclose this Agreement in connection with obtaining the Vesting Order.

8.3 No Commissions

None of the Parties have or will enter into any agreement or take any other action, which would result in any of the others being responsible to pay any commissions or brokerage fees relating to the transactions contemplated by this Agreement.

8.4 Previous Agreement

The Parties acknowledge and agree that this Agreement supersedes the Previous Agreement and the Previous Agreement is hereby terminated and of no further force and effect. The Purchaser hereby releases the Receiver, Mayfield and Camrose from any and all claims or liability related to the Previous Agreement.

ARTICLE 9: GENERAL

9.1 Further Assurances

Each of the Parties will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other Parties may, either before or after the date hereof, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement and the transactions contemplated hereby and thereby, respectively.

9.2 Time of the Essence

Time is of the essence of this Agreement.

9.3 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties.

9.4 Performance, Delivery and Payment on Business Days Only

If under this Agreement the date for performance of an obligation, delivery of a notice or payment of an amount, as applicable, falls on a day other than a Business Day, such date for performance, delivery or payment will be deemed to be the next following Business Day unless otherwise agreed by the Parties.

9.5 Entire Agreement

This Agreement, together with the Confidentiality Agreement, constitutes the entire agreement between the Parties with respect to the purchase and sale of the Business and cancels and supersedes any prior understandings and agreements between the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties with respect to the purchase and sale of the Business other than as expressly set forth in this Agreement or the Confidentiality Agreement.

9.6 Amendments and Waiver

No modification of or amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the Parties and no waiver of any breach of any term or provision of this Agreement will be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

9.7 Assignment

The Purchaser will be entitled to assign this Agreement or any of their rights and obligations hereunder, in whole or in part, to an Affiliate on no fewer than three Business Days' prior written notice to the Receiver, as applicable (such notice to specify the name of such Person) provided that such Person (a) has sufficient authority to perform each of the duties and obligations of the Purchaser under this Agreement and (b) enters into an assumption agreement with the Purchaser acting reasonably, pursuant to which such Persons agrees to assume the Purchaser's relevant duties and obligations under this Agreement, and further provided that no such assignment will relieve the Purchaser from its duties and obligations under this Agreement.

9.8 Notice

All notices, requests and other communications to any Party hereunder will be in writing and will be given by email or by delivery only. Any such notice or other communication, if sent by email will be deemed to have been received on the Business Day following the sending, or if delivered by hand will be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notices and other communications will be addressed as follows:

If to the Purchaser:

Suite 125, 625 Parsons Road SW
Edmonton AB T6X 0N9

Attention: Scott Mather
Email: scott@newstarcapital.com

with a copy (which shall not constitute notice) to:

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5

Attention: Craig Shirreff/Lance Williams
Email: cshirreff@mccarthy.ca / lwilliams@mccarthy.ca

If to the Receiver:

Ernst & Young Inc.
215 2nd Street SW, Suite 2200
Calgary, AB T2P1M4

Attention: Peter Chisholm/Joshua Heagy
Email: peter.chisholm@parthenon.ey.com / joshua.heagy@parthenon.ey.com

with a copy (which shall not constitute notice) to:

Blake, Cassels & Graydon LLP
855 2 St SW Suite 3500
Calgary AB T2P 4J8

Attention: Kelly Bourassa/Claire Hildebrand
Email: kelly.bourassa@blakes.com / claire.hildebrand@blakes.com

or to such address or email address as any Party may, from time to time, designate in the manner set out above.

9.9 Invalidity

Each of the provisions contained in this Agreement is distinct and severable and a determination of illegality, invalidity or unenforceability of any such provision or part hereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof, unless as a result of such determination this Agreement would fail in its essential purposes.

9.10 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and the courts of such province will have non-exclusive jurisdiction over any disputes or claims hereunder, to which jurisdiction the Parties attorn.

9.11 Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, with the same effect as if all the Parties had signed the same document, and will become effective when one or more counterparts have been signed by all of the Parties and delivered to each of the other Parties. All counterparts will be construed together and evidence only one agreement, and only one of which need be produced for any purpose.

9.12 Execution by Electronic Means

This Agreement may be executed by the Parties and transmitted by facsimile or other electronic means and if so executed and transmitted, this Agreement will be for all purposes as effective as if the Parties had executed and delivered an original of this Agreement.


[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

CAPITAL CITY CASINOS LTD.

By: Scott Mather
Name: Scott Mather
Title: President

**ERNST & YOUNG INC., in its capacity as
Court-appointed Receiver of Camrose
Casino Corporation and Camrose
Casino Limited Partnership and not in
its personal or any other capacity**

By: 
Name: Peter Chisholm
Title: Senior Vice President

SCHEDULE A
PURCHASED ASSETS

- Playing cards, dice, felts and laydowns
- Gaming tables, gaming electronics and supplies, gaming chairs, shufflers, bill counters, coin counters, safes, vault and other gaming supplies
- Stationary, administration supplies, charity and employee lounge furniture and equipment, computers, servers, computer ancillary items, power and backup devices, printers, surveillance equipment and furniture, security equipment and furniture
- Goodwill of the Business, including (i) the exclusive right of the Purchaser to represent itself as carrying on the Business in continuation of and in succession to Camrose and (ii) all website and similar electronic data (including user names and passwords, if applicable, with respect to the social media accounts and websites of the Business)
- The books, financial records, files, correspondence, website data and other papers and electronic data (including without limitation all personnel files for the Camrose Employees) pertaining to the operation of the Business through the Closing Date for the three years prior to such date, but excluding minute books, stock records and income tax records that shall be retained by the Vendor (collectively, the “**Books and Records**”)

**SCHEDULE B
CLOSING STATEMENT**

Statement of Purchased Cash and Cash to Close

Purchaser:	Capital City Casinos Ltd.
Receiver:	Ernst & Young Inc., in its capacity as Court-appointed Receiver of Camrose Casino Corporation
Closing Date:	[•], 2025

	DEBIT	CREDIT
Closing Amount		[•]
Deposit	[•]	
Payment by the Purchaser to the Receiver on the Closing Date	[•]	
Aggregate Cash [Note 1]		[•]

Aggregate Gaming Liabilities [Note 2]

Progressive Slot Liability	[•]
Progressive Tables Liability	[•]
Unredeemed TITO Tickets	[•]
Outstanding Table Games Chips	[•]
Poker bad beat Liability	[•]
Found Money	[•]

Final payment by the Purchaser to the [●]
Receiver for Purchased Cash [Note 3]

Balance [●] [●]

Notes:

Note 1: As at the Closing, the final amount of cash and coin on the premises of the Camrose Casino. This amount shall exclude any cash and coin in deposit bags on the premises that has been designated for deposit by the Receiver prior to the Closing.

Note 2: As at the Closing, the final Aggregate Gaming Liabilities to be assumed by the Purchaser will be quantified and included in the calculation of Purchased Cash.

Note 3: The amount of Purchased Cash, which amount will not exceed \$500,000 and will be paid to the Receiver within five Business Days of the final determination of such amount, all in accordance with Article 2.5.

**SCHEDULE C
FORM OF LEASE AGREEMENT**

See attached.

Appendix **'B'**
Capital City Lease Agreement

CAMROSE RESORT CASINO LEASE

BETWEEN

MAYFIELD INVESTMENTS LTD., by its court appointed receiver, ERNST & YOUNG INC.
(the “Landlord”)

AND

CAPITAL CITY CASINOS LTD.
(the “Tenant”)

Dated: February 13, 2025

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SCHEDULE "A" - LEGAL DESCRIPTION

SCHEDULE "B" - PLAN SHOWING PREMISES

SCHEDULE "C" - RULES AND REGULATIONS

THIS LEASE made as of the 13th day of February, 2025 between

MAYFIELD INVESTMENTS LTD., by its court appointed receiver,

ERNST & YOUNG INC.

(the "**Landlord**")

-and-

CAPITAL CITY CASINOS LTD.

(the "**Tenant**")

This Lease is made between the Landlord and the Tenant and constitutes a lease between them of the Premises on the terms and subject to the covenants and agreements hereinafter set forth.

BASIC TERMS

1. **HOTEL:** The Camrose Resort Casino Hotel, 3201 48 Avenue, Camrose, Alberta, as more particularly defined in Section 1.1.
2. **USE:** The Premises shall be used to conduct casino gaming operations and for related and ancillary uses, including without limitation, back of the house facilities, restaurants, bars, lounges, and entertainment facilities.
3. **PREMISES:** That portion of the Hotel shown on the plan attached as Schedule "B" of this Lease, which plan is attached to identify the location of the Premises only and not to provide a scale measurement hereof.
4. **RENTABLE AREA OF THE PREMISES:** 18,898 square feet shown on the plan attached as Schedule "B" (the "**Premises**"), including without limitation, the poker room shown on the plan attached as Schedule "B".
5. **TERM:** Twenty (20) months commencing on the Commencement Date, as the same may be extended pursuant to Sections 3.3 or 3.4.
6. **COMMENCEMENT DATE:** The later of: (i) March 31, 2025; and (ii) the date on which the Condition is satisfied.
7. **MINIMUM RENT:** Fifteen Dollars (\$15.00) per square foot of the Premises per annum for the first two (2) months of the initial Term. Following the first two (2) months of the initial Term, and for each consecutive two (2) month period during the initial Term thereafter, Minimum Rent shall increase by One Dollar (\$1.00) per square foot of the Premises, provided Minimum Rent during the initial Term shall not

exceed Twenty Dollar (\$20.00) per square foot of the Premises per annum. Minimum Rent shall be payable in accordance with Article 4.

8. **SECURITY DEPOSIT** Thirty-Three Thousand Dollars (\$33,000).

The forgoing are certain basic terms agreed to by the parties which are incorporated into and form part of this Lease.

ARTICLE 1 INTENT AND INTERPRETATION

Section 1.1 Defined Terms

“Additional Rent” means all money or charges which the Tenant is required to pay under this Lease to the Landlord, except Minimum Rent, whether or not they are designated as “Additional Rent”;

“Applicable Laws” means all statutes, laws, by laws, regulations, ordinances, orders and requirements of governmental or other public authorities having jurisdiction in force from time to time.

“Basic Terms” means the basic lease terms set out at the beginning of this Lease, which terms are incorporated into and form part of this Lease;

“Business Day” means any day other than a Saturday, Sunday, civic or statutory holiday in Alberta;

“Commencement Date” means the first day of the Term as set out in Paragraph 6 of the Basic Terms;

“Common Elements” means the structures, structural elements (including but not limited to foundation floor, wall and roof assemblies), areas, facilities, utilities, improvements, equipment and installations which are in or on the Hotel and the Lands and from time to time are not designated or intended by the Landlord to be leased or licensed to tenants or guests of the Hotel or Lands, or are provided or designated from time to time by the Landlord for the use or benefit of the tenants and guests of the Hotel in common with others entitled to their use or benefit. The Common Elements include but are not limited to all entrances to and exits of the Hotel; corridors, lobbies, common washrooms, electrical, mechanical or telephone rooms, janitorial closets; loading docks, driveways; heating, ventilation and air-conditioning systems; landscaped areas; sidewalks, elevators, escalators, stairways, passageways, tunnels, concourses and furniture, furnishings and fixtures; fire prevention, security, communication and music systems; columns; pipes: electrical, plumbing, drainage and mechanical systems and such other facilities, installations, equipment or services in or serving the tenants or occupants, and hotel guest generally;

“Environmental Audit” means an investigation or inspection of the Premises or other affected locations of the Hotel or Lands by an environmental consultant designated by the Landlord together with such other tests, surveys and inquiries as such consultant deems advisable in the circumstances into the generation, use, transport, storage, disposal, handling, sale or manufacture of any Hazardous Substances in, on or about the Premises, Hotel or Lands by the Tenant, those for whom the Tenant is in law responsible or any other Person using or occupying the Premises, or into the condition or status of the Premises in relation to possible contamination by any Hazardous

Substances. Any such Environmental Audit shall include the contractor's written report delivered to the Landlord summarizing the nature and results of all inspections, investigations, tests, surveys and inquiries conducted by the consultant, and the consultant's recommendations for any investigation, remedial or precautionary actions to be taken in relation to the presence of Hazardous Substances on the Premises, Hotel or Lands.

"Fiscal Year" means the fiscal period(s) as designated by the Landlord from time to time. The Landlord may have different Fiscal Years for any one or more of the components of Additional Rent.

"Guest Portions of the Hotel" means the parts of the Hotel which are designated for lodging including, without limitation, the Hotel rooms and the amenities which serve and benefit the Hotel rooms (excluding the Premises and the Common Elements);

"Hazardous Substances" means (i) pollutants, contaminants, toxic or hazardous wastes, materials, or any other substances, the removal of which is required, or the use of which is restricted, regulated, prohibited or penalized by any **"Environmental Law"** which term shall mean any federal, provincial or municipal law, bylaw or ordinance relating to pollution or protection of the environment; and (ii) hazardous building materials defined and regulated as a "designated substance" under the *Occupational Health and Safety Act* (Alberta) and associated regulations;

"Hotel" means the building known as the Camrose Resort Casino Hotel, with the municipal address of 3201 48 Avenue, Camrose, Alberta; including but not limited to, all premises rented or intended to be rented in that building whether for hotel, restaurant, retail or other purposes, and the Common Elements, all as may be altered, expanded, reduced or reconstructed from time to time;

"Landlord" means Mayfield Investments Ltd., by its court appointed receiver, Ernst & Young Inc., and its authorized representatives, as well as Landlord's successors and assigns. In sections that contain a release or other exculpatory provision or an indemnity in favour of the Landlord, **"Landlord"** includes (i) Ernst & Young Inc.; and (ii) the directors, officers, employees and agents of the Landlord, and the Landlord, solely for the purpose of those sections, is the agent or trustee of, and for the benefit of, each of them;

"Lands" means the lands situate in the City of Camrose on which the Hotel is erected, as more particularly described in Schedule "A" attached hereto, or as such lands may be expanded or reduced from time to time;

"Lease" means this Lease, the Basic Terms, the schedules to this Lease, and every properly executed instrument and agreement which by its terms amends, modifies or supplements this Lease;

"Management Company" means a company or other entity, if any, retained by the Landlord from time to time to operate or manage the Hotel. In sections that contain a release or other exculpatory provision or an indemnity in favour of a Management Company, **"Management Company"** includes the officers, directors, employees (while in the ordinary course of their employment) and agents of the Management Company;

"Minimum Rent" means the amount specified in Paragraph 7 of the Basic Terms and payable by the Tenant to the Landlord in the manner described in Article 4;

"Mortgagee" means a mortgage or hypothecary creditor (including a trustee for bondholders) of the Hotel or part of it and a chargee or other secured creditor that holds the Hotel or a part of it as security, but a Mortgagee is not a creditor, chargee or security holder of a tenant of the Hotel. In sections that contain a release or other exculpatory provision or an indemnity in favour of the

Mortgagee, **"Mortgagee"** includes the directors, officers and employees of the Mortgagee, and the Landlord acts as agent for, or as trustee for, the benefit of the Mortgagee so that each such release, indemnity and/or other exculpatory provision is fully enforceable by the Mortgagee;

"Operating Costs" means the costs and expenses defined as Operating Costs in Section 6.2(b);

"Owners" means the owner or owners from time to time (other than the Landlord) of the freehold title of the Hotel. In sections that contain a release or other exculpatory provision or an indemnity in favour of an Owner, **"Owners"** includes the officers, directors, employees and agents of the Owners, and the Landlord acts as agent for, or as trustee for, the benefit of the Owners so that each such release, indemnity and/or other exculpatory provision is fully enforceable by the Owners;

"Person" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, government, government regulatory authority, governmental department, agency, commission, board, tribunal, dispute settlement panel or body, bureau, court, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

"Premises" means the premises described in Paragraph 3 of the Basic Terms;

"Prime Rate" means the rate of interest, per annum, from time to time publicly quoted by the Royal Bank of Canada as the reference rate of interest (commonly known as its "prime rate") used by it to determine rates of interest chargeable in Canada on Canadian dollar demand loans to its commercial customers;

"Proportionate Share" means with respect to a cost allocated to the Hotel or the Lands, as the case may be, a fraction which has as its numerator the Rentable Area of the Premises and as its denominator the aggregate square footage of the Hotel, or such portion or portions of the Hotel to which the Landlord, acting reasonably shall allocate such cost of which the Tenant is to pay its Proportionate Share. If it would, in the Landlord's reasonable opinion, be inequitable or unfair to allocate any of the items in Operating Costs between the Tenant and the other tenants and/or occupiers of the Hotel or Lands on the basis of the respective areas of their premises, the Landlord may allocate such cost between the Tenant and such other tenants and/or occupiers in such manner as the Landlord, in its reasonable opinion, considers fair and equitable.

"Released Persons" means collectively and individually the Landlord, the Management Company, the Owners and the Mortgagee;

"Rent" means the aggregate of all amounts, charges and expenses payable by the Tenant to the Landlord pursuant to this Lease and, without limitation, includes Minimum Rent and Additional Rent;

"Rentable Area" means: (i) in the case of the Premises, the area described in Paragraph 4 of the Basic Terms; (ii) in the case of the Hotel, the aggregate of the Rentable Area of all leasable premises in the Hotel.

