

10-16-1998

ER SHEET
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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

OMB No. 0651-0011 (exp. 4/94)



MRO 10-8-98
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To the Honorable Commissione

the attached original documents or copy thereof.

1. Name of conveying party(ies):

Oilers Hockey Inc.

- Individual(s)
- General Partnership
- Corporation-State
- Other Canadian corporation
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other Asset Purchase Agreement
- Merger
- Change of Name

Execution Date: May 5, 1998

2. Name and address of receiving party(ies)

Name: Edmonton Investors Group Limited Partnership

Internal Address: _____

Street Address: 200, 14964-121 A Avenue

City: Edmonton State: Alberta ZIP: T5V 1A3
Canada

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership - Alberta _____
- Corporation-State _____
- Other _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from assignment)

Additional name(s) & address(es) attached? Yes No

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

0/14/1998 SBURNS 00000006 500205 1566457

01 FC:481 40.00 CH
02 FC:482 75.00 CH

B. Trademark Registration No.(s)

1,566,457 1,567,617
2,095,997 2,151,254

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Samantha Payne

Internal Address: NHL Enterprises, L.P.

Street Address: 1251 Ave. of the Americas

City: New York State: NY ZIP: 10020-1198

6. Total number of applications and registrations involved: 4

7. Total fee (37 CFR 3.41).....\$ 115.00

Enclosed

Authorized to be charged to deposit account

8. Deposit account number:

500205

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Mary J. Sotis
Name of Person Signing

Mary J. Sotis
Signature

10/7/98
Date

Total number of pages including cover sheet, attachments, and document: 41

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

TRADEMARK
REEL: 1800 FRAME: 0349

Oct-07-88 09:00am From-EDMONTON OILERS
Oct-08-88 03:15pm From-EDMONTON OILERS
OCT-08-88 12:37 FROM: [unclear]

4034144604
4034144684

T-574 P.03/03 F-953
T-561 P.02/02 F-831

DESIGNATION OF DOMESTIC REPRESENTATION

Mark: OILERS & Design
Registration Number: 1,366,457
Registrant: Oilers Hockey Inc.

Mark: OILERS
Registration Number: 1,567,617
Registrant: Oilers Hockey Inc.

Mark: Miscellaneous Design
Registration Number: 2,095,987
Registrant: Oilers Hockey Inc.

Mark: Miscellaneous Design
Registration Number: 2,157,254
Registrant: Oilers Hockey Inc.

Mary J. Setis, Esq., whose postal address is NHL Enterprises, L.P., 1251 Avenue of the Americas, New York, New York 10020-1198, is hereby designated applicant's representative upon whom notice of process in proceedings affecting the mark may be served.

EDMONTON INVESTORS GROUP LIMITED PARTNERSHIP
By its general partner,
Edmonton Investors Group Ltd.

Date: October 6 1988


By: Gary Gregg
Title: Secretary

OCT 06 '88 10:31

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PAGE 02

→ TOTAL PAGE 03 →

TRADEMARK
REEL: 1800 FRAME: 0350

THIS ASSET PURCHASE AGREEMENT made as of the 5 day of May, 1998.

BETWEEN:

EDMONTON INVESTORS GROUP LIMITED PARTNERSHIP, a limited partnership established under the laws of Alberta, by its General Partner **EDMONTON INVESTORS GROUP LTD.**, a corporation incorporated pursuant to the laws of the Province of Alberta, Canada

- and -

POCKLINGTON FINANCIAL CORPORATION, a corporation formed by the amalgamation of certain corporations under the laws of the Province of Alberta, Canada

- and -

ALBERTA TREASURY BRANCHES, a corporation established pursuant to the Alberta Treasury Branches Act

WHEREAS ATB has advised EIG, and hereby represents and warrants to EIG that:

- (i) PHP, the Vendor and certain affiliates are indebted or otherwise obligated to ATB and are in default in respect of such indebtedness or other obligations;
- (ii) ATB has security and other interests in the Purchased Assets in respect of such indebtedness and other obligations;
- (iii) ATB currently has the right to cause the disposition of the Purchased Assets;
- (iv) ATB has determined to exercise its rights and remedies as a creditor of PHP, the Vendor, and such affiliates and to cause the disposition of the Purchased Assets;
- (v) if the Vendor fails to do so, ATB will take all necessary action to cause the transfer of the Purchased Assets to EIG pursuant to this Agreement,

and such transfer and the other transactions contemplated hereby will not result in the breach of any agreement or restriction applicable to ATB or the Purchased Assets;

AND WHEREAS EIG, ATB and PSC have executed the Interim Agreement wherein EIG agreed to purchase certain assets as described therein;

AND WHEREAS the Interim Agreement contemplates the execution and delivery of a definitive agreement to amplify and carry out the terms of the Interim Agreement;

AND WHEREAS PSC has amalgamated with certain other corporations to form the Vendor;

AND WHEREAS EIG wishes to acquire certain other assets of the Vendor;

THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the parties hereto covenant and agree with each other as follows:

ARTICLE 1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) "Actions" means the actions initiated or threatened against the Vendor or the Purchased Assets excepting thereout:
 - (i) present or future actions initiated against the NHL and/or the member clubs of the NHL as a whole, including the Edmonton Oilers, other than actions arising out of an act or omission of the Vendor which did not involve an act or omission of the NHL or any member club of the NHL other than the Edmonton Oilers;
 - (ii) those actions initiated or threatened subsequent to the Closing Date where the event or occurrence that gave rise to such actions was caused by EIG as a result of operating or dealing with the Business or the Purchased Assets subsequent to the Closing Date;
- (b) "Adjustment Date" means June 30, 1998;

- (c) "Admission Surcharge Agreement" means the agreement entitled "Admission Surcharge Agreement" made as of July 14, 1994 between the City of Edmonton, Edmonton Oilers Hockey Club, CMI, and Trappers Baseball Corp.;
- (d) "Adverse Consequences" means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, interest, fines, costs, amounts paid in settlement, liabilities, obligations, liens and losses;
- (e) "Advertising Contracts" means the contracts and agreements described in Schedule "D";
- (f) "Agreement" means this Asset Purchase Agreement, including the preamble and all schedules attached hereto, as amended, modified or supplemented from time to time;
- (g) "All-Star Suites" means the agreements or licenses for the suites located on the main floor of the Edmonton Coliseum and are listed in Schedule "O";
- (h) "ATB" means Alberta Treasury Branches;
- (i) "ATB's Opinion" means a legal opinion of the solicitors for ATB, in the form attached as Schedule "E";
- (j) "Authority" means any governmental, regulatory or administrative body, agency or authority, any court of competent jurisdiction, any arbitrator or other public, private or industry regulatory authority having jurisdiction;
- (k) "Best Efforts" means a party's best efforts without the incurrence of unreasonable expense;
- (l) "Business Records" means all books, records, files and documents relating to the Business, including without limitation, books of account, ledgers, journals, sales and purchase records, lists of suppliers, credit information, cost and pricing information, business reports, plans and projections and all other correspondence, data and information, financial or otherwise, in any format and media whatsoever, related to the Business. Without restricting the generality of the foregoing, Business Records shall include manuals, warranties and service records for the Purchased Assets;
- (m) "Bulldogs" means the hockey team operating in the American Hockey League, owned by HBC and known as the "Hamilton Bulldogs";

- (n) "Business" means the businesses carried on by the Vendor and HBC in managing and operating the Edmonton Oilers, the Bulldogs, the Edmonton Coliseum and the Champion Stores, and includes, without limitation, any ancillary businesses carried on in relation to the Purchased Assets;
- (o) "Canadian Currency Equalization Plan" means the Canadian currency proposal as outlined in the memorandum from Jeffrey Pash of the NHL dated July 10, 1995 and December 27, 1995 as approved by the NHL Board of Governors in resolutions dated July 14, 1995 and July 4, 1996;
- (p) "CCEP Payments" means all payments, revenues and proceeds payable from time to time by the NHL on account of the Canadian Currency Equalization Plan, and on account of the NHL small market subsidy. Under this Agreement the CCEP Payments will be those that have been paid or are payable from the date of the Interim Agreement;
- (q) "Champion Stores" means the retail outlets operated by the Vendor at the Edmonton Coliseum, the Edmonton Baseball Park, Commonwealth Stadium and those premises identified in the Leases;
- (r) "Champion Stores Inventory" means any and all goods, wares or merchandise owned by the Vendor for the purpose of operating the Champion Stores, and held by the Vendor as inventory for the sale to third parties;
- (s) "Closing Date" means the fifth business day following the satisfaction of the conditions contained in paragraph 5 of the Interim Agreement and no later than May 5, 1998;
- (t) "CMI" means the corporation previously known as Coliseum Management Inc.;
- (u) "Collective Bargaining Agreement" means the agreement entered into between the NHL and the National Hockey League Players Association that runs from September 16, 1993 to September 15, 2004, and an agreement entered into between the American Hockey League and the Professional Hockey Players Association that is to run from September 1, 1998 to August 31, 2002;
- (v) "Contra Contracts" means those contracts listed in Schedule "F" where the consideration or benefit under the contract to the Vendor or a portion thereof, is other than a cash payment;
- (w) "Current Season" means the 1997 - 1998 NHL hockey season, including play-offs and final games;
- (x) "Deposit" means the sum of US \$5,000,000.00 held by the Escrow Trustee in accordance with the Escrow Agreement;

