

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**FIELD OF DREAMS ENTERPRISES LTD.**

(Hereinafter called the "Franchisee")

**OF THE FIRST PART**

and

**CITY OF OTTAWA**

(hereinafter called the "City")

**OF THE SECOND PART**

WHEREAS, Council for the City of Ottawa ("City") mandated staff to meet with prospective proponents interested in leasing the Ottawa Stadium facility located at 300 Coventry Road in Ottawa ("Stadium"), for the purposes of operating a professional baseball team;

AND WHEREAS, SAM KATZ by their authorized representative, FIELD OF DREAM ENTERPRISES LTD ("Franchisee"), submitted a proposal to lease the Stadium and operate a professional baseball team in the Stadium;

AND WHEREAS, the parties desire to enter into this Memorandum of Understanding (MOU) setting forth the roles and responsibilities of each party as they relate to the Stadium;

THEREFORE, in consideration of the memorandums hereinafter expressed, the parties agree as follows:

1. The City and the Franchisee will enter into a lease agreement ("Lease") for use of the Stadium by the Franchisee. The initial term of the lease will be for a minimum of ten (10) years with the term commencing in 2021 and terminating on Dec 31, 2031 (Term). The Lease will include two successive five (5) year extensions to the Term, which extensions will be subject to the mutual agreement of the parties in writing at least two years prior to end of the term of the Lease. The City's agreement to an extension will be subject to, amongst other factors, the Franchisee being in compliance with the terms of the Lease and in good standing with the City of Ottawa and the Frontier League or similar calibre league.
2. The Lease shall provide for a guaranteed annual lease payment to be made by the Franchisee to the City in the amount of \$125,000.00 (plus H.S.T) per annum beginning in 2021. The guaranteed annual lease payment of \$125,000.00 (plus H.S.T.) will be due and payable in twelve monthly installments of \$10,416.66 (plus H.S.T.) for each and every year of the Term. Alternatively, the guaranteed annual lease payment of \$125,000 (plus H.S.T) can be paid in six equal payments of \$20,833.33 from May 1 to October 1 for each and every year of the Term. A payment scheduled will be confirmed in the lease

agreement. Beginning in year three (3) an annual escalation in the lease payment will become effective using the year over year Ontario Consumer Price Index as published by Statistics Canada.

3. In return for the lease payment, the City shall pay all operating, utility and maintenance costs at the Stadium associated with Frontier League (or similar calibre league) baseball games and practices subject to the terms herein. All repairs and maintenance to the Stadium associated with those baseball events shall be conducted at the sole discretion of the City. The Franchisee will be responsible to pay all direct costs of operating and maintaining the exclusive use areas noted below in Section 5 as well as the scoreboard and parking lot and for all clean-up activities after each of its events that use the entire Stadium and associated lands. Should the Franchisee not maintain said building elements to the City standard, the City has the right to step-in and correct any deficiencies at the cost of the Franchisee.
4. The Franchisee shall pay all Federal, Provincial and Municipal Taxes applicable to the Lease ~~as well as all Business Taxes~~ as they become due and payable.
5. The Franchisee shall have exclusive use of the administration offices, the concession areas and the designated home and visitor locker rooms. The Franchisee shall also have exclusive use of the suites and restaurant space provided that these spaces are improved by the Franchisee to be suitable for public use and meet applicable building codes. The Franchisee will be permitted to conduct improvements to the suites and restaurant space, at its expense, subject to City approval.
6. The Franchisee shall be permitted to enter into agreements with concessionaire/food vendors of its choice, subject to City approval, which approval shall not be unreasonably withheld.
7. The Franchisee acknowledges the Stadium is a three-season facility. Weather dependent, the City will open the Stadium for use on or about the first week of May and close down the Stadium on or about the fourth week of October.
8. The Franchisee acknowledges that it shall be the principle tenant of the Stadium principally to host professional minor league baseball games. The Franchisee must be a member club of the Frontier League (or similar calibre league) and will play all scheduled forty-eight (48), plus exhibition and playoff home games at the Stadium commencing in the 2021 baseball season for the Frontier League. By November 1 in each and every year of the term, the Franchisee shall submit the dates and times for the following year's spring training, the forty-eight (48), plus exhibition and playoff home games, practices (practices shall only take place before 6 pm), and post season games to the City.
9. Following the Franchisee's submission of its game and practice dates, the City shall have until November 30 in each and every year of the term to book community events at the Stadium. From December 1 until March 30 of each and every year of the term, the

Franchise shall have an exclusive opportunity to submit dates and times for other special events/uses of the Stadium. All other special events/uses of the Stadium shall be subject to Section 10 below.