"Rules and Regulations" means reasonable Rules and Regulations adopted, promulgated, revised or amended by the Landlord from time to time set out in Schedule "C" to this Lease and any additional Rules and Regulations made by the Landlord from time to time in accordance with this Lease. Notwithstanding the foregoing, all Rules and Regulations shall be applied uniformly and in a non-discriminatory manner. In addition, all Rules and Regulations referred to or set forth in the Lease shall not conflict with any provisions of this Lease; nor become effective with respect to Tenant until Tenant receives written notice thereof from Landlord;

“Sales Tax” means all goods and services tax, harmonized sales tax, value added tax, business transfer tax, sales tax, multi-stage sales tax, use tax, consumption tax, or other similar taxes imposed by any federal, provincial or municipal government upon the Landlord or Tenant in respect of this Lease, or the payments made by the Tenant hereunder or the goods and services provided by the Landlord hereunder including, without limitation, the rental of the Premises and the provision of administrative services to the Tenant hereunder, whether existing at the date of this Lease or hereafter imposed by any governmental authority;

“Security Deposit” means the amount described in Paragraph 8 of the Basic Terms;

“Stipulated Rate” means the rate of interest per annum that is the Prime Rate plus three percent (3%) percent;

“Structural Repairs” means repairs to or replacements of the foundations, the structural subfloors, columns and beams and the structural portions of bearing walls and roofs of the Hotel, and specifically excludes maintenance of every kind and all repairs to and replacement of the roof membrane;

“Taxes” means (a) real property taxes, rates, duties and assessments (including local improvement taxes), impost charges or levies (referred to collectively as “real property taxes”), that are levied, rated, charged or assessed against the Hotel or the Lands or any part of the Hotel or the Lands from time to time (including, but not limited to, the Common Elements) by a taxing authority or other authority having jurisdiction, whether federal, provincial, municipal, school or otherwise, and any taxes or other amounts that are imposed instead of, or in addition to, real property taxes whether similar or not, and whether in existence at the Commencement Date or not, and any real property taxes levied, or assessed against the Landlord or the Owners on account of its or their ownership of or interest in the Hotel and the Lands and all parts of them being assessed as fully leased and operational, (b) the costs and expenses incurred for consultation, appraisal, legal and other fees and expenses to the extent they are incurred in an attempt to minimize or reduce amounts mentioned in clause (a) above, and (c) amounts imposed against or allocated by the Landlord to the Hotel or the Lands in respect of office expenses, salaries, benefits, and other personnel costs related to the administration and management of amounts such as those included in clauses (a) and (b) above. Taxes shall in every instance be calculated on the basis of the Hotel and the Lands and all parts of them being fully assessed and taxed at prevailing commercial rates for occupied space and land for the period for which Taxes are being calculated. Notwithstanding anything contained herein to the contrary, Taxes do not include corporate, income, profit or excess profits taxes assessed upon the income of the Landlord or capital tax, inheritance taxes or any penalty or late fee imposed as a result of Landlord's late payment or non-payment of said taxes or assessments beyond the due date. In addition, nothing herein contained shall be construed to include as a real estate tax any inheritance, estate, succession, transfer, gift, franchises, corporation, income, net profit tax or capital levy that is or may be imposed on Landlord;

“Tenant” means Capital City Casinos Ltd. and any Person mentioned as Tenant in this Lease, “Tenant” includes, where the context allows, the officers, directors, employees (while in the ordinary course of their employment), agents, invitees and licensees of the Tenant, and those over whom the Tenant may reasonably be expected to have control;

“Tenant’s Taxes” means all business, sales, machinery or other taxes, rates, duties, assessments, licence fees and other charges separately levied, charged or imposed by any competent authority upon the Tenant, any subtenant or licensee, or the Landlord with respect to any business operations or any improvements, equipment and facilities in the Premises and in respect of the use or occupation of the Premises by the Tenant or any of its permitted subtenants or licensees. Notwithstanding such taxes shall exclude capital taxes;

“Tenant’s Work” means all items of work which are necessary to properly complete the Premises ready for use and occupancy by the Tenant for the purpose of its business, and any other additions, installations, repairs, alterations, replacements or improvements made in or to the Premises by or on behalf of the Tenant; and

“Unavoidable Delay” means a delay caused by fire, strike, lock-out or other casualty or contingency beyond the reasonable control of a party who is, by reason thereof, delayed in the performance of such party’s covenants and obligations under this Lease in circumstances where it is not within the reasonable control of such party to avoid such delay (but does not include any insolvency, lack of funds or other financial cause of delay).

Section 1.2 Interpretation, Currency and Governing Law

The captions, headings, section numbers, article numbers, and table of contents appearing in this Lease are inserted only as a matter of convenience for reference only and in no way define, limit, enlarge, construe or describe the scope, meaning or intent of the articles or sections of this Lease or any of its provisions. All dollar amounts referred to in this Lease are in Canadian funds. This Lease shall be interpreted and governed by the laws of the Province of Alberta and the laws of Canada applicable therein.

Section 1.3 Partial Invalidity

If a term, covenant or condition of this Lease or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Lease, or the application of the term, covenant or condition to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant and condition of this Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 1.4 Rent Disputes

The Tenant may dispute an invoice, billing or statement in respect of Rent only by giving written notice to the Landlord specifying the basis of the dispute after delivery of the invoice, billing or statement, as the case may be, and the Tenant will, in any event, continue to pay Rent in accordance with the Landlord’s invoice, billing or statement until the dispute is resolved. No dispute in respect of any invoice, billing or statement issued to the Tenant is valid unless the procedure set out above is strictly complied with.

Section 1.5 Entire Agreement

Whether or not the Tenant is permitted to take possession of the Premises, and whether or not it pays a deposit or any installment of Minimum Rent or other Rent which is accepted by the Landlord, no change which the Tenant or Landlord makes to the form of this Lease will be binding on the other party even if it is brought to the other party’s attention, until both parties have executed this Lease and initialed the change or a page of this Lease containing the change and the Lease is delivered to each of the Landlord and the Tenant. The Lease includes the Schedules attached to it and the Rules and Regulations. There are no covenants, promises, agreements, conditions or understandings, either oral or written, between the parties concerning this Lease, the Premises, or Hotel or any matter related to all or any of them, except those that are set out in this Lease. No alteration, amendment, change or addition to this Lease is binding upon the Landlord or Tenant unless it is in writing and signed by the Tenant and the Landlord.

Section 1.6 General

The Landlord acts as agent for, or as trustee for, the Management Company, all Mortgagees and the Owners to the extent necessary to ensure that all exculpatory provisions and indemnities included in their favour in this Lease are enforceable against the Tenant by them, and by the Landlord.

Section 1.7 Net Lease

The Tenant acknowledges that it is intended and agreed that this Lease is and shall be a net lease and that the Minimum Rent payable hereunder shall be completely net to the Landlord, except as otherwise stated herein. The Landlord shall not be responsible during the Term for any costs, charges, expenses or outlays of any nature relating to the Premises, the Hotel (or the contents thereof), or the Lands, except as expressly provided herein, and the Tenant accordingly agrees that it shall pay all such charges, taxes, impositions, costs and expenses of every kind relating to the Premises.

ARTICLE 2 TENANT'S WORK

Section 2.1 Tenant's Work

Tenant shall accept the Premises on the Commencement Date AS IS, WHERE IS. The Tenant shall complete the Tenant's Work at its sole cost and expense cost in accordance with Article 9 and in strict accordance with the plans and specifications approved by the Landlord, such approval not to be unreasonably withheld, conditioned or delayed. Tenant's Work shall be done in a good and workmanlike manner. Upon completion of the Tenant's Work, the Tenant shall obtain and provide the Landlord with evidence satisfactory to the Landlord that the Tenant has obtained all necessary permits, licenses, inspections and consents from all governmental agencies having jurisdiction over the Tenant's occupation and use of the Premises.

Section 2.2 Acceptance of Premises

The Tenant agrees that there is no promise, representation or undertaking by, or binding upon, the Landlord with respect to any alterations, remodeling or decoration of, or installation of equipment or fixtures in the Premises whatsoever, and that the taking of the Premises by the Tenant shall constitute conclusive evidence that such alterations, remodeling, decoration and installations have been satisfactorily completed. The Tenant shall be deemed for all purposes to have accepted the Premises on the Commencement Date in their then existing condition and the Landlord shall have no further obligations for any defects or faults, other than as provided for herein.

ARTICLE 3 DEMISE AND TERM

Section 3.1 Demise and Term

In consideration of the Rent and subject to the terms and conditions set out herein, the Landlord hereby leases the Premises to the Tenant for and during the Term.

Section 3.2 Condition Precedent

The effectiveness of this Lease is conditional upon the closing of the transaction of purchase and sale set forth in the asset purchase agreement dated on or about the date hereof between the

Tenant, as purchaser, and Ernst & Young Inc., in its capacity as Court-appointed Receiver of Camrose Casino Corporation and Camrose Casino Limited Partnership, as vendor (the "**Purchase Agreement**") on or before April 30, 2025 (the "**Condition**"). If the Condition is not satisfied as set forth herein, then this Lease shall be null and void and of no further force and effect. The Landlord and Tenant agree that: (i) the Condition is for the benefit of both the Landlord and the Tenant and may not be unilaterally waived by either party.

Section 3.3 Month-to-Month Tenancy

At the expiry of the initial Term, provided all Minimum Rent and Additional Rent as and when due has been paid and an Event of Default has not occurred that is then continuing, the Tenant may, in its sole discretion, remain in possession of the Premises under a month-to-month tenancy with Minimum Rent as set out in the following paragraph, and otherwise on the terms and conditions set forth in this Lease. Such month-to-month tenancy may be terminated by (i) the Tenant at any time upon providing not less than twenty (20) days' written notice to the Landlord; or (ii) by the Landlord, upon providing not less than twenty (20) days' written notice to the Tenant at any time after the date which is six (6) months following the expiration of the initial Term.

Minimum Rent for the first twelve (12) months of such month-to-month tenancy shall be the greater of: (i) Twenty Dollars (\$20.00) per square foot of the Premises per annum, plus an adjustment based on increases (if any) in the Consumer Price Index (All Items) for Canada during the immediately prior twelve (12) month period; and (ii) Market Rent. "**Market Rent**" means the rate of Minimum Rent per square foot per annum for premises similar to the Premises in a comparable location for a five (5) year term. Notwithstanding the method for calculating Minimum Rent during the first twelve (12) months of the month-to-month tenancy, Minimum Rent during such month-to-month tenancy shall be subject to annual increases based on increases (if any) in the Consumer Price Index (All Items) for Canada during the immediately prior twelve (12) month period, with the first such increase to be effective on the date which is twelve (12) months following the commencement of such month-to-month tenancy.

Section 3.4 Option to Extend

Provided the Tenant has paid all Minimum Rent and Additional Rent as and when due has been paid and an Event of Default has not occurred that is then continuing, the Tenant shall have the option to extend the Lease either upon (i) the expiry of the initial Term; or (ii) at any time prior to termination of the month-to-month tenancy described in Section 3.3 above, for one (1) further term expiring on the date which is four (4) years from the Commencement Date (the "**Extension Term**") upon notice to the Landlord no sooner than: (A) eight (8) months and no later than four (4) months prior to the expiration of the initial Term (if such option is exercised during the initial Term); or (B) on twenty (20) days' written notice (if such option is exercised during the month-to-month tenancy described in Section 3.3), provided that if such notice is delivered during the month-to-month tenancy described in Section 3.3, such notice shall not be delivered more than three (3) years following the Commencement Date. The tenancy during the Extension Term will be on the same terms and conditions as this Lease, provided that: (i) there shall be no further option to renew or extend the Term beyond the Extension Term noted above; (ii) Minimum Rent payable during the Extension Term shall be as set forth in the following paragraph; and (iii) the Tenant will, prior to the commencement of the Extension Term, execute Landlord's then current standard form of lease extension agreement, subject to the review of the Tenant's solicitor.

Minimum Rent for the first twelve (12) months of the Extension Term shall be the greater of: (i) Twenty Dollars (\$20.00) per square foot of the Premises per annum, plus an adjustment based on increases (if any) in the Consumer Price Index (All Items) for Canada during the immediately prior twelve (12) month period; and (ii) Market Rent. Notwithstanding the method for calculating Minimum

Rent during the first twelve (12) months of the Extension Term, Minimum Rent during the Extension Term shall be subject to annual increases based on increases (if any) in the Consumer Price Index (All Items) for Canada during the immediately prior twelve (12) month period, with the first such increase to be effective on the date which is twelve (12) months following the commencement of the Extension Term.

The Tenant shall provide notice to the Landlord promptly (and in any case, within one (1) Business Day) of the transfer of the casino facility license issued pursuant to the AGLC Consent to the Proposed Edmonton Casino (as such terms are defined in the Purchase Agreement). The option to extend set forth in this Section 3.4 shall terminate and shall automatically be null and void at 12:00 p.m. (Camrose Time) on the date which is three (3) Business Days following the delivery of such notice.

Section 3.5 Market Rent Dispute

If the parties cannot agree on the Market Rent prior to the commencement of the month-to-month tenancy, or the Extension Term, as the case may be, or if the parties cannot agree on whether subsection (i) or subsection (ii) as set forth in Section 3.3 and Section 3.4 shall be used for calculating Minimum Rent during the month-to-month tenancy, or the Extension Term, as the case may be, then the Minimum Rent during such period will be determined by binding arbitration in accordance with the *Arbitration Act* (Alberta) using a single qualified arbitrator jointly selected by the parties within twenty (20) days after the commencement of the month-to-month tenancy or the Extension Term, as the case may be, failing which either party may apply to a court having jurisdiction to appoint a single arbitrator. Arbitration will be by written submission only. The decision of the arbitrator shall be binding upon the Landlord and the Tenant and neither the Landlord nor the Tenant shall have any right to appeal such decision. The cost of such arbitration shall be equally shared by the Landlord and the Tenant; however the Landlord and the Tenant shall each be responsible for their own legal fees. If the parties fail to agree upon an arbitrator and neither makes an application to court to appoint an arbitrator as hereinbefore set forth, then the month-to-month tenancy or the option to extend, as the case may be, shall be null and void. If the parties require arbitration to determine the Minimum Rent as set forth herein, then from and after the first day of the month-to-month tenancy, or the Extension Term, as the case may be, the Tenant will pay Minimum Rent at the same rate payable in the last month of the initial Term, plus an adjustment based on increases (if any) in the Consumer Price Index (all Items) for Canada during the immediately prior twelve (12) month period, and any necessary adjustments following the arbitration decision will be made retroactive to the first day of the month-to-month tenancy, or the Extension Term, as the case may be.

ARTICLE 4 RENT

Section 4.1 Minimum Rent

The Tenant shall pay to the Landlord, as and from the Commencement Date, as annual minimum rent for the Premises for each and every year of the Term, without set-off, deduction or abatement except as specifically provided for in this Lease and without demand, the Minimum Rent by equal monthly installments each in advance on the first day of each and every month of the Term.

Section 4.2 Additional Rent

- (a) The Tenant shall pay throughout the Term, at the times and in the manner provided in this Lease, all Additional Rent which shall, except as otherwise provided in this

Lease or as may be required by a third party payee, be payable within thirty (30) days of receipt by the Tenant of an invoice, statement or demand for it.

- (b) Prior to the Commencement Date and at or prior to the beginning of each Fiscal Year thereafter, the Landlord shall compute and deliver to the Tenant a bona fide estimate in respect of such Fiscal Year of the Tenant's share of Taxes, the Tenant's Proportionate Share of Operating Costs and such other items of Additional Rent as the Landlord may estimate in advance and the Tenant shall pay to the Landlord in monthly installments one twelfth of such estimate simultaneously with the Tenant's payments of Minimum Rent, provided that the monthly installments on account of the Tenant's share of Taxes may be determined so that the Landlord collects all such amounts payable by the Tenant by the final due date in the relevant calendar year. The Landlord may from time to time re-estimate any items of Additional Rent and may fix monthly installments for the then remaining balance of the Fiscal Year so that such items will be entirely paid during such Fiscal Year.
- (c) The Landlord shall deliver to the Tenant within a reasonable period of time after the end of each Fiscal Year, but in any event within ninety (90) days, a written statement or statements (the "**Statement**") setting out the amount of Operating Costs, the Taxes and such other items of Additional Rent as the Landlord estimated in advance for such Fiscal Year. If the Tenant's share of Taxes, the Tenant's Proportionate Share of Operating Costs and other items of Additional Rent actually paid by the Tenant to the Landlord during such Fiscal Year differs from the amount of the Tenant's share of Taxes, the Tenant's Proportionate Share of Operating Costs and other items of Additional Rent payable for such Fiscal Year, the Tenant shall pay such difference or the Landlord shall credit the Tenant's account (as the case may be) or the Landlord shall pay such difference to the Tenant if the Term of the Lease has expired, without interest, within thirty (30) days after the date of delivery of the Statement. The obligation of the Landlord and Tenant to make such adjustments shall survive the expiration or earlier termination of this Lease for a period of sixty (60) days. Failure of the Landlord to render any Statement shall not prejudice the Landlord's right to render such Statement thereafter or with respect to any other Fiscal Year. The Landlord may render amended or corrected Statements within one (1) year of the end of a Fiscal Year.
- (d) The Tenant shall not claim a re-adjustment in respect of Operating Costs or Taxes or other items of Additional Rent estimated by the Landlord or the share payable by the Tenant on account thereof for any Fiscal Year except by notice given to the Landlord within sixty (60) days after delivery of the Statement for the Fiscal Year to which the claim relates, stating the particulars of the error in computation.

Section 4.3 Overdue Rent

If the Tenant defaults in the payment of Rent, the unpaid Rent bears interest from the due date to the date of payment in full at the Stipulated Rate in force on the due date. Notwithstanding anything else in this Lease, such interest will not be considered to be Rent but the Landlord will have all of the same remedies for, and rights of recovery with respect to such amounts, as it has for non-payment of Rent under this Lease or at law.

Section 4.4 Payment of Rent – General

- (a) All payments required to be made by the Tenant pursuant to this Lease shall be paid in lawful money of Canada when due, without prior demand and without any

abatement, set off, compensation or deduction whatsoever, except as may be otherwise expressly provided herein, at 2200, 215 – 2nd Street SW, Calgary, Alberta T2P 1M4 or at such other address as the Landlord may designate from time to time in writing to the Tenant.

- (b) All payments required to be made by the Tenant pursuant to this Lease, except for Sales Tax, shall be deemed to be Rent and shall be payable and recoverable as Rent, and the Landlord shall have all rights against the Tenant for default in any such payment as in the case of arrears of Rent.
- (c) Unless otherwise required by the Landlord, the Tenant will pay to the Landlord all monthly installments of Minimum Rent and Additional Rent, plus applicable taxes, required to be paid by the Tenant under this Lease, in advance, by way of a pre-authorized bank debit payment system. Concurrently with the execution and delivery of this Lease by the Tenant to the Landlord, and from time to time throughout the Term, the Tenant will execute and deliver to the Landlord all pre-authorization documentation as may be requested by the Landlord or as may otherwise be necessary in order to enable the Landlord to debit the Tenant's bank account on the first day of each and every month throughout the Term and any renewal or extension thereof provided that the Landlord takes all reasonable steps to protect and keep secure the Tenant's bank account information.
- (d) If the Commencement Date is other than the first day of a full period in respect of which any item of Rent is calculated, or the expiry of the Term is other than the last day of a full period, then unless otherwise provided in this Lease, the amount of such item of Rent payable in respect of the broken period shall be prorated based upon a period of three hundred and sixty-five (365) days (366 days for a leap year).

Section 4.5 Security Deposit

The Security Deposit shall be held, without interest, as security (without prejudice to the Landlord's other rights and remedies) for the observance and performance of the Tenant's obligations under this Lease. If the Tenant defaults in the performance of any of the terms, covenants, conditions and provisions of this Lease as and when the same are due to be performed by the Tenant, then the Landlord, at its option, may appropriate and apply all or any part of the Security Deposit on account of any losses or damages sustained by the Landlord as a result of such default. Upon demand by the Landlord following any such appropriation, the Tenant shall pay to the Landlord an amount sufficient to restore the total original amount of the Security Deposit. The Landlord may retain and apply the Security Deposit towards any payment owing by the Tenant in respect of any year end adjustment of Additional Rent for the last Fiscal Year of the Term. If the Tenant complies with all of the terms, covenants, conditions and provisions under this Lease, within sixty (60) days of the expiry of this Lease, any unused portion of the Security Deposit shall be returned to the Tenant, without interest. If the Landlord sells the Landlord's interest in the Hotel and transfers the said Security Deposit to the purchaser, then the Landlord shall be discharged from all liability to the Tenant with respect to the Security Deposit.

