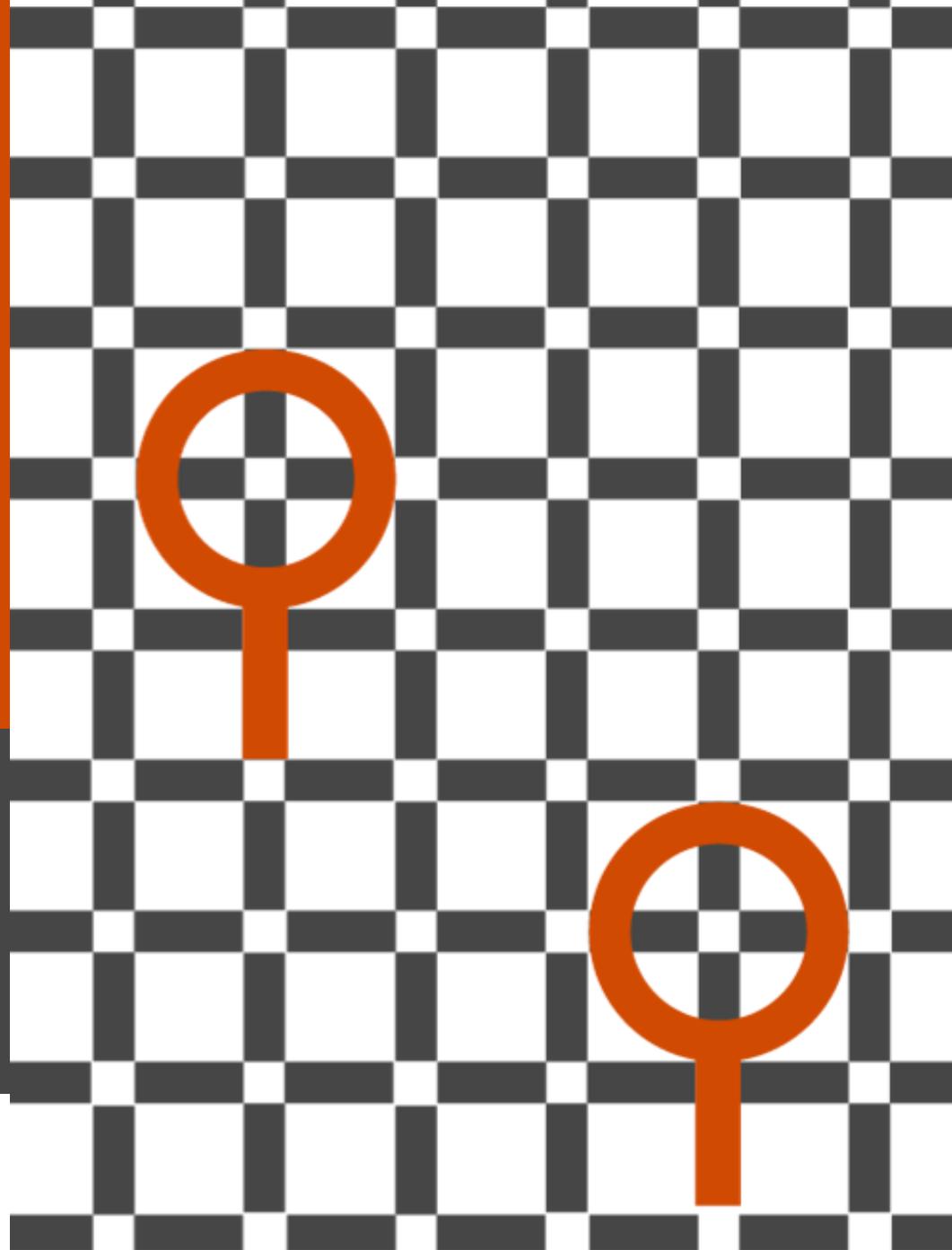


# RG Properties

Benchmarking of Prospera Place against other Sports and Entertainment Facilities

July 7, 2022





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# 1. Introduction (1 of 1)

## Background

In the late 1990's, RG Properties ("RGP", now GSL Holdings, "GSL") entered into a public-private partnership ("P3") arrangement with the City of Kelowna (the "City") to design, build, finance and operate a new 6,200-seat sports and entertainment venue in downtown Kelowna (previously known as Skyreach Place, now known as Prospera Place). RGP negotiated its arrangement with the City after another entity (Axor) failed to finalize their agreement with the City. RGP's 30-year partnership agreement with the City is set to expire in 2029.

With approximately seven years remaining in its agreement with the City, GSL is seeking to understand how its operations and programming of Prospera Place compares to similar venues in other Canadian markets. In this regard, GSL retained PricewaterhouseCoopers LLP ("PwC") to undertake a study benchmarking Prospera Place against selected other sports and entertainment facilities in Canada.

## Scope of Work

In completing our analysis, PwC undertook the following scope of work:

- Obtained and analyzed background information describing Prospera Place, including information detailing venue programming and utilization;
- Identified sports and entertainment venues to be included in the benchmarking assessment (i.e., newer facilities located in cities / regions with a similar population to Kelowna and / or which are likely to be familiar to officials with the City of Kelowna, the "Benchmarked Venues"). Information detailing total events, attendance and net operating position was sought for venues located in Abbotsford and Penticton (BC), Guelph, Kingston, Oshawa and St. Catharines (ON) and St. John's (NL); these venues were chosen based on population size (2021 city population of between 100,000 and 200,000), and include a mix of public and private operations;
- Detailed the operating responsibility for each Benchmarked Venue (i.e., 100% city supported, private partner supported, jointly supported) and operating responsibility (city-run, venue management by a third-party venue manager, managed by a private partner);
- Prepared a general outline of the pros and cons of utilizing a third-party venue manager versus the facility being managed and programmed by a municipality, and outlined considerations such as risk taking on entertainment events and net operating risk; and

- Prepared this report detailing the operations of Prospera Place and comparing its operations against the Benchmarked Venues.

The reader should note that publicly available information detailing the operations, event, attendance and financial history of each Benchmarked Venue is not readily available. The information presented herein is based on available public information from venue annual reports, municipal operating budgets and other information provided directly from venue managers.

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## 2. Prospera Place (1 of 3)

### About Prospera Place

Prospera Place is a 6,200-seat sports and entertainment centre located in downtown Kelowna, BC. Opened in 1999, Prospera Place was initially intended to cost of \$18.5 million and be financed through a \$6.0 million (32.4% of project costs) contribution from the City of Kelowna (the “City), with the remaining \$12.5 million (67.6%) plus all construction cost overruns the responsibility of RGP (the \$12.5 million includes \$11.0 million in debt taken on by RGP which we understand from RGP / GSL was collateralized by other RPG assets). Our understanding is that the total cost of constructing and outfitting Prospera Place was \$19.2 million (with the overage funded by increasing the amount of debt taken out to \$11.5 million).

In 1998, the City entered into a 30-year partnership agreement (the “Agreement”) with RGP to design, build, finance and operate Prospera Place. Our understanding is that the Agreement consummated with RGP was the culmination of an 11-year attempt by the City to have a new arena built, including failed deals in 1995/6 (with Edmonton-based Oxley) and in 1997 (with Montreal-based Axor).

Per the Agreement, the City provided an initial investment of \$6.0 million to RGP to offset construction costs (with this contribution structured as the purchase of shares in the holding company set up to build and operate the facility). The Agreement additionally required the City to purchase 1,500 hours of “Community Use” time at the facility per year (750 “prime time” hours and 750 “non-prime time” hours); the annual cost to the City for the purchase of these hours (which the City would then sell to user groups) was:

- \$1.330 million per year between Agreement Years 1 and 3, comprised of a payment of \$1.18 million which for Years 2 and 3 was subject to a minimum CPI increase of 1% per year and a maximum CPI increase of 5%, plus an additional payment of \$150,000 (not subject to a CPI increase);
- \$1.180 million per year between Agreement Years 4 and 7, subject to a minimum CPI increase of 1% and a maximum CPI increase of 5%;
- \$1.180 million per year between Agreement Years 8 and 10, subject to a minimum CPI increase of 1% and a maximum CPI increase of 5%, minus \$150,000;
- \$0.980 million per year between Agreement Years 11 and 20, subject to a minimum CPI increase of 1% and a maximum CPI increase of 5%; and
- \$0.550 million per year between Agreement Years 21 and 30, subject to a minimum CPI increase of 1% and a maximum CPI increase of 5%.

### Prospera Place



## 2. Prospera Place (2 of 3)

### About Prospera Place (continued)

Our understanding is that the Agreement additionally involved the City selling the air rights over the land on which Prospera Place would be constructed to RGP for \$1, as well as the City selling adjacent commercial land to RGP at fair market value.

Finally, our understanding is the Agreement obliges RGP to make annual contributions to a “Capital Maintenance Fund” in the amount of \$49,000 per year starting in Year 1 (with future contributions indexed to inflation); the City would use this fund to support its financing of facility capital repairs. RGP is also obliged to pay property taxes, should they be levied (RGP paid an average of \$438,000 per year in property taxes between 2010 and 2019).

At the conclusion of the agreement, the land and facility are to be transferred back to the City for \$1.

Apart from the annual requirement to purchase community use time, the City has no financial involvement in the operations of Prospera Place (i.e., RGP is solely responsible for underwriting any operating deficits, should they occur).

The table opposite provides a synopsis of key terms in the Agreement between the City and RGP and the key terms in the City’s arrangement with Axor.

### Prospera Place – Events and Attendance

Between 2010 and 2019 (excluding 2020 and 2021 given the impacts of the COVID-19 pandemic on the sports and entertainment industry), Prospera Place was able to host between 57 (in 2019) and 80 (in 2016) spectator events per year, including Kelowna Rockets WHL hockey games, concerts, family shows and other live entertainment. On average Prospera Place hosted 69 spectator events per year between 2010 and 2019.

Prospera Place was able to attract between 222,400 (in 2019) and 341,700 (in 2010) spectators to these events. On average, Prospera Place annually hosted over 300,800 spectators per year between 2010 and 2019.