- (y) "Direction" means the direction to the Escrow Trustee to pay the Deposit to ATB to be signed and delivered by ATB, PSC and EIG in letter form as contemplated by and attached as Schedule "A" to the Escrow Agreement;
- (z) "DSI" means Dominion Sportservice Ltd.;
- (aa) "DSI Contract" means the undated agreement for the management of concessions at the Edmonton Coliseum entered into between Edmonton Oilers Hockey Corp., CMI, Trappers Baseball Corp., Pocklington Financial Corporation and DSI, as assigned by Edmonton Oilers Hockey Corp. and Pocklington Financial Corporation to OHI;
- (ab) "DSI Loan" means the loan referenced in Article 8.5.1.1 of the DSI Contract and as evidenced by the promissory note dated September 1, 1994 in the principal amount of \$1,500,000.00 given to DSI by Trappers Baseball Corp., Edmonton Oilers Hockey Corp., CMI and Pocklington Financial Corporation;
- (ac) "Edmonton Baseball Park" means the premises located in the City of Edmonton, Alberta where the Edmonton Trappers Baseball Club of the Pacific Coast League currently plays its home baseball games;
- (ad) "Edmonton Coliseum" means the premises as defined in the Northlands License Agreement;
- (ae) "Edmonton Oilers" or "Club" means the hockey team which is a member club of and in the NHL pursuant to the NHL Franchise;
- (af) "EIG" means Edmonton Investors Group Limited Partnership, by its General Partner, Edmonton Investors Group Ltd.;
- (ag) "Employees" means the employees listed in Schedule "G" who will be offered employment by EIG on the Closing Date;
- (ah) "Escrow Agreement" means the Escrow Agreement dated March 13, 1998 executed by ATB, PSC, EIG and the Escrow Trustee pursuant to which the Escrow Trustee agreed to hold the Deposit in escrow on the terms and conditions contained therein;
- (ai) "Escrow Trustee" means The Bank of Nova Scotia;
- (aj) "ESPN Revenues" means any and all monies, revenues, payments, credits, allocations or other consideration due or accruing due in respect of the Edmonton Oilers hockey club by the NHL pursuant to the NHL's Cable Agreement with ESPN;

- (ak) "Equipment" means the hockey and other equipment, machinery, furniture, furnishings, supplies, parts, tools and other tangible personal property owned or leased by the Vendor as described in Schedule "H";
- (al) "Excluded Assets" means the assets described in Schedule "B" which EIG has elected not to acquire from the Vendor;
- (am) "Expansion Revenue" means all monies payable from time to time on account of the Edmonton Oilers by the NHL relating to its share of monies received by the NHL from any Person who is acquiring an NHL Franchise. Under this Agreement, the Expansion Revenue will be those payments which have been paid or are payable from the date of the Interim Agreement;
- (an) "Fox TV Revenues" means any and all monies, revenues, payments, credits, allocations or other consideration due or accruing due in respect of the Edmonton Oilers hockey club by the NHL pursuant to the NHL's National Television Agreement with Fox Television;
- (ao) "Future Seasons" means the hockey seasons commencing subsequent to June 30, 1998;
- (ap) "GAAP" means generally accepted accounting principles as stated in the Handbook of the Canadian Institute of Chartered Accountants;
- (aq) "Goodwill" shall mean the goodwill of the Business, together with the exclusive right of EIG to represent itself as carrying on the Business in continuation of and in succession to PFC, and all rights and entitlements of the Vendor to the names "Edmonton Oilers", "Oilers", "Hamilton Bulldogs", "Bulldogs" and "Champion Stores";
- (ar) "GST" means the Goods and Services Tax defined in the Excise Tax Act (Canada);
- (as) "HBC" means Hamilton Bulldogs Corp.;
- (at) "Head Office Lease" means the lease entered into between Pocklington Management Inc., Pocklington Financial Corporation and CMI, dated August 18, 1995, as amended and assigned, relating to those premises located in the City of Edmonton, Alberta and municipally described as: 11230 - 110 Street;
- (au) "Impediments" means liens, security interests, encumbrances, obligations, liabilities, rights of others and entanglements attaching to or relating to the Purchased Assets;
- (av) "Intellectual Property" means all intellectual property rights, logos, whether legal, equitable or moral, including patents, trademarks, trade names, copyrights or

other rights in respect of any intellectual property utilized in connection with or arising from the operation of the Business, and all Records in relation thereto including, without limitation, the Trademarks;

- (aw) "Interim Agreement" means the Purchase Agreement dated March 13, 1998 and made among ATB, EIG and PSC relating to the sale of certain of the Purchased Assets;
- (ax) "Intra-Continental Ensurers Ltd." means the company incorporated in Bermuda on June 4, 1986 and holds a Class 2 License under the Insurance Act, 1978 of Bermuda, of which the Vendor, the Subsidiaries, and/or the Edmonton Oilers are a member;
- (ay) "Inventory" means any and all goods, wares or merchandise owned by the Vendor for the purposes of its Business, and held by the Vendor as inventory for the sale to third parties, excluding the Champion Stores Inventory;
- (az) "Knowledge" means, with respect to any Person making a representation or warranty herein or at Closing, the actual knowledge of such person and (if a corporation) its directors and executive officers;
- (ba) "Law" means any law, statute, regulation, ordinance, requirement, announcement or other binding action or requirement of any governmental, regulatory or administrative body or agency, any court, or any arbitrator or tribunal having jurisdiction over the Vendor, or the Purchased Assets;
- (bb) "Leases" means the leases which are listed in Schedule "L";
- (bc) "Limited Partnership Rights" means all rights and benefits held by the Vendor in NHL Enterprises Canada Limited Partnership;
- (bd) "Material Adverse Change" means a change in the Purchased Assets or the business, finances or operation thereof, including the Business, or a change in the prospects for operation of the Business or Purchased Assets, which is material and adverse in its effect on the value of the Purchased Assets;
- (be) "Media Contracts" means the contracts, licenses and agreements listed in Schedule "M";
- (bf) "NHL" means the National Hockey League or any successor thereto;

- (bg) "NHL Agreements" means the NHL Franchise Agreement, the NHL Constitution, and the by-laws, rules, regulations and resolutions of the NHL and any other agreements or obligations to which a member club may be subject or rights to which a member club may be entitled by virtue of its membership in the NHL;
- (bh) "NHL Franchise Agreement" means the franchise agreement dated May 24, 1979, as amended, and the consent agreement dated December 30, 1981 as modified by a supplemental consent agreement dated December 3, 1984 and a second supplemental consent agreement dated July 24, 1990, granting membership in the NHL in respect of the Edmonton Oilers;
- (bi) "Northlands" means Edmonton Northlands, a body corporate under the laws of Alberta;
- (bj) "Northlands License" means the agreement entitled "License Agreement" made as of July 14, 1994 between Northlands, Edmonton Oilers Hockey Corp. and CMI, as amended by a memorandum dated September 29, 1994, as amended by an addendum dated December 9, 1994, as amended by a letter dated December 16, 1994, as amended by a letter dated August 24, 1995, and as amended by a letter dated October 16, 1995;
- (bk) "OHE" means Oilers Hockey Enterprises Inc.;
- (bl) "OHI" means the corporation previously known as Oilers Hockey Inc.;
- (bm) "PSC" means the corporation previously known as Pocklington Sports Corp.;
- (bn) "PHP" means Peter Hugh Pocklington;
- (bo) "Parking License Agreement" means the agreement dated July 14, 1994 between the City of Edmonton, Edmonton Oilers Hockey Corp. and CMI relating to the use of specified lands owned by the City of Edmonton for parking purposes;
- (bp) "Permits" means all licenses and permits issued to or held by the Vendor and HBC, as the case may be, and required for the operation of the Business;
- (bq) "Permitted Impediments" means the Impediments described in Schedule "R". Any past due Impediments or Impediments earned or accrued prior to the Closing Date (including, without limitation, deferred compensation for Players, but excluding any amounts payable after the Closing Date on account of signing bonuses for Players) shall not be Permitted Impediments and shall remain obligations of the Vendor;

- (br) "Person" includes an individual, a corporation, a partnership, a trustee, any unincorporated organization, a government or any department, division or agency thereof, and words importing persons have a similar meaning;
- (bs) "Players" means the hockey players and coaches in Schedule "S" who have entered into a Player's Contract with the Vendor or HBC;
- (bt) "Players Contracts" means the contracts for Players entered into with the Vendor or HBC, which contracts, and the terms thereof, are identified in Schedule "S";
- (bu) "Post Closing Operations" means the operation of the Business and the Purchased Assets for the period from the Closing Date to and including the Adjustment Date;
- (bv) "Purchase Price" means the sum of \$70,000,001.00 in lawful money of the United States of America;
- (bw) "Purchased Assets" means the assets being purchased by EIG from the Vendor and described in Schedule "A";
- (bx) "Purchaser's Opinion" means a legal opinion of the EIG's solicitors in the form attached as Schedule "T";
- (by) "Service Agreements" means the contracts or agreements for the provision of equipment, supplies or services, which are listed in Schedule "P";
- (bz) "Sky Suites" means the agreements or licenses for the suites located on the upper level of the Edmonton Coliseum and are listed in Schedule "O";
- (ca) "Special Account" means the special account to be established in accordance with Article 7 herein;
- (cb) "Subsidiaries" means those corporations identified in Schedule "C" where the Vendor owns the shareholdings as disclosed in the said Schedule "C";
- (cc) "Taxes" means, collectively all taxes, rates, levies, assessments, duties and like charges to which the Vendor or the Purchased Assets are or may be subject, including without limitation, income, gross receipts, net proceeds, alternative add-on, minimum, ad valorem, value added, turnover, sales, use, property, personal property (tangible and intangible), stamp, leasing, excise, duty, franchise, transfer, license, withholding, payroll, employment, fuel and environmental taxes, and all other like charges payable to any federal, state, local or other government or agency or authority.
- (cd) "Ticket Agreements" means the contracts and agreements listed in Schedule "O";

- (ce) "Ticket Direction" means a notice in writing by the Vendor to Ticketmaster Alberta Inc. irrevocably directing that all monies due to the Vendor for events at the Coliseum subsequent to the Adjustment Date be paid to EIG;
- (cf) "Trademarks" means the registered trademarks, tradenames and the registered copyrights identified in Schedule "K";
- (cg) "Vendor" means Pocklington Financial Corporation, a corporation created by the amalgamation of Pocklington Management Inc., Pocklington Financial (1996) Corporation, Hartford Management Inc., PSC, Club Fit Inc., Coliseum Productions Inc., , Oilers Hockey Inc., 350151 Alberta Ltd., Pocklington U.S. Inc. and CMI and any reference to Vendor shall include any and all predecessor corporations; and
- (ch) "Vendor's Opinion" means a legal opinion of the solicitors for the Vendor, in the form attached as Schedule "J".