ARTICLE 5 TAXES

Section 5.1 Tenant's Taxes

The Tenant shall promptly pay, before delinquency, to the taxing authorities or to the Landlord, if it so directs, any and all Tenant's Taxes. The Tenant will indemnify and keep

indemnified the Landlord from and against payment of any and all Tenant's Taxes and any and all taxes and license fees which may in the future be levied in lieu of Tenant's Taxes.

Section 5.2 Tenant's Contribution to Taxes

The Tenant shall pay as Additional Rent directly to the Landlord in each Fiscal Year, the Tenant's share of Taxes. The Tenant's share of Taxes shall be the portion of the Taxes that are attributable to the Premises, as determined by the Landlord acting reasonably. Without limiting the foregoing:

- (a) the Landlord may, if it so elects, determine that the Tenant's share of Taxes attributable to the Premises shall be the Proportionate Share of Taxes;
- (b) the Landlord shall be entitled, but not obligated, to allocate Taxes amongst categories of premises in the Hotel on the basis of such factors as the Landlord determines to be relevant and to adjust the Tenant's share of Taxes based on such allocation;
- (c) if there are separate assessments (or, in lieu of separate assessments, calculations made by authorities having jurisdiction from which separate assessments may, in the Landlord's opinion, be readily determined) for the Premises for Taxes, the Landlord may have regard thereto;
- (d) nothing herein shall compel or require the Landlord to adjust, continue to adjust or to make the same determination or allocation of Taxes from year to year or in any Fiscal Year; and
- (e) for the purposes of determining the share of Taxes payable by the Tenant pursuant to this Lease, Taxes shall include such additional amounts as would have formed part of Taxes had the Hotel been fully assessed during the whole of the relevant Fiscal Year as fully completed and fully occupied by tenants, with no special exemptions or reductions, and without taking into account any actual or potential reduction of Taxes or change of assessment category or class for premises within the Hotel which are vacant or underutilized.

Section 5.3 Sales Tax

The Tenant shall pay to the Landlord an amount equal to any and all Sales Taxes, it being the intention of the parties that the Landlord shall thereby be fully reimbursed by the Tenant with respect to any and all Sales Taxes so payable by the Landlord. The amount of such Sales Taxes so payable by the Tenant shall be calculated by the Landlord in accordance with the applicable Law and shall be paid to the Landlord at the same time as the amounts to which such Sales Taxes apply are payable to the Landlord under the terms of this Lease. Notwithstanding any other provision in this Lease to the contrary, the amount payable by the Tenant under this Section 5.3 shall be deemed not to be Rent, but the Landlord shall have all of the same remedies for and rights of recovery of such amount as it has for recovery of Rent under this Lease.

Section 5.4 Assessment Appeals

The Tenant shall not appeal any governmental assessment or determination of the value of the Hotel, the Lands or any portion of either of them, whether or not the assessment or determination affects the amount of Taxes or other taxes, rates, duties, levies or assessments to be paid by the Tenant pursuant to this Lease. The Landlord may contest any Taxes and appeal any

assessments related thereto and may withdraw any such contest or appeal or may agree with the relevant authorities on any settlement in respect thereof. The Tenant will co-operate with the Landlord in respect of any such contest and appeal and shall provide to the Landlord such information and execute such documents as the Landlord reasonably requests to give full effect to the foregoing. All costs of any such contest and appeal by the Landlord shall be included in Operating Costs, provided that the Tenant shall not be responsible for any penalties or arrears owing by the Landlord as a result of such contest and appeal.

ARTICLE 6 COMMON ELEMENTS - CONTROL AND PAYMENT – OPERATING COSTS PAYMENT – SPECIAL SERVICES

Section 6.1 Control of the Hotel by the Landlord

The Landlord will operate, maintain and repair the Common Elements in a first class and reputable manner having highest regard to size, age and location and all expenses incurred by the Landlord (including without limitation, pursuant to Section 11.2) shall be included in Operating Costs in accordance with the provisions of this Lease.

Section 6.2 Tenant's Contribution to Operating Costs

- (a) The Tenant shall pay its Proportionate Share of Operating Costs to the Landlord as Additional Rent, in the manner set forth in this Lease.
- (b) **"Operating Costs"** are the costs and expenses of maintaining, operating, insuring repairing, replacing and administering the Hotel and the Lands (including without limitation the Common Elements), including without limitation, the aggregate of the following:
 - (i) the total costs and expenses of all insurance which the Landlord is obligated to obtain and/or which the Landlord otherwise obtains, any deductible amounts payable by the Landlord in respect of any insured risk or claim and the amounts of losses incurred or claims paid below the insurance deductible;
 - (ii) costs of telecommunications and broadband services and facilities, information technology, telecopier, stationery, office equipment, supplies and other services and materials required for management, maintenance and operation (whether on or off-site and whether incurred by the Landlord or a Management Company);
 - (iii) cost of cleaning, snow removal, garbage and waste collection (excluding leasable premises), recycling and disposal, landscaping, paving, line painting, and maintenance of roadways, curbs and sidewalks;
 - (iv) cost of public utilities, including water, gas, electricity and sewer charges serving the Common Elements and electricity for signs that are a part of the Common Elements and the Landlord's costs of determining utility charges including professional, engineering and consulting fees and procuring any utility supply contracts;
 - (v) cost of policing, security, traffic control and supervision of the Common Elements, Hotel and/or Lands;

- (vi) amounts paid to, or reasonably attributable to the remuneration of, all personnel (whether on or off-site and whether employed by the Landlord or the Management Company) involved in the maintenance, repair, replacement, operation, administration, supervision and management of the Hotel and/or Lands, including fringe benefits, severance pay, termination payments and other employment costs;
- (vii) the cost of signs including Hotel directory boards and identification signs and the operation, repair, maintenance and replacement thereof;
- (viii) the cost of equipment, tools, machinery, building supplies and materials used by the Landlord in the operation, maintenance, repair of and replacement to the Common Elements, Hotel and/or Lands;
- (ix) if applicable, the cost of heating, ventilating and air conditioning the Common Elements;
- (x) costs of:
 - A. operating, maintaining, replacing, modifying and repairing the Common Elements, Hotel and/or Lands, including without limitation such costs where incurred by the Landlord in order to comply with Applicable Laws or required by the Landlord's insurance carrier or resulting from normal wear and tear to the Hotel and/or Lands;
 - B. providing, installing, operating, maintaining, repairing and replacing heating, ventilating and air-conditioning equipment (including such equipment, supplied by the Landlord, serving leasable premises), energy conservation equipment and systems, life safety and emergency response systems, materials and procedures and telecommunication and broadband systems and equipment if any;
 - C. making alterations, replacements or additions to the Hotel and/or Lands intended to reduce Operating Costs, improve the operation of the Hotel and/or Lands and the systems, facilities and equipment serving the Hotel and/or Lands, or maintain their operation; and
 - D. replacing machinery or equipment which by its nature requires periodic replacement, including, without limitation, base building sprinklers (for ordinary hazard use) serving leasable premises,

all to the extent that such costs are fully chargeable in the Fiscal Year in which they are incurred in accordance with accounting practices generally accepted in the real estate industry;
- (xi) depreciation or amortization of the costs referred to in subsection (x) above as determined in accordance with accounting practices generally accepted in the real estate industry, if such costs have not been charged fully in the Fiscal Year in which they are incurred, and interest on the undepreciated or unamortized balance of such costs, calculated monthly, at the Stipulated Rate;

- (xii) costs of environmental and health and safety programs, inspections or audits of the Hotel and/or Lands as reasonably required by the Landlord and of any clean up or removal thereof as required by Applicable Laws of any substance or material existing in, on or upon the Lands and/or Hotel that was not previously regulated but subsequently becomes regulated;
- (xiii) auditing, accounting, legal and other professional and consulting fees and disbursements incurred in connection with the maintenance, repair, replacement, operation, administration, supervision and management of the Hotel and/or Lands, including those incurred with respect to the preparation of the statements required under the provisions of this Lease and costs of administering, minimizing, contesting or appealing assessments of Taxes (whether or not successful);
- (xiv) engineering, accounting, legal and other consulting and professional services related to the Common Elements;
- (xv) all remuneration of employees directly engaged in the operation, maintenance, repair and management of the Hotel and/or Lands; and
- (xvi) an administration and management fee of 10% of the costs referred to above, provided that there shall be no administration or management fee charged on the costs and expenses charged in subsection (i) above or on Taxes.

In determining Operating Costs, the cost (if any) of the following shall be excluded or deducted, as the case may be:

- (A) all net recoveries which reduce Operating Costs received by the Landlord from tenants as a result of any act, omission, default or negligence of such tenants or by reason of a breach by such tenants of provisions in their respective leases (other than recoveries from such tenants under clauses in their respective leases requiring their contribution to Operating Costs);
- (B) net proceeds received by the Landlord from insurance policies taken out by the Landlord to the extent that the proceeds relate to Operating Costs;
- (C) costs and expenses relating to the leasing of space or premises in the Hotel including leasing commissions and advertising costs;
- (D) any income taxes, corporation taxes, business taxes, profit taxes, capital gains tax, gift taxes, succession taxes, inheritance taxes, place of business taxes or other taxes personal to the Landlord except to the extent they are imposed in lieu of or in replacement of any Taxes;
- (E) any principal, interest or other carrying charges or mortgage payments or other financing costs in respect of the Building and/or Lands;
- (F) any amounts directly chargeable to other tenants in the Hotel for services, costs and expenses solely attributable to the accounts of such tenants;
- (G) costs of Structural Repairs; and

- (H) costs of public utilities, including water, gas, electricity, and sewer charges to the extent they are paid for directly by the Tenant pursuant to the terms of this Lease.
- (c) In computing Operating Costs:
- (i) if less than one hundred percent (100%) of the Rentable Area of the Hotel is completed or occupied during any period for which a computation must be made, the amount of Operating Costs will be increased by the amount of the additional costs determined by the Landlord, that would have been incurred had one hundred percent (100%) of the Rentable Area of the Hotel been completed or occupied during that period, provided that the foregoing shall not result in the amount the Tenant pays as its Proportionate Share of such Operating Costs being greater than it would be if the Hotel was fully completed and occupied; and
 - (ii) with respect to any costs, expenses or amounts incurred wholly or partly with respect to other parts of the Lands, the Landlord shall have the right from time to time to reasonably allocate and reallocate such costs, expenses and amounts, in whole or in part, among all or any portion of the Hotel, or different categories of leasable premises and between the Hotel and other buildings forming part of the Lands as may be constructed from time to time
- (d) The Landlord advises that the current estimate for Operating Costs, utilities, and property taxes attributable to the Premises for the 2024 Fiscal Year was \$11.30 per square foot and the current estimate for Operating Costs, utilities, and property taxes attributable to the Premises for the 2025 Fiscal Year is \$11.50. The Tenant acknowledges and agrees that such amount is an estimate only and does not affect nor limit the actual reconciliation, calculation or determination of Operating Costs payable by the Tenant.

Section 6.3 Costs of Additional Services

Should the Tenant choose to obtain any special additional services, such as janitorial services or security services from the Landlord, which the Landlord is able and willing to provide, the Tenant will reimburse the Landlord for the Landlord's reasonable cost of providing such service (within ten (10) days of a particularized invoice in each case).

ARTICLE 7 UTILITIES AND HEATING, VENTILATING AND AIR CONDITIONING

Section 7.1 Charges for Utilities

- (a) The Tenant shall pay as the same becomes due respectively, all taxes and charges for public and private utilities, including water, gas, electrical power or energy, steam or hot water used upon or in respect of the Premises.
- (i) If the Premises are separately metered, the Tenant shall enter into such contracts or other arrangements in connection with the utilities which the Landlord requests it to and will pay whatever deposits or other amounts which are payable under those contracts or other arrangements. No administration fee is payable for amounts billed directly to the Tenant by a supplier of utilities and paid by the Tenant directly to the supplier.

- (ii) If the Premises are not separately metered, the Landlord shall allocate to the Premises and the Tenant shall pay an equitable amount as reasonably determined by the Landlord having regard among other things without limitation to the Tenant's Proportionate Share of utilities consumed, connected load and the then current applicable commercial rates for the municipality in which the Premises is located, together with the Landlord's costs of determining the amount including, but not limited to, professional, engineering and consulting fees, and the Landlord's ten percent (10%) administration fee on the total referred to above.
- (b) Provided, without in any way limiting the provisions of this Section 7.1, if at any time during the Term, the Landlord shall determine, in its sole discretion but acting reasonably, that the Tenant's use of any utility or service, including, without limitation, water, used or consumed on the Premises is in any way unusual or of an excessive nature, the Landlord may, at its option and at the sole cost and expense of the Tenant, install in the Premises a separate meter or sub meter with respect to any such utility or service, including, without limitation, a separate meter for the measurement of hot and cold water, whereupon the Tenant's cost in connection with any such utility or service shall be determined in accordance with such separate meter or sub meter.
- (c) The Landlord is not liable for interruption or cessation of, or failure in the supply of utilities, services or systems in, to or serving the Lands, Hotel or the Premises, whether they are supplied by the Landlord or others, unless the interruption or cessation is solely and directly caused by the Landlord's negligence or omissions.

Section 7.2 Heating, Ventilating and Air Conditioning

The Tenant shall, throughout the Term, operate and regulate the heating, ventilating and air conditioning ("HVAC") equipment serving the Premises, in such manner as to maintain such reasonable conditions of temperature and humidity within the Premises as are determined by Tenant. In the event Tenant has installed or does install its own HVAC system, to be subject to Landlord's approval (not to be unreasonably withheld, conditioned or delayed), Tenant shall maintain, repair and replace (if necessary) any such Tenant installed HVAC equipment solely serving the Premises. The Tenant shall comply with such reasonable stipulations and with all reasonable rules and regulations of the Landlord pertaining to the operation and regulation, maintenance, repair and replacement of such equipment, if applicable. If the Tenant fails to comply with such stipulations or rules and regulations, the Landlord shall be entitled, at the Tenant's cost and without liability on the Landlord's part, to take such steps as it deems advisable to correct such default (including, without limitation, entering upon the Premises and assuming control of such HVAC equipment upon prior written notice and opportunity to cure by Tenant, except in the case of an actual or perceived emergency, in which case no notice is required) and the Tenant will pay to the Landlord forthwith upon demand all reasonable costs and expenses incurred by the Landlord in so doing.

Section 7.3 Interruption of Utilities

The Landlord reserves the right to stop the service of heating, ventilation and air conditioning or any other utility when necessary, as determined by the Landlord in its reasonable discretion, by reason of accidents, repairs, maintenance, alterations or improvements until the same have been completed. In no event shall the Landlord be liable to the Tenant for any losses, costs, damages, expenses or inconvenience or any interruption or failure in the supply of heating, ventilation and air-conditioning or other utility to the Premises caused by any Unavoidable Delay, the

making of any repairs, maintenance or improvements, the acts, omissions or negligence of any of the Landlord's servants, agents, employees or independent contractors, or by reason of any matter, occurrence or event beyond the Landlord's control, provided the Landlord shall use all reasonable best efforts to schedule such work during hours other than the Tenant's normal business hours, and further provided that the Landlord shall use commercially reasonable efforts to end the stoppage or interruption as quickly as reasonably possible under the circumstances.

ARTICLE 8 USE OF PREMISES

Section 8.1 Use of the Premises

The Tenant will not use or permit any part of the Premises to be used for any purposes other than as set out in Paragraph 2 of the Basic Terms.

Section 8.2 Prohibited Activities

The Tenant will not use, permit to be used, or engage in any promotion, sale or display bearing any trademarks or trade or business names or insignia in existence from time to time associated with the Hotel or owned or authorized for use by the Landlord, the Owners, the Management Company and their respective agents, employees and representatives, without the Landlord's prior written consent, which consent may not be unreasonably withheld.

Section 8.3 Conduct of Business

The Tenant will, throughout the Term, conduct continuously and actively, in a reputable and first class manner, the business set out in Section 8.1 in the whole of the Premises. In the conduct of the Tenant's business, the Tenant will:

- (a) conduct its business in the Premises at least during all normal business hours for similar casinos in Alberta, provided that the Tenant is not required to carry on business when prohibited by a governmental law or by law regulating the hours of business or if unable to operate for reasons of Unavoidable Delay or for periods approved by the Landlord (acting reasonably) to complete necessary repairs and remodeling.
- (b) conduct its business in and use the whole of the Premises continuously throughout the Term in an up to date, first class and reputable manner befitting the Hotel consistent with the Tenant's standards for similar casinos, similarly located;
- (c) not commit, or permit to be committed, waste upon the Premises or any portion of the Hotel or cause any nuisance or thing that may disturb the quiet enjoyment of any guest or other tenant of the Hotel;
- (d) ensure that all furniture, fixtures and equipment on or installed in the Premises are of first class quality consistent with the Tenant's standards for similar casinos, similarly located, and keep them in good condition; and
- (e) if a strike, lock-out, or labour disruption or any union organizational or certification related proceedings involving the employees of the Tenant, any sub-tenant, or any licensee or occupant of the Premises occurs, the Tenant will, within ten (10) days of its receipt of an invoice particularizing the Landlord's costs and expenses for extra

cleaning, security, maintenance, or legal costs associated with activities of the type described above, pay to the Landlord the full amount of that invoice.

Section 8.4 Continuous Operation And Abandonment

The Tenant acknowledges that its continued occupancy of the Premises and the continuous and active conduct of its business in the Premises are of the utmost importance to the Landlord and that the Landlord will suffer substantial damage and serious and irreparable injury if the Premises are left vacant or are abandoned during the Term. The Tenant shall not vacate or abandon the Premises at any time during the Term. It shall not be deemed to be an abandonment for the Tenant to fail to occupy all or any portion of the Premises which has been assigned or sublet in accordance with the terms of this Lease. If the Tenant fails to open or reopen the Premises for business in accordance with this Lease, Tenant shall be deemed in default and the Landlord may avail itself to the default remedies set out in this Lease and any other remedies available to it at law.