### Prospera Place – Event and Attendance Summary

Venue	Detail	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Prospera Place	Number of Events	72	59	69	61	73	73	80	66	77	57
	Total Attendance	341,692	291,537	318,557	278,767	323,977	334,730	317,168	276,369	303,267	222,383
	Attendance per Event	4,746	4,941	4,617	4,570	4,438	4,585	3,965	4,187	3,939	3,901
	% of capacity	76.5%	79.7%	74.5%	73.7%	71.6%	74.0%	63.9%	67.5%	63.5%	62.9%

Source: RG Properties / GSL Holdings

### Comparison of RGP Agreement and Proposed Arrangement with Axor

	Axor	RG Properties
Agreement Term	35 years	30 years
Property	property sold for \$1	air space parcel sold for \$1
Building Cost	\$28.0 million	\$18.5 million
City Contribution	\$5.0 million (17.9%)	\$6.0 million (32.4%)
Community Use Time	\$980,000 pr year for 20 years (indexed to inflation)	\$1.33 million declining to \$0.980 million per year over 20 years plus \$0.550 million over Years 21-30 (indexed to inflation)
Property Taxes	paid annually to City	paid annually to City
Capital Repairs	n/a	City responsible for funding capital repairs Capital Maintenance Fund contributions made annually by RGP
Termination	Option to purchase at 60% of estimated market value in 35 years	Purchase for \$1 upon termination of the Agreement

Source: RG Properties / GSL Holdings, The Daily Courier

## 2. Prospera Place (3 of 3)

### Prospera Place – Events and Attendance (continued)

Average attendance at events ranged from 3,900 (in 2019) to over 4,900 (in 2011), averaging almost 4,400 spectators per event between 2010 and 2019. In terms of overall venue capacity, events staged in Prospera Place had an average capacity of 71%, ranging between 63% in 2019 to almost 80% in 2011. Average attendance and average capacities have gradually declined since peaking in 2011.

In terms of tickets sold, the figure opposite illustrates the location where ticket purchasers reside. While the top six locations comprise municipalities located within Kelowna's primary and secondary trade area, tickets have also been purchased by individuals residing outside this area, particularly for non-hockey events, and include places like Calgary, AB, southern Ontario, the northeast, mid-west and western United States, Europe, Australia and Japan (amongst other locations).

### Prospera Place Ticket Purchase Locations 2011-2019



Source: RG Properties / GSL Holdings

# 3. Benchmarked Venues (1 of 12)

## Introduction

As noted above, PwC identified newer sports and entertainment venues located in cities / regions with a similar population to Kelowna and / or which are likely to be familiar to officials with the City of Kelowna. Benchmarked Venues for which information detailing total events, attendance and net operating position was sought included:

- South Okanagan Events Centre (Penticton, BC);
- Abbotsford Centre (Abbotsford, BC);
- Sleeman Centre (Guelph, ON);
- Meridian Centre (St. Catharines, ON);
- Tribute Communities Centre (Oshawa, ON);
- Leon's Centre (Kingston, ON); and
- Mary Brown's Centre (St. John's, NL).

These venues were chosen based on population size (2021 city population of between 100,000 and 200,000), and include a mix of public and private operations.

The following pages summarize each Benchmarked Venue with respect to total events, attendance, net operating position and annual debt obligations; a summary table illustrating these key metrics for each Benchmarked Venue and Prospera Place is provided on page 13, following.

The reader is again cautioned that publicly available information detailing the operations, event, attendance and financial history of each Benchmarked Venue is not readily available. The information presented herein is based on available public information from venue annual reports, municipal operating budgets and other information provided directly from venue managers.

### 3. Benchmarked Venues (2 of 12)

#### South Okanagan Events Centre

The South Okanagan Events Centre (“SOEC”) is located in Penticton, BC, approximately 63 kilometres south of Prospera Place. The SOEC is a 5,000 seat multi-purpose arena which opened in September 2008. The SOEC is part of a larger complex which includes the Penticton Trade and Convention Centre, Memorial Arena, and the OHS Training Centre (together known as the SOEC Complex).

The SOEC was originally anticipated to cost \$56.2 million, however, cost overruns increased the cost of the SOEC to \$81.2 million. The facility was financed through loans provided by the Municipal Financing Authority of British Columbia (totalling \$26.0 million), provincial funding, city reserves and other sources. Per audited financial statements of the City of Penticton, the city paid approximately \$4.220 million per year between 2010 and 2013 to service this debt, with this amount declining to \$2.400 million per year between 2014 and 2017 (as one tranche of debt was retired), and in 2018, debt obligations were \$1.350 million (as a second tranche was retired). All debt was retired by 2019.

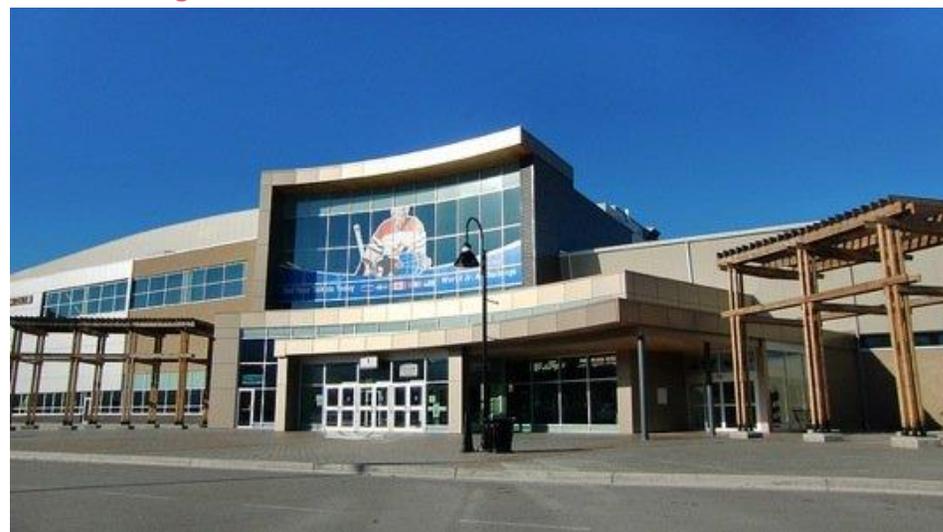
Owned by the City of Penticton, the SOEC Complex is managed, under contract, by OVG360 (formerly known as Global Spectrum Facility Management / Spectra). Unlike Prospera Place, the City of Penticton is solely responsible for underwriting operating deficits incurred by the facility / complex, as well as being solely responsible for financing and undertaking all capital repairs and maintenance of the facility. As a municipal facility, the SOEC does not pay property taxes.

Based on limited available information, it would appear that the SOEC was able to host between 80 (in 2013) and 88 (in 2017) ticketed and non-ticketed events per year, including Penticton Vees BCHL hockey games, concerts, family shows, other live entertainment and community events (based on a review of the SOEC calendar, it would appear that in 2017, there were 48 total ticketed events). On average the SOEC hosted 84 ticketed and non-ticketed events per year in 2012, 2013 and 2017.

The SOEC was able to attract between 97,600 (in 2012) and 191,100 (in 2017) spectators to ticketed events. On average, the SOEC hosted over 135,800 spectators per year in 2012, 2013 and 2017 to ticketed events.

Average attendance at events ranged from 1,200 (in 2012) to almost 2,200 (in 2017), averaging approximately 1,600 spectators per event. In terms of overall venue capacity, events staged in the SOEC had an average capacity of 32%, ranging between 23% in 2012 to over 43% in 2017.

#### South Okanagan Events Centre



As noted above, the City of Penticton is responsible for underwriting operating deficits incurred at the SOEC. The operating deficit incurred by the facility ranged from \$1.412 million (in 2010) to \$0.948 million (in 2017), and averaged \$1.168 million per year between 2010 and 2019 (excluding 2015, 2016 and 2018).

# 3. Benchmarked Venues (3 of 12)

## Abbotsford Centre

Abbotsford Centre (“AC”), located in Abbotsford, BC, is a 7,000 seat multi-purpose arena which opened in 2009. The AC had a total construction cost of approximately \$66.2 million which we understand was 100% financed by the City of Abbotsford. Per audited financial statements of the City of Abbotsford, the outstanding value of the AC’s debt was \$53.000 million as at December 31, 2009. Between 2010 and 2019, the City of Abbotsford made annual repayments ranging between \$4.040 million and \$4.050 million. At December 31, 2019, the outstanding value of the AC’s debt was \$36.173 million, with this debt to be retired in 2032.

Owned by the City of Abbotsford, the AC had been managed by Global Spectrum Facility Management / Spectra until 2021, when operating responsibility was transferred to Aquilini Investment Group (“AIG”; owner of the NHL Vancouver Canucks and the AHL Abbotsford Canucks), effective January 1, 2022.

Prior to operating responsibility being transferred to AIG, the City of Abbotsford was solely responsible for underwriting operating deficits incurred by the facility, as well as being solely responsible for financing and undertaking all capital repairs and maintenance of the facility. As a municipal facility, the AC does not pay property taxes.

Under its current arrangement with AIG, it has been reported that the city will pay AIG an annual management fee of \$0.750 million while retaining responsibility for funding all capital repairs and maintenance; the city will reportedly shares in certain revenues, based on the number and type of event tickets sold.

Based on limited available information, it would appear that the AC was able to host between 33 (in 2015) and 53 (in 2016) events per year including concerts, family shows, other live entertainment and community events. On average the AC hosted 43 events per year between 2014 and 2017.

The AC was able to attract between 90,100 (in 2014) and 179,600 (in 2016) spectators to these events. On average, the AC hosted over 134,200 spectators per year between 2014 and 2017.

Average attendance at events ranged from 2,600 (in 2014 and 2017) to over 4,000 (in 2015), averaging approximately 3,100 spectators per event between 2014 and 2017. In terms of overall venue capacity, events staged in the AC

## Abbotsford Centre



had an average capacity of 45%, ranging between 37% in 2014 and 2017 and 57% in 2015.

