

Francis Winspear Centre for Music Agreement Term Sheet

Parties:

The City of Edmonton (City) and Francis Winspear Centre for Music (Winspear Centre).

Purpose:

This funding is a contribution towards the completion of the Francis Winspear Centre Expansion Project (“Expansion Project”) as outlined in the City of Edmonton Capital City Downtown Community Revitalization Levy Plan (“CRL Plan”), Item 9.19.

City Maximum Funding Contribution:

Up to \$33.4 million (“City Maximum Contribution”), to be paid from the City of Edmonton Capital City Downtown Community Revitalization Levy.

Any costs or expenses of the Expansion Project in excess of the City Maximum Contribution are the sole responsibility of the Winspear Centre.

Eligible Expenditures:

The Winspear Centre shall use the City Maximum Contribution only for eligible expenditures under the CRL Plan, as determined by the City in its sole discretion. Such eligible expenditures may include the following:

- a. Building Improvements:
 - Construction of the Expansion Project, including the Music Box theatre (a 550-seat performance hall), studio spaces, performance spaces, education spaces, and furniture, fixtures and equipment for the Expansion Project;
 - Costs and expenses for professional services related to the building improvements including design, acoustical consultants, engineering, architecture, project management, administration, and permitting costs; and
 - Purchase and installation of performance equipment for the Music Box theatre (including automated mechanical seating system (GalaSeating System), banners, lighting, sound, and rigging).

b. Public Realm Improvements:

- Construction of sidewalks, open spaces, and landscaping including furnishings and lighting associated with the Expansion Project.

Ineligible Expenditures:

The City Maximum Contribution shall not be used to fund any of the following, as determined by the City in its sole discretion:

- a. Cost and expenses related to the renovations to the original Francis Winspear Centre for Music building, except those renovations which are essential to tie into the Expansion Project as determined in the sole discretion of the City;
- b. Payment of the principal, interest, or administrative fee for the City of Edmonton parkade loan;
- c. Debt reduction, bank or finance-related charges, or interest payments on loans or lines of credit;
- d. Any fundraising costs, including future or Expansion Project-related fundraising costs;
- e. Maintenance or operating costs;
- f. Costs and expenses related to the Downtown District Energy system;
- g. Any costs and expenses incurred prior to January 1, 2026; and
- h. Any such other costs and expenses as may be determined by the City, in the City's sole discretion.

Audit Right:

The City may audit all financial and related records associated with the Expansion Project, the City Maximum Contribution, and the terms of this CRL Funding Agreement ("Agreement").

Condition Precedent:

The Agreement is entirely subject to and conditional on the following occurring:

- a. City Council approval to grant the Francis Winspear Centre for Music \$33.4 million from the Capital City Downtown CRL for the Expansion Project.

Reimbursement Model:

Payment of the City Maximum Contribution will involve both quarterly reimbursements and reimbursements for deposits.

Quarterly Reimbursements

Winspear Centre shall be responsible for paying all costs and the City shall reimburse the Winspear Centre, in accordance with the Agreement.

- Payment will occur quarterly for reimbursement following verification of costs from a licensed and certified third party quantity surveyor retained by the Winspear Centre.
- The City will only reimburse costs for Eligible Expenditures that have been incurred and paid for and not funded by any other funding source (including any other level of government).
- Reimbursement is conditional on proof of expenses to the satisfaction of the City as well as any other reporting as required in the sole discretion of the City.
- Reimbursement for Eligible Expenditures will be subject to a 10% holdback. The holdback will only be released when the City is in receipt of an issued occupancy permit for the Expansion Project.

Payment of any quarterly reimbursements will be entirely subject to and conditional upon all of the following occurring:

- a. The Winspear Centre providing the City with a Project Management Plan (the "Plan"), signed by a registered Project Management Professional (or City approved equivalent), within 60 days of the full execution of the Agreement. The Plan shall include:

1. Information outlining the target budget, schedule, and scope for the Expansion Project;
2. Any processes used to inform the contract management for the Expansion Project (i.e. change orders, RFIs, etc.);
3. Reporting requirements for the Expansion Project (what details and to whom);
4. An outline of the decision making process for the Expansion Project (how decisions are made and who makes them under what authority);
5. The Expansion Project team credentials and key roles in supporting the Expansion Project;
6. The Expansion Project outcomes and success factors; and
7. Key risks and mitigation strategies to address risks associated with the Expansion Project.

b. The City and Winspear Centre fully executing a funding agreement relating to the Winspear Centre parkade revenue by no later than July 31, 2026. The City will provide this agreement to the Winspear Centre for execution by no later than June 30, 2026; and

c. The City and Winspear Centre fully executing an access easement relating to providing vehicular access to the Winspear underground parkade by no later than July 31, 2026. The City will provide this access easement to the Winspear Centre for execution by no later than June 30, 2026.

If the City does not provide the agreements referenced above in (b) and (c) by June 30, 2026, then the parties shall negotiate a new condition date for (b) and (c).

Deposits

Notwithstanding the above quarterly reimbursement model and its conditions for payment, the Winspear Centre may apply to the City at any time for 100% reimbursement of deposits (“Deposit Reimbursement”) solely related to the purchase of the performance equipment for the Music Box theatre.

The City shall retain sole discretion over what equipment is eligible for a Deposit Reimbursement. Payment of the Deposit Reimbursement is conditional on proof of

the deposit to the satisfaction of the City. Deposit Reimbursements shall not exceed a total of \$4.0 million.

If the Winspear Centre does not receive the performance equipment for the Music Box theatre, the Winspear Centre shall repay the City the Deposit Reimbursement.

Term:

The Agreement will expire on December 31, 2028.

Additional Terms:

The Winspear Centre shall provide the City with a release from any and all legal claims.

Additional:

The Agreement, and any ancillary agreements thereto, shall be in a form acceptable to Legal Services and in content acceptable to the City Manager or designate. The approval of the Agreement includes the approval of such corrective, conformance, and incidental amendments to the Terms and Conditions, and to the form and content, as necessary or desirable to give effect to or implement the funding transaction, all as may be subsequently approved by the City Manager or designate.