

Lansdowne Master Limited Partnership
Annual Unitholder Meeting
September 27, 2018

Meeting Minutes
10:00 am, City of Ottawa, CMO Boardroom

Unitholder Attendees:

<i>City of Ottawa:</i>	Steve Kanellakos, City Manager
<i>Ottawa Sports and Entertainment Group:</i>	Roger Greenberg, Executive Chair and Managing Partner
<i>Lansdowne Master GP Inc.:</i>	Mark Goudie, President & CEO David Porter, Senior Vice President, Finance & Technology

Other Attendees:

<i>City of Ottawa:</i>	Marian Simulik, General Manager Corporate Services & City Treasurer Steve Box, Director of City Manager's Office Dan Chenier, General Manager, Recreation Cultural & Facility Services Geoff Cantello, Senior Legal Counsel
<i>Component GPs:</i>	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 June 5, 2017 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 2016 fiscal year, 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 December 31, 2017.

Steve Kanellakos concurred. Motion passed.

4.2. 2017 Financial Statements

David Porter summarized the 2017 audited financial statements for the Master LP.

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

Steve Kanellakos concurred. Motion passed.

5. 2017 Budget to Actual

David Porter outlined financial results. The two main items contributing to the \$1.9M unfavourable budget variance were higher than anticipated expenses incurred in the delivery of the Grey Cup Festival and a lower number of booked live entertainment events than planned in both the stadium and arena.

Roger Greenberg remarked that the Grey Cup Festival was a success, however he was disappointed with the lack of funding and support provided by the Federal Government. He noted further that OSEG’s financial management (budgeting and forecasting) and reporting structure continues to improve.

Mark Goudie advised that, with the number of 150th anniversary celebrations in Ottawa in 2017, smaller promoters were reluctant to book events at Lansdowne and in Ottawa generally. OSEG anticipates being on target for our budgeted events in 2018.

6. 2018 Operating Budget

David Porter summarized the budget and forecasted financial performance for 2018. OSEG continues to increase the stadium revenue projections year over year based on aggressive targets to book a full stadium and two amphitheatre shows. OSEG can anticipate an unfavourable variance in the REDBLACKS budget should the team participate in or win the Grey Cup this year in Edmonton, as the CFL playoff model doesn’t fully reimburse teams for all related Grey Cup expenses.

Marian Simulik recommended creating a stacked bar on future graphs to show Grey Cup budget impacts separately.

Motion by Steve Kanellakos to approve the 2018 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 2017 results and budgets from 2018 forward. Total distributions over the 30-year partnership are now estimated to be \$448M compared to the \$508M estimated in 2017. OSEG and the City's returns are projected to be \$391M and Nil respectively. These returns are unfavourable to from the projections in 2017 of \$411M for OSEG and \$33M for the City. The pro-forma includes annual contributions to the City Lifecycle Fund, for stadium and arena capital replacements, of \$57M over the 30-year period.

Roger Greenberg advised that a strategic planning process currently underway is aimed at identifying sustainable revenue sources and expense savings so that we can continue to move towards cash flow break even. A new Lifecycle Fund study will be carried out in 2019, arenas required by the Project agreements.

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 explained that one of OSEG's main areas of focus in its strategic planning will be to make better use of the full site to attract more visitors and support retail tenants and the community.

Steve Kanellakos agreed that there are opportunities for an integrated approach to optimizing the use of Lansdowne in partnership with the City and others (such as Heritage Canada and the National Capital Commission). Dan Chenier remarked that the City has gradually pulled back from operating community centres throughout the city and there may be opportunities in the future, as part of the strategic planning, to identify ways to adjust how, for example, the Aberdeen and Horticulture buildings are managed and programmed.

9. Adjournment

Meeting then adjourned.