1.2

Interpretation

- (a) Schedules The following schedules are attached to, incorporated in and form part of this Agreement:

- Schedule "A" - Purchased Assets
- Schedule "B" - Excluded Assets
- Schedule "C" - Subsidiaries
- Schedule "D" - Advertising Contracts
- Schedule "E" - ATB's Opinion
- Schedule "F" - Contra Contracts
- Schedule "G" - Employees
- Schedule "H" - Equipment
- Schedule "I" - Signing Bonuses
- Schedule "J" - Vendor's Opinion
- Schedule "K" - Trademarks
- Schedule "L" - Leases
- Schedule "M" - Media Contracts
- Schedule "N" - Information on Subsidiaries
- Schedule "O" - Ticket Agreements
- Schedule "P" - Service Agreements
- Schedule "Q" - Purchase Price Allocation
- Schedule "R" - Permitted Impediments
- Schedule "S" - Players and Player's Contracts
- Schedule "T" - Purchasers' Opinion
- Schedule "U" - Indemnity from PHP and the Vendor
- Schedule "V" - Intentionally deleted
- Schedule "W" - Unearned Revenue for Future Seasons
- Schedule "X" - Retirement Plan

Schedule "Y" - Benefit Plans

- (b) Sections and Headings The division of this Agreement into Articles, sections, subsections, paragraphs, and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.
- (c) Extended Meanings Words importing the singular number include the plural and vice-versa; words importing gender include the masculine, feminine and neuter genders, as the context requires or permits.
- (d) Funds Unless otherwise specified, all dollar amounts referred to this Agreement are in lawful money of Canada.
- (e) Governing Law This Agreement shall be construed and governed in accordance with the laws of the Province of Alberta and of Canada applicable in Alberta.
- (f) GAAP All transactions and operations contemplated by this Agreement shall be accounted for in accordance with GAAP.

ARTICLE 2. PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Agreement to Purchase

Subject to the terms and conditions hereof, the Vendor agrees to sell, assign, and transfer to and EIG, and EIG agrees to purchase and accept the assignment and transfer of, the Purchased Assets, free of Impediments other than the Permitted Impediments which shall be assumed by EIG.

2.2 ATB Agreement

ATB shall cause the sale, assignment and transfer of the Purchased Assets to EIG free of Impediments other than the Permitted Impediments which shall be assumed by EIG.

2.3 Specific Assets

The parties hereto acknowledge and agree that the purchase hereunder by EIG does not include any property, assets and undertakings of the Vendor except for those that are specifically bargained for and identified in the attached Schedule "A". The parties hereto further acknowledge and agree that no debt, obligation, payable, or Impediment is being assumed hereunder by EIG except for the debts, obligations and payables subsequent to the Closing Date arising from or resulting from the assignment of the contracts, licenses, leases and other forms of agreement included in Schedule "A", and except for the Permitted Impediments identified in the attached Schedule "R".

ARTICLE 3. PURCHASE PRICE

3.1 Payment of Purchase Price

EIG shall pay and satisfy the Purchase Price by delivering or causing to be delivered a certified cheque or bank draft payable to ATB for the full amount of the Purchase Price, (subject only to the adjustments as specifically set forth herein) on the Closing Date.

3.2 Deposit

The parties acknowledge that EIG has paid the Deposit to the Escrow Trustee and that it shall be utilized in accordance with the terms of the Escrow Agreement.

3.3 Adjustments on the Closing Date

There will be no adjustments on the Closing Date as the parties hereto have agreed to adjust for any and all amounts on the Adjustment Date.

3.4 Payments by the Vendor on the Closing Date

The Vendor shall, and ATB shall cause the Vendor to, pay to EIG by certified cheque or solicitor's trust cheque all Expansion Revenue and all CCEP Payments received by the Vendor or by ATB on or after March 13th, 1998.

3.5 Assumption of Liabilities

Subject to the principals set forth in Article 7 herein, EIG agrees to assume and become liable for the Permitted Impediments as of the Closing Date. Liabilities in respect of Excluded Assets and for Impediments that are not Permitted Impediments shall continue to be the responsibility of the Vendor.

3.6 Payment of Taxes

Subject to Article 3.7 herein, EIG shall be liable for and shall pay all applicable federal and provincial Taxes, duties and charges (other than income taxes of the Vendor) properly payable upon and in connection with the conveyance and transfer of the Purchased Assets to EIG, including GST. The Vendor will do and cause to be done such things as are reasonably requested to enable EIG to comply with such obligation in an efficient manner.

3.7 GST Election

EIG and PFC shall make a joint election on the Closing Date pursuant to s. 167 of the Excise Tax Act (Canada) in respect of Goods and Services Tax. EIG hereby represents and warrants that it is a GST registrant and its GST registration number is RT899570220.

3.8 NHL Covenant

The parties hereto covenant and agree that each of them shall observe, perform and be bound by all of the terms and conditions of the NHL consent to the acquisition of the NHL Franchise by EIG hereunder.

3.9 Purchase Price Allocation

The Purchase Price payable by EIG shall be allocated as set out in Schedule "Q".

ARTICLE 4. PRE-CLOSING MATTERS

4.1 Confidentiality

EIG shall hold and shall cause its advisors and investors to hold in strictest confidence all information obtained from ATB and the Vendor in respect of the Vendor, other than information relating to the Purchased Assets and the Business.

4.2 DSI Contract

With respect to the DSI Contract, and the Letter Agreement referred to in s. 14.1.4 thereof the parties hereto agree as follows:

- (a) unless the capitalized terms in this Article 4.2 are defined in this Agreement, the capitalized terms in this Article 4.2 shall have the meaning given to them in the DSI Contract;
- (b) effective from the Closing Date, but subject to the provisions for adjustments set forth elsewhere in this Agreement, EIG shall be liable for, and shall pay to DSI, one half of the Base Fee, and EIG shall assume, and be liable to observe and perform, all other obligations of the Vendor under the DSI Contract arising from and after the Closing Date;
- (c) EIG shall indemnify and hold harmless each of the Vendor and ATB in respect of the DSI Contract for the portion of the Management Fee and all other obligations under the DSI Contract assumed by EIG as set forth in clause (b) above;
- (d) up to the Closing Date the Vendor and ATB shall pay to DSI the Base Fee, and shall be responsible for all other obligations under the DSI Contract up to and including the Closing Date. The Vendor and ATB shall indemnify and hold EIG harmless in respect of the other half of the Base Fee and for all other obligations under the Related Management Agreement and in respect of the Loan Facility (or loans) referred to in the Letter Agreement and Related Management Agreement;

- (e) without restricting the generality of the foregoing clauses:
- (i) if EIG, or any assignee or successor to EIG, defaults under the DSI Contract, EIG shall indemnify and hold harmless each of the Vendor and ATB in respect of all losses, damages, costs and expenses incurred or suffered by either of them as a result of such default by EIG;
 - (ii) if there is default under the Related Management Agreement or in respect of the Loan Facility (or loans) the Vendor and ATB shall indemnify and hold harmless EIG in respect of all losses, damages, costs and expenses incurred or suffered by EIG as a result of such default;
- (f) the parties hereto shall use their respective Best Efforts to obtain from and settle with DSI an agreement or agreements to fully sever the concession management agreements relating to the Edmonton Coliseum and the Edmonton Baseball Park to reflect the arrangement between the parties as set forth in this Article 4.2, in which case such agreement or agreements shall supersede the provisions of this Article 4.2, but otherwise the provisions of this Article shall remain in full force and effect.

4.3 DSI Loan

Obligations in respect of the DSI Loan shall be included as an Impediment, and the Vendor and ATB hereby acknowledge and agree that the obligations in respect of the DSI Loan are included in the indemnities contained in Articles 10.1 and 10.2 herein.

4.4 Head Office Lease

The Vendor shall, and ATB shall cause the Vendor to, provide uninterrupted possession of that portion of the premises demised in the Head Office Lease, currently used in operating the Business, to EIG until June 30, 1998 at no cost or expense whatsoever to EIG.