As noted above, the City of Abbotsford is responsible for underwriting operating deficits incurred by the facility. The average operating deficit incurred by the facility ranged from \$2.313 million (in 2013) to \$0.750 million (in 2018), and averaged \$1.322 million per year between 2012 and 2019.

### 3. Benchmarked Venues (4 of 12)

#### Sleeman Centre

The Sleeman Centre (“SC”), located in Guelph, ON, is a 4,715 seat multi-purpose arena which opened in 2000. The SC had a total construction cost of approximately \$21.5 million of which the city direct and indirectly financed \$20.0 million (the remaining \$1.5 million was contributed by its private partner).

Per audited financial statements, the City of Guelph made annual payments of between \$1.540 million to \$1.580 million to service the SC’s debt between 2011 and 2016; annual debt payments fell to approximately \$0.950 million in 2017 as one tranche of debt was retired. In 2018 and 2019, annual debt repayment obligations fell to approximately \$0.640 million. Per audited financial statements of the City of Guelph, the outstanding value of the SC’s debt was \$3.043 million as at December 31, 2019.

Owned by the City of Guelph, the SC had been managed by Nustadia until 2005, when the city terminated the management contract and took over operating responsibility of the venue.

The City of Guelph is solely responsible for underwriting operating deficits incurred by the facility, and is responsible for financing and undertaking all capital repairs and maintenance of the facility. As a municipal facility, the SC does not pay property taxes.

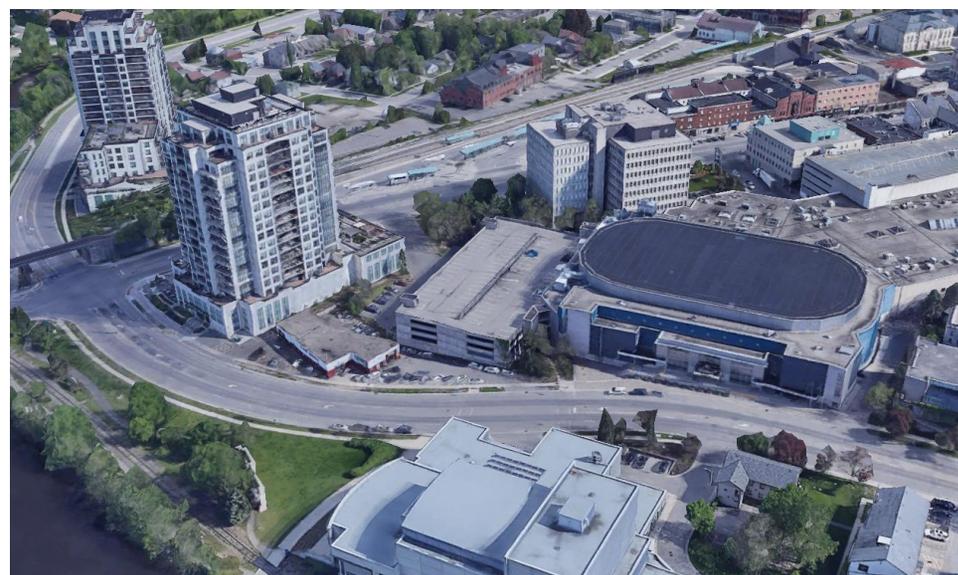
Based on limited available information, it would appear that the SC was able to host between 44 (in 2016) and 62 (in 2019) events per year including Guelph Storm OHL games, concerts, family shows, other live entertainment and community events. On average the SC hosted 51 events per year between 2015 and 2019.

The SC was able to attract between 160,700 (in 2016) and 243,700 (in 2019) spectators to these events. On average, the SC hosted over 187,900 spectators per year between 2015 and 2019.

Average attendance at events ranged from 3,500 (in 2017) to over 3,900 (in 2019), averaging approximately 3,700 spectators per event between 2015 and 2019. In terms of overall venue capacity, events staged in the SC had an average capacity of 78%, ranging between 74% in 2017 and 83% in 2019.

As noted above, the City of Guelph is responsible for underwriting operating deficits incurred by the facility. Financial operating information for the SC was not able to be identified.

#### Sleeman Centre



# 3. Benchmarked Venues (5 of 12)

## Meridian Centre

The Meridian Centre (“MC”), located in St. Catharines, ON, is a 5,300 seat multi-purpose arena which opened in 2014. The MC had a total construction cost of approximately \$50.0 million which we understand was 100% financed by the City of St. Catharines.

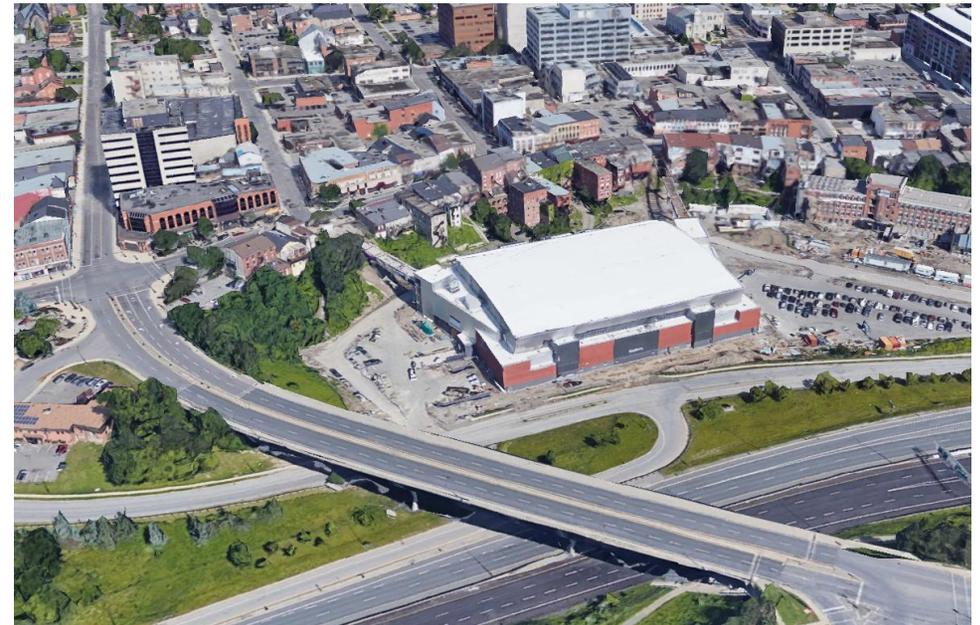
Per information from the City of St. Catharines, the outstanding value of the MC’s debt was \$26.5 million as at December 31, 2016, with the city making debt repayments of \$1.461 million per year. As at December 31, 2019, the outstanding balance of this debt was approximately \$24.8 million and is to be retired in 2045.

Owned by the City of St. Catharines, the MC has been managed by SMG, now ASM Global, since it opened. The City of St. Catharines is solely responsible for underwriting operating deficits incurred by the facility, and is financially responsible for financing and undertaking all capital repairs and maintenance of the facility. As a municipal facility, the MC does not pay property taxes.

Event information for the MC was only able to identified for 2018 and 2019, when the MC attracted 102 and 84 events, respectively, in those years. Attendance information was only able to identified for 2017, when the MBC attracted 291,600 spectators (an average of 4,600 per event and 66% of capacity).

The average operating deficit incurred by the facility ranged from \$0.780 million (in 2017) to \$0.435 million (in 2019), and averaged \$0.582 million per year between 2016 and 2019.

## Meridian Centre



### 3. Benchmarked Venues (6 of 12)

#### Tribute Communities Centre

The Tribute Communities Centre (“TCC”, formerly General Motors Centre), located in Oshawa, ON, is a 5,500 seat multi-purpose arena which opened in 2005. The TCC had a total construction cost of approximately \$45.0 million which we understand was 100% financed by the City of Oshawa. Information detailing debt and financing of the TCC was not available.

Owned by the City of Oshawa, the TCC had been managed by Maple Leafs Sports and Entertainment; the venue is now managed by OVG360. The City of Oshawa is solely responsible for underwriting operating deficits incurred by the facility, and is responsible for financing and undertaking all capital repairs and maintenance of the facility. As a municipal facility, the TCC does not pay property taxes.

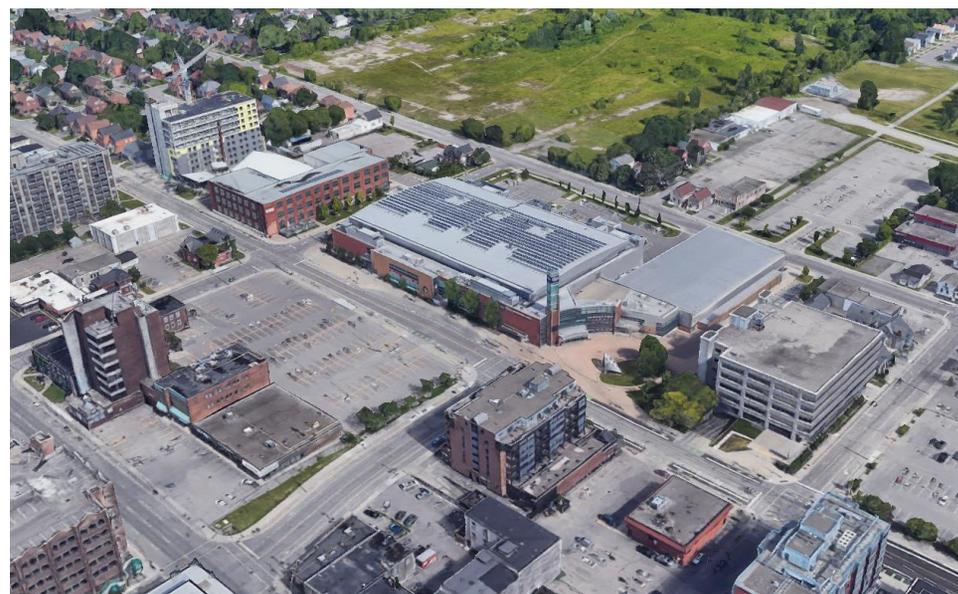
Based on available information, it would appear that the TCC was able to host between 81 (in 2010) and 117 (in 2011) events per year including Oshawa Generals OHL games, concerts, family shows, other live entertainment and community events. On average the TCC hosted 99 events per year between 2010 and 2019.