Section 8.5 Compliance with and Observance of Law

- (a) The Tenant will comply with the statutes, regulations, ordinances or other governmental requirements relating to its ability to enter into and comply with this Lease.
- (b) The Tenant will also promptly comply with the requirements from time to time of all governmental authorities which pertain to Tenant's particular use of the Premises, the conduct of business in the Premises, or the performance of Tenant's Work on or in the Premises.
- (c) The Tenant will comply with all requirements of governmental authorities pertaining to waste reduction in connection with the Premises and the Tenant's conduct of business. Without limiting this requirement, if legally required, the Tenant will (i) perform all waste audits and waste reduction work plans; (ii) implement all waste reduction work plans; and (iii) provide to the Landlord, within ten (10) Business Days of the Landlord's request in each case, copies of all documents and any other reasonable evidence that the Landlord requires concerning compliance by the Tenant with this requirement. To the extent responsibility in connection with any waste related matters is imposed by law or regulation so as to appear to overlap or duplicate responsibilities among the Landlord, the Management Company, the Tenant, or any other party, the Landlord may allocate responsibility to the Tenant in part for the responsibilities solely applicable to the Premises, by notice to the Tenant particularizing the responsibilities which the Tenant is mandated to assume. The Tenant will indemnify the Released Persons in respect of any loss, cost, expense, fine, prosecution or alleged infraction which they, or any of them, suffer or suffers as the result of any failure by the Tenant to comply with its obligations under this Section 8.5.

Section 8.6 Pest Control

In order to maintain satisfactory and uniform pest control throughout the Hotel, the Tenant shall engage for the Premises at its sole cost and expense such pest extermination contractor as the Landlord reasonably directs and at such reasonable intervals as is necessary, provided the cost of said contractor is reasonable and competitive in the geographic area where the Hotel is located.

ARTICLE 9

CLEANING, MAINTENANCE, REPAIRS, ALTERATIONS AND IMPROVEMENTS

Section 9.1 Cleaning, Maintenance and Repairs by the Tenant

Except for the Landlord's obligations under this Lease, the Tenant will, at its sole cost and expense, keep the Premises and all improvements in or on them in first class condition consistent with Tenant's standards as well as the image and reputation of the Hotel. This obligation includes, but is not limited to cleaning at reasonable intervals, making repairs and replacements to plate glass (except for plate glass forming part of the Common Elements), signs (interior and exterior), mouldings, doors, hardware, partitions, walls, fixtures, lighting and plumbing fixtures, wiring, piping, ceilings, floors and thresholds in and exclusively serving the Premises and maintaining, repairing and replacing all operating equipment in and exclusively serving the Premises unless it forms part of the Common Elements. The Tenant will, at its expense, as and when required by the Landlord, remove from the Premises any Hazardous Substances (including but not limited to any products of waste, asbestos, urea formaldehyde foam Insulation, radon gas and PCBs) which may be in, or incorporated into any part of the Premises and brought on to or installed in the Premises by Tenant, Tenant's contractors or those for whom Tenant is responsible for in law. At the expiry or termination of this Lease, the Tenant will, (a) leave the Premises in broom clean condition, normal wear and tear excepted, (b) deliver all keys for the Premises to the Landlord at the place then fixed for the payment of Rent, (c) give to the Landlord the combinations of any locks, safes, and vaults in the Premises, and (d) comply with Section 9.6.

Section 9.2 Approval of the Tenant's Work

- (a) The Tenant will not undertake any Tenant's Work without the Landlord's prior written approval, which approval will not be unreasonably withheld, if, (i) the Tenant's Work will equal or exceed the then current standard for the Hotel; (ii) adequate plans and specifications are produced; (iii) the Tenant obtains the consents, permits and other governmental approvals that are required; and (iv) the Tenant provides to the Landlord reasonable assurances that it will comply with Section 9.2(b). It is understood and agreed that the Landlord may withhold or condition its consent in its sole discretion if any work to be performed by the Tenant may affect the roof, exterior aesthetics, structure, or the electrical, mechanical, lighting, heating, ventilating, air-conditioning, sprinkler, fire protection or any life-safety systems of the Hotel, and any such work, if approved by the Landlord, shall be performed by contractors designated by the Landlord in which case the Tenant shall pay the Landlord's cost, as Additional Rent, plus the Landlord's ten percent (10%) administration fee.
- (b) The Tenant's Work will be performed:
 - (i) in a good and workmanlike manner by contractors approved by Landlord in advance;
 - (ii) in accordance with the plans and specifications approved by the Landlord, which shall not be unreasonably withheld, conditioned or delayed;
 - (iii) in accordance with the Landlord's reasonable requirements; and
 - (iv) so as not to disturb or add to the Premises, Hotel or Lands any Hazardous Substances. Any Tenant's Work that may impact friable or non-friable asbestos are to be handled in accordance with the procedures made under

the *Occupational Health and Safety Act* (Alberta) and as directed by the Landlord.

- (c) Provided such maintenance exclusively benefits the Premises, and such obligation is Tenant's obligation pursuant to the terms of the Lease and not Landlord's, the Landlord may require that any maintenance to the Premises or Tenant's Work, or improvements installed to exclusively benefit the Premises be performed by the Landlord's designated contractor at the Tenant's cost if they affect, (i) the structure of the Premises, (ii) the Common Elements, or (iii) any part of the Hotel outside the Premises. Such cost shall be reasonable and competitive in the geographic area where the Hotel is located and upon completion of the work shall be paid by the Tenant to the Landlord upon demand.
- (d) The Tenant shall be responsible for obtaining all necessary permits and licenses, including close-out documents, from governmental authorities with respect to the Tenant's Work.
- (e) The Tenant shall provide, prior to the commencement of Tenant's Work, evidence of required workers' compensation coverage and proof of owners' and contractors' protective liability insurance coverage, with the Landlord, any Management Company and any Mortgagee as required by the Landlord, to be named as additional insureds, in amounts, with insurers, and in a form reasonably satisfactory to the Landlord, which shall remain in effect during the entire period in which the Tenant's Work will be carried out. In addition, if reasonably requested by the Landlord, the Tenant shall provide proof of performance and payment bonds being in place.
- (f) The Tenant will deliver a list identifying every contractor and subcontractor, accompanied by an up-to-date valid clearance certificate for each of them issued by the appropriate workers' compensation, safety and insurance authority and the Landlord shall have approved, prior to commencement of the Tenant's Work, such contractors and subcontractors and their respective labour affiliations. The Tenant will not use any contractor or permit the use of any subcontractor that is not identified on the list.
- (g) All Tenant's Work shall be subject to inspection by and the reasonable supervision of the Landlord.
- (h) The Tenant shall ensure that all cabling installed in the Hotel in connection with the Tenant's business in or use of the Premises is appropriately labeled. For greater certainty, installation of flammable cabling shall be strictly prohibited.
- (i) The Tenant will provide the Landlord, within sixty (60) days after completion of the Tenant's Work, with a complete set of "as built" drawings for the Tenant's Work and with a statutory declaration (the "**Declaration**"): (i) stating that the Tenant's Work has been performed in accordance with all of the provisions of this Lease and that all deficiencies (if any) which the Landlord has brought to the Tenant's attention have been corrected; (ii) stating that there are no construction, builders', mechanic's, workers', workers' compensation or other liens and encumbrances affecting the Premises with respect to work, services or materials relating to the Tenant's Work and that all accounts for work, services and materials have been paid in full with respect to all of the Tenant's Work; (iii) listing each contractor and subcontractor who did work or provided materials in connection with the Tenant's Work; (iv) confirming the date upon which the last such work was performed and materials were supplied;

and (v) confirming as correct, an itemized list showing the actual cost of all improvements including, without limitation, sprinklers, washrooms, or any other special facilities.

- (j) If the Tenant fails to observe any of the requirements of this Lease with respect to Tenant's Work, the Landlord may require that construction stop and the Tenant shall, within fifteen (15) Business Days or such longer period as is reasonably required in the circumstances to satisfy all requirements of this Lease provided the Tenant is proceeding diligently, failing which, at the Landlord's option, that the Premises be restored to their prior condition or the Landlord may do so and the Tenant shall pay the Landlord's costs, as Additional Rent, plus the Landlord's ten percent (10%) administration fee.
- (k) The Tenant shall pay all fees charged by the Landlord or its representatives or consultants in connection with the Landlord's review of the Tenant's plans and specifications, the Landlord's supervision of the Tenant's Work, building services provided during construction of the Landlord's Work (including but not limited to elevator access, utility consumption and garbage removal) and the cost of loading the Tenant's "as-built" drawings into the Landlord's plan management database (the "**Additional Charges**"). If the Tenant elects to use the Landlord's project manager or construction manager (the "**PM**") as its project manager for the Tenant's Work, the Tenant shall pay, in addition to the Additional Charges, a co-ordination fee to the PM at a commercially competitive rate. The Tenant shall ensure that there are no liens registered or claimed with respect to any part of the Tenant's Work.
- (l) The Tenant shall not be entitled to install upon the roof of the Hotel any equipment except as consented to in writing by the Landlord, which consent may be arbitrarily withheld, but if given shall be subject to whatever conditions the Landlord, in its sole discretion, deems necessary in the circumstances. Notwithstanding anything herein contained, no Tenant's Work to the Premises shall be permitted which may adversely affect the condition or operation of the Premises or the Hotel or diminish the value thereof.
- (m) The Tenant covenants to indemnify the Landlord against and from all losses, costs, claims and demands in respect of any injury or damage caused by or resulting from any Tenant's Work.

Section 9.3 Maintenance and Repairs by the Landlord

Subject to Article 10, the Landlord will maintain and repair or cause to be maintained and repaired the Common Elements within or serving the Hotel as would a prudent owner of similar hotels, having regard to size, age and location but the cost (except for the cost of repairing or replacing inherent structural defects or weaknesses and any Structural Repairs) will be included in Operating Costs. The obligations of the Landlord under this Section 9.3 are subject to the following exceptions: (a) any occurrence which is not covered by insurance with the Landlord is required to maintain under this Lease or the cost of repair or restoration which exceeds the proceeds of such insurance actually received by the Landlord; (b) damage or destruction or expropriation as set out in Article 10, circumstances where the Lease will terminate; and (c) damage or injury caused by or resulting from any negligence, fault, omission, want of skill, act or misconduct of the Tenant, its officers, agents, servants, employees, contractors, invitees or licensees or Person for whom the Tenant is responsible in law or over whom the Tenant may reasonably be expected to exercise control.

Section 9.4 Repair Where the Tenant is at Fault

If the Hotel or the Common Elements or any part of them require repair, replacement or alteration, (a) because of the negligence, fault, omission, want of skill, act or misconduct of the Tenant or its officers, agents, employees, contractors, invitees, licensees or those for whom the Tenant is responsible in law, (b) due to the requirements of governmental authorities relating to the Tenant's conduct of business, or (c) as a result of the Tenant stopping up or damaging the heating apparatus, water pipes, drainage pipes or other equipment or facilities or parts of the Hotel; then in each such case the cost of the repairs, replacements or alterations less insurance proceeds available to the Landlord will be paid by the Tenant to the Landlord on demand.

Section 9.5 Tenant Not to Overload

The Tenant will not install equipment that overloads the capacity of a utility, electrical, or mechanical facility in the Premises and will not, (a) bring into the Premises any utility, electrical, or mechanical facility or service of which the Landlord does not approve (acting reasonably), or (b) bring upon the Premises anything that might damage them or overload the floors. If damage is caused to the Premises or the Hotel as a result of the non-approved installation of such equipment or contravention of the provisions of clauses (a) or (b) of this Section by the act, neglect, fault, want of skill, or misuse of or by the Tenant or its officers, agents, servants, employees, contractors, invitees, licensees or Persons for whom the Tenant is responsible in law or over whom the Tenant may reasonably be expected to exercise control, or by any Person having business with the Tenant, the Tenant will repair the damage or, at the Landlord's option, pay to the Landlord on demand the reasonable and actual cost of repairing the damage plus a sum equal to twenty percent (20%) of the costs for the Landlord's overhead.

Section 9.6 Removal and Restoration by the Tenant

All Tenant's Work done by the Tenant, or by the Landlord or others for the Tenant (but not the Tenant's trade fixtures) is the property of the Landlord on affixation or installation, without compensation to the Tenant, unless otherwise provided herein. The Tenant will not remove Tenant's Work or trade fixtures from the Premises at any time except that:

- (a) the Tenant may, during the Term in the normal course of its business, remove its trade fixtures if they have become excess for the Tenant's purposes, or if the Tenant substitutes new and similar trade fixtures; and
- (b) the Tenant may, at the expiry or earlier termination of this Lease, remove at its own expense its trade fixtures and may also remove any Tenant Items (as herein defined). The Tenant will at its own expense repair any damage caused to the Premises or the Hotel by such removal and if the Tenant does not repair such damage, then the Landlord may do so at the Tenant's cost. If the Tenant does not remove its trade fixtures or Tenant Items on the expiry or earlier termination of this Lease, they will, at the Landlord's option, become the property of the Landlord and the Landlord may either retain such trade fixtures and Tenant Items or remove such trade fixtures and Tenant Items from the Premises and dispose of them as the Landlord deems advisable, all at the Tenant's cost. The Tenant's trade fixtures do not include, (i) heating, ventilating and air conditioning systems, facilities, and equipment in or serving the Premises; (ii) floor covering that is affixed; (iii) light fixtures; (iv) the storefront or doors; (v) internal stairways, escalators or elevators; or (vi) anything that would not normally be considered a trade fixture, all of which are considered as leasehold improvements. **"Tenant Item"** means any items (however affixed) that contain the Tenant's trademarks, logos or other branding, or which are

uniquely crafted or made by or on behalf of the Tenant, or which can reasonably be considered to be representative or unique to the Tenant. The designation of any leasehold improvement or other thing as a Tenant Item shall be subject to the Landlord's prior written approval (acting reasonably). The Tenant shall identify all proposed Tenant Items in the plans and specifications to be provided to the Landlord as part of its Tenant's Work. If the Landlord does not approve of any such leasehold improvement or thing as a Tenant Item, then the Tenant shall not be entitled to remove such leasehold improvement or thing in accordance with this Section.

Section 9.7 Tenant Encumbrances — Builders' Liens

- (a) The Tenant will ensure that no lien and no charge, mortgage, security interest, floating charge, debenture, or other encumbrance (collectively, "**Encumbrance**") is registered or filed against (i) the Hotel or any part of it, (ii) the Landlord's interest in the Hotel or any part of it, or (iii) the Tenant's interest in the Premises or any part of it; in each such case by any Person claiming by, through, under, or against the Tenant or its contractors or subcontractors.
- (b) The Tenant shall pay before delinquency all costs for work done or caused to be done by the Tenant in the Premises (including the Tenant's Work) which could result in any lien or encumbrance on the Landlord's or the Tenant's interest in the Lands or any part thereof, shall keep the title to the Lands and Hotel, and every part thereof, free and clear of any lien, certificate of *lis pendens*, certificate of pending litigation or encumbrance in respect of such work, and shall indemnify and hold harmless the Landlord against any claim, loss, cost, demand and legal expenses or any other expenses, whether in respect of any lien or otherwise, arising out of the supply of material, services or labour for such work to or in the Premises. The Tenant shall immediately notify the Landlord of any such lien, claim of lien or other action of which it has knowledge and which affects the title to the Lands or Hotel, and shall cause the same to be removed within thirty (30) days from such time or following notice from the Landlord, whichever is the earlier (or such additional time as the Landlord may consent to in writing).
- (c) If the Tenant defaults under this Section the Landlord may, in addition to its remedies contained in Article 18 of this Lease, discharge the lien or Encumbrance by paying the amount claimed to be due into court and the amount paid, as well as the costs and expenses (including reasonable attorney's fees) incurred as the result of the recording, registration or filing of the lien or Encumbrance, including the discharge of the lien or Encumbrance, will be paid by the Tenant to the Landlord on demand.

Section 9.8 Signs and Advertising

- (a) The Tenant may, at its sole cost and expense, erect and maintain identification signage on the exterior of the Premises of a type and in a location specified in writing by the Landlord, subject to the Landlord's prior written approval, such approval shall not be unreasonably withheld or delayed. of such signage and compliance with all governmental authorities and the Landlord's sign policy for the Hotel. At the Landlord's option, the Landlord may, at the Tenant's expense, cause its sign company to create an appropriate sign to the reasonable specifications of the Tenant. Any such sign shall remain the property of the Tenant and shall be maintained by the Tenant at its sole cost and expense and the Tenant shall pay for any electricity consumed by such sign. If the electricity consumption for any of the Tenant's signs is not separately metered, the Tenant shall pay, as Additional Rent,

such portion of the cost of such electricity as is equitably apportioned to the Premises by the Landlord. At the expiration or earlier termination of this Lease, the Tenant will remove any such sign from the Premises at its expense and will promptly repair all damage caused by its installation or removal. All costs of design, manufacture, installation, maintenance, repair, replacement, insurance and removal, and all costs of obtaining approvals and satisfying requirements of all authorities having jurisdiction, of all Tenant signage shall be borne by the Tenant and payable as Additional Rent. The Landlord acknowledges and agrees that as of the Commencement Date, all existing signage located at the Premises or at the Hotel in connection with the Tenant's business conducted at the Premises as of the date of this Lease shall remain for the use of the Tenant.

- (b) If the Landlord, acting reasonably, objects to any sign, picture, advertisement, notice, lettering or decoration which may be affixed or displayed in any part of the interior of the Premises and which is visible from the exterior thereof, the Tenant shall forthwith remove or replace same at the Tenant's expense and repair any damage caused by its installation or removal, failing which, the Landlord may remove and repair any damage, at the Tenant's expense, payable as Additional Rent, plus the Landlord's ten percent (10%) administration fee. If any sign, advertisement or notice shall be inscribed, painted or affixed by the Tenant on or to any part of the Hotel or Lands whatsoever, then the Landlord shall be at liberty to remove any such sign, advertisement or notice, at the Tenant's expense, payable as Additional Rent, plus the Landlord's ten percent (10%) administration fee.
- (c) The Tenant's insurance and indemnification requirements under this Lease shall apply to and include all Tenant signage located within or upon the Premises, Hotel or Lands.
- (d) Any photograph, print, video or film taken during the Term of all or any part of the Hotel, the Premises or the Lands for use by the Landlord for the advertising or promotion of same and which shows the Tenant's trade names, trademarks, logos or other identifying marks (collectively the "**Trademarks**") will be deemed not to infringe the Trademarks, will not require the Tenant's consent and will not entitle the Tenant to any compensation.

Section 9.9 Where Work Not Approved

Unless otherwise provided herein, any repairs, replacements, alterations, additions or improvements made by the Tenant without the prior written consent of the Landlord or which are not made in accordance with the drawings and specifications approved by the Landlord shall, if requested by the Landlord, be promptly removed by the Tenant at the Tenant's expense and the Premises restored to their previous condition.