4.5 Trappers

The parties hereto acknowledge and agree that the administration and accounting for Trappers Baseball Corp. ("Trappers") has been conducted in conjunction with the administration and accounting for the Club. The parties hereto further acknowledge that the Trappers use some of the equipment and chattels of the Vendor which are being sold hereunder to EIG. On or immediately following the Closing Date, EIG is prepared to enter into an agreement with the Trappers on the following terms and conditions:

- (a) EIG would continue with the administration and accounting for the Trappers;
- (b) EIG would allow for the continued use of the equipment and chattels currently used by the Trappers which are currently owned by the Vendor and are being purchased hereunder by EIG ("Shared Assets");

- (c) EIG would permit the continued use of the existing centrex telephone system by the Trappers;
- (d) The Trappers are to be billed directly for the telephone lines it uses by Telus Communications (Edmonton) Inc.;
- (e) Any obligation by EIG to allow for the continued use of the telephone lines by the Trappers would cease or otherwise come to an end if and when EIG moves or otherwise relocates from the premises demised in the Head Office Lease, provided however that the Trappers would have the option of paying all costs and expenses necessary or required (such as rewiring) in order to maintain the continued use of the centrex telephone system at the new EIG premises;
- (f) The Trappers would pay to EIG their reasonable costs incurred by EIG for maintaining the administration and accounting for the Trappers, and the Trappers would also pay to EIG a reasonable fee for the Shared Assets;
- (g) The administration and accounting, and use of the Shared Assets would continue until the end of the 1998 baseball season;
- (h) EIG would issue monthly invoices to the Trappers for the administration and accounting, and for the use of the Shared Assets;
- (i) The Trappers could terminate the agreement, or any part of it, at any time at no cost or expense to the Trappers except that the Trappers would be responsible and obligated to pay the monthly invoices for the month in which the Trappers terminate.

4.6 Business Records

The Vendor agrees and covenants that its Business Records on the Closing Date will disclose in all material respects, in accordance with GAAP, the financial position of the Business operated by the Vendor. All assets, liabilities and material financial transactions relative to the Purchased Assets and operations of the Business will have been properly recorded in the Business Records, subject to normal year end adjustments. The information contained in the Business Records will fairly present, in all material respects, the financial condition, results of operations and cash flows of the Vendor relating to its Business in accordance with GAAP.

ARTICLE 5. CLOSING ARRANGEMENTS

5.1 Closing

Time is of the essence of this Agreement. The closing of this transaction shall take place at 10:00 a.m., on the Closing Date at the offices of Cruickshank Karvellas or at such other place or in such other manner as may be approved by the parties hereto.

5.2 Closing Procedures

On or before the Closing Date, the Vendor, ATB and EIG shall take or cause to be taken all actions, steps, and corporate proceedings necessary or desirable to validly and effectively approve or authorize the completion of the transactions herein provided for, and the Vendor shall, and ATB shall cause the Vendor to, deliver or cause to be delivered to EIG duly executed and registered and in form and content satisfactory to EIG, acting reasonably:

- (a) possession of the Purchased Assets, and where a Purchased Asset is a document, the original of such document, together with the originals of any amendments thereto. If after using Best Efforts the original document(s) cannot be located, the Vendor shall provide a copy thereof together with all amendments thereto;
- (b) the Business Records of the Vendor;
- (c) all deeds of conveyance, bills of sale, assurances, transfers, assignments, and other documents, necessary or desirable to validly and effectively complete the transfer the Purchased Assets to EIG free of all Impediments, other than the Permitted Impediments;
- (d) bills of sale in respect of the Equipment, Goodwill, Inventory and Champion Stores Inventory;
- (e) specific assignments in favour of EIG in relation to the following:
 - (i) The Players Contracts,
 - (ii) Service Agreements,
 - (iii) Advertising Contracts,
 - (iv) Media Contracts,
 - (v) NHL Agreements,
 - (vi) the Limited Partnership Rights,
 - (vii) the Ticket Agreements,
 - (viii) the Expansion Revenue, together with an irrevocable direction to pay from the Vendor;
 - (ix) the Northland License, together with the consent of Northlands thereto,
 - (x) ESPN Revenues and Fox T.V. Revenues for the 1998/1999 NHL Hockey season and seasons thereafter;
 - (xi) the CCEP Payments, together with an irrevocable direction to pay from the Vendor;
 - (xii) the Intellectual Property;
 - (xiii) the Admission Surcharge Agreement;
 - (xiv) the Parking License Agreement;
 - (xv) the Trademarks;
 - (xvi) the Leases.

- (f) a GST election form pursuant to s. 167 of the Excise Tax Act (Canada);
- (g) all minute books, corporate records and seals for HBC and OHE together with all other records, writings, journals, lists, accounts, ledgers, memorandums, correspondence, books, statements or other recordings of information which relate to HBC and OHE whether in printed, video, disk, tape, or other form whatsoever;
- (h) resignations as of the Closing Date of all directors and officers of HBC and OHE, together with the resignation of Peter Pocklington as a director of Intra-Continental Ensurers Ltd.;
- (i) certificates representing all of the issued and outstanding shares in HBC and OHE duly endorsed for transfer to EIG, free and clear of all Impediments, marked "cancelled";
- (j) all of the issued and outstanding share certificates, or an instrument of transfer thereof, of OHI in National Hockey League Enterprises Canada Inc. duly endorsed for transfer to EIG, free and clear of all Impediments, other than Permitted Impediments;
- (k) the new share certificates for the shares in HBC and OHE in the name of EIG or Edmonton Investors Group Ltd. (to be determined by EIG) as fully paid and non-assessable shares;
- (l) a certified copy of the resolution of the directors of each of HBC and OHE authorizing the transfer of the shares in HBC and OHE to EIG, and the issuance of new share certificates to EIG as fully paid and non-assessable;
- (m) all of the issued and outstanding share certificates, or an instrument of transfer thereof, owned by OHE in NHL Enterprises Inc. together with all its records, writings, journals, lists, accounts, ledgers, memorandums, correspondence, books, statements or other recordings of information which relate to NHL Enterprises Inc. and NHL Enterprises, L.P., whether in printed, video, disk, tape or other form whatsoever;
- (n) all of OHI's records, writings, journals, lists, accounts, ledgers, memorandums, correspondence, books, statements or other recordings of information which relate to National Hockey League Enterprises Inc. and NHL Enterprises Canada, L.P., whether in printed, video, disk, tape or other form whatsoever;
- (o) written authority from the Vendor authorizing EIG to continue using all current telecommunication numbers utilized by CMI, the Club and the Bulldogs;
- (p) the approved form of consent of the NHL to the transfer of the NHL Franchise Agreement to EIG as executed by ATB and the Current Owners (as such term is defined in the consent from the NHL);

- (q) the ATB's Opinion;
- (r) the Vendor's Opinion;
- (s) an original copy of the employment agreement dated August 27, 1997 between OHI and Glen Sather;
- (t) an assignment and transfer of all rights, title and interest of the Vendor and the Edmonton Oilers in Intra-Continental Ensurers Ltd. together with all records, writings, journals, lists, accounts, ledgers, memorandums, correspondence, books, statements or other recordings of information relating to Intra-Continental Ensurers Ltd. whether in printed, video, disk, tape or other form whatsoever.
- (u) an acknowledgement in writing by ATB and the Vendor that each of them no longer have an interest in the Purchased Assets except for the ESPN Revenues and the Fox TV Revenues for the Current Season;
- (v) A Certificate of Status, the Certificate of Amalgamation and the Articles of Amalgamation the Vendor;
- (w) A Special Resolution of the Vendor's shareholders approving the transactions contemplated hereunder;
- (x) A fully executed copy of the indemnity attached hereto as Schedule "U";
- (y) Payment of the balance that remains as at the close of business, Monday, May 4, 1998 in the segregated account that is described and dealt with in Article 6.2 herein.

5.3 EIG's Deliveries

On the Closing Date, and provided the Vendor has complied with Article 5.2 herein, EIG shall deliver to the ATB:

- (a) payment of the Purchase Price by bank draft, and such payment can be in Canadian funds if agreed to by ATB and EIG;
- (b) a fax copy of the consent of the NHL to the transfer of the NHL Franchise Agreement to EIG as executed by all parties thereto;
- (c) a GST election form pursuant to Section 167 of the Excise Tax Act (Canada);
- (d) assignments of the items identified in Section 5.2(e) herein;
- (e) an acknowledgement by EIG of the assignment of the Fox TV Revenues and ESPN Revenues for the Current Season between the Vendor and ATB;

(f) the Purchaser's Opinion.

5.4 Post-Closing Procedures

Subsequent to the Closing Date, and within a reasonable period of time following a request by EIG, the Vendor, and ATB shall cause the Vendor to, provide proof of discharge of any Impediment, other than Permitted Impediments, that has been registered with any registry system.

5.5 Earlier Adjustment Date

The Adjustment Date under this Agreement is June 30, 1998. The Vendor and ATB has requested an earlier adjustment date, and EIG hereby agrees to use its Best Efforts in order to accommodate an earlier Adjustment Date, which in any event shall be no earlier than the first (1st) day following the Current Season.

**ARTICLE 6. POST CLOSING REVENUE AND EXPENSES
OTHER THAN FROM OPERATIONS**

6.1 Expansion Revenue and CCEP Payments

Notwithstanding anything to the contrary contained in this Agreement, all Expansion Revenue and all CCEP Payments shall be the sole and exclusive property of EIG, and for greater certainty, shall not form part of, and shall not be dealt with as, revenue from Post Closing Operations in Article 7 herein.

6.2 Future Seasons

- (a) All revenue, advantages and entitlements for Future Seasons, and all revenue, advantages and other entitlements for events at the Edmonton Coliseum subsequent to the Adjustment Date, whether received before or after the Adjustment Date, shall be the sole and exclusive property of EIG, and for greater certainty, shall not be included or dealt with as revenue from Post Closing Operations in Article 7 herein. The revenue, advantages and other entitlements under this paragraph includes, without limitation, season ticket revenue for Future Seasons, together with all applicable ticket surcharges thereto (as identified under the Admission Surcharge Agreement), and all revenue from unplayed playoff games, together with all applicable ticket surcharges. The revenue from unplayed playoff games, including all applicable ticket surcharges, shall be paid by the Vendor to EIG the day following the last playoff game played by the Edmonton Oilers in the Current Season. The parties hereto acknowledge that the purchase of tickets described in this paragraph by Credit Card will result in the proceeds being deposited in the Special Account provided for in Article 7 hereof. In such a situation and in all other situations where revenue as described in this paragraph

is deposited into the Special Account, ATB shall pay such revenue and other proceeds to EIG.