The TCC was able to attract between 205,600 (in 2010) and 322,400 (in 2014) spectators to these events. On average, the TCC hosted almost 294,200 spectators per year

Average attendance at events ranged from 2,400 (in 2011) to over 3,500 (in 2014), averaging approximately 3,000 spectators per event between 2010 and 2018. In terms of overall venue capacity, events staged in the TCC had an average capacity of 55%, ranging between 44% in 2011 and 64% in 2014.

As noted above, the City of Oshawa is responsible for underwriting operating deficits incurred by the facility. The average operating deficit incurred by the facility ranged from \$0.561 million (in 2010) to \$0.159 million (in 2016), and averaged \$0.342 million per year between 2010 and 2019.

#### Tribute Communities Centre



### 3. Benchmarked Venues (7 of 12)

#### Leon's Centre

The Leon's Centre ("LC"), located in Kingston, ON, is a 5,700 seat multi-purpose arena which opened in 2008. The LC had a total construction cost of approximately \$46.1 million which we understand was 100% financed by the City of Kingston. Information detailing debt and financing of the TCC was not available.

Owned by the City of Kingston, the LC has been managed by SMG, now ASM Global, since it opened. Per its management contract, ASM Global guarantees an annually defined operating surplus to the city - if this agreed-to benchmark is not achieved, ASM Global is responsible for "topping up" the difference between the venue's actual net operating income (or deficit) and the agreed to benchmark; if the agreed-to benchmark is bettered, ASM Global retains a portion of the betterment as an incentive fee.

The City of Kingston is responsible for financing and undertaking all capital repairs and maintenance of the facility. As a municipal facility, the LC does not pay property taxes.

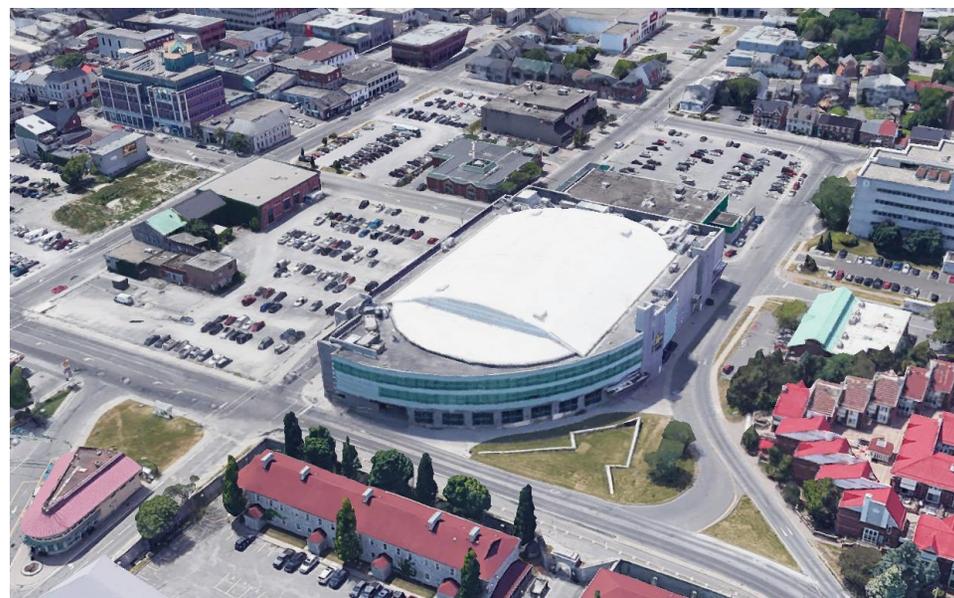
Based on available information, it would appear that the LC was able to host between 93 (in 2019) and 126 (in 2011) events per year including Kingston Frontenacs OHL games, concerts, family shows, other live entertainment and community events. On average the LC hosted 110 events per year between 2010 and 2019 (excluding 2015).

The LC was able to attract between 184,300 (in 2011) and 255,000 (in 2013) spectators to these events. On average, the LC hosted over 227,500 spectators per year between 2010 and 2018 (excluding 2015).

Average attendance at events ranged from 1,500 (in 2011) to almost 2,500 (in 2018), averaging approximately 2,100 spectators per event between 2010 and 2018 (excluding 2015). In terms of overall venue capacity, events staged in the LC had an average capacity of 36%, ranging between 26% in 2011 and 2017 and 43% in 2018.

Between 2010 and 2019, the LC was able to generate an operating surplus ranging between \$0.414 million (in 2011) and \$0.758 million (in 2016); on average the LC generated an average operating surplus of \$0.595 million between 2010 and 2019 (excluding 2015).

#### Leon's Centre



# 3. Benchmarked Venues (8 of 12)

## Mary Brown's Centre

The Mary Brown's Centre ("MBC"), located in St. John's, NL (formerly Mile One Arena), is a 7,000 seat multi-purpose arena which opened in 2001. The LC had a total construction cost of approximately \$20.5 million which we understand was 100% financed by the City of St. John's, including debt of \$19.0 million.

Per audited financial statements of the City of St. John's, the MBC's outstanding debt was \$10.2 million as at December 31, 2009, with the city making annual debt repayments of approximately \$2.19 million per year. The MCB's debt matured in September, 2016.

Owned by the City of St. John's, the MBC is managed by St. John's Sports and Entertainment Ltd. ("SJSE"), a not-for-profit board / committee with municipal council affiliation; the City of St. John's, through SJSE, subsidizes the operation of the MBC and the adjoining St. John's Convention Centre, including financing and undertaking capital repairs. As a municipal facility, the LC does not pay property taxes.

Event information for the MBC was only able to identified for 2012, 2013 and 2017, when the MBC attracted 88, 78 and 63 events, respectively. Attendance information was only able to identified for 2017, when the MBC attracted 291,600 spectators (an average of 4,600 per event and 66% of capacity).

Annual operating deficits incurred by the MBC ranged from \$1.804 million (in 2017) to \$0.155 million (in 2012), and averaged \$0.982 million per year between 2010 and 2018 (excluding 2013).