Section 9.10 Failure by Tenant to Repair

If the Tenant refuses or neglects to repair or maintain the Premises properly as required under this Lease (including without limitation to remove any unapproved work and comply with the restoration requirements in accordance with Section 9.9), after notice and reasonable opportunity to cure, the Landlord may, on not less than five (5) days prior notice to the Tenant, or in the case of an emergency forthwith without notice, undertake the repairs or restoration without liability to the Tenant for any loss or damage that may occur to the Tenant's personal property, fixtures, or other property or to the Tenant's business by reason thereof, and upon completion thereof, the Tenant shall pay the Landlord forthwith upon demand, as Rent, the reasonable and

actual out-of-pocket costs of making the repairs or restoration plus a sum equal to twenty percent (20%) of the costs thereof for the Landlord's overhead and management except that no fee for overhead or management will be payable where the Tenant is not given at least five (5) days' prior written notice (as in the case of an emergency). The Tenant agrees that the making of any repairs or restoration by the Landlord pursuant to this Section 9.10 is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease.

Section 9.11 No Security Interests

The Tenant covenants that it will not create or grant any security interest in any fixtures or leasehold improvements installed in the Premises, nor permit the filing of any security notice pursuant to any applicable personal property security or other legislation against this Lease, the Premises or Hotel.

Section 9.12 Environmental Matters

- (a) The Tenant, its agents, contractors and those for whom the Tenant is in law responsible, shall not cause or permit any Hazardous Substances to be brought upon, created, formed, kept or used in or about the Premises, Hotel or Lands without the prior written consent of the Landlord, such consent shall not be unreasonably withheld or delayed, and except in compliance with all Environmental Laws. The Tenant shall further ensure that its employees are trained with respect to the identification, storage, and handling of all Hazardous Substances that are brought onto the Premises.
- (b) Prior to the Commencement Date, the Tenant will provide a list of all Hazardous Substances that the Tenant will use at the Premises for the Landlord's prior written consent, such consent shall not be unreasonably withheld or delayed. This list will be updated and submitted to the Landlord within fifteen (15) Business Days of written request by the Landlord or its environmental consultant, however, this shall not relieve the Tenant from obtaining the Landlord's prior written consent of any Hazardous Substances to be brought onto the Premises, Hotel or Lands in accordance with this Section 9.12.
- (c) The Tenant shall at the Tenant's own expense comply with all Environmental Laws and shall make, obtain and deliver all reports and studies as required by any governmental agency, authority or any Environmental Laws.
- (d) The Tenant authorizes the Landlord to make inquiries from time to time of any governmental agency or authority in order to determine the Tenant's compliance with the Environmental Laws. The Tenant covenants and agrees that it will from time to time provide to the Landlord such written authorization as the Landlord may reasonably require in order to facilitate the obtaining of such information.
- (e) The Tenant shall immediately advise the Landlord of any breach of any part of this Section or if any governmental agency or authority issues an order, notice, cancellation, amendment, charge, violation, ticket or other document concerning the release, investigation, clean up, remediation or abatement of any Hazardous Substances. The Tenant shall promptly notify in writing both the Landlord and the proper governmental authority of any discharge, release, leak, spill or escape into the environment of any Hazardous Substances at, to or from the Premises, Hotel or Lands.

- (f) Upon request by the Landlord from time to time, the Tenant shall provide to the Landlord a certificate executed by a senior officer of the Tenant certifying ongoing compliance by the Tenant with its covenants contained herein.
- (g) The Landlord or its agents, employees, representatives or environmental consultant may, upon a reasonable suspicion of a breach of this Section, inspect the Premises from time to time without notice, in order to verify the Tenant's compliance with the Environmental Law and the requirements of this Lease respecting Hazardous Substances. The Tenant shall pay as Additional Rent any costs incurred by the Landlord in making such inspections or environmental assessments, plus the Landlord's ten percent (10%) administration fee. If, further to such inspection, the Landlord determines acting reasonably, that an Environmental Audit is required, the Landlord and its agent shall be entitled to conduct an Environmental Audit immediately, and the Tenant shall provide access to the Landlord and its agent for the purpose of conducting an Environmental Audit. Such Environmental Audit shall be at the Tenant's expense plus the Landlord's ten percent (10%) administration fee, payable as Additional Rent, and the Tenant shall forthwith remedy any problems identified by the Environmental Audit, and shall ensure that it complies with all of its covenants herein.
- (h) If the Landlord or any government authority shall require the clean up or removal of any Hazardous Substances held, created, formed, released, spilled, abandoned or placed upon the Premises, Hotel or Lands or released into the environment by the Tenant in the course of the Tenant's business or as a result of the Tenant's use or occupancy of the Premises, then the Tenant shall, at its own expense, prepare and submit for approval all necessary studies, plans and proposals, shall provide all bonds and other security required by governmental authorities and shall forthwith carry out the work required. The Tenant shall keep the Landlord fully informed of the progress of the matter and shall provide to the Landlord full information with respect to proposed plans and comply with the Landlord's reasonable requirements with respect to such plans. The Tenant further agrees that the Landlord may, at its option, elect to undertake such work or any part thereof at the cost and expense of the Tenant, plus the Landlord's ten percent (10%) administration fee.
- (i) If the Tenant creates or brings to the Premises, Hotel or Lands any Hazardous Substances and/or Designated Substances or if the conduct of the Tenant's business shall cause there to be any Hazardous Substances at the Premises, Hotel or Lands then, notwithstanding any rule of law to the contrary, such Hazardous Substances shall be and remain the sole and exclusive property of the Tenant and shall not become the property of the Landlord notwithstanding the degree of affixation to the Premises, Hotel or Lands of the Hazardous Substances, and notwithstanding the expiry or earlier termination of this Lease.
- (j) The Tenant will indemnify the Landlord and those for whom the Landlord is in law responsible and save them harmless from every loss, cost, claim, expense, fine, penalty, prosecution or alleged infraction which they, or any of them, suffer or suffers as a result of the Tenant's breach of any of its obligations under this Section 9.12. In addition, the Tenant will pay to the Landlord, as Additional Rent, all costs incurred by the Landlord in doing any clean-up, restoration or other remedial work as a consequence of the Tenant's failure to comply with any of its obligations under this Section 9.12, plus the Landlord's ten percent (10%) administration fee. The Tenant's obligations under this Section 9.12 shall survive the expiration of the Term or earlier termination of this Lease.

ARTICLE 10 DAMAGE AND DESTRUCTION AND EXPROPRIATION

Section 10.1 Interpretation of Article 12

In this Article:

- (a) **"Damage"** means damage (including but not limited to, smoke and water damage and damage that amounts to destruction) that (i) for the purpose of Section 10.2 results from a peril against which the Landlord is required to insure under Section 13.5 or against which the Landlord otherwise insures, and (ii) for the purpose of Section 10.3 results from any cause, and **"Damaged"** has a corresponding meaning;
- (b) **"Expropriated"** means expropriated by a governmental authority, or transferred, conveyed, or dedicated in contemplation of a threatened expropriation, and **"Expropriation"** has a corresponding meaning;
- (c) **"Usable"** means usable by the Tenant for the purpose contemplated by this Lease.

Section 10.2 Damage to the Premises

Subject to Section 10.3, if the Premises are Damaged, the Landlord will promptly repair or reconstruct the Premises. If part or all of the Premises is not Usable because of the Damage, Minimum Rent and Additional Rent will abate in the proportion that the Rentable Area of that part of the Premises which is not Usable is to the Rentable Area of the whole of the Premises, from the date of the Damage until the date when the whole of the Premises is Usable again. The Tenant will complete the Tenant's Work and reopen the whole of the Premises for business as soon as possible but in any case within one hundred fifty (150) days after the Landlord's notice, provided Landlord delivers the Premises to the Tenant in the condition that the Premises were delivered to the Tenant on the Commencement Date. No capital allowance, inducement to lease, or other payment that was made to the Tenant at the time of, or in connection with the original construction of the Premises or the Tenant's improvements thereto will be payable by the Landlord to the Tenant. Notwithstanding anything to the contrary, if the Premises are Damaged during the last year of the Term, and cannot be repaired within one hundred and fifty (150) days of the happening of the Damage, the Landlord or the Tenant may, by written notice to the other party within ninety (90) days after the Damage, terminate this Lease, effective thirty (30) days after the notice, and all Rent will abate as of the effective date of the termination. Either party will have no claim, action, right of action or any other demand against the other party as a result of or arising from any such early termination of this Lease.

Section 10.3 Damage to or Expropriation of the Hotel

- (a) Despite anything else in this Lease, if:
 - (i) more than thirty-five percent (35%) of the Rentable Area of the Hotel is Damaged or Expropriated, not including the Premises;
 - (ii) more than fifty percent (50%) of the Rentable Area of the Hotel is Damaged or Expropriated, including the Premises;
 - (iii) more than thirty-five percent (35%) of the floor area of the Common Elements (excluding the area of parking facilities) or more than fifty percent (50%) of

the area of the parking facilities of the Hotel is Damaged or Expropriated, and the Premises are not Damaged or Expropriated;

- (iv) more than thirty-five percent (35%) of the total floor area of the Guest Portions of the Hotel is Damaged or Expropriated, and the Premises are Damaged or Expropriated;
- (v) more than fifty percent (50%) of the total floor area of the Guest Portions of the Hotel is Damaged or Expropriated, and the Premises are not Damaged or Expropriated; or
- (vi) portions of the Hotel which materially affect access or essential services are damaged or destroyed, rendering it impossible for Tenant to conduct business, in the last three years of the Lease term,

the Landlord may, by written notice to the Tenant within ninety (90) days after the Damage or Expropriation, terminate this Lease, effective thirty (30) days after the notice, and all Rent will abate as of the effective date of the termination. Either party will have no claim, action, right of action or any other demand against the other party as a result of or arising from any such early termination of this Lease. Either party will have no claim, action, right of action or any other demand against the other party as a result of or arising from any such early termination of this Lease.

- (b) If there is Damage or Expropriation to the extent described in Section 10.3(a) and the Landlord does not terminate this Lease, the Landlord will promptly rebuild or repair or cause to be rebuilt or repaired the Hotel, including the Premises, to substantially the same condition, prior to the Damage or Expropriation, but the Landlord may use plans and specifications and working drawings that are different in content from those used in the original construction of the Hotel or any part of it and the rebuilt or repaired Hotel may be different in configuration, size or design from the Hotel before the Damage or Expropriation.

Despite what is provided above, the Hotel or the part of it that is rebuilt, although it may be different in configuration, size or design as rebuilt, must not materially adversely affect access, visibility or functionality of the Premises for the Tenant's purposes.

In the event Landlord is required to restore the Premises pursuant to this Article, and Landlord does not begin restoration of the Premises within one hundred twenty (120) days after the date of the damage or expropriation or does not complete the restoration (except for minor "punchlist" items) within one (1) year and eight (8) months after commencing the restoration (except for Unavoidable Delays), the Tenant shall have the right to terminate this Lease upon thirty (30) days prior written notice to the Landlord.

- (c) The Landlord and the Tenant will cooperate with each other if there is an Expropriation of all or part of the Premises or the Hotel so that each may receive the maximum award that it is entitled to at law. To the extent, however, that a part of the Hotel, other than the Premises, is Expropriated, and Tenant does not close the Premises and is not entitled to any portion of the award proceeds, the full proceeds that are paid or awarded as a result will belong solely to the Landlord, and Tenant will execute the documents that the Landlord reasonably requires in order to give effect to this intention.

ARTICLE 11 COMMON ELEMENTS

Section 11.1 Use of Common Elements

The use and occupation by the Tenant of the Premises shall include the non-exclusive use in common with others entitled thereto of the Common Elements subject, however, to the terms and conditions of this Lease and to the reasonable rules and regulations for the use thereof as prescribed from time to time by the Landlord. In addition, all rules and regulations referred to or set forth in the Lease shall not conflict with any provisions of this Lease; nor become effective with respect to Tenant until Tenant receives written notice thereof from Landlord. The Tenant is permitted to use the Common Elements under a reasonable license (which shall be irrevocable provided Tenant is not in default of the Lease beyond any notice and applicable cure period), and if the Common Elements are diminished, the Landlord will not be subject to liability to the Tenant and the Tenant will not be entitled to any compensation or abatement of Rent provided however, the size and dimensions of the Premises are not altered, nor shall there be any revisions, changes or alterations to the Common Elements which materially and adversely affect the visibility or accessibility of the Premises (other than on a temporary basis) or substantially alters its location in relation to the other tenants.

Section 11.2 Control of Common Elements

The Common Elements shall at all times be subject to the exclusive control and management of the Landlord, pursuant to the terms herein, and will be provided or designated by the Landlord from time to time for the general use or for the benefit of the Tenant, its officers, concessionaires, employees, licensees, agents, customers, contractors, and other invitees in common with the other tenants of the Landlord. Subject to the limitations and qualifications set forth in Section 11.1, the Landlord shall, without limitation, have the right to:

- (a) change the area, level, location and arrangement of the Common Elements, including the improvements, facilities, equipment, installations and other rights and things from time to time forming part or parts thereof;
- (b) construct, maintain, operate and control heating, ventilation, air-conditioning, lighting and other utility systems in and serving the Common Elements;
- (c) police the Common Elements;
- (d) temporarily close off or obstruct all or any portion of the Common Elements for the purpose of maintenance and repair;
- (e) use parts of the Common Elements for merchandising, display, decorations, entertainment and structures, permanent or otherwise, designed for retail selling or special features or promotional activities; and
- (f) install kiosks and other installations, permanent or otherwise, in the Common Elements which do not impede access to or view of the Premises from the Common Elements;
- (g) regulate all aspects of loading and unloading, delivery and shipping of fixtures, equipment and other personal property, and all aspects of garbage collection and disposal, it being acknowledged that the Tenant is responsible for pick-up and disposal of its garbage at the designated location therefor in the Hotel at its cost; and

- (h) do and perform such other acts and things in and to the Common Elements as in the use of good business judgment, the Landlord considers advisable with a view to the improvement of the convenience and use thereof by tenants of the Hotel, their officers, concessionaires, employees, licensees, agents, customers, contractors and other invitees.

In the exercise of its rights hereunder, in addition to the limitations and qualifications set forth in Section 11.1, the Landlord will use its reasonable efforts not to unreasonably interfere with the Tenant's business operations in the Premises, except in the case of any emergency or temporarily for the purpose of making repairs, which repairs will be made with reasonable diligence by the Landlord having regard to the circumstances.

Section 11.3 Operation of Common Elements

The Landlord will operate and maintain the Common Elements in such a manner as befits the Hotel as a whole and its first class nature. It is agreed that the Tenant and all other Persons entitled to use the Common Elements shall do so at their sole risk and under no circumstances shall the Landlord be liable for any damage or injury resulting to any Persons or property while using the Common Elements

In the event Landlord is not maintaining the Common Elements as set forth herein, Tenant shall send to Landlord written notice thereof and Tenant shall have the right to assert any and all remedies under the terms and conditions of this Lease, as well as any and all remedies available to Tenant at law and in equity to enforce Landlord's compliance with the terms hereof.

Section 11.4 Changes and Additions to Hotel

Pursuant to the terms of Article 11, but subject always to the limitations and qualifications set forth in Section 11.1, the Landlord has the right at any time or times to change or make additions to, and to build additional floors or storeys upon any building, structures or other Improvements erected or to be erected, and to construct other buildings, structures or other improvements and facilities upon the Lands and the Hotel, or any part thereof, including without limitation, the Common Elements and the Premises. The Landlord shall endeavor to make such changes and additions and undertake the construction with a minimum of inconvenience and interference to the Tenant.

ARTICLE 12 STATUS STATEMENT, SUBORDINATION AND ATTORNMENT

Section 12.1 Status Statement

Within ten (10) days after each reasonable request by the Landlord, the Tenant will deliver to the Landlord, on a form supplied by the Landlord, and reasonably acceptable to Tenant, a status statement or certificate to any proposed Mortgagee, purchaser, or other disposee of part or all of the Hotel or any interest in the Hotel and to the Landlord, stating:

- (a) that this Lease is in full force and effect, except only for any modifications that are set out in the statement or certificate;
- (b) the commencement and expiry dates of the Lease;
- (c) the date to which Rent has been paid under this Lease and the amount of any prepaid Rent or any deposits held by the Landlord;

- (d) the amount of the Security Deposit;
- (e) that the Minimum Rent and the Additional Rent are then accruing under this Lease or the dates on which each of these will start accruing;
- (f) that the Premises are free from any construction deficiencies, or if there are such deficiencies, the certificate will state the particulars;
- (g) that there is not any uncured default on the part of the Landlord or if there is a default, the certificate will state the particulars;
- (h) whether there are any set-offs, defenses or counter claims against enforcement of the obligations to be performed by the Tenant under this Lease; and
- (i) any other factual information relating to the Lease that a proposed Mortgagee, purchaser, or disposee may reasonably require.

The Landlord agrees to provide the Tenant with a similar statement within twenty (20) days after written request by Tenant.

Section 12.2 Subordination and Attornment

- (a) This Lease is and will remain subordinate to every lien created by the mortgage, charge, trust deed, financing, refinancing or collateral financing and the instruments of, as well as the charge or lien resulting from all or any of them and any renewals or extensions of them from time to time (collectively, an “**Encumbrance**”) against the Premises or the Hotel (in whole or in part) and the Tenant will, on request, provided the Encumbrance holder provides the Tenant with the non-disturbance agreement referred to herein, sign any document requested by the Landlord, (provided same is reasonably acceptable to Tenant and does not decrease Tenant’s rights nor increase Tenant’s obligations herein) to confirm the subordination of this Lease to any Encumbrance and to all advances made or to be made on the security of the Encumbrance. The Tenant will also, if the Landlord requests it to do so, attorn to the holder of any Encumbrance, to the Owners or to any purchaser, transferee or disposee of the Hotel (in whole or in part) or of an ownership or equity interest in the Hotel (in whole or in part), provided that such holder of any Encumbrance against the Premises agrees to recognize Tenant’s rights and does not disturb Tenant’s occupancy.
- (b) If possession is taken under, or any proceedings are brought for the foreclosure of, or if a power of sale is exercised resulting from an Encumbrance, the Tenant will attorn to the Person that so takes possession if that Person requests it and will recognize that Person as the Landlord under this Lease provided said Person will not disturb Tenant’s use and occupancy of the Premises and said Person will recognize Tenant’s rights and Landlord’s obligations under the Lease.
- (c) The form and content of any document confirming or effecting the subordination and attornments provided for in this Section 12.2 will be that required by the Landlord or the holder of the Encumbrance (provided same is reasonably acceptable to Tenant and does not decrease Tenant’s rights nor increase Tenant’s obligations herein) in each case, and each such document will be delivered by the Tenant to the Landlord within twenty (20) days after the Landlord requests it.