- (b) Subject to Article 6.2(a), the Vendor and ATB represent and warrant that the revenue, advantages and entitlements referred to in paragraph (a) above has, to the Closing Date, been deposited into a segregated account for the sole use and exclusive benefit of EIG. Any funds remaining in this segregated account after the payment required from this segregated account on the Closing Date in accordance with Article 5.2(y) herein, shall be paid by ATB as directed by EIG.
- (c) Upon the Closing Date, the Vendor shall, and ATB shall cause the Vendor to, provide the books and records relating to the payments addressed in this Article 6.2 which would enable EIG to produce a full and complete accounting for the revenue, advantages and entitlements addressed in this Article 6.2. If further information or records are required, such records and information will be produced by the Vendor upon request by EIG.

6.3 Fox TV Revenues and ESPN Revenues

All Fox TV Revenues and ESPN Revenues relating to the Current Season shall be the property of, and shall be paid to ATB, and all Fox TV Revenues and ESPN Revenues relating to Future Seasons shall be the sole property of EIG, and the Vendor and ATB hereby acknowledge that all Fox TV Revenues and ESPN Revenues relating to Future Seasons are to be paid to EIG.

6.4 Players - Future Seasons

All payments and obligations in respect of Players for Future Seasons, whether for salary, performance bonuses, special payments or otherwise shall be the responsibility of, and shall be paid by EIG. The bonuses referred to herein include signing bonuses, and the signing bonuses are described in Schedule "I". EIG will be responsible and obligated to pay signing bonuses disclosed on Schedule "I" as payable from and including July 1, 1998, signing bonuses for Players signed subsequent to the Closing Date for Future Seasons, together with the \$100,000.00 (US) signing bonus for Chris Hajt which is shown to be payable on April 1, 1998.

6.5 Remaining Contra

Any and all remaining benefits on any of the Contra Contracts as at the Adjustment Date, other than airline tickets and coupons, that are transferrable shall be transferred to EIG on the Adjustment Date at no cost to EIG.

6.6 Inventory

All Inventory, other than Champion Stores Inventory, remaining on the Adjustment Date shall remain the property of EIG without any payment to, or adjustment in favour of, the Vendor.

6.7 NHL Entry Draft

EIG shall be responsible and obligated to pay the direct costs and expenses relating to the attendance of personnel for and on behalf of the Edmonton Oilers at the 1998/1999 NHL entry draft, and for greater certainty, such costs and expenses, if any, shall be for the account of EIG and shall not be dealt with as an expense from Post Closing Operations in Article 7 herein.

6.8 CEO

The salary, if any, of the chief executive officer retained by EIG shall be paid by EIG, and for greater certainty, shall not be dealt with as an expense from Post Closing Operations in Article 7 herein.

6.9 Doug Piper

Notwithstanding anything contained in this Agreement, the parties hereto acknowledge and agree that EIG will not be responsible or liable to pay any commission, bonus or some other form or remuneration to Doug Piper as a result of the sale of hockey tickets or advertising for the Current Season or for Future Seasons or as a result of the sale of tickets for events at the Edmonton Coliseum to be held subsequent to the Adjustment Date.

ARTICLE 7. POST CLOSING OPERATIONS

7.1 Special Bank Account

EIG agrees to establish, and ATB agrees to provide a Special Account to be maintained and used for the Post Closing Operations. All revenue and expenses related to or accruing due in respect of the Post Closing Operations shall be paid into or paid from this Special Account. The Vendor and ATB represent and warrant that there will be adequate funds available through this Special Account at all times during the Post Closing Operations to cover all cheques drawn on, or withdrawals from, the Special Account.

7.2 Revenue and Expenses

The expenses to be paid from the Special Account as provided for in Article 7.1 shall be only those expenses incurred in the ordinary course of business, and shall not include capital expenditures. All cheques drawn on the Special Account are to be prepared by EIG and submitted to Robert J. Kallir, or ATB's designate for signing. It is acknowledged and agreed by the parties hereto that Robert J. Kallir, or ATB's designate, is to act in good faith and in a businesslike manner in signing or rejecting the cheques presented by EIG.

7.3 Players

Without restricting the generality of Article 7.1, the expenses referred to therein shall include, without limitation, all payments and obligations in respect of the Players for the Current Season, whether for salary, performance bonuses, special payments or otherwise. The expenses referred to in Article 7.1 shall also include all payments and obligations in respect of Glen Sather up to and including the Adjustment Date, whether for salary, performance bonuses, special payments or otherwise. The signing bonuses disclosed in Schedule "I" which are payable on or before June 30, 1998 are the responsibility and obligation of the Vendor, except for the April 1, 1998 signing bonus of \$100,000.00 (US) to Chris Hajt which is the responsibility and obligation of EIG in accordance with Section 6.4 herein. For greater certainty, the payments referred to in this paragraph are expenses to be paid from the Special Account.

7.4 Inventory

- (a) EIG acknowledges and agrees that from the Closing Date to and including the Adjustment Date it will manage and operate the Champion Stores, the Champion Stores Inventory, and the Inventory in the ordinary course of business and using good business and inventory management practices. The parties hereto acknowledge and agree that EIG will maintain the Inventory and the Champion Stores Inventory at substantially the same levels that exist on the Closing Date. The parties hereto acknowledge and agree that no physical count of the Inventory or the Champion Stores Inventory shall be taken on the Closing Date.
- (b) The parties hereto acknowledge and agree to take a physical count of the Champion Stores Inventory on the Adjustment Date. The manner in which the inventory count is to be conducted is to be agreed upon between ATB and EIG at least 10 days prior to the Adjustment Date. The costs and expenses of the inventory count shall be split between ATB and EIG on a 50/50 basis.
- (c) The Champion Stores Inventory will be valued on the Adjustment Date based on the inventory count required in Article 7.4(b) herein. The actual cost of the Champion Stores Inventory as determined and verified by suppliers invoice will be used to value the Champion Stores Inventory. On the Adjustment Date, EIG shall pay one half (1/2) of the cost value of the Champion Stores Inventory into the Special Account provided for in Article 7.1 herein.

7.5 Airline Tickets and Coupons

One of the Contra Contracts disclosed in Schedule "F" is with Air Canada where the contra is airline tickets and coupons. EIG shall retain for its own use and benefit all airline tickets and coupons that are remaining on the Adjustment Date, and shall pay into the Special Account an amount equal to the value stated on the airline tickets and coupons, or lacking a stated amount, an amount equal to the value of the airline tickets and coupons.

7.6 Vacation Pay

On the Adjustment Date, vacation pay entitlements for the Employees shall be calculated as if the Employees were the Vendor's employees to that date. On the Adjustment Date, the parties hereto acknowledge and agree that EIG shall withdraw from the Special Account as an expense for the Post Closing Operations an amount equal to the accrued vacation pay for all Employees calculated to the Adjustment Date.

7.7 Payments for Future Expenses

From the Closing Date, all expenses for Future Seasons, and all expenses for events to be held at the Edmonton Coliseum subsequent to the Adjustment Date, shall be paid by EIG and the Vendor on a 50/50 basis. In addition to the payments required to be made to the Special Account by EIG hereunder, EIG shall also pay into the Special Account on or before June 30, 1998 the \$100,000.00 (US) signing bonus previously paid by the Vendor to Chris Hajt.

7.8 Expenses/Revenue Subsequent to the Adjustment Date

- (a) Any revenue applicable to Post Closing Operations that is received subsequent to the Adjustment Date by EIG, shall be paid by EIG directly to ATB.
- (b) Any expenses applicable to the Post Closing Operations where there are payments to be made subsequent to the Adjustment Date shall be paid by ATB upon receiving an invoice from EIG.

7.9 Release from the Special Account

On the Adjustment Date, any funds remaining in the Special Account shall be retained by ATB. Any overdraft in the Special Account shall be the responsibility and obligation of the Vendor, and ATB shall honour all outstanding cheques. EIG shall have no responsibility or liability for any overdraft in the Special Account.

7.10 Statement of Revenue and Expenses

Within 60 days after the Adjustment Date, EIG shall provide to the Vendor and ATB a statement of revenue and expenses for the Post Closing Operations. The Vendor and ATB are entitled to retain a firm of chartered accountants, at their cost, to review the books and records of EIG associated with the Post Closing Operations. EIG shall co-operate with and provide such party with full access to its books and records associated with the Post Closing Operations.

7.11 Liability

The Vendor and ATB are liable for all Taxes in relation to the revenue and expenses associated with the Post Closing Operations. EIG shall have no liability whatsoever to the Vendor or ATB arising from or associated with the Post Closing Operations other than for its obligation to properly account for the revenue and expenses for the Post Closing

Operations, and its obligation to operate in a businesslike manner using good business and inventory management practices, and its obligation to comply with the terms and conditions of Article 7.

7.12 Dispute Resolution

Any dispute regarding the count or valuation of the Champion Stores Inventory, or the revenue and expenses for the Post Closing Operations, including whether a particular expense or revenue is from Post Closing Operations, shall be settled by arbitration in accordance with the provisions of this Agreement.

