

Lansdowne Master Limited Partnership
Annual Unitholder Meeting
October 2, 2019

Meeting Minutes

10:30 am, City of Ottawa, CMO Boardroom

Unitholder Attendees:

City of Ottawa: Steve Kanellakos, City Manager

Ottawa Sports and Entertainment Group: Roger Greenberg, Executive Chair and Managing Partner

Lansdowne Master GP Inc.: Mark Goudie, President & CEO
David Porter, Senior Vice President, Finance & Technology

Other Attendees:

City of Ottawa: Marian Simulik, Chief Financial Officer / Treasurer
Steve Box, Director of City Manager's Office
Dan Chenier, General Manager, Recreation Cultural & Facility Services
David White, City Solicitor
Geoff Cantello, Senior Legal Counsel

Component GPs: Stephanie Spruston, Vice President, Corporate Services & General Counsel

Agenda Items.

1. Election of Chair

Motion by Steve Kanellakos to elect Roger Greenberg as Chair.
Motion passed and position accepted.

2. Appointment of Secretary

Motion by Roger Greenberg to appoint Stephanie Spruston as Secretary.
Motion passed and position accepted.

Chair calls the meeting to order.

3. Approval of Previous Meeting Minutes

Motion by Steve Kanellakos to approve the minutes from the September 27, 2018 Lansdowne Master Limited Partnership Unitholders Meeting.

Roger Greenberg concurred. Motion passed and minutes approved.

4. Audited Financial Statements - Presentation by Lansdowne Master GP Inc. (“Master GP”) of audited Financial Statements of Master LP for the period January 1, 2018 to March 31, 2019, together with Auditor’s Report (Section 6.1(a) of LPA).

4.1. Waiver

Motion by Roger Greenberg to waive requirement to send audited financial statements for the Master LP within 120 days of Fiscal Year End of March 31, 2019.

Steve Kanellakos concurred. Motion passed.

4.2. Financial Statements

David Porter summarized the audited financial statements for the Master LP for the period January 1, 2018 to March 31, 2019. This is the first-year reporting with the new fiscal year end. As such, the period of the report is a 15-month period ending March 31, 2019 (referred to as 2018/19 throughout).

Motion by Roger Greenberg to approve the audited financial statements for the Master LP.

Steve Kanellakos concurred. Motion passed.

5. 2018/19 Budget to Actual

David Porter outlined financial results.

Revenue was favourable to budget primarily due to the unbudgeted 67’s playoff round 1 that took place in the reporting period, higher than budgeted CFL Grey Cup distributions and legal settlements with retail tenants. Parking and concessions were unfavourable to budget mainly due to the fact that some major events that were budgeted for (including a stadium concert and an exhibition game with Montreal Impact) did not happen. General and administration costs were favourable to budget, also as a result of the above un-booked events.

6. 2019/20 Operating Budget

David Porter summarized the budget and forecasted financial performance for the period April 1, 2019 to March 31, 2020 and spoke about the major variance to the 2018/19 actuals, noting that the 2018/19 results are based on fifteen (15) months of revenue and expenses. Major variances related to additional events/concerts in 2019/20, CFL distributions and expenses relating to the Grey Cup appearance in 2019/19 and the fact that the Ottawa 67’s revenue and expenses include 1.5 seasons in 2018/19 versus only 1 season in 2019/20.

Motion by Steve Kanellakos to approve the 2019/20 Operating Budget as presented.

Roger Greenberg concurred. Motion passed.

7. Revised Pro-forma

David Porter presented a revised 30-year waterfall outlook, updated to reflect 2018/19 results and budgets from 2018 forward. Total distributions over the 30-year partnership are now estimated to be \$451.1M compared to the \$448.3M estimated in 2018. OSEG and the City's returns are projected to be \$394.6M and Nil respectively. The pro-forma includes annual contributions to the City Lifecycle Fund, for stadium and arena capital replacements, of \$57.1M over the 30-year period. These numbers do not include a proposed consolidation of Lansdowne programming.

The updated variance is mainly due to an increase in team revenue of \$9.5M in stadium operations, a reduction in retail revenue of \$27.5M and some changes to the timing of LMLP equity contributions to align with LMLP Financial Statements.

Mark Goudie commented that although retail revenues are down \$27.5M as a result of renegotiation of base rent for two tenants, with the additional ability to share in percentage rent that was also amended as an offset, we expect to see a better end return on those leases over the next 3-7 years as we make improvements to the site that attract more visitors.

8. Significant Matters - Presentation by Master GP of significant matters for the prior fiscal year, update on current matters of significance and summary of any anticipated matters.

8.1. Site Programming

Mark Goudie noted that he was pleased with the collaboration between the City and OSEG in coordinating events at Lansdowne throughout the reporting period, and more recently in implementing the Aberdeen Square naming rights project. The project will address many of the areas of improvement suggested by respondents to the widely distributed City survey related to the square.

OSEG has submitted a proposal to have site programming transferred from the City to OSEG to leverage operational efficiencies and ultimately improve visitor experience at a fully integrated site. OSEG looks forward to working with the City in the coming months to further explore that possibility.

9. Adjournment

Meeting then adjourned.