## Mary Brown's Centre



# 3. Benchmarked Venues (9 of 12)

## Summary of Event, Attendance and Financial Summary, Prospera Place and Benchmarked Venues

Venue	Detail	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Average	Low	High	
Prospera Place (Kelowna)	Number of Events	72	59	69	61	73	73	80	66	77	57	69	57	80	
	Total Attendance	341,692	291,537	318,557	278,767	323,977	334,730	317,168	276,369	303,267	222,383	300,845	222,383	341,692	
	Attendance per Event	4,746	4,941	4,617	4,570	4,438	4,585	3,965	4,187	3,939	3,901	4,389	3,901	4,941	
	% of capacity	76.5%	79.7%	74.5%	73.7%	71.6%	74.0%	63.9%	67.5%	63.5%	62.9%	70.8%	62.9%	79.7%	
South Okanagan Events Centre <sup>1</sup> (Penticton)	Number of Events	n/a	n/a	84	80	n/a	n/a	n/a	88	n/a	n/a	84	80	88	
	Total Attendance	n/a	n/a	97,618	118,742	n/a	n/a	n/a	191,129	n/a	n/a	135,830	97,618	191,129	
	Attendance per Event	n/a	n/a	1,162	1,484	n/a	n/a	n/a	2,172	n/a	n/a	1,606	1,162	2,172	
	% of capacity	n/a	n/a	23.2%	29.7%	n/a	n/a	n/a	43.4%	n/a	n/a	32.1%	23.2%	43.4%	
	Net Operating Income	(\$1,411,567)	(\$1,315,990)	(\$1,184,206)	(\$1,033,196)	(\$1,099,806)	n/a	n/a	(\$948,205)	n/a	(\$1,185,374)	(\$1,168,335)	(\$1,411,567)	(\$948,205)	
	Annual Debt Service	(\$4,220,000)	(\$4,220,000)	(\$4,220,000)	(\$4,220,000)	(\$2,400,000)	(\$2,400,000)	(\$2,400,000)	(\$2,400,000)	(\$1,350,000)	\$0	(\$2,783,000)	--	--	
Abbotsford Centre (Abbotsford)	Number of Events	n/a	n/a	n/a	n/a	35	33	53	52	n/a	n/a	43	33	53	
	Total Attendance	n/a	n/a	n/a	n/a	90,129	132,379	179,608	134,691	n/a	n/a	134,202	90,129	179,608	
	Attendance per Event	n/a	n/a	n/a	n/a	2,575	4,011	3,389	2,590	n/a	n/a	3,141	2,575	4,011	
	% of capacity	n/a	n/a	n/a	n/a	36.8%	57.3%	48.4%	37.0%	n/a	n/a	44.9%	36.8%	57.3%	
	Net Operating Income	n/a	n/a	(\$1,966,000)	(\$2,313,000)	(\$1,719,066)	(\$1,241,000)	(\$931,000)	(\$883,000)	(\$750,000)	(\$780,000)	(\$1,322,883)	(\$2,313,000)	(\$750,000)	
	Annual Debt Service	(\$4,050,000)	(\$4,049,000)	(\$4,047,000)	(\$4,047,000)	(\$4,046,000)	(\$4,046,000)	(\$4,044,000)	(\$4,043,000)	(\$4,041,000)	(\$4,040,000)	(\$4,045,300)	--	--	
Sleeman Centre (Guelph)	Number of Events	n/a	n/a	n/a	n/a	n/a	47	44	52	49	62	51	44	62	
	Total Attendance	n/a	n/a	n/a	n/a	n/a	179,546	160,710	181,322	174,440	243,664	187,936	160,710	243,664	
	Attendance per Event	n/a	n/a	n/a	n/a	n/a	3,820	3,653	3,487	3,560	3,930	3,690	3,487	3,930	
	% of capacity	n/a	n/a	n/a	n/a	n/a	81.0%	77.5%	74.0%	75.5%	83.4%	78.3%	74.0%	83.4%	
	Net Operating Income	n/a	n/a												
	Annual Debt Service	n/a	(\$1,550,000)	(\$1,570,000)	(\$1,580,000)	(\$1,570,000)	(\$1,550,000)	(\$1,540,000)	(\$950,000)	(\$630,000)	(\$650,000)	(\$1,287,778)	--	--	
Meridian Centre (St. Catharines)	Number of Events	n/a	102	84	93	84	102								
	Total Attendance	n/a	n/a												
	Attendance per Event	n/a	n/a												
	% of capacity	n/a	n/a												
	Net Operating Income	n/a	(\$675,549)	(\$779,649)	(\$439,200)	(\$434,500)	(\$582,225)	(\$779,649)	(\$434,500)						
	Annual Debt Service	n/a	n/a	n/a	n/a	n/a	(\$1,460,000)	(\$1,460,000)	(\$1,460,000)	(\$1,460,000)	(\$1,460,000)	(\$1,460,000)	(\$1,460,000)	--	--
Tribute Communities Centre (Oshawa)	Number of Events	81	117	112	97	92	97	97	94	95	105	99	81	117	
	Total Attendance	205,608	282,565	318,715	293,137	322,449	292,825	315,416	302,109	314,755	n/a	294,175	205,608	322,449	
	Attendance per Event	2,538	2,415	2,846	3,022	3,505	3,019	3,252	3,214	3,313	n/a	3,014	2,415	3,505	
	% of capacity	46.2%	43.9%	51.7%	54.9%	63.7%	54.9%	59.1%	58.4%	60.2%	n/a	54.8%	43.9%	63.7%	
	Net Operating Income	(\$560,856)	(\$374,425)	(\$296,849)	(\$518,808)	(\$284,725)	(\$414,731)	(\$159,362)	(\$415,674)	(\$234,614)	(\$163,230)	(\$342,327)	(\$560,856)	(\$159,362)	
	Annual Debt Service	n/a	--	--											
Leon's Centre (Kingston)	Number of Events	116	126	112	124	107	n/a	108	104	98	93	110	93	126	
	Total Attendance	228,506	184,330	216,657	255,000	234,000	n/a	253,930	206,294	241,517	n/a	227,529	184,330	255,000	
	Attendance per Event	1,970	1,463	1,934	2,056	2,187	n/a	2,351	1,984	2,464	n/a	2,051	1,463	2,464	
	% of capacity	34.6%	25.7%	33.9%	36.1%	38.4%	n/a	41.2%	34.8%	43.2%	n/a	36.0%	25.7%	43.2%	
	Net Operating Income	\$511,114	\$414,028	\$588,615	\$719,094	\$585,382	n/a	\$757,541	\$491,114	\$725,902	\$564,860	\$595,294	\$414,028	\$757,541	
	Annual Debt Service	n/a	--	--											
Mary Brown's Centre (St. John's)	Number of Events	n/a	n/a	88	78	n/a	n/a	n/a	63	n/a	n/a	76	63	88	
	Total Attendance	n/a	291,633	n/a	n/a	291,633	291,633	291,633							
	Attendance per Event	n/a	4,629	n/a	n/a	4,629	4,629	4,629							
	% of capacity	n/a	66.1%	n/a	n/a	66.1%	66.1%	66.1%							
	Net Operating Income	(\$585,884)	(\$649,360)	(\$155,438)	n/a	(\$629,000)	(\$1,612,000)	(\$1,676,000)	(\$1,804,000)	(\$747,000)	n/a	(\$982,335)	(\$1,804,000)	(\$155,438)	
	Annual Debt Service	(\$2,190,000)	(\$2,190,000)	(\$2,190,000)	(\$2,190,000)	(\$2,190,000)	(\$2,190,000)	(\$2,190,000)	\$0	\$0	\$0	(\$1,533,000)	--	--	

Note: 1. Events reported by SOEC include both ticketed and non-ticketed events

Source: RG Properties / GSL Holdings, City of Penticton, City of Abbotsford, City of Guelph, City of St. Catharines, City of Oshawa, City of Kingston, St. John's Sports and Entertainment Ltd., City of St. John's

# 3. Benchmarked Venues (10 of 12)

## Venue Development and Operations

The table on page 15, following, provides a summary of facility development, operating responsibilities, risks and municipal financial obligations associated with Prospera Place and the Benchmarked Venues, including:

- construction cost risk - responsibility for construction cost overruns;
- financing risk - responsibility for repaying facility-related debt;
- operating risk - responsibility for financially supporting operating deficits should they occur;
- capex risk - responsibility for financing and undertaking capital repairs and maintenance;
- property taxes - responsibility for paying property taxes, should they be levied; and
- average annual municipal financial obligations between 2010 and 2019.

As can be inferred from the table on page 15, following, Prospera Place compares favourably to the seven Benchmarked Venues:

- Prospera Place was developed at a lower cost per seat compared to the other Benchmarked Venues (lower than all Benchmarked Venues except the MBC in St. John's);
- Prospera Place attracted the highest financial contribution to capital costs (including debt and equity) by the private sector;

- Prospera Place was developed at the lowest public sector cost per seat compared to the other Benchmarked Venues;
- Prospera Place was the only venue to assume construction cost overrun risk and financing risk;
- Prospera is the only venue to pay property taxes (to the extent they are levied) – over the 2010 through 2019 period, total property taxes paid were \$4.385 million (\$438,000 per year, on average);
- Prospera Place and the LC (Kingston) are the only venues where the private sector takes on operating risk; and
- The average annual financial obligation to the City was lowest compared to Benchmarked Venues where both annual financing obligations and operating deficits were able to be identified (the reader should note that the annual financial obligation shown for the City is its average annual obligation for the purchase 1,500 hours of “Community Use” time at Prospera Place over the 2010 to 2019 period; the amount shown in the table on page 15, following, does not take into account any revenue the City may realizing from reselling this time to user groups which would serve to reduce this amount, nor does it include property taxes paid by RGP.

# 3. Benchmarked Venues (11 of 12)

## Venue Development and Operations (continued)

### Summary of Venue Construction, Financing and Operating Responsibilities, and Financing, Operating, Capex and Property Tax Responsibilities

	Penticton	Abbotsford	Guelph	St. Catharines	Oshawa	Kingston	St. Johns	Kelowna
<b>Facility Description</b>								
Date Opened	2008	2009	2000	2014	2005	2008	2001	1999
Size	5,000 seats	7,000 seats	4,715 seats	5,300 seats	5,500 seats	5,700 seats	7,000 seats	6,200 seats
Cost	\$81.2 million	\$66.2 million	\$21.5 million	\$50.0 million	\$45.0 million	\$46.1 million	\$20.0 million	\$19.2 million
<b>Project Financing</b>								
City	\$81.2 million 100%	\$66.2 million 100%	\$20.0 million 93.0%	\$50.0 million 100%	\$45.0 million 100%	\$46.1 million 100%	\$20.0 million 100%	\$6.0 million 31.25%
Private	\$0.0 million 0%	\$0.0 million 0%	\$1.5 million 7.0%	\$0.0 million 0%	\$0.0 million 0%	\$0.0 million 0%	\$0.0 million 0%	\$13.2 million 68.75%
<b>Development Cost Per Seat</b>								
Total Cost per Seat	\$16,250	\$9,450	\$4,550	\$9,450	\$8,200	\$8,100	\$2,850	\$3,100
City Cost per Seat	\$16,250	\$9,450	\$4,250	\$9,450	\$8,200	\$8,100	\$2,850	\$950
Private Sector Cost per Seat	n/a	n/a	\$300	n/a	n/a	n/a	n/a	\$2,150
<b>Operating Responsibility</b>								
	Private	Private	City	Private	Private	Private	City	Private
<b>Venue Risks</b>								
Construction cost overruns	City	City	City	City	City	City	City	Private
Financing	City	City	City	City	City	City	City	Private
Operating	City	City	City	City	City	Private	City	Private
Capex	City	City	City	City	City	City	City	City / Private
Property Tax	City	City	City	City	City	City	City	Private
<b>Municipal Financial Obligations (average over 2010-2019)</b>								
Financing	(\$2.783 million)	(\$4.045 million)	(\$1.288 million)	(\$1.460 million)	unavailable	unavailable	(\$1.533 million)	unavailable
Operating	(\$1.168 million)	(\$1.322 million)	unavailable	(\$0.582 million)	(\$0.342 million)	\$0.595 million	(\$0.982 million)	(\$1.240 million)
<b>Municipal Property Taxes (average over 2010-2019)</b>								
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$438,000
<b>Private Sector Contribution to Capital Maintenance (annual)</b>								
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,000 + CPI

Note: Municipal Financial Obligation for the City of Kelowna represents its obligation to purchase Community Hours at the facility and does not include any revenue which it would receive from reselling this time to community groups / ice users. Municipal Finance Obligation (operating) for the City of Kelowna does not include property taxes paid by RGP.

Source: PwC, based on information provided by RG Properties / GSL Holdings, City of Penticton, City of Abbotsford, City of Guelph, City of St. Catharines, City of Oshawa, City of Kingston, St. John's Sports and Entertainment Ltd., City of St. John's

### 3. Benchmarked Venues (12 of 12)

#### Event Profile

RGP / GSL provided information detailing concerts booked into Prospera Place and the Benchmarked Venues between 2010 and 2019 (between 2014 and 2019 for the Meridian Centre). For each lead artist, RGP / GSL determined the average number of monthly listeners based on information sourced from Spotify (average listenership in June / July, 2022).

The table to the right identifies the average of the number of monthly listeners on Spotify for all artists who have performed at Prospera Place and at each Benchmarked Venue. As can be inferred from the table opposite, Prospera Place, on average, booked artists who had a monthly listenership of 6.006 million (5.980 million between 2000 and 2019), a figure which is higher than all other Benchmarked Venues except for the Meridian Centre in St. Catharines, ON (which has booked artists with an average monthly Spotify listenership of 6.287 million, 4.7% above Prospera Place).