ARTICLE 8. REPRESENTATIONS AND WARRANTIES

8.1 In addition to the representations and warranties contained in the preamble of this Agreement, ATB and the Vendor, jointly and severally, warrant and represent to EIG, upon which warranties and representations EIG relies that:

- (a) Corporate Existence. The Vendor and the Subsidiaries are corporations validly existing and in good standing under the laws of their respective jurisdictions of incorporation.
- (b) Share Capital of Subsidiaries. Unless otherwise noted on Schedule "W", all outstanding shares of the capital stock or other ownership interest in each of the Subsidiaries are validly issued, fully paid and non-assessable, are owned by the Vendor free and clear of encumbrances of any kind and are not subject to any option or right to purchase any such shares or interests.
- (c) Subsidiaries of the Vendor. The attached Schedule "C" correctly sets forth the name of each the Subsidiaries, the jurisdiction of incorporation and jurisdiction of registration for each of the Subsidiaries, and the name of the owner(s) of all of the issued and outstanding capital stock or other ownership interest of each of the Subsidiaries. Each Subsidiary has the requisite corporate power and authority to own its properties and carry on its businesses.
- (d) ATB Existence. ATB is established pursuant to the Alberta Treasury Branches Act (Alberta), is validly existing and in good standing under the laws of Alberta.
- (e) Authority to Execute and Perform Agreements. The Vendor and ATB have all requisite power, authority and approval required to enter into, execute and deliver this Agreement and the other agreements contemplated by this Agreement and to perform fully their obligations hereunder.
- (f) Due Authorization. The Vendor and ATB have taken all actions necessary to authorize it to enter into and perform its respective obligations under this Agreement and all other agreements contemplated by this Agreement and to consummate the transactions contemplated herein. This Agreement and such

other agreements contemplated by this Agreement are, and will be as of the Closing Date, legal, valid and binding obligations of each of the Vendor and ATB.

- (g) No Violation. Neither the execution nor delivery of this Agreement, nor any other agreements contemplated by this Agreement nor the consummation of the transactions contemplated herein will:
- (i) violate any provision of the constating documents of the Vendor, the Subsidiaries or ATB;
 - (ii) violate, conflict with, or constitute a default under any contract, lease or other agreement to which the Vendor or any of the Subsidiaries is a party or by which the Vendor or any of the Subsidiaries, or their respective property, is bound;
 - (iii) require the consent of any party to any contract, lease or other agreement to which the Vendor or any of the Subsidiaries is a party by which it or its property is bound (other than has been obtained); or
 - (iv) to the best of the Vendor's and ATB's knowledge, violate any laws to which ATB, the Vendor, or any of the Subsidiaries, or their respective property, is subject.
- (h) Interim Agreement. The Vendor and ATB are not in breach of any term, condition, warranty or representation in the Interim Agreement.
- (i) Title to Purchased Assets. The Vendor is, and will be at the Closing Date exclusively entitled to possess and convey the Purchased Assets. On the Closing Date the Purchased Assets will be free and clear of any and all Impediments other than the Permitted Impediments, the Impediments to be discharged on the Closing Date by the Vendor and ATB, and Impediments which are the subject of an indemnity by the Vendor and ATB in favour of EIG.
- (j) Canadian Residency. The Vendor is not a non resident of Canada for the purposes of Section 116 of the Income Tax Act, Canada.
- (k) Labour Agreements. The Vendor is not now nor will it be at the Adjustment Date, a party to or otherwise bound by any collective, joint bargaining or other labour agreement, other than the Collective Bargaining Agreement. The Vendor has performed all obligations required to be performed by it under the Collective Bargaining Agreement and will continue to perform all obligations required to be performed by it under the Collective Bargaining Agreement up to and including the Adjustment Date. Any and all payments required to be paid by the Vendor under the Collective Bargaining Agreement have been paid and will be paid up to and including the Adjustment Date.

- (l) Employees. The information contained in Schedule "G" is true, complete and accurate in all material respects. Except as listed in Schedule "Y", there are no plans which provide benefits or compensation to the Employees. There are no general policies, procedures, or arrangements, written or oral, that provide unusual or extraordinary benefits to the Employees, except as has been disclosed to EIG in Schedule "G". The retirement plan identified in Schedule "X" ("Retirement Plan") is registered under and in full compliance with all applicable federal and provincial legislation, and all reports, returns and filings required to be made thereunder have been made. The Retirement Plan has been administered in accordance with its terms and the provisions of applicable law, and has been funded in accordance with such plans and based on actuarial assumptions which are appropriate to the Employees in the Business. Based on such assumptions, and if there is an unfunded liability under the Retirement Plan, ATB represents and warrants that it will pay the unfunded liability within 30 days of a demand being made by EIG. A true and complete copy of the Retirement Plan has been provided to EIG.
- (m) Media Contracts. Schedule "M" contains a full and complete listing of Media Contracts. Excepting the NHL Agreements, there are no other contracts, licenses or agreements for the publication or transmission of games or events by radio or television, whether live or recorded and howsoever published or transmitted, or which provide monies or other compensation to the Vendor for the publication of games or events by means of radio and television.
- (n) Player's Contracts. Schedule "S" contains a full and complete listing of all Player's Contracts together with their current salary and bonus entitlements. There are no other contracts or agreements for hockey players or coaches for the Edmonton Oilers or the Bulldogs. Any and all salaries and bonus entitlements will be paid by the Vendor for the Current Season, including, without limitation, performance bonuses for the Current Season. On the Closing Date there will be no other signing bonuses which the Vendor has agreed to pay except as disclosed in Schedule "I".
- (o) NHL Agreements. The agreements with the NHL to which the Vendor is a party to or otherwise bound by are the NHL Constitution and Agreements set forth in paragraph 3(a)(i) of the NHL consent.
- (p) Ticket Agreements. Included under Schedule "O" is a full and complete description of all licenses and other forms of agreements to the Sky Suites and the All-Star Suites. The description of the licenses and other forms of agreements for the Sky Suites and All-Star Suites are complete and accurate. There are no other contracts, licenses, and other forms of agreement in relation to the Sky Suites and All-Star Suites except as identified in Schedule "O". All of the contracts, licenses, and other forms of agreement identified in Schedule "O" dealing with the Sky Suites and All-Star Suites are valid and subsisting, in full force and effect, and have not been amended except as disclosed in writing to EIG. The Vendor has performed all obligations required to be performed by it

under such contracts, licenses, and other forms of agreement, and is not in default under or in breach of nor in receipt of any claim of default or breach under any of the said contracts, licenses, and other forms of agreement. In relation to All-Star Suites Nos. 103, 110, 133, and 134, and Sky Suite Nos. 4 and 15, and upon the closing of the transactions contemplated herein, EIG will have all rights, title and interest to All-Star Suite Nos. 103, 110, 133 and 134, and Sky Suites Nos. 4 and 15 free and clear of any interest, claims, or rights in favour of third parties of any kind or character. No tickets have been issued, delivered, sold or committed for hockey games in Future Seasons, or for events at the Edmonton Coliseum scheduled subsequent to the Adjustment Date, except for those sold and distributed in the ordinary course of business at prevailing ticket prices.

- (q) Purchased Assets. The Purchased Assets include all Franchise Assets as defined in the Interim Agreement except for Excluded Assets;
- (r) No Variation. Unless disclosed in the schedules attached to this Agreement, the Service Contracts and Advertising Contracts have not been materially altered, amended, varied or otherwise modified.
- (s) Assets and Liabilities of the Subsidiaries. In relation to the Subsidiaries:
 - (i) except for what is disclosed in Schedule "N", there is no suit, action, litigation, investigation, claim, complaint, arbitration proceeding, or governmental proceeding for and against or involving the Subsidiaries;
 - (ii) there are no existing liabilities or obligations of the Subsidiaries, including contingent liabilities, other than those disclosed in Schedule "N";
 - (iii) all of the employees of the Subsidiaries are included in Schedule "G";
 - (iv) included in Schedule "N" is a full and complete listing of all contracts, licenses or agreements for the publication or transmission of games or events, whether live or recorded and howsoever published or transmitted, or which provide monies or other compensation to HBC for the publication of games or events;
 - (v) the Business Records as they relate to the Bulldogs, contain all contracts or agreements for the provision of supplies or services to HBC, all contracts or agreements entered into by HBC for advertising or anything similar thereto, a full and complete listing of all equipment, machinery, furniture, furnishings, supplies, parts, tools and other tangible personal property owned by HBC, and copies of all leases entered into by HBC. All of the contracts, leases and other forms of agreement referred to in this paragraph are valid, binding and enforceable in accordance with their respective terms, and all are current and in good standing.

- (t) Glen Sather. All payments due and owing to Glen Sather on his employment contract dated August 27, 1998 have been paid to and including the Closing Date.

8.2 Limitations on Representations and Warranties

- (a) No claim shall be made against the Vendor or ATB, and the Vendor and ATB shall not be responsible for any breach of the representations and warranties contained in Article 8.1(s) except to the extent that the total value of all Adverse Consequences suffered by EIG exceeds \$50,000.00, and then the Vendor and ATB shall only be obligated to pay the amount by which such Adverse Consequences exceed \$50,000.00.
- (b) Subject to Article 8.2(c) herein, the Vendor and ATB shall be responsible and liable for all Adverse Consequences suffered by EIG for any breach of the representations and warranties contained in Article 8.1(q) (but excluding the representations and warranties contained in Article 8.1(s), which are dealt with in Article 8.2(a).
- (c) Excepting all wilful acts by the Vendor, the Adverse Consequences set forth in Article 8.2(b) are limited as follows:
 - (i) Any claim by EIG is restricted to a claim that the Purchased Assets do not include all of the Franchise Assets (as defined in the Interim Agreement), other than Excluded Assets, or that the Vendor and ATB have not delivered all of the Purchased Assets;
 - (ii) No claim shall be made against the Vendor or ATB unless the total value of all Adverse Consequences suffered by EIG exceeds \$50,000.00, and then the Vendor and ATB shall only be obligated to pay the amount by which such Adverse Consequences exceed \$50,000.00.