10. The Franchisee may rent the Ottawa Stadium from the City for other events not included in Section 9 of this document. For other events, the Franchisee shall be responsible to pay the City a rental rate as well as all cost recovery rates to be determined by the City under the principle that said events will be cost neutral or revenue positive to the City. Said rental rate will be an incremental rate depending on the level and intensity of the special event.
11. The Franchisee shall provide the City with a standby Letter of Credit in the amount of \$125,000.00 as security for payment of the guaranteed annual lease payment. The Letter of Credit must be issued by a financial institution acceptable to the Treasurer of the City. In addition, the Letter of Credit shall list the City of Ottawa as beneficiary and must be automatically extended from year to year.
12. As a condition precedent to the City entering into any lease agreement for the Stadium, the Franchisee shall pay to the City the \$473,190.67 arrears owed by the previous baseball operator. Until said arrears are paid in full, the interest charge (1.25% monthly compounded) will continue to accrue, and the amount noted will increase.
13. The Franchisee shall have complete control of the parking lot on game days and non-game days. The Franchisee shall retain 100% of parking revenue on game days. Parking revenue on non-game days shall be shared between the City and the Franchisee such that the City shall receive 20% of all net parking revenues generated on non-game days. As indicated in Section 3, the Franchisee shall be responsible for all maintenance and clean-up costs of the parking lot and such activities must be completed to City standards. All City programmed events shall have access to the parking lot and be exempt for parking fees.
14. The City shall identify the specific signage locations on the Stadium that it shall retain rights for advertising and signage. In addition, the City reserves two signs along the outfield wall for City related advertising. Any areas not identified by the City shall be the right of the Franchisee to sell sponsorship or advertising including the Stadium naming rights. Alternatively, the Franchisee may guarantee an annual payment of additional rent of \$100,000 to the City and then retain all advertising and sponsorship rights for the Stadium.
15. The Franchisee shall make available for City Camps, Jumpstart, or other programs identified by the City, at a minimum, the use of forty (40) seats for each baseball event held at the Stadium.
16. The Franchisee agrees that the Stadium is being provided in an "as is" condition.

17. All signage posted on or in the Stadium by the Franchisee or as directed/authorized by the Franchisee shall comply with the City's policy on bilingualism, and the City's Sponsorship and Advertising Policy. Additionally, all signage shall comply with all of the laws of Ontario and all City By-laws.
18. All funds stated are in Canadian Currency.
19. The City will be undertaking a long-term development strategy which may impact the 850 parking spaces at the Stadium for a period of time. The City may, at its sole discretion, rezone any part of the Stadium lands during the term of the lease, in anticipation for the City's future redevelopment plans. Any such redevelopment activity will not occur until Stage 2 of the LRT is operational, which is currently scheduled for 2025.
20. Execution of the lease by the City and Franchisee is conditional on the lease receiving the approval of Council for the City of Ottawa or the appropriate delegated authority approval.
21. The Parties hereto agree that the provisions of this Memorandum of Understanding are intended to be used solely for the purposes of facilitating the establishment of a lease for the Stadium and are therefore non-binding on the parties.

IN WITNESS WHEREOF the parties hereto have executed this Memorandum of Understanding by their properly authorized officers.

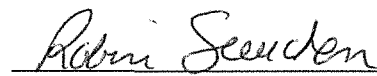
SIGNED SEALED AND DELIVERED )

in the presence of )



Date 2019-11-21 )

CITY OF OTTAWA )

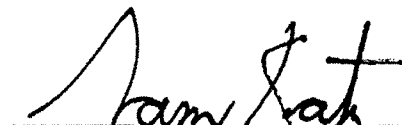


per: Robin Souchen )  
Acting Director Corporate Real Estate Office )  
I have the authority to bind the Corporation. )

FIELD OF DREAM ENTERPRISES LTD )

2019-11-20 )

Date )



per: SAM KATZ )

I have the authority to bind the Corporation. )

SCHEDULE "A"