The foregoing indicates that, on average, Prospera Place has attracted artists with greater popularity (based on average monthly listeners) compared to most Benchmarked Venues. Pages 23 through 25 provide a listing of concerts staged at Prospera Place between 2000 and 2019.

#### Venue Performer Benchmarking

Venue	Average Artist Listeners	Difference from Prospera Place	Time Period
<b>Prospera Place</b>	<b>6,006,000</b>	<b>--</b>	<b>2010-2019</b>
South Okanagan Events Centre	4,863,000	-19.0%	2014-2019
Abottsford Centre	5,336,000	-11.2%	2010-2019
Sleeman Centre	810,000	-86.5%	2010-2019
Meridian Centre	6,287,000	4.7%	2014-2019
Tribute Communities Centre	3,962,000	-34.0%	2010-2019
Leon's Centre	4,202,000	-30.0%	2010-2019
Mary Browns Centre	3,456,000	-42.5%	2010-2019

Source: RG Properties / GSL Holdings, based on information derived from individual venue websites (for concert listings) and Spotify (listenership for lead performer June / July, 2022)

# 4. Third-Party Venue Management v City-Run (1 of 3)

## Background

A number of Canadian municipalities have turned to professional “venue management companies” to assist in, or take over the day-to-day management, marketing, programming and / or operation of their sports facility / arena. While the prime impetus for engaging a third party venue manager is varied, the decision to retain such services has generally coincided with a decision to replace a municipality’s aged arena with a new “sports and entertainment facility”. Generally such older facilities were simply hockey arenas – they were managed as arenas (both for semi-professional and minor hockey) and occasionally were able to attract a non-hockey spectator event. Additionally, these older venues were not generally marketed as entertainment venues (nor did they contain fixtures and equipment necessary for staging entertainment events) and when these arenas were used for staging concerts and other entertainment, their building managers generally undertook little marketing and operated the facility as a pure “rental venue”.

With the decision to replace an aged facility with a newer, state-of-the-art facility that is designed to be capable of hosting a broad range of entertainment events, some municipalities have looked at their operating structure, and at the effectiveness and capabilities of their staff to effectively market and program these facilities and elected instead to retain the services of a third party venue management firm.

Among the cities in Canada that have elected to utilize third party venue management firms for their mid-sized (i.e., 4,000- to 10,000-seat) arenas are:

- Victoria, BC (RG Properties);
- Abbotsford, BC (Global Spectrum, now AIG);
- Langley, BC (Ten Feet Sports and Entertainment Ltd.);
- Penticton, BC (Global Spectrum, now OVG360);
- Chilliwack, BC (Chiefs Development Group);
- Kelowna, BC (RG Properties);
- Dawson Creek, BC (Global Spectrum, now OVG360);
- Medicine Hat, AB (was SMG / ASM Global, now city-run);
- Moose Jaw, SK (was city-run, now OVG360);
- Windsor, ON (Global Spectrum / OVG360, event marketing only);
- Sarnia, ON (initially managed by Lauridon Sports Management, then the Sarnia Sting; now city-run);
- London, ON (Global Spectrum / OVG360);
- Guelph, ON (Nustadia initially, now city-run);

- St. Catharines, ON (SMG / ASM Global);
- Hamilton, ON (municipal arm’s length corporation initially, now Global Spectrum / OVG360);
- Mississauga, ON (was SMG / ASM Global, now city-run);
- Brampton, ON (Realstar Group);
- Toronto, ON - Mattamy Athletic Centre (Global Spectrum / OVG 360);
- Toronto, ON - Ricoh Coliseum (Maple Leaf Sports and Entertainment);
- Oshawa, ON (Maple Leaf Sports and Entertainment initially, now Global Spectrum / OVG360);
- Kingston, ON (SMG / ASM Global);
- Laval, QC (Evenko);
- Quebec City, QC (SMG ASM Global); and
- Moncton, NB (SMG / ASM Global).

## Rationale for pursuing Third Party Venue Management

Based on discussions PwC has had with municipal officials, venue managers and private operators, the rationale for choosing to retain a third party venue management firm (versus operating the venue publicly) includes the following:

- Gaining deeper access into the entertainment and event promotion / agent industry. Municipalities constructing new facilities do so with a goal of attracting a greater number of concerts and special events. Given the capital outlay associated with constructing new sports and entertainment venues, combined with a perceived lack of municipal experience, insight, knowledge and access into the entertainment industry, a strategic decision is made to retain such experience and access through a third party venue management firm.
- In some instances, new sports and entertainment facilities are pursued as part of a public-private partnership process and requires that respondents to their RFP propose a comprehensive team with experience in all facets of sports and entertainment facility management. In other instances, separate procurement processes are utilized to identify and retain such a firm.
- Revenue maximization. In retaining third party venue managers, it is felt that third party venue management companies are better able to negotiate more lucrative deals with promoters, sponsors, suite holders, club seat holders, other rights holders, food and beverage providers, and with the lead hockey tenant. In addition it is often felt that a private entity would be able to drive higher revenues within the venue, including enhanced revenues through improved event ticket sales, higher concession sales, etc.

# 4. Third-Party Venue Management v City-Run (2 of 3)

## Rationale for pursuing Third Party Venue Management (continued)

- Management efficiencies and cost containment. As part of a wider corporate entity that is distant from municipal politics and controls, it is felt that a third party venue management firm would have a greater ability to implement strategies and protocols to streamline decision making (for example, in contract negotiation). In addition, experienced venue management firms generally have business and information systems specifically designed for the facility management industry and have a network of facilities that can benefit from such areas as bulk purchasing.
- Marketing / branding. Similar to the comments forwarded above relating to access to the entertainment / event industry, it is felt that third party venue managers are able to more effectively brand and market a venue. In this manner, best practices and emerging trends gleaned from other venues managed by them are able to be quickly implemented (as opposed to potentially taking longer to reach municipal staff through their more informal information sharing networks).
- Pre-opening services and support. One of the key benefits provided by third party venue managers would occur during the planning, designing, testing and commissioning of a new venue. Given that most municipal staff may never have been involved in such a process previously, the venue management firm would be able to draw upon their experiences from opening other facilities.
- Separation of “municipal responsibility and influence”. Because third party venue managers operate a municipality’s venue pursuant to a management contract which specifically outlines the terms and conditions of how the venue is to be operated, with annual operating budgets submitted for approval, the venue itself is able to be operated outside the day-to-day influences and “politics” of traditional municipal operations (for example, a user cannot go to the city and attempt to circumvent the venue manager’s operating agreement with the City and get, for example, preferential treatment).

## Venue Management Services

Services provided by third party venue management companies can include all or some of the following:

- Pre-opening services and support
- Financial operations
- Revenue maximization
- Tenant / lessee relations

- Human resources and professional development
- Risk management
- Building operations
- Marketing / branding
- Live entertainment and sports programming
- Liaison and reporting to Municipal client / Building owner
- Ancillary Services Management

## Financial and Other Arrangements

In retaining a third party venue management company, these entities are paid a management fee, a charge which compensates the venue management company for their accumulated expertise, knowledge, processes, systems, industry contacts, etc. Depending on the nature and type of services provided by the venue management company (and agreed to by the facility owner / municipality), the management fee payable to the third party venue manager could range from approximately \$150,000 to \$250,000, or more per year, plus incentives. Salary expenses associated the venue manager operating the facility are operating expenses of the building.

As alluded to in Section 3 (Benchmarked Venues), above, the net financial operating position of the facility will be the responsibility of the building owner / municipality to fund (i.e., if the facility loses money, the building owner / municipality will be required to fund such operating losses; if the venue makes money, the building owner / municipality will receive 100% of such net revenues, less any incentive fees due the third party venue manager).

In PwC’s experience, a limited number of venues in Canada have arrangements where a third party venue manager is solely responsible for funding operating losses incurred by a facility, should they exist. Examples of situations where a venue manager takes full operating risk include venues in Kelowna and Victoria, BC, in London, ON, and to a lesser extent, in one other Ontario venue (where the venue manager and City have agreed to share the funding of operating deficits). In each of these instances, our understanding is that the third party venue manager also assumes responsibility for repaying a portion of the facility’s debt financing.

In a limited number of other venues, a venue manager has agreed to put all or a portion of their management fee “at risk” if the venue does not achieve a pre-defined (or annually defined and agreed to) net operating position (whether positive or negative).

# 4. Third-Party Venue Management v City-Run (3 of 3)

## Financial and Other Arrangements (continued)

For example, where a venue manager is paid an annual management fee of \$175,000 and that venue manager and building owner agree that in a certain year the venue will achieve a break-even operating position (i.e., net operating income is \$0), if the venue loses \$100,000, the venue manager would be paid \$75,000 with the remaining \$100,000 of management fee being returned to the venue to achieve a break-even operating position. In this same example, if the venue lost \$200,000, the venue manager would not receive its management fee and the venue owner / municipality would be required to fund the remaining \$25,000.

The most common financial arrangement with a third party venue manager is where the venue manager is paid a base management fee plus an incentive fee based on venue financial performance (generally a percentage of the betterment over an agreed upon benchmark) and non-financial factors (for example, achievement of annual event goals and the generation of economic impact or room nights, among other quantifiable metrics). In such arrangements, the building owner / municipality would be solely responsible for funding operating losses (should they occur) and funding all capital repair and capital equipment replacements.

Lastly, it is noted that third party venue managers generally do not take on full event risk (i.e., acting as promoter and “buying” an event, and hoping ticket sales, food and beverage / concession sales and merchandise sales are greater than the cost of putting on the event, including the minimum guaranteed fee due the artist / event). Rather most third party venue managers will position the venue they manage as a “rental venue” (i.e., with defined prices and terms for the rental of the venue), or enter into a “co-promote” arrangement with an event promoter (where the venue manager would “rent” the venue at a reduced guaranteed amount in exchange for added revenue based on ticket sales). We understand that some third party venue managers and their building owner clients create an “event development fund” (funded by the venue owner), to help attract events to a venue; the use of the fund is determined mutually by the venue manager and building owner and is used for event subsidies, taking “promoter” risk and supplementing ticket sales, among other uses.