8.3 Representations and Warranties of EIG

EIG represents and warrants to and agrees with the Vendor as follows:

- (a) Status. Edmonton Investors Group Ltd. is the sole general partner of EIG and is a corporation duly organized and validly existing under the laws of Alberta and has all requisite corporate power and authority to operate the Business and the Purchased Assets. EIG is a limited partnership, duly constituted under the laws of Alberta and its sole General Partner is Edmonton Investors Group Ltd.
- (b) Authority to Execute and Perform Agreements. EIG has all requisite power, authority and approval required to enter into, and deliver this Agreement and the other agreements contemplated by this Agreement and to perform fully EIG's obligations hereunder and thereunder.

- (c) Due Authorization. EIG has taken all actions necessary to authorize it to enter into and perform its obligations under this Agreement and all other agreements contemplated by this Agreement and to consummate the transactions contemplated herein and therein. This Agreement is, and as of the Closing Date, such other agreements contemplated by this Agreement will be, the legal, valid and binding obligations of EIG.
- (d) No Violation. Neither the execution and delivery of this Agreement and all other documents nor the consummation of the transactions contemplated herein and therein will:
 - (i) violate any provision of the constating documents of EIG;
 - (ii) violate, conflict with, or constitute a default under any contract or other lease agreement or other instrument to which EIG is a party or by which it or its property is bound;
 - (iii) require the consent of any party to any material contract or other agreement to which EIG is a party by which it or its property is bound; or
 - (iv) violate any laws to which EIG or its property is subject.
- (e) Interim Agreement. EIG is not in breach of any term, condition, warranty or representation in the Interim Agreement.

ARTICLE 9. COVENANTS AND CONDITIONS

9.1 Employment Matters

- (a) EIG shall offer employment to all of the Employees as at the Closing Date on the same terms and conditions as their current employment with the Vendor as set forth on Schedule "G", and the offer shall not exclude successor rights.
- (b) EIG shall have no responsibility for or liability for any Employee that does not accept EIG's offer of employment. The Vendor shall be solely liable and responsible for all costs associated with the termination of the employment of any Employees on the Closing Date that do not accept EIG's offer of employment.
- (c) In the event that on or before December 31, 1998, EIG terminates the employment of any of the Employees, other than those disclosed on Schedule "G" as being employed by Coliseum Management Inc., who accept EIG's offer of employment, ATB agrees (on behalf of and for the benefit of the Vendor) to pay to EIG all costs which EIG suffers, pays or incurs (including EIG's solicitor and client costs) arising out of or in respect of the termination of such Employees, including specifically any severance payments or settlement payments made by

EIG to such Employees; provided however that the maximum liability of ATB pursuant to this clause shall be limited to the sum of Three Hundred and Fifty Thousand (\$350,000.00) Dollars. All decisions relating to the termination of Employees by EIG following the Closing Date shall be in the sole discretion of EIG, including without limitation any decisions to terminate an Employee and pay compensation in lieu of notice. The determination by EIG as to the amount of the compensation shall be made by EIG acting in a commercially reasonable manner.

9.2 Unassignable Contracts

If any rights, benefits or remedies under any contract, license or other form of agreement ("Assumed Contracts" for the purpose of this Article 9.3) is not assignable by the Vendor to EIG without the consent of the other party thereto ("Third Party" for the purposes of this Article 9.3), and such consent is not obtained, then:

- (a) the Vendor will hold the rights, benefits or remedies under all Assumed Contracts for the benefit of EIG;
- (b) the Vendor will, at the request and expense and under the direction of EIG, in the name of the Vendor or otherwise as EIG shall specify, take all such actions and do all such things as shall, in the opinion of EIG, be necessary or desirable in order that the obligations of the Vendor under such Assumed Contracts, may be performed in a manner such that the value of the rights, benefits or remedies shall be preserved and shall enure to the benefit of EIG, and such that all monies receivable under the Assumed Contracts, may be received by EIG;
- (c) the Vendor shall promptly pay over to EIG all such monies collected by the Vendor in respect of such Assumed Contracts; and
- (d) to the extent permitted by the Third Party and provided, in EIG's opinion, it would not be prejudicial to EIG's rights to do so, EIG will perform the obligations under such Assumed Contracts on behalf of the Vendor, and will indemnify the Vendor against all liabilities, costs and expenses incurred by the Vendor in performing such obligations.

9.3 Use of Names

On the Closing Date the Vendor shall transfer, assign or otherwise convey to EIG all of its rights and interest to the names "Edmonton Oilers", "Oilers", "Hamilton Bulldogs", "Bulldogs", and "Champion Stores". Other than what may have been granted in the NHL Agreements, or to NHL Enterprises, Inc., or the contract with Aquila Productions Inc. disclosed in Schedule "P", the Vendor represents and warrants that it has not transferred, assigned or otherwise conveyed any of its rights or interests in the names referred to in this paragraph. The Vendor shall, on or immediately following the Closing Date, change its name to a name not incorporating the words "Edmonton Oilers", "Oilers", "Hamilton Bulldogs", "Bulldogs", or "Champion Stores". The Vendor shall immediately discontinue all use of the said names or any

variation thereof, including, without limitation, the use of the name "Edmonton Oilers" by the limited partnership named "Edmonton Oilers Hockey Limited Partnership" registered as number LP5705447 with the Alberta Corporate Registration System.

9.4 Interest

Any monies which are not paid when due hereunder shall bear interest at a floating rate equal to 3% above the Prime Rate established from time to time by ATB, calculated daily and payable on demand.

9.5 Commissions

All commissions or fees to third parties which are payable as a direct result of the sale of the Purchased Assets to EIG hereunder shall be the responsibility of the Vendor. The Purchaser warrants and represents to the Vendor that no such commission or fee is payable as a result of any contract or agreement with EIG.

ARTICLE 10. INDEMNIFICATION

10.1 Indemnity by the Vendor

The Vendor hereby indemnifies and holds EIG (including for the purposes of this paragraph the officers, directors, employees, agents, attorneys, representatives, partners, owners, and other affiliates, parents and subsidiaries thereof) harmless from and against any and all liabilities, costs (including legal fees and expenses and other costs of investigation and defence), damages, claims, causes of actions, suits and actions arising out of or relating to:

- (a) This Agreement (apart from the obligations of EIG in, arising out of or related to this Agreement).
- (b) The breach of any representation, warranty, covenant or agreement of the Vendor contained herein;
- (c) The Vendor's actions or omissions hereunder;
- (d) Any agreement or understanding (other than the Interim Agreement and this Agreement) to which ATB or the Vendor is a party or owes any duty to any person or entity;
- (e) The Impediments other than the Permitted Impediments;
- (f) The Actions;

- (g) Any and all liabilities or obligations now or hereafter arising or incurred as a result of the operation of the Club, or the Bulldogs, or membership in the NHL where the act or occurrence that gave rise to the liabilities or obligations occurred on or before the Closing Date;
- (h) Any and all actions or claims resulting from Employees that do not accept EIG's offer of employment made in accordance with this Agreement;
- (i) In accordance with Article 4.2 herein, any default by the Vendor or by Trappers Baseball Corp. under or in respect to the Loan Facility (or loans) or the Related Management Agreement as those terms are defined in the DSI Contract;
- (j) Any and all claims, including severance payments and claims for damages for wrongful dismissal, by those Employees, other than those disclosed on Schedule "G" as being employed by Coliseum Management Inc., that accept EIG's offer of employment hereunder but who are subsequently terminated by EIG prior to December 31, 1998; PROVIDED HOWEVER that the maximum liability of the Vendor pursuant to the indemnity in this paragraph shall be limited to the sum of \$350,000.00 as set forth in Article 9.1(d) hereof.

10.2 Indemnity by ATB

ATB hereby indemnifies and holds EIG (including for the purposes of this paragraph the officers, directors, employees, agents, attorneys, representatives, partners, owners, and other affiliates, parents and subsidiaries thereof) harmless from and against any and all liabilities, costs (including legal fees and expenses and other costs of investigation and defence), damages, claims, causes of actions, suits and actions arising out of or relating to:

- (a) This Agreement (apart from the obligations of EIG in, arising out of or related to this Agreement).
- (b) The breach of any representation, warranty, covenant or agreement of ATB contained herein;
- (c) ATB's actions or omissions hereunder;
- (d) Any agreement or understanding (other than the Interim Agreement and the Final Agreement) to which ATB or the Vendor is a party or owes any duty to any person or entity;
- (e) The Impediments other than the Permitted Impediments;
- (f) The Actions;

- (g) Any and all actions or claims resulting from Employees that do not accept EIG's offer of employment made in accordance with this Agreement.
- (h) Any and all claims, including severance payments and claims for damages for wrongful dismissal, by those Employees, other than those disclosed on Schedule "G" as being employed by Coliseum Management Inc., that accept EIG's offer of employment hereunder but who are subsequently terminated by EIG prior to December 31, 1998; PROVIDED HOWEVER that the maximum liability of ATB pursuant to the indemnity in this paragraph shall be limited to the sum of \$350,000.00 as set forth in Article 9.1(d) hereof; and
- (i) In accordance with Article 4.2 herein, any default by the Vendor or by Trappers Baseball Corp. under or in respect to the Loan Facility (or loans) or the Related Management Agreement as those terms are defined in the DSI Contract.