Upon the written request of the Tenant, the Landlord shall use its reasonable commercial efforts to obtain an agreement from any Encumbrancee of the Hotel, to the effect that upon the execution and delivery by the Tenant to the Landlord of this Lease, if the Tenant shall pay the Rent and comply with all terms and conditions contained in this Lease and attorn to the Encumbrancee, the Tenant shall be permitted to remain in quiet possession of the Premises without interruption or disturbance from the Encumbrancee; or at the option of the Encumbrancee, shall be entitled to obtain a new lease for the unexpired Term of this Lease, on the same terms and conditions as contained in this Lease. For clarity, the Tenant shall not be required to subordinate or attorn to any future Encumbrancee unless and until the Tenant is provided with a non-disturbance agreement.

ARTICLE 13 INSURANCE AND INDEMNITY

Section 13.1 Tenant's Insurance

- (a) The Tenant will maintain the insurance described below throughout the Term and any period when it is in possession of the Premises, and each policy of that insurance will name, as insured, the Tenant, and as additional insured, the Landlord, the Owners and the Mortgagee as their respective interests may appear, provided Tenant has notice of same. The insurance which the Tenant is required to maintain is as follows:
 - (i) all risks (including flood and earthquake) property insurance in an amount equal to one hundred percent (100%) of the full replacement cost, insuring (1) all property owned by the Tenant, or for which the Tenant is legally liable, or installed by or on behalf of the Tenant, and located within the Hotel including, but not limited to, fittings, installations, alterations, additions, partitions, and all other leasehold improvements, and (2) the Tenant's inventory, furniture and movable equipment;
 - (ii) if applicable, broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount of at least the replacement cost of all leasehold improvements and of all boilers, pressure vessels, air conditioning equipment and miscellaneous electrical apparatus owned or operated by the Tenant or others (except for the Landlord) on behalf of the Tenant in the Premises, or exclusively serving the Premises;
 - (iii) business interruption insurance in an amount that will reimburse the Tenant for direct or indirect loss of earnings attributable to all perils insured against under Sections 13.1(a)(i) and 13.1 (a)(ii), and other perils commonly insured against by prudent tenants, or attributable to prevention of access to the Premises as a result of those perils;
 - (iv) public liability and property damage insurance including personal injury liability, contractual liability, non-owned automobile liability, employers liability, and owners' and contractors' protective insurance coverage, with respect to the Premises and the Tenant's use of the Common Elements, with coverage including the activities and operations conducted by the Tenant and any other Person on the Premises and by the Tenant and any other Person performing work on behalf of the Tenant and those for whom the Tenant is in law responsible in the Premises or in any other part of the Hotel. These

policies will (1) be written on a comprehensive basis with inclusive limits of at least Five Million Dollars (\$5,000,000.00) per occurrence for bodily injury for any one or more Persons, or property damage, and (2) contain a severability of interests clause and cross liability clauses;

- (v) the policies specified under this Section 13.1(a)(ii) and 13.1(a)(iii) will contain the Mortgagee's standard mortgage clause;
 - (vi) in the event Tenant uses as vehicle in the conduct of its business, standard owners form automobile insurance providing third party liability insurance with Two Million Dollars (\$2,000,000.00) inclusive limits, and accident benefits insurance, covering all licensed vehicles owned or operated by or on behalf of the Tenant; and
 - (vii) any other form of insurance with reasonable limits the Landlord, acting reasonably, or the Mortgagee requires from time to time, in form, in amounts and for risks against which a prudent tenant would insure.
- (b) The policies specified under Sections 13.1(a)(i), 13.1(a)(ii) and 13.1(a)(iii) will contain a waiver of any subrogation rights which the Tenant's insurers may have against all and any of the Landlord, the Owners, the Mortgagee and those for whom all and any of them are or is in law responsible.
- (c) All policies will (i) be taken out with insurers licensed to do business in Canada with a high rating satisfactory to the Landlord, acting reasonably; (ii) be in a form reasonably satisfactory to the Landlord; (iii) be non-contributing with, and will apply only as primary and not excess to any other insurance available to all and any of the Landlord, the Owners, and the Mortgagee; (iv) not be invalidated with respect to the interests of all and any of the Landlord, the Owners, and the Mortgagee by reason of any breach or violation of warranties, representations, declarations or conditions contained in the policies, and (v) contain an undertaking by the insurers to notify the Landlord, the Owners and the, Mortgagee in writing not less than thirty (30) days before any material change, cancellation, or termination, provided Tenant has appropriate notice address of same.
- (d) The Tenant will deliver certificates of insurance duly executed by the Tenant's insurers evidencing that the required insurance is in force. No review or approval of any insurance certificate or insurance policy by the Landlord derogates from or diminishes the Landlord's rights under this Lease.
- (e) If the Tenant fails to take out or keep in force any insurance referred to in this Section 13.1, or should any such insurance not be approved by either the Landlord or the Mortgagee and should the Tenant not commence to diligently rectify (and thereafter proceed to diligently rectify) the situation within forty-eight (48) hours after written notice by the Landlord to the Tenant (stating, if the Landlord or the Mortgagee does not approve of such insurance, the reasons therefor, such reasons not to be unreasonable), the Landlord has the right without assuming any obligation in connection therewith to effect such insurance at the sole cost of the Tenant and all outlays by the Landlord shall be paid by the Tenant to the Landlord on demand as Additional Rent without prejudice to any other rights and remedies of the Landlord under this Lease.

- (f) The Tenant agrees that in the event of damage or destruction to the Leasehold Improvements in the Premises covered by insurance pursuant to Sections 13.1(a)(i) and 13.1(a)(iv), the Tenant shall use the proceeds of such insurance for the purpose of repairing or restoring such leasehold improvements save and except if the Landlord has terminated this Lease in which case the Tenant shall forthwith pay to the Landlord all of its insurance proceeds relating to the leasehold improvements in the Premises. In the event of damage to or destruction of the Lands and/or Hotel entitling the Landlord to terminate this Lease, then if the Premises have also been damaged or destroyed and this Lease is terminated, the Tenant shall forthwith pay to the Landlord all of its insurance proceeds relating to the Leasehold Improvements in the Premises and if the Premises have not been damaged or destroyed, the Tenant shall upon demand deliver to the Landlord in accordance with the provisions of this Lease the leasehold improvements and the Premises.

Section 13.2 Increase in Insurance Premiums

The Tenant will comply promptly with the crime prevention recommendations of the Landlord's insurer, pertaining to the Premises, the Common Elements or any part of them. If the occupancy of the Premises, the conduct of business in the Premises, or anything done or omitted by the Tenant results in an increase in premiums for the insurance carried by the Landlord with respect to the Hotel or the Premises, the Tenant will pay the increase to the Landlord as Additional Rent immediately on demand. In determining whether the Tenant is responsible for increased premiums and the amount for which the Tenant is responsible, a schedule issued by the organization that computes the insurance rate on the Hotel and the Premises showing the components of the rate will be provided to Tenant, in addition to any other relevant documentation.

Section 13.3 Cancellation of Insurance

The Tenant will not do or permit anything to be done that results in the cancellation or threatened cancellation or the reduction or threatened reduction of coverage under any insurance policy on the Hotel or any part of it.

Section 13.4 Loss or Damage

The Landlord shall not be liable for any death or injury arising from or out of any occurrence in, upon, at or relating to the Lands or Hotel, or damage to property of the Tenant or of others located on the Premises or elsewhere in the Lands or Hotel, nor shall it be responsible for any loss of or damage to any property of the Tenant or others from any cause whatsoever, except to the extent any such death, injury, loss or damage which results from the gross negligence of the Landlord, its agents, servants or employees or other Persons for whom it may be in law responsible and provided that in no event shall the Landlord be responsible for any indirect or consequential damages sustained by the Tenant or others. Without limiting the generality of the foregoing, but subject to the exceptions to the limitation of the liability of the Landlord set out herein, the Landlord shall not be liable for any injury or damage to Persons or property resulting from fire, explosion, dampness, falling plaster, falling ceiling tile, falling ceiling fixtures (including part or all of the ceiling T grid system) and diffuser coverings, or from steam, gas, electricity, water, rain, flood, snow or leaks from any rentable premises or the parking facilities or from the pipes, sprinklers, appliances, plumbing works, roof, windows or subsurface of any floor or ceiling of the Hotel or from the street or any other place or by any other cause whatsoever. The Landlord shall not be liable for any such damage caused by other guests, tenants or Persons in the Hotel or by occupants of adjacent property thereto, or the public, or caused by construction or by any private, public or quasi-public work. All property of the Tenant kept or stored on the Premises shall be so kept or stored at the risk of the Tenant only and the Tenant shall indemnify the Landlord and save it harmless from any claims

arising out of any damage to the same including, without limitation, any subrogation claims by the Tenant's insurers.

Section 13.5 Landlord's Insurance

- (a) The Landlord will maintain, throughout the Term, and with those reasonable deductibles that a prudent owner of a building similar to the Hotel would maintain, having regard to size, age and location:
 - (i) all risks insurance with not less than full replacement values on the Hotel and the machinery, boilers and equipment contained in it and owned by the Landlord or the Owners (except property that the Tenant and other tenants are required to insure) which covers the Hotel, including the Common Elements;
 - (ii) public liability and property damage insurance with respect to the Landlord's operations in the Hotel with not less than Five Million Dollars (\$5,000,000.00) million in the aggregate; and
 - (iii) whatever other forms of insurance the Landlord, the Owners, or the Mortgagee reasonably consider advisable.
- (b) Such insurance shall be in such reasonable amounts and with such reasonable deductibles as would be carried by a prudent owner of a reasonably similar hotel and casino, having regard to size, age and location. Notwithstanding the Landlord's covenant contained in this Section 13.5, and notwithstanding any contribution by the Tenant to the cost of insurance premiums provided herein, the Tenant acknowledges and agrees that no insurable interest is conferred upon the Tenant under any policies of insurance carried by the Landlord, and the Tenant has no right to receive any proceeds of any such insurance policies carried by the Landlord

Section 13.6 Indemnification and Release of the Landlord

Notwithstanding any other provision of this Lease, the Tenant shall indemnify the Landlord and save it harmless from and against any loss (including loss of Minimum Rent and Additional Rent), claims, actions, damages, liability and expenses in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever arising out of this Lease, or any occurrence in, upon or at the Premises, or the occupancy or use by the Tenant of the Premises, Hotel, Lands, or any part thereof, or occasioned wholly or in part by any act or omission of the Tenant or by anyone permitted to be on the Premises, Hotel, or Lands, by the Tenant. If the Landlord shall, without fault on its part, be made a party of any litigation commenced by or against the Tenant, then the Tenant shall protect, indemnify and hold the Landlord harmless and shall pay all costs, expenses and reasonable legal fees incurred or paid by the Landlord in connection with such litigation. Such indemnification in respect of any such breach, violation or non-performance, damage to property, injury or death to Person or Persons, occurring during the Term of this Lease, shall survive any expiration or earlier termination of this Lease and without limiting the generality of the foregoing, shall indemnify and hold the Landlord harmless from and against any claims arising herein. The Tenant shall also pay all costs, expenses and legal fees that may be incurred or paid by the Landlord in reasonably enforcing the terms, covenants and conditions in this Lease unless a court of law having jurisdiction shall decide otherwise.

The Tenant agrees that the Landlord shall not be liable or responsible in any way for any injury or death to any Person or for any loss or damage to any property at any time on or about the Premises, the Hotel, or the Lands, or any property owned by or being the responsibility of the Tenant

or any of the Tenant's servants, agents, employees, invitees, customers, licensees, subtenants, contractors or other Persons for whom the Tenant is in law responsible on or about the Premises, the Hotel, or the Lands, save and except to the extent of the willful and deliberate misconduct or gross negligence of the Landlord or its servants, employees, agents or other Persons for whom the Landlord is in law responsible. The Landlord shall in no event be liable for any indirect, or consequential damages suffered by the Tenant.

ARTICLE 14 ASSIGNMENT AND SUBLETTING

Section 14.1 Interpretation of Article 14

- (a) In this Article **"Transfer"** means, (i) an assignment, sale, conveyance, sublease, disposition, or licensing of this Lease or the Premises, or any part of them, or any interest in this Lease (whether or not by operation of law) or in a partnership that is a Tenant under this Lease, (ii) a mortgage, charge, lien or debenture (floating or otherwise) or other encumbrance of this Lease or the Premises or any part of them or of any interest in this Lease or of a partnership or partnership interest where the partnership is a Tenant under this Lease, (iii) a parting with or sharing of possession of all or part of the Premises, and (iv) a transfer or issue by sale, assignment, operation of law or other disposition, or by subscription of all or part of the corporate shares of the Tenant or an affiliate of the Tenant which results in a change in the direct or indirect effective voting control of the Tenant. **"Transferor"** and **"Transferee"** have meanings corresponding to the definition of "Transfer" set out above, (it being understood that for a Transfer described in this Section 14.1(a) the Transferor is the Person that has effective voting control before the Transfer and the Transferee is the Person that has effective voting control after the Transfer).

Section 14.2 No Transfer

- (a) The Tenant shall not, without the prior written consent of the Landlord, which consent shall not be unreasonably or arbitrarily withheld, conditioned or delayed, effect or permit a Transfer. Except as otherwise provided herein, any Transfer without such consent shall be void and shall, at the option of the Landlord, constitute a default that shall entitle the Landlord to terminate this Lease, after prior written notice and reasonable opportunity to cure by Tenant. Any such consent by the Landlord shall not release the Tenant from any of the Tenant's obligations hereunder or be deemed to be a consent to any subsequent Transfer. The Landlord and the Tenant agree that it shall be reasonable for the Landlord to withhold its consent to any Transfer unless the Landlord is satisfied, acting reasonably, that:
- (i) the proposed Transferee is a "like caliber tenant" as the Tenant;
 - (ii) the use of the Premises by the proposed Transferee does not conflict with any exclusivities and/or other restrictions granted to other tenants within the Hotel as of the date of the request for the Landlord's consent to a Transfer and is otherwise acceptable to the Landlord;
 - (iii) the proposed Transferee (or the guarantor of such proposed Transferee) has a financial covenant and creditworthiness comparable to the Tenant's financial covenant and creditworthiness, as determined by the Landlord; and

- (iv) the financial covenant, experience operating retail stores in premises similar to the Premises and general business reputation of the proposed Transferee is acceptable to the Landlord.
- (b) The Landlord will have a period of twenty (20) Business Days following receipt of sufficient information to make a determination concerning the matters set forth in Section 14.2(a) to notify the Tenant in writing that the Landlord either gives or refuses to give its consent to the proposed Transfer, but the Landlord's failure to respond within that twenty (20) Business Day period will not be construed as a consent by the Landlord nor will it entitle the Tenant to damages.

Section 14.3 Terms and Conditions Relating to Transfers

The following terms and conditions apply in respect of a Transfer:

- (a) the consent by the Landlord is not a waiver of the requirement for consent to subsequent Transfers;
- (b) no acceptance by the Landlord of Rent or other payments by a Transferee is, (i) a waiver of the requirement for the Landlord to consent to the Transfer, (ii) the acceptance of the Transferee as Tenant, or (iii) a release of the Tenant from its obligations under this Lease;
- (c) the Landlord may apply amounts collected from the Transferee to any unpaid Rent;
- (d) the Transferee will execute an agreement directly with the Landlord agreeing to be bound by this Lease as if the Transferee had originally executed this Lease as Tenant but the Transferor will remain jointly and severally responsible with the Transferee for the fulfillment of all obligations of the Tenant under this Lease during the remainder of the Term, the whole without novation or derogation of any kind, and without benefit of division and discussion.
- (e) any documents relating to the Landlord's consent will be prepared by the Landlord or its solicitors and all of the reasonable legal costs of the Landlord together with a reasonable administration charge of Five Hundred Dollars (\$500.00) will be paid to the Landlord by the Tenant thirty (30) days from demand; and
- (f) if the Transferee pays or gives to the Transferor money or other value that is reasonably attributable to the desirability of the location of the Premises or to leasehold improvements that are owned by the Landlord or for which the Landlord has paid in whole or in part, then at the Landlord's option, the Transferor will pay to the Landlord such money or other value in addition to all Rent payable under this Lease and such amounts shall be deemed to be further Additional Rent.

Section 14.4 Consent of Landlord

The Tenant agrees that the instrument by which any Transfer consented to by the Landlord is accomplished shall be in form and substance acceptable to the Landlord, subject to the reasonable review by the Tenant's solicitor, and its professional advisors and shall expressly provide that: (a) the Transferee will perform and observe all the agreements, covenants, conditions and provisions to be performed and observed by the Tenant under this Lease as and when performance and observance is due to the extent the same relate to the space occupied by such Transferee and except, in the case of a subtenant, for the economic obligations of the Tenant hereunder, including,

without limitation, payment of Rent and rental escalations; (b) no Transferee shall have the further right to Transfer without first obtaining the Landlord's prior written consent, which may be withheld in the Landlord's sole discretion; and (c) the Landlord shall have the right to enforce such agreements, covenants, conditions and provisions directly against such Transferee.

If the Landlord consents in writing to a Transfer, all excess Rent derived from such assignment or sublease shall be divided and paid fifty percent (50%) to the Tenant and fifty percent (50%) to the Landlord. The Landlord's share of such excess Rent shall be deemed to be and shall be paid by the Tenant to the Landlord as Rent. The Tenant shall pay the Landlord's share of such excess Rent to the Landlord immediately as and when such excess Rent is receivable by the Tenant.

The Tenant shall in all cases remain responsible for the performance by any Transferee as indicated thereon of all such agreements, covenants, conditions and provisions.

Section 14.5 No Advertising of the Premises

The Tenant will not offer or advertise the whole or any part of the Premises or this Lease for the purpose of a Transfer and will not permit a broker or other Persons to do so unless the complete text and format of any such advertisement or offer is first approved in writing by the Landlord, which consent will not be unreasonably withheld, conditioned or delayed. Without in any way limiting the Landlord's right to refuse any text or format on other grounds, any text or format proposed by the Tenant shall not contain any reference to the rental rate payable under this Lease.

Section 14.6 Sales and Other Dispositions by the Landlord

If the Landlord sells, or otherwise transfers or disposes of the Lands, the Hotel or any part of them, or if the Landlord assigns this Lease or any interest of the Landlord under it (which for certainty in each case, the Landlord is entitled to do without the prior consent of the Tenant), the Landlord will be released from those obligations as of the date of the sale, transfer or disposition (save and except for any outstanding defaults as of the date of the sale or transfer), and the Tenant shall attorn to such purchaser or transferee from and after the effective date of such sale, transfer or disposition, provided that such purchaser or transferee agrees to assume all of the obligations of the Landlord pursuant to this Lease.