# 5. Summary (1 of 1)

## Overall Summary

Based on their respective operations between 2010 through 2019, Prospera Place compares favourably to the seven Benchmarked Venues:

- Prospera Place had the highest single year annual attendance of all venues over the 2010 to 2019 period;
- Prospera Place had the highest average annual attendance at its events over the 2010 to 2019 period;
- Prospera Place had the second highest average attendance per event;
- Prospera Place had the third highest average capacity per event;
- Over the 2010 to 2019 period, Prospera Place had the fifth highest average number of events per year; and
- From an event profile perspective, Prospera Place attracted artists with the second greatest popularity (based on average monthly Spotify listeners).

From a private partner / venue management perspective, Prospera Place similarly compares favourably to the seven Benchmarked Venues:

- Prospera Place was developed at a lower cost per seat;
- Prospera Place attracted the highest private sector financial contribution (including debt and equity);
- Prospera Place was the only venue to assume construction cost overrun risk and financing risk;
- Prospera Place is the only venue to pay property taxes (averaging \$438,000 per year between 2010 and 2019);
- Prospera Place is the only venue to take on event risk;
- Prospera Place is one of only two venues to take on operating risk;
- Prospera Place is the only venue to take on full operating risk; and
- Prospera Place's average annual municipal financial obligation was lowest (the foregoing does not take into account revenue the City may have realized from reselling Community Use time to user groups, nor does it take into account property tax revenue paid by RGP / GSL; if included, the difference between Prospera Place and the other Benchmarked Venues would be greater).

## Comparative Ranking of Prospera Place against Benchmarked Venues

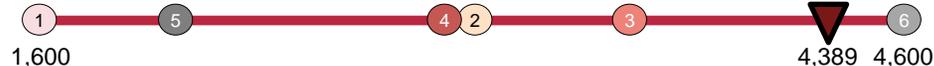
### Highest Single Year Annual Attendance



### Average Annual Attendance



### Average Attendance per Event



### Average Building Capacity per Event



### Average Annual Number of Events



### Event Profile / Venue Artist Popularity



### Average Annual Operating Deficit (Responsibility of Municipality)



Source: RG Properties / GSL Holdings, City of Penticton, City of Abbotsford, City of Guelph, City of St. Catharines, City of Oshawa, City of Kingston, St. John's Sports and Entertainment Ltd., City of St. John's

# General Assumptions and Limiting Conditions

1. This Report has been prepared exclusively for the use of RG Properties / GSL Holdings. No other person or entity shall place any reliance upon the accuracy or completeness of the analyses and statements made herein. PwC does not assume any responsibility to persons other than RG Properties / GSL Holdings with respect to the contents of this Report. In no event shall PwC have any liability for damages, costs or losses suffered by reason of any reliance upon the contents of this Report by any person other than RG Properties / GSL Holdings.
2. Unless otherwise indicated herein, this Report is not to be used for any purpose other than stated and it is not intended for general circulation, nor is it to be published in whole or in part, without our prior written consent. We do not accept responsibility for any losses arising from unauthorized or improper use of this Report.
3. The Report summarizes certain operational and financial information of a selected set of Canadian mid-size sports and entertainment venues. We have relied upon the completeness, accuracy and fair presentation of all the factual information, data, opinion and / or representations obtained from public sources and RG Properties / GSL Holdings (“Information”) regarding the Benchmarked Venues and Prospera Place.
4. In accordance with the terms of our engagement, the benchmarking analysis has been performed for the period 2010 through 2019 and purposefully does not have regard to 2020 or 2021 given the impact of the COVID-19 pandemic on the live entertainment and sports industries.
5. Our Report must be considered in its entirety by the reader, as selecting and relying on only specific portions of the analyses or factors considered by us, without considering all factors and analyses together, could create a misleading view of the processes underlying this financial analysis.
6. In preparing this Report, we have relied upon representations made by RG Properties / GSL Holdings which, among other things, provide that:
  - Any of the Information provided orally or in writing to us by RG Properties / GSL Holdings is complete, true and correct in all material respects and does not contain any untrue statement of material impact in respect of Prospera Place;
  - Unless disclosed to us in writing, the Information does not omit any material fact in respect of Prospera Place;
  - Since the Information was provided to us, unless disclosed to us in writing, no material changes occurred in the Information or Prospera Place that would have or that would reasonably be expected to have, a material effect on our analyses.
7. We reserve the right (but will be under no obligation) to make revisions to this Report should we be made aware of additional facts which were not made known to us when we prepared this Report.
8. Except for permitted releases under our Engagement Letter, any person who is not an addressee of this Report, or has not been acknowledged as a recipient of this Report in the Engagement Letter, or who has not signed and returned to PwC a Release Letter, is not authorized to have access to this Report.
9. Should any unauthorized person obtain access to and read this Report, by reading this Report, such person(s) accepts and agrees to the following terms:
  - The reader of this Report understands that the work performed by PwC was performed in accordance with instructions provided in our Engagement Letter and was performed exclusively for RG Properties / GSL Holdings’ sole benefit and use;
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# General Assumptions and Limiting Conditions

10. Nothing contained herein is to be construed as a legal interpretation or an opinion on any contract or document, or a recommendation to invest or divest.
11. The individuals that prepared the Report did so to the best of their knowledge, acting independently and objectively.
12. PwC's compensation is not contingent on an action or event resulting from the use of the Report.

# Prospera Place Concerts 2000-2019

Event	Category	Date	Year	Monthly Spotify	Event	Category	Date	Year	Monthly Spotify
				Listeners					Listeners
Def Leppard	Rock	1/10/2000	2000	6,999,270	Jann Arden	Pop	3/9/2002	2002	229,481
Bryan Adams	Rock	1/22/2000	2000	16,489,374	Dwight Yoakam	Country	5/2/2002	2002	1,510,476
Blue Rodeo	Country	2/7/2000	2000	285,793	Sum 41	Pop	5/6/2002	2002	6,809,223
Paul Brandt	Country	2/9/2000	2000	317,351	Goo Goo Dolls	Pop	6/26/2002	2002	11,467,202
Our Lady Peace	Indie	2/14/2000	2000	984,663	Billy Idol	Rock	7/30/2002	2002	8,584,642
Backstreet Boys	Pop	5/13/2000	2000	13,908,103	Elton John	Rock	8/28/2002	2002	47,449,621
Ray Charles	R&B	5/26/2000	2000	5,008,370	Kenny Rogers	Country	9/5/2002	2002	6,282,387
Guess Who	Rock	6/22/2000	2000	2,295,437	Supertramp	Rock	9/18/2002	2002	7,124,851
KORN	Metal	7/31/2000	2000	7,391,539	Great Big Sea	Folk	9/21/2002	2002	296,292
Dwight Yoakam	Country	8/7/2000	2000	1,510,476	Blue Rodeo	Country	11/7/2002	2002	285,793
Steve Miller	Rock	9/10/2000	2000	6,460,192	Julio Iglesias	Pop	11/14/2002	2002	3,108,506
Engelbert	Pop	10/27/2000	2000	3,828,868	Rita MacNeil	Folk	11/26/2002	2002	31,151
Tragically Hip	Indie	11/18/2000	2000	962,375	Leahy	Folk	12/3/2002	2002	4,263
Bryan Adams	Rock	12/1/2000	2000	16,489,374	Our Lady Peace	Indie	1/24/2003	2003	984,663
Anne Murray	Country	12/3/2000	2000	1,350,302	George Jones	Country	3/21/2003	2003	1,785,707
Matthew Good	Indie	12/31/2000	2000	139,918	America	Rock	3/26/2003	2003	5,833,114
Moffats	Pop	2/8/2001	2001	147,932	Joe Cocker	Pop	4/11/2003	2003	5,592,337
STYX	Rock	2/12/2001	2001	3,886,569	Nana Mouskouri	Pop	5/15/2003	2003	790,963
Barenaked Ladies	Rock	3/5/2001	2001	2,652,051	Lyle Lovett & Co.	Country	5/23/2003	2003	836,211
Steve Earle	Country	3/6/2001	2001	2,446,930	Sum 41	Pop	5/31/2003	2003	6,809,223
Kenny Rogers	Country	3/11/2001	2001	6,282,387	Moody Blues	Rock	6/19/2003	2003	2,685,298
Delirious	Rock	4/7/2001	2001	177,550	Crosby, Stills & Nash	Rock	7/25/2003	2003	517,909
Matchbox 20	Rock	5/8/2001	2001	4,851,694	Cheap Trick	Rock	9/25/2003	2003	5,388,667
Jose Carreras	Blues/Classical/Jazz	5/17/2001	2001	343,004	George Thorogood	Rock	10/16/2003	2003	3,113,636
Gallaghers	Indie	7/1/2001	2001	1,796,746	Bryan Adams	Rock	11/6/2003	2003	16,489,374
Everly Bros	Rock	7/14/2001	2001	2,153,584	Snoop Dogg	Hip hop	12/5/2003	2003	23,862,471
Offspring	Indie	7/31/2001	2001	12,879,636	Jann Arden	Pop	1/8/2004	2004	229,481
Guess Who	Rock	8/8/2001	2001	2,295,437	Nickelback #1	Rock	1/19/2004	2004	11,375,855
Moody Blues	Rock	8/19/2001	2001	2,685,298	John Mayer	Pop	2/13/2004	2004	14,301,241
Alabama	Country	9/28/2001	2001	3,360,294	Nickelback #2	Rock	3/27/2004	2004	11,375,855
Terri Clark	Country	11/3/2001	2001	581,124	Barenaked Ladies	Rock	3/31/2004	2004	2,652,051
B.B. King	Blues/Classical/Jazz	11/8/2001	2001	2,790,457	Bjorn Again	Pop	4/1/2004	2004	3,258
Rod Stewart	Rock	11/19/2001	2001	10,409,388	David Bowie	Rock	4/11/2004	2004	16,891,119
Holly Cole	Blues/Classical/Jazz	12/8/2001	2001	95,437	Diana Krall	Blues/Classical/Jazz	5/5/2004	2004	1,867,901
Nickelback	Rock	1/20/2002	2002	11,375,855	Nelly Furtado	Pop	7/20/2004	2004	15,854,881