10.3 Counsel

EIG shall have the right to select its own counsel in any proceeding, and the reasonable fees and expenses thereof shall be paid, as incurred, by ATB and the Vendor, jointly and severally.

10.4 Indemnity by EIG

EIG hereby indemnifies and holds the Vendor and ATB (including for the purposes of this paragraph the officers, directors, employees, agents, attorneys, representatives, partners, owners, and other affiliates, parents and subsidiaries thereof) harmless from and against any and all liabilities, costs (including legal fees and expenses and other costs of investigation and defence) damages, claims, causes of actions, suits and actions arising out of or relating to:

- (a) In accordance with Article 4.2 herein, any default by EIG under the DSI Contract;
- (b) The breach of any representation, warranty, covenant or agreement of EIG contained herein;
- (c) Any default by EIG from the Closing Date under any of the contracts, leases and other forms of agreement assigned herein to EIG;
- (d) Any and all claims, including severance payments and claims for damages for wrongful dismissal, by those employees that accept EIG's offer of employment hereunder but who are subsequently terminated by EIG subsequent to December 31, 1998;
- (e) Any and all claims, including severance payments and claims for damages for wrongful dismissal, by those Employees that accept EIG's offer of employment hereunder but who are subsequently terminated by EIG prior to December 31,

1998; PROVIDED HOWEVER that the indemnity hereunder only applies after the maximum liability of \$350,000.00 has been paid by ATB and/or the Vendor in accordance with Sections 10.1(j) and 10.1(h) herein.

10.5 Exclusions

- (a) The indemnities in this Article 10 shall not cover actions taken by EIG, or which EIG fails to take, that are wholly inconsistent with this Agreement or contrary to criminal law;
- (b) Except as provided for in Article 10.5(c), the indemnities in this Article 10 and the representations and warranties in Article 8 continue in full force and effect for the benefit of EIG until June 30, 2000, after which time the Vendor and ATB are released from the indemnities, representations and warranties, except with respect to any claims made by EIG in writing prior to the expiration of such period;
- (c) The time period set forth in Article 10.5(b) shall be June 30, 2002 in relation to any claim advanced by or on behalf of Tara Louisiana Group Inc., Les Alexander, and any successor to or affiliate of Tara Louisiana Group Inc. and Les Alexander;
- (d) The indemnities in this Article 10 and the representations and warranties in Article 8 continue in full force and effect for the benefit of the Vendor and ATB until June 30, 2000, after which time EIG is released from the indemnities, representations and warranties hereunder except with respect to any claims made by the Vendor or ATB in writing prior to the expiration of such period.

ARTICLE 11. DISPUTE RESOLUTION

11.1 Dispute Resolution

The parties are committed to resolving any disputes which arise in a non-adversarial, informal and cost-efficient manner if it is possible to do so. In the event that direct negotiation fails to resolve differences between the parties, the parties shall next resort to mediation of those differences. Except for those matters in which the NHL has authority, (and then the NHL shall decide), in the event that negotiation and mediation fail to resolve any dispute between the parties, the parties agree to submit to arbitration by an arbitral tribunal composed of a single arbitrator all disputes that arise between the parties under, in connection with or relating to this Agreement (including, without limitation, disputes as to or arising out of the existence, terms, validity, breach or termination of this Agreement and any legal relationship associated with or contemplated by this Agreement), whether the relief claimed arises under the law relating to contracts, the law relating to torts or otherwise. The determination or finding of the arbitrator shall be final.

11.2 Selection of Mediator or Arbitrator

The person appointed as the arbitrator under this Agreement shall be as agreed by the parties and failing such agreement shall be an arbitrator designated by the Court of Queen's Bench of the Province of Alberta.

11.3 Place of Arbitration: Confidentiality

Any arbitration under this Agreement must be conducted at Edmonton, Alberta or such other place as agreed to by the parties in the Final Agreement and shall be conducted confidentially. Each party agrees not to discuss or publicize the content of such dispute or proceedings.

11.4 Resort to Courts for Interim Relief

Notwithstanding the foregoing, nothing in this Agreement shall prohibit first resort by either party to courts of competent jurisdiction in any location where necessary for enforcement of the finding or determination of an arbitrator pursuant to this Agreement or for interim or conservatory measures including injunctive relief against the other or anyone claiming an interest in the agreement through the other to restrain any breach by that other of its obligations under this Agreement. In any event where a party alleges a breach of this Agreement by the other for which measures or relief may be ordered or granted by such a court, the court in the relevant jurisdiction may make such determinations and interpretation of this Agreement based on the governing law as it deems necessary in order to rule on the availability of and order or grant the measures or relief applied for pending final determination pursuant to the arbitration provisions of this Agreement. Any such application by such party and/or determination and interpretation of this Agreement by such court of competent jurisdiction shall not be held to infringe the agreement to arbitrate or to affect the relevant powers reserved to the arbitral tribunal to be appointed pursuant to this Agreement.

11.5 No Resort to Courts

Except as provided for in paragraph 9.4, neither party shall commence, carry on or maintain any action in any court in any jurisdiction with respect to any matter of the nature agreed to be submitted to arbitration pursuant to paragraph 9.4.

ARTICLE 12. GENERAL

12.1 Expenses

Except as otherwise provided in this Agreement, each party is responsible for its own costs, including legal and accounting fees and other charges, incurred in connection with the preparation of this Agreement, all negotiations between the parties, and the consummation of the transactions contemplated hereby.

12.2 Further Assurances

Each of the parties hereto shall from time to time at the other's request and expense and without further consideration, execute and deliver such other instruments of transfer, conveyance, and assignment and take such further action as the other may require to more effectively complete any matter provided for herein.

12.3 Entire Agreement

This Agreement, the Interim Agreement, and the Escrow Agreement constitutes the entire agreement between the parties with respect to the sale of the Purchased Assets, and, except as herein stated and in the instruments and documents to be executed and delivered pursuant hereto, contains all of the representations and warranties of the respective parties. There are no oral representations or warranties among the parties of any kind. This Agreement may not be amended or modified in any respect except by written instrument signed by both parties. The terms and conditions of the Interim Agreement and the Escrow Agreement shall not be merged in the execution of this Agreement or the closing of the transaction contemplated hereby.

12.4 Notices

Any notice required or permitted to be given hereunder shall be in writing and shall be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile or other similar means of electronic communication and confirmed on the same or following day by sending a copy by prepaid mail, addressed, to it as follows:

To EIG:

Edmonton Investors Group Ltd.
200, 14964 - 121 A Avenue
Edmonton, Alberta, T5V 1A3
Attention: Cal Nichols

with a copy to:

Bryan & Company
2600, 10180 - 101 Street
Edmonton, Alberta, T5J 3Y2
Attention: Michael W. Crozier

To the Vendor, HBC, OHE or ATB:

1200, 9925 - 109 Street
Edmonton, Alberta, T5K 2J8
Attention: Robert Kallir, General Counsel

with a copy to:

Cruickshank Karvellas
3400, 10180 - 101 Street
Edmonton, Alberta, T5J 4W9
Attention: John D. Karvellas

with a copy to:

Cook Duke Cox
2700, 10155 - 102 Street
Edmonton, Alberta, T5J 4G8
Attention: Joseph W. Yurkovich

and in all cases so delivered personally or by courier or so sent by means of electronic communication, so confirmed. Any notice so given is deemed conclusively to have been given and received when so personally delivered or sent by telex, facsimile, or other electronic communication or on the first business day following the sending thereof by private courier or on the fourth business day following the sending thereof by mail. Any party hereto or others mentioned above may change any particulars of its address for notice by notice to the others in the manner aforesaid.

12.5 Successors and Assigns

This Agreement shall enure to the benefit of and is binding upon the parties hereto and their respective legal representatives and successors. The parties shall not be entitled to assign their interest under this agreement to any other party.

12.6 Time of Essence

Time shall be of the essence of this Agreement and of any agreement contemplated hereby.


12.7 Execution

This Agreement may be executed in two or more counterparts, which together shall constitute one and the same agreement and shall be dated as of the date of this Agreement. Transmission by facsimile by any party to the other parties hereto of an executed counterpart

of this Agreement shall be valid and binding on the transmitted party without the requirement of delivery of an originally executed counterpart.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto.

EDMONTON INVESTORS GROUP LIMITED PARTNERSHIP, a limited partnership established under the laws of Alberta, by its General Partner **EDMONTON INVESTORS GROUP LTD.**

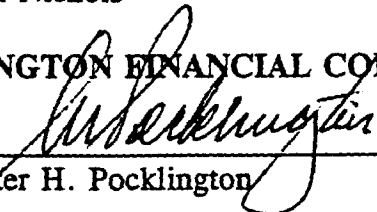
Per: 

J.F. Hole

Per: 

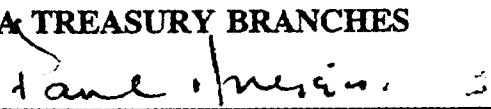
Cal Nichols

POCKLINGTON FINANCIAL CORPORATION

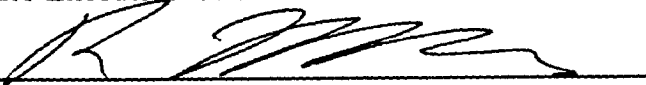
Per: 

Peter H. Pocklington

ALBERTA TREASURY BRANCHES

Per: 

Paul G. Haggis, President and
Chief Executive Officer

Per: 

Robert J. Kallir, General Counsel
and Secretary