The Tenant shall not, nor shall it cause, induce, counsel or assist any of its employees or contractors to, oppose, object, challenge, or interfere with any sale, transfer, or disposition of the Lands by the Landlord.

ARTICLE 15 ACCESS

Section 15.1 Right of Entry

It is not a re-entry or a breach of quiet enjoyment if the Landlord and its representatives enter the Premises at reasonable times during times when the Premises are not open to the public for business and accompanied by a Tenant representative after seventy-two (72) hours' notice (but if the Landlord determines there is an emergency, no notice is required) (i) to examine them, (ii) to make repairs, alterations, improvements or additions to the Premises, the Hotel or adjacent property, and (iii) to conduct an Environmental Audit of the Premises or any part of the Hotel pursuant to the terms of this Lease. This right extends to (and is not limited to) the pipes, conduits, wiring, ducts, columns and other installations in the Premises. Rent will not abate or be reduced while the repairs, alterations, improvements or additions are being made and the Landlord

is not liable for any damage, injury or death caused to any Person or to the property of the Tenant or others located on the Premises as a result of the entry, regardless of how the damage, injury or death is caused. However, the Landlord is responsible for unavoidable loss or interruption of business directly attributable to the exercise of this right (but not for any other damages, regardless of how they are caused) to the extent it does not take reasonable steps to minimize the interruption.

ARTICLE 16 LANDLORDS COVENANTS

Section 16.1 Quiet Enjoyment and Covenants of Landlord

If the Tenant pays the Rent hereby reserved and performs the covenants herein on its part contained, it shall and may peaceably possess and enjoy the Premises for the Term. The Landlord further covenants and agrees, subject to the provisions contained in this Lease, to:

- (a) pay all Taxes when due and payable that may be assessed by any lawful authority against the Hotel and the Lands;
- (b) make Structural Repairs;
- (c) provide the Premises with all utilities reasonably necessary for the use set forth herein, including electric power for normal lighting; and
- (d) perform and uphold all obligations of the Landlord under the terms of the Lease as provided.

ARTICLE 17 SURRENDER

Section 17.1 Payments after Termination

No payments of money by the Tenant to the Landlord after the expiration or other termination of the Term, shall reinstate, continue or extend the Term or make ineffective any notice given to the Tenant prior to the payment of such money, unless otherwise agreed to by the parties. After the final judgment of a court of competent jurisdiction granting the Landlord possession of the Premises, the Landlord may receive and collect any Rent due under the Lease, and the payment thereof shall not make ineffective any notice, or in any manner affect any pending suit or proceedings or any judgment theretofore obtained, unless the cause of any pending suit or proceeding or judgment has been satisfied by same.

Section 17.2 Merger

The cancellation of this Lease by mutual agreement of the Tenant and the Landlord shall not work as a merger, but shall, at the Landlord's option, either terminate all or any subleases and subtenancies or operate as an assignment to the Landlord of all or any subleases or subtenancies. The Landlord's option hereunder shall be exercised by notice to the Tenant and all known sublessees or subtenants in the Premises or any part thereof.

ARTICLE 18
DEFAULT OF TENANT AND REMEDIES OF LANDLORD

Section 18.1 Event of Default

- (a) An “**Event of Default**” occurs when:
- (i) the Tenant defaults in the payment of Rent or Sales Taxes and fails to remedy the default within five (5) days after written notice;
 - (ii) the Tenant commits a breach other than a default in the payment of Rent or Sales Taxes, and fails to remedy the breach within ten (10) days after written notice that (1) specifies particulars of the breach, and (2) requires the Tenant to remedy the breach (or if the breach would reasonably take more than ten (10) days to remedy, fails to start remedying the breach within the ten (10) day period, or fails to continue diligently and expeditiously to complete the remedy);
 - (iii) the Tenant, or a Person carrying on business in a part of the Premises becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors (including, but not limited to, the *Companies Creditors’ Arrangement Act*), or makes any proposal, assignment or arrangement with its creditors;
 - (iv) a receiver or a receiver and manager is appointed for all or a part of the property of the Tenant, or of another Person carrying on business in the Premises;
 - (v) proceedings are instituted for the dissolution, winding up (other than as part of a corporate reorganization) or other termination of the Tenant’s existence or for the liquidation of their respective assets;
 - (vi) the Premises are vacant or unoccupied for five (5) consecutive days or the Tenant abandons or attempts to abandon the Premises, or sells or disposes of property of the Tenant or removes it from the Premises so that there does not remain sufficient property of the Tenant on the Premises free and clear of any lien, charge or other encumbrance ranking ahead of the Landlord’s lien to satisfy the Rent due or accruing for at least three (3) months;
 - (vii) the Tenant effects or attempts to effect a Transfer that is not permitted by this Lease; or
 - (viii) this Lease or any of the Tenant’s assets on the Premises are taken or seized under a writ of execution, an assignment, pledge, charge, debenture, or other security instrument.
- (b) If and whenever an Event of Default occurs, the Landlord shall have the following rights and remedies, exercisable immediately and without further notice and at any time while the Event of Default continues:
- (i) to terminate this Lease and re-enter the Premises. The Landlord may remove all Persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such

manner as the Landlord sees fit without notice to the Tenant. Notwithstanding any termination of this Lease, the Landlord shall be entitled to receive Rent and all Sales Tax up to the time of termination plus accelerated Rent as provided in this Lease and damages including, without limitation: (i) damages for the loss of Rent suffered by reason of this Lease having been prematurely terminated; (ii) costs of reclaiming, repairing and re-leasing the Premises; and (iii) legal fees and disbursements on a solicitor and client basis;

- (ii) to enter the Premises as agent of the Tenant and to relet the Premises for whatever length of time and on such terms as the Landlord in its discretion may determine including, without limitation the right to: (i) take possession of any property of the Tenant on the Premises; (ii) store such property at the expense and risk of the Tenant; (iii) sell or otherwise dispose of such property in such manner as the Landlord sees fit; and (iv) make alterations to the Premises to facilitate the reletting. The Landlord shall receive the rent and proceeds of sale as agent of the Tenant and shall apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent and third, to the payment of Rent in arrears, with the residue to be held by the Landlord and applied to payment of future Rent as it becomes due and payable. The Tenant shall remain liable for any deficiency to the Landlord;
- (iii) to remedy or attempt to remedy the Event of Default for the account of the Tenant and to enter upon the Premises for such purposes. The Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy the Event of Default. The Tenant shall pay to the Landlord, on demand, all expenses incurred by the Landlord in remedying the Event of Default, together with the Landlord's ten percent (10%) administration fee and interest at the Stipulated Rate from the date such expense was incurred by the Landlord;
- (iv) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of the Event of Default including any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises; and
- (v) to recover from the Tenant the full amount of the current month's Rent together with the next three (3) months' installments of Rent, which shall immediately become due and payable as accelerated rent.

The Tenant agrees that no notice of an Event of Default or a breach of any covenant or condition of this Lease will be considered void or ineffective as a result of a minor or technical inaccuracy or error.

- (c) It is understood and agreed that the Tenant shall be responsible for all legal costs of the Landlord associated with the Landlord preparing and issuing its notice to Tenant under this Section 18.1.

Section 18.2 Expenses

If legal proceedings are brought for recovery of possession of the Premises, for the recovery of Rent or Sales Taxes, or because of a default by the Tenant, the Tenant will pay to the Landlord its reasonable expenses, including its reasonable legal fees (on a solicitor and client basis).

Section 18.3 Waiver of Exemption from Distress

Notwithstanding any provision of this Lease or any provision of any present or future Applicable Laws, none of the goods, chattels or trade fixtures then on the Premises shall be exempt from levy by distress for Rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

Section 18.4 Landlord May Cure the Tenant's Default

If the Tenant defaults in the payment of money that it is required under this Lease to pay to a third party, the Landlord, after giving ten (10) days' notice in writing to the Tenant, and provided such money is not paid in the following ten (10) days' may pay all or part of the amount payable, provided same is in arrears over thirty (30) days. If the Tenant defaults under this Lease (except for a default in the payment of Rent or Sales Taxes), the Landlord may, after giving notice in accordance with Section 18.1 or, without notice in the case of an emergency, perform or cause to be performed all or part of what the Tenant failed to perform and may enter upon the Premises and do those things that it considers necessary for that purpose. The Tenant will pay to the Landlord on demand, the Landlord's actual and reasonable expenses incurred under this Article 18, plus the Landlord's ten percent (10%) administration fee. The Landlord will have no liability to the Tenant for loss or damages resulting from its action or entry upon the Premises in accordance with this Section 18.4.

Section 18.5 Non-Acceptance of Surrender

No acceptance of keys for the Premises by the Landlord and no other act of the Landlord will be considered as an acceptance by the Landlord (implied or otherwise) of a surrender of this Lease by the Tenant. Only a written acknowledgment or surrender agreement executed by two (2) authorized representatives of the Landlord will be effective as an acceptance by the Landlord of a surrender of this Lease.

Section 18.6 Remedies Generally

- (a) The remedies under this Lease are cumulative. No remedy is exclusive or dependent upon any other remedy. Any one or more remedies may be exercised generally or in combination. The specifying or use of a remedy under this Lease does not limit the right to use other remedies available at law or in equity generally.
- (b) Except as otherwise expressly contained herein, any breach by the Landlord under this Lease can on occasion be adequately compensated in damages and the Tenant agrees that one of its available remedies to enforce its rights under this Lease is an action for damages.

ARTICLE 19 LANDLORD RIGHTS

Section 19.1 Right of Entry to Show the Premises

The Landlord, its agents and representatives shall have the right to enter the Premises at all reasonable times to show them to prospective purchasers, lessees or mortgagees, subject in each case, however, to the Landlord giving at least a seventy-two (72) hours prior notice to the Tenant, and subject to the Persons gaining access being accompanied an agent or representative of the Tenant. The Tenant will act reasonably in making such an agent or representative available on a timely basis. During the six (6) months prior to the expiration of the Term, the Landlord may exhibit the Premises to prospective tenants, subject, however, to the same restrictions as those set out in the sentence preceding this one.

Section 19.2 Landlord has Right to Make Rules and Regulations

The Landlord has the right to make, promulgate and enforce reasonable rules and regulations with respect to the use and occupancy of the Premises, the Common Elements and the Hotel, and without limitation, rules and regulations concerning the movement of traffic, deliveries of goods and garbage disposal, and such rules and regulations (including those in Schedule "C") and amendments and supplements thereto shall form and become a part of this Lease and shall be binding upon the Tenant. The Tenant covenants to comply with all such rules and regulations and amendments and supplements thereto, and a failure by the Tenant to comply with same shall constitute a breach of this Lease in a manner as if they were contained in this Lease as covenants. No rule or regulation or amendment or supplement shall contradict a provision of this Lease. Further, all Rules and Regulations shall be applied uniformly and in a non-discriminatory manner and shall not become effective with respect to Tenant until Tenant receives written notice thereof from Landlord.

ARTICLE 20 MISCELLANEOUS

Section 20.1 Waiver

The waiver by the Landlord or the Tenant of a default under this Lease is not a waiver of any subsequent default. The Landlord's acceptance of Rent after a default is not a waiver of any preceding default under this Lease even if the Landlord knows of the preceding default at the time of acceptance of the Rent. No term, covenant or condition of this Lease will be considered to have been waived by the Landlord or the Tenant unless the waiver is in writing.

Section 20.2 Accord and Satisfaction

Payment by the Tenant or receipt by the Landlord of less than the required monthly payment of Minimum Rent is on account of the earliest stipulated Minimum Rent. An endorsement or statement on a cheque or letter accompanying a cheque or payment as Rent is not an acknowledgment of full payment or an accord and satisfaction, and the Landlord may accept and cash the cheque or payment without prejudice to its right to recover the balance of the Rent or pursue its other remedies.

Section 20.3 Notices

Any notice, demand, request or other instrument required or permitted to be given under this Lease (collectively called a Notice) shall be sufficiently given if delivered either in person,

by courier, by registered mail to the Landlord at 2200 215 – 2nd Street SW, Calgary, Alberta T2P 1M4 and to the Tenant at Suite 125, 625 Parsons Road SW, Edmonton, Alberta, T6X 0N9. Any Notice mailed as aforesaid shall be deemed to have been given to the party to whom it is addressed on the 5th Business Day following the date of mailing or if delivered in person on the date of delivery; if delivered by courier, on the next Business Day. In the event of any disruption or anticipated disruption of postal services any Notice shall be delivered by any method noted above, excepting mail. A party may at any time give notice to the other party of a change of address of the party giving the notice, and from and after the giving of the notice the address therein specified shall be deemed to be the address of the party. Notices may not be given by email.

Section 20.4 Joint and Several Liability

If two or more individuals, corporations, partnerships or other business associations (or any combination of two or more) sign this Lease as the Tenant, the liability of each individual, corporation, partnership or other business association to pay Rent and perform all other obligations hereunder shall be deemed to be joint and several. In like manner, If the Tenant named in the Lease is a partnership or other business association the members of which are, by virtue of statute or general law, subject to personal liability, the liability of each member is deemed to be joint and several. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one Tenant and to corporations, associations, partnerships, or individuals, males or females, in all cases shall be assumed as though in each case fully expressed.

Section 20.5 No Option

The submission of this Lease for examination does not constitute a reservation of or option for the Premises and this Lease becomes effective as a lease only upon execution and delivery thereof by both the Landlord and the Tenant.

Section 20.6 Registration

The Tenant will not register or permit the registration of this Lease or any assignment or sublease or other document evidencing an interest of the Tenant or anyone claiming through or under the Tenant in this Lease or the Premises, except that at the Tenant's request and subject to the Tenant paying the Landlord's reasonable, actual costs and expenses, the Tenant may register a caveat in respect of this Lease which describes the parties, the Term, and contains the other minimum information required under the applicable legislation, but such caveat must be in form satisfactory to the Landlord, acting reasonably, in accordance with Applicable Law and must not disclose the financial terms and conditions of this Lease.

Section 20.7 Fire Drills

The Landlord may from time to time and at reasonable intervals, conduct fire drills and emergency procedures, and test emergency procedures, and test fire alarms and other emergency devices without being in breach of its covenant of quiet enjoyment, and the Tenant shall participate, and shall cause its employees and invitees to participate in such drills and procedures without holding the Landlord liable for any damage, injury, or loss caused thereby unless due to the willful neglect or misconduct of the Landlord.

Section 20.8 Energy Conservation

The Tenant covenants with the Landlord to reasonably cooperate with the Landlord and to comply with all regulations, orders, laws and requirements passed by any governmental

authorities or other agencies having jurisdiction respecting energy conservation in relation to the use, occupancy, maintenance and operation of the Hotel, or any part thereof.

Section 20.9 Reservation to the Landlord

Any space within the Premises used for stairways and passageways to other adjoining premises, stacks, shafts, pipes, conduits, ducts or other building facilities, the heating, electrical, plumbing, ventilation, air-conditioning and other Hotel systems, and the use thereof as well as access thereto through the Premises for the purpose of use, operation, maintenance and repair are expressly reserved to the Landlord. The use and access of the facilities described above in the preceding sentence are subject to the restrictions set out in Section 15.1 of this Lease. Notwithstanding the reservation of such areas to the Landlord the Tenant acknowledges that the cost of operation, maintenance and repair thereof shall be included in Operating Costs, pursuant to the terms of the Lease.

Section 20.10 Time of the Essence and Unavoidable Delay

Time shall be of the essence of this Lease. If either party hereto is delayed or hindered in or prevented from the performance of an act or compliance with a covenant hereunder by reason of any Unavoidable Delay not the fault of the party delayed in performing work or doing acts as required under the terms of this Lease but not including any inability by any party to perform due to the lack of funds, then performance of the act will be excused for the period of the delay and the period for the performance of the act will be extended for a period equivalent to the period of the delay. The provisions of this Section 22.12 do not cancel or postpone or delay the due date of a payment to be made by the Tenant hereunder or operate to excuse the Tenant from prompt payment of Rent required by the terms of this Lease.

Section 20.11 Enurement

Except as otherwise specifically provided, the covenants, terms and conditions contained in this Lease shall apply to and bind the parties hereto and their respective successors, assigns and permitted assigns, as the case may be.

Section 20.12 Limitation of Landlord's Liability

The Tenant will look solely to the Landlord's interest in the Hotel for the enforcement of any judgment, award or other remedy under or in connection with this Lease or any related agreement, instrument or document or for any other matter relating to the Hotel or the Premises. No present or future direct or indirect principals, investors, general or limited partnership, officers, directors, shareholders, trustees, beneficiaries, participants, advisors, managers, employees, agents or affiliates of the Landlord, or any of them, or any of their heirs, successors or assigns, will have any liability for any of the matters mentioned above.

Section 20.13 Confidentiality

Tenant and Landlord shall keep confidential all terms and conditions of this Lease, except to the extent disclosure is required by Applicable Laws, judicial order or subpoena. Each party shall be entitled to discuss and disclose the transaction with employees, agents, lawyers, consultants, lenders and partners of such party provided that the recipients of such information are bound to respect its confidentiality. In addition, disclosure may be made to (i) shareholders and other investors to the extent that such disclosure is required by financial accounting standards; and (ii) any potential purchaser of the Hotel and/or the Lands, including

providing a copy of this Lease to such potential purchaser by way of data-room, provided such potential purchaser is bound to respect its confidentiality.


Section 20.14 Counterparts

This Lease may be executed and delivered via email or other electronic means in any number and by separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one of the same instrument

[The remainder of this page intentionally left blank – signature page follows]

IN WITNESS WHEREOF the Landlord and the Tenant have executed this Lease by their duly authorized officers, as of the date first above written.

**MAYFIELD INVESTMENTS LTD., by its court
appointed receiver, ERNST & YOUNG INC.**

Per: 

Name: Peter Chisholm
Title: Senior Vice President

Per: _____
Name:
Title:

We have the authority to bind the Corporation

CAPITAL CITY CASINOS LTD.