# Prospera Place Concerts 2000-2019

				Monthly Spotify					Monthly Spotify
Event	Category	Date	Year	Listeners	Event	Category	Date	Year	Listeners
Cher	Pop	7/24/2004	2004	8,512,215	Tragically Hip	Indie	7/10/2007	2007	962,375
Don Henley	Rock	8/8/2004	2004	5,119,957	John Fogerty	Rock	7/31/2007	2007	1,368,399
Josh Groban	Pop	9/2/2004	2004	1,515,221	Sum 41	Pop	10/13/2007	2007	6,809,223
Tragically Hip	Indie	11/15/2004	2004	962,375	Tool	Metal	11/29/2007	2007	3,363,132
Avril Lavigne	Pop	11/25/2004	2004	17,016,895	Big & Rich	Country	1/12/2008	2008	2,260,167
James Brown	R&B	12/5/2004	2004	4,041,087	Michael Buble	Pop	1/13/2008	2008	12,096,386
Hilary Duff	Pop	1/4/2005	2005	2,121,350	John Mellencamp	Rock	2/17/2008	2008	5,751,535
Rain	Pop	1/18/2005	2005	461,308	Avril Lavigne	Pop	3/9/2008	2008	17,016,895
Sum 41	Pop	1/28/2005	2005	6,809,223	Paul Brandt	Country	4/8/2008	2008	317,351
Duran Duran	Pop	3/8/2005	2005	8,110,387	Anne Murray	Country	5/6/2008	2008	1,350,302
Sting	Rock	4/5/2005	2005	9,353,070	Mark Knopfler	Rock	7/4/2008	2008	1,917,610
Sarah McLachlan	Pop	6/10/2005	2005	2,413,572	Kid Rock	Hip hop	7/9/2008	2008	5,615,020
Willie Nelson	Country	7/20/2005	2005	5,844,439	James Taylor	Folk	7/16/2008	2008	4,996,335
Bob Dylan	Rock	7/22/2005	2005	8,609,917	Sheryl Crow	Country	10/3/2008	2008	6,051,699
Black Eyed Peas	Pop	7/23/2005	2005	33,764,602	Lenny Kravitz	Rock	11/3/2008	2008	8,513,111
Avril Lavigne	Pop	8/2/2005	2005	17,016,895	Kenny Rogers	Country	11/16/2008	2008	6,282,387
Def Leppard	Rock	8/26/2005	2005	6,999,270	Nine Inch Nails	Indie	12/4/2008	2008	3,766,054
Backstreet Boys	Pop	9/4/2005	2005	13,908,103	Rankin Family	Country	2/5/2009	2009	63,692
Jann Arden	Pop	10/12/2005	2005	229,481	New Kids on the Block	Pop	4/13/2009	2009	1,720,386
Simple Plan	Pop	11/24/2005	2005	6,666,486	Neil Young	Rock	4/22/2009	2009	3,373,863
Barenaked Ladies	Rock	12/17/2005	2005	2,652,051	Il Divo	Pop	5/28/2009	2009	1,049,616
Hilary Duff	Pop	1/6/2006	2006	2,121,350	Bachman Cummings	Rock	6/20/2009	2009	52,914
Nickelback	Rock	1/19/2006	2006	11,375,855	Jay-Z	Hip hop	10/15/2009	2009	28,614,420
Tanya Tucker	Country	3/23/2006	2006	963,530	Stone Temple Pilots	Indie	11/9/2009	2009	4,983,857
Rob Thomas	Pop	4/1/2006	2006	1,697,576	Jann Arden	Pop	11/21/2009	2009	229,481
Motley Crue	Rock	4/8/2006	2006	7,335,627	Kelly Clarkson	Pop	11/22/2009	2009	14,314,304
Our Lady Peace	Indie	4/30/2006	2006	984,663	Three Days Grace	Rock	1/7/2010	2010	8,149,356
Bachman Cummings	Rock	6/5/2006	2006	52,914	Rain	Pop	5/30/2010	2010	461,308
Snoop Dogg	Hip hop	1/14/2007	2007	23,862,471	Elton John	Rock	7/17/2010	2010	47,449,621
Billy Talent	Rock	1/21/2007	2007	2,689,956	Bryan Adams	Rock	8/19/2010	2010	16,489,374
Barenaked Ladies	Rock	2/5/2007	2007	2,652,051	Hedley	Pop	9/14/2010	2010	502,474
Meatloaf	Rock	3/6/2007	2007	4,914,012	Johnny Reid	Country	10/3/2010	2010	145,958
Nelly Furtado	Pop	3/23/2007	2007	15,854,881	Deadmau5	Electronic	12/29/2010	2010	5,590,711
Il Divo	Pop	4/21/2007	2007	1,049,616	DJ TIESTO	Electronic	4/28/2011	2011	37,974,561
B.B. King	Blues/Classical/Jazz	4/28/2007	2007	2,790,457	Sarah McLachlan	Pop	4/30/2011	2011	2,413,572

# Prospera Place Concerts 2000-2019

				Monthly Spotify					Monthly Spotify
Event	Category	Date	Year	Listeners	Event	Category	Date	Year	Listeners
Kid Rock	Hip hop	5/18/2011	2011	5,615,020	Blue Rodeo	Country	1/25/2016	2016	285,793
Burton Cummings	Rock	5/30/2011	2011	95,681	Marianas Trench	Pop	4/5/2016	2016	1,034,183
Supertramp	Rock	6/3/2011	2011	7,124,851	ZZ Top	Rock	4/6/2016	2016	7,804,287
Michael Buble	Pop	8/5/2011	2011	12,096,386	Gord Bamford	Country	4/13/2016	2016	332,592
Avril Lavigne	Pop	10/8/2011	2011	17,016,895	George Thorogood	Rock	4/20/2016	2016	3,113,636
Hedley	Pop	2/10/2012	2012	502,474	Hedley	Pop	5/17/2016	2016	502,474
Johnny Reid	Country	4/13/2012	2012	145,958	City and Colour	Indie	6/2/2016	2016	1,245,422
John Fogerty	Rock	9/27/2012	2012	1,368,399	Billy Idol	Rock	7/14/2016	2016	8,584,642
Metric	Rock	11/12/2012	2012	2,665,978	Keith Urban	Country	9/11/2016	2016	8,032,810
Journey	Rock	12/1/2012	2012	17,163,462	Our Lady Peace	Indie	10/16/2016	2016	984,663
Sting	Rock	5/30/2013	2013	9,353,070	Dwight Yoakam	Country	10/27/2016	2016	1,510,476
KISS	Rock	7/8/2013	2013	13,306,129	Rodger Hodson	Pop	11/20/2016	2016	362,697
Dixie Chicks	Country	10/26/2013	2013	4,463,068	Tim Hicks & Chad Brownlee	Country	1/6/2017	2017	313,842
Blue Rodeo	Country	1/6/2014	2014	285,793	Tom Cochrane	Rock	3/3/2017	2017	1,567,490
Hedley	Pop	2/15/2014	2014	502,474	Bob Dylan	Rock	7/24/2017	2017	8,609,917
YES	Rock	3/19/2014	2014	3,138,572	Nazareth	Rock	7/25/2017	2017	2,954,895
ZZ Top	Rock	3/22/2014	2014	7,804,287	Daniel O'Donnell	Country	9/9/2017	2017	96,397
Collective Soul	Indie	4/4/2014	2014	2,714,003	Miranda Lambert	Country	9/30/2017	2017	9,385,077
Luke Bryan	Country	5/4/2014	2014	8,675,810	Johnny Reid	Country	3/6/2018	2018	145,958
Heart	Rock	6/28/2014	2014	7,095,266	Santana	Rock	3/8/2018	2018	9,619,603
Alan Jackson	Country	9/25/2014	2014	6,768,119	Brantley Gilbery	Country	3/9/2018	2018	3,397,931
Brad Paisley	Country	10/4/2014	2014	5,049,022	Hedley	Pop	3/23/2018	2018	502,474
Sarah McLachlan	Pop	10/24/2014	2014	2,413,572	Our Lady Peace	Indie	3/30/2018	2018	984,663
Bryan Adams	Rock	1/15/2015	2015	16,489,374	Steve Miller	Rock	4/18/2018	2018	6,460,192
Tragically Hip	Indie	2/7/2015	2015	962,375	Bryan Adams	Rock	6/10/2018	2018	16,489,374
Lynyrd Skynyrd	Rock	3/19/2015	2015	12,643,481	Rod Stewart	Rock	11/1/2018	2018	10,409,388
Counting Crows	Rock	4/29/2015	2015	7,799,503	Glorious Sons	Indie	11/5/2018	2018	710,620
Diana Krall	Blues/Classical/Jazz	5/12/2015	2015	1,867,901	John Mellencamp	Rock	11/10/2018	2018	5,751,535
Aerosmith	Rock	7/13/2015	2015	17,330,339	The Tenors	Folk	11/29/2018	2018	184,313
Paul Brandt / Dean Brody	Country	9/26/2015	2015	693,788	Dierks Bentley	Country	1/28/2019	2019	5,972,641
Jason Aldean	Country	10/3/2015	2015	8,939,520	Arkells	Indie	2/5/2019	2019	742,439
Barenaked Ladies	Rock	10/25/2015	2015	2,652,051	Judas Priest	Metal	6/16/2019	2019	4,018,175
Shania Twain	Country	10/27/2015	2015	10,961,258	Corey Hart	Pop	6/22/2019	2019	1,629,798
Tim Hicks	Country	11/12/2015	2015	415,705	City and Colour	Indie	11/10/2019	2019	1,245,422
Three Days Grace	Rock	11/24/2015	2015	8,149,356					

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