Per: *Scott Mather*

Name:
Title: Scott Mather
President

Per: _____
Name:
Title:

We have the authority to bind the Corporation

SCHEDULE "A"

LEGAL LAND DESCRIPTION

PLAN 0524335

BLOCK 7

LOT 24

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 8.15 HECTARES (20.14 ACRES) MORE OR LESS

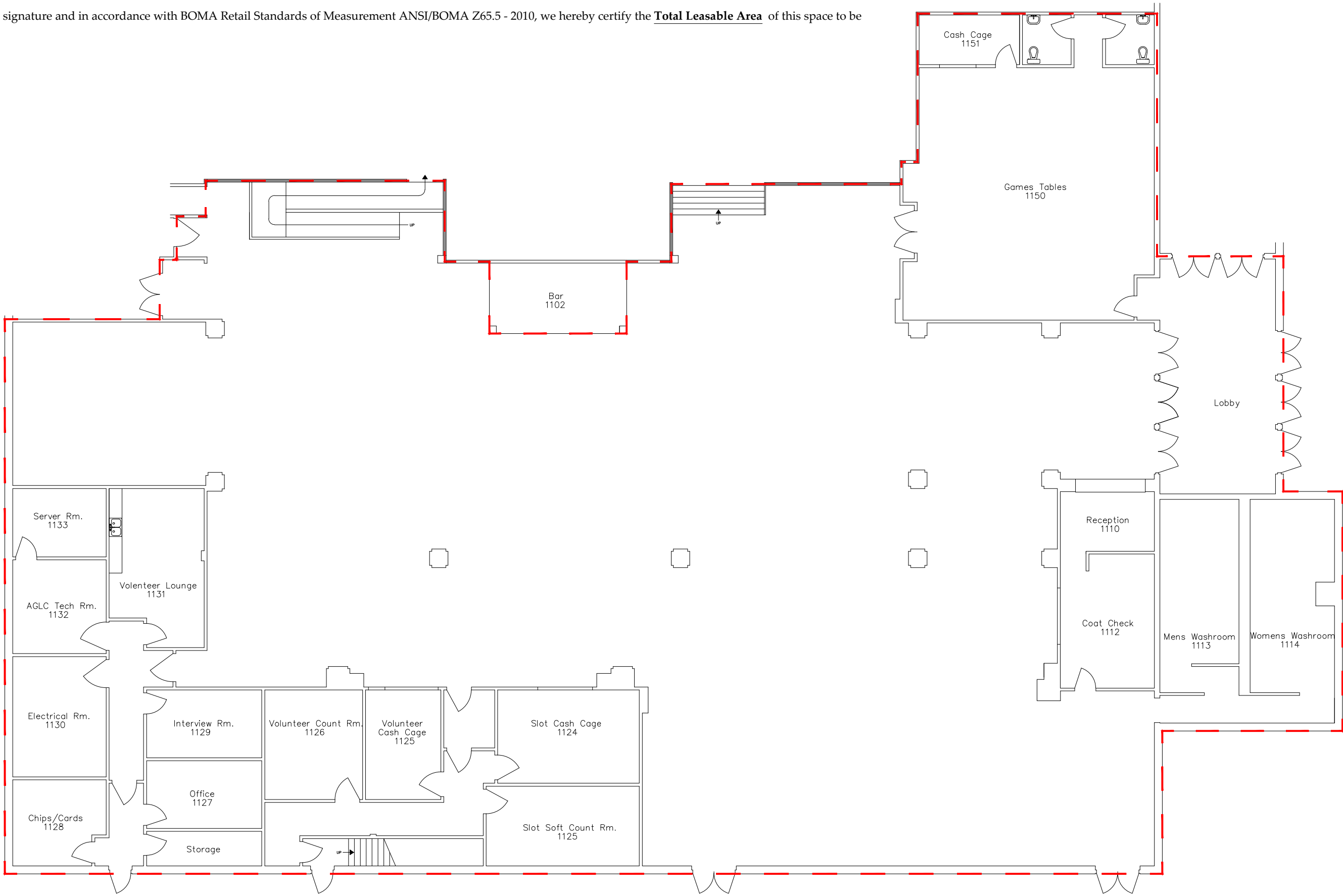
SCHEDULE "B"
PLAN SHOWING PREMISES

[see attached]

Area Certification:
As evidenced by our signature and in accordance with BOMA Retail Standards of Measurement ANSI/BOMA Z65.5 - 2010, we hereby certify the Total Leasable Area of this space to be **17,303 Square Feet.**



MeasureLine Ltd.



Camrose Resort Casino - Main Floor
3201 48 Ave
Camrose, AB

Scale: NTS



Drawn by: MD
Date: Jan. 21/2025

780-616-0206
Info@MeasureLineLtd.com
www.MeasureLineLtd.com

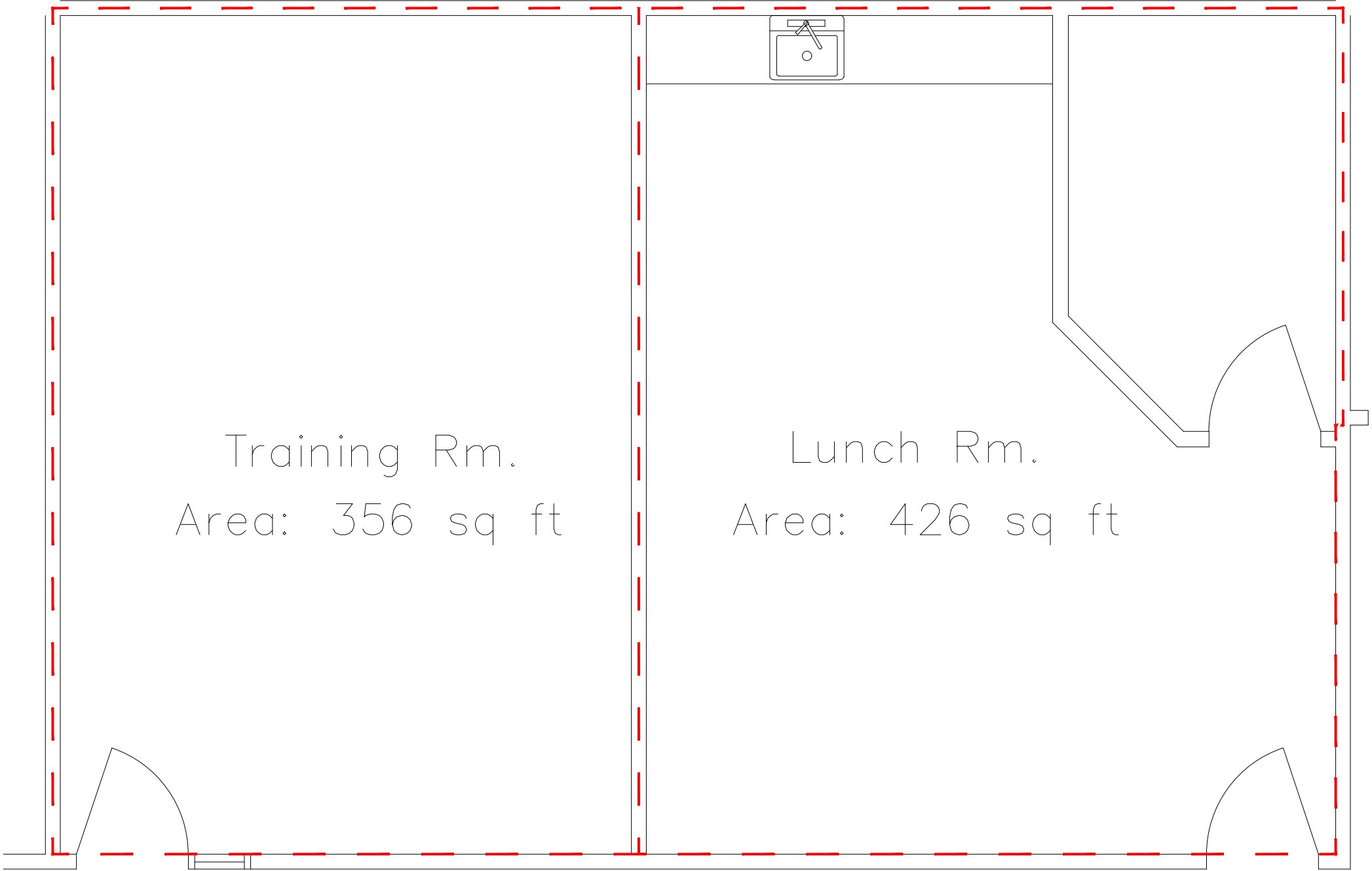


Area Certification:

As evidenced by our signature and in accordance with BOMA Office Standards of Measurement ANSI/BOMA Z65.1 - 2017, we hereby certify the Total Rentable Area of this space to be 782 Square Feet.



MeasureLine Ltd.



Camrose Resort Casino - 2nd Floor - Lunch and Training Rm.
3201 48 Ave
Camrose, AB

Scale: NTS



Drawn by: MD
Date: Jan. 21/2025

780-616-0206
Info@MeasureLineLtd.com
www.MeasureLineLtd.com

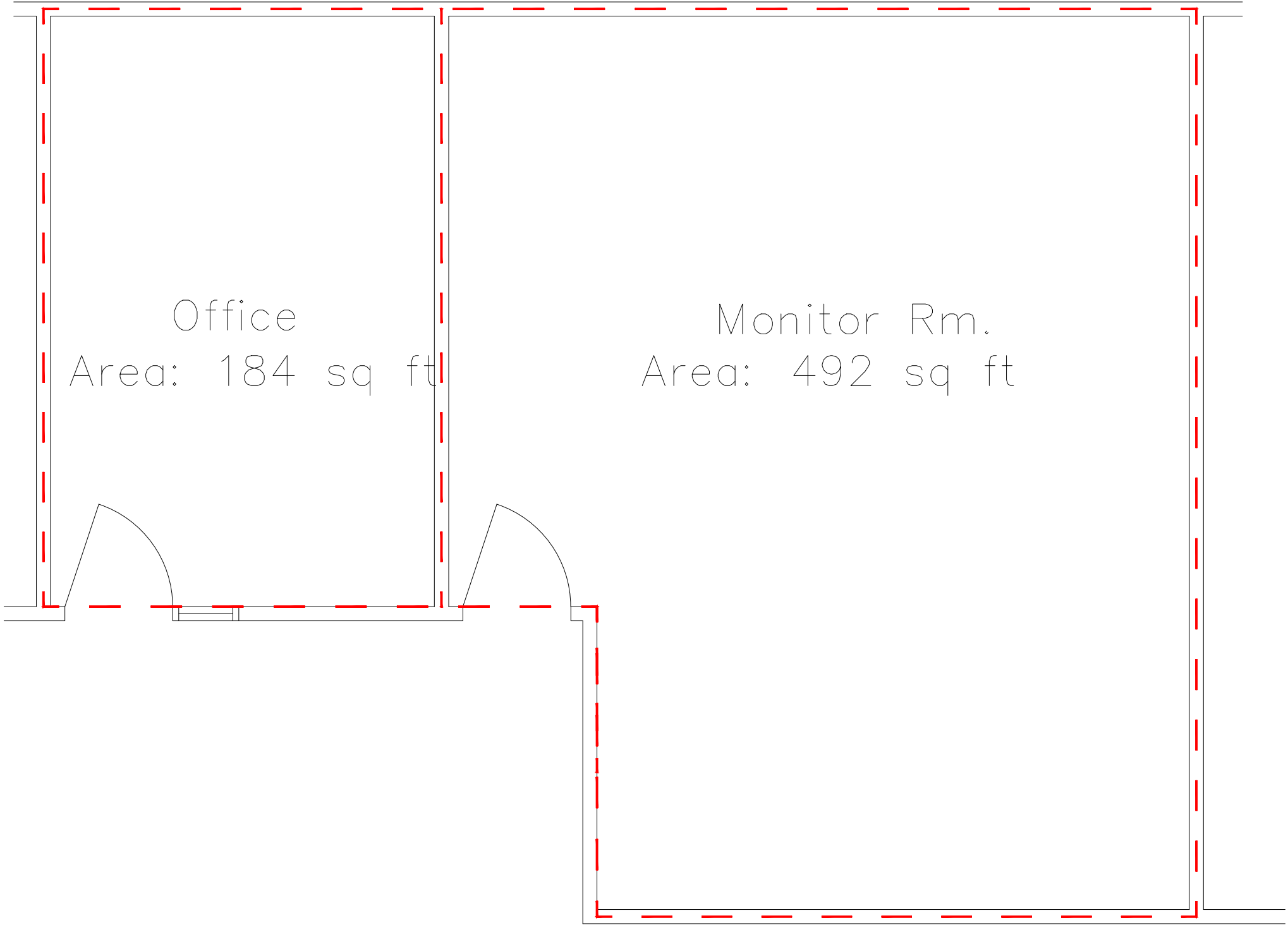


Area Certification:

As evidenced by our signature and in accordance with BOMA Office Standards of Measurement ANSI/BOMA Z65.1 - 2017, we hereby certify the Total Rentable Area of this space to be 613 Square Feet.



MeasureLine Ltd.



Camrose Resort Casino - 2nd Floor - Office and Monitor Rm.
3201 48 Ave
Camrose, AB

Scale: NTS



Drawn by: MD
Date: Jan. 21/2025

780-616-0206
Info@MeasureLineLtd.com
www.MeasureLineLtd.com



SCHEDULE "C"

RULES AND REGULATIONS

The Tenant will:

- (a) keep the inside and outside of all glass in the doors and windows of the Premises clean;
- (b) keep all exterior surfaces of the Premises clean;
- (c) replace promptly, at its expense, any cracked or broken window glass of the Premises (except to the extent such glass forms part of the Common Elements);
- (d) maintain the Premises at its expense, in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests;
- (e) keep any garbage, trash, rubbish or refuse in vermin-proof containers within the interior of the Premises until removed;
- (f) remove garbage, trash, rubbish and refuse at its expense on a regular basis as prescribed by the Landlord;
- (g) keep all mechanical apparatus free of vibration and noise which may be transmitted beyond the Premises, and
- (h) cause its employees, agents, and contractors to park only in the parts of the Common Elements, if any, designated by the Landlord as employee parking.

The Tenant will not:

- (i) commit or permit waste upon or damage to the Premises or any nuisance or other act that disturbs the quiet enjoyment of other tenants or occupants of the Hotel;
- (ii) do anything that may damage the Hotel or permit odours, vapours, steam, water, vibrations, noises or other undesirable effects to come from the Premises;
- (iii) permit accumulations of garbage, trash, rubbish or other refuse within or outside the Premises;
- (iv) distribute handbills or other advertising matter to Persons in the Hotel other than in the Premises;
- (v) permit the parking of delivery vehicles so as to interfere with the use of any driveway, walkway, parking facilities, or other areas of the Hotel;
- (vi) receive, ship, load or unload articles of any kind including materials, debris, garbage, trash, refuse and other chattels except through service access facilities designated from time to time by the Landlord;
- (vii) use the plumbing facilities for any other purposes than those for which they are constructed;

- (viii) use any part of the Premises for lodging, sleeping or any illegal purposes;
- (ix) solicit business and display advertisements except in the Premises, nor do or permit anything to be done in or on the Common Elements or the Hotel that hinders or interrupts the flow of traffic to, in and from the Hotel or obstructs the free movement of Persons in, to or from the Hotel; or
- (x) permit on the Premises any transmitting device or erect an aerial on any exterior walls of the Premises or any of the Common Elements, or use travelling or flashing lights, signs or television or other audio visual or mechanical devices that can be seen outside of the Premises, or loudspeakers, television, phonographs, radios or other audio visual or mechanical devices that can be heard outside of the Premises.

Appendix 'C'
AGLC Confirmation

Josh Heagy

From: Dave Berry <Dave.Berry@aglc.ca>
Sent: January 2, 2025 9:15 AM
To: Peter Chisholm; Kirsten Merryweather
Cc: Scott Mather; Melissa Mosorocean; Josh Heagy
Subject: RE: Camrose casino license

Good morning Peter and Happy New Year,

Please consider this note as AGLC's written confirmation of support of the sale of Camrose Casino Corporation to Mather Gaming and Entertainment Investments Inc (MGII) with the following understanding:

- AGLC has previously approved the sale of this business to MGII. A Casino Facility Licence cannot be sold, if MGII acquires control of the business, AGLC intends to issue a new licence with the condition that the business continues to operate in its existing Camrose location until such time as its new location in Edmonton is ready to open as well as assuming 50% of the AGLC installation costs of all slot machines and Video Lottery Terminals at the new facility it intends to relocate to.
- MGII has not changed any Directors/Shareholders since AGLC approved this transaction on October 07, 2024 (Mr. Mather has confirmed by email there has been no changes).
- AGLC will need to be provided the sale documents to confirm what the transaction actually is.
- AGLC will require at least 7 business days' notice of the intended transaction date in order to properly prepare for issuance of a new licence and other administrative functions.

Thank you,

Dave



Dave Berry, (He/Him/His)

Executive Vice President

Public Engagement & Chief Regulatory Officer

Chief Anti-Money Laundering Compliance Officer

Phone 780-447-7419

Toll Free 1-800-272-8876 **Email** dave.berry@aglc.ca **Web** aglc.ca

50 Corriveau Avenue, St. Albert AB T8N 3T5



*Proud to be one of Alberta's Top Employers (2024)
and Canada's Best Employers for New Graduates.*

Protected A

From: Peter Chisholm <Peter.Chisholm@parthenon.ey.com>
Sent: December 30, 2024 3:07 PM
To: Dave Berry <Dave.Berry@aglc.ca>; Kirsten Merryweather <Kirsten.Merryweather@aglc.ca>

Cc: Scott Mather <scott@newstarcapital.com>; Melissa Mosorocean <mmosorocean@newstarcapital.com>; Josh Heagy <Joshua.Heagy@parthenon.ey.com>
Subject: [EXTERNAL] Camrose casino license

Good afternoon Dave, Kirsten,

I hope the holidays treated you well.

I'm reaching out as Ernst & Young Inc., in its capacity as Receiver of Mayfield Investments Ltd., intends to enter into an amendment to the existing purchase and sale agreement entered between Capital City Casinos Ltd. and Camrose Casino Corporation which would permit a sale of the Camrose casino license to Capital City, subject to AGLC and Court approval. Capital City would then own and operate the casino at the Camrose Casino Resort Hotel while the proposed SE Edmonton casino is being constructed.

We have January 14, 2024 booked for a court application to seek other relief required in the receivership of Mayfield and materials for that application must be filed and served on January 6, 2024. Ideally the Receiver would also be able to seek approval of the sale of the Camrose casino license to Capital City at that court application.

Let us know what is required from the AGLC's perspective for the Receiver to proceed with a transfer of the Camrose casino license to Capital City. We acknowledge that any transaction would be subject to approval of the AGLC.

Let us know if it would be beneficial to have a call to discuss next steps.

Thanks,

Pete



Peter Chisholm, CPA, CA, CIRP LIT

Turnaround and Restructuring Strategy

Senior Vice President | Ernst & Young Inc.

Partner* & Managing Director | Ernst & Young LLP

Ernst & Young Inc.

Calgary City Centre, 2200 - 215 2nd Street SW, Calgary, Alberta T2P 1M4, Canada

Office + 1 403 206 5061 | Peter.Chisholm@parthenon.ey.com

Website: <http://www.parthenon.ey.com>

*Services provided through Peter A. Chisholm Professional Corporation

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