

THIS MEMORANDUM OF UNDERSTANDING made in duplicate as of the 1st day of NOVEMBER, 2023.

BETWEEN:

THE RURAL MUNICIPALITY OF ST. ANDREWS,

(hereinafter referred to as the "Rural Municipality"),

OF THE FIRST PART,

- and -

A.K. SOCCER ACADEMY LTD.,

(hereinafter referred to as the "Academy"),

OF THE SECOND PART.

WHEREAS:

- A. The Rural Municipality is a municipality in Manitoba and is the registered owner of about 845.70 acres of real property (Status of Title No. 1670739/1), which is legally described as follows:

LOT 2 PLAN 26781 WLTO
EXC ALL MINES AND MINERALS CONTAINED WITHIN LIMITS OF PLAN 13836 WLTO
AND EXC OUT OF BALANCE OF SAID LOT 2 ALL MINES AND MINERALS
AS SET FORTH IN INSTRUMENT NO. 2404038 WLTO
IN RL 11 TO 51 PARISH OF ST ANDREWS

which shall be hereinafter referred to as the "Municipality Land";

- B. Situated upon the Municipality Land is the St. Andrews Airport Inc. (the "Airport"). The area occupied by the Airport is marked in blue on the aerial diagram which is Schedule "A" to this Memorandum of Understanding ("MOU");
- C. The area marked in blue on the aerial diagram which is marked as Schedule "B" to this MOU represents the balance of the Municipality Land, excluding the Airport, and is approximately 734.62 acres which from time to time are leased to third party(s) for purposes of crop production;
- D. The Rural Municipality believes there is a need to expand upon the recreational services offered within its boundaries and has identified approximately 80 acres of vacant land within the Municipality Land to serve such purpose and intends to subdivide it in order to be utilized for recreational purposes (the "Recreational Area"), which is displayed on Schedule "C" and outlined in red;

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- E. The Academy provides soccer training and development for youth within Manitoba and has approached the Rural Municipality about entering into an arrangement with the Rural Municipality for use of about 10.4 acres of the Recreational Area to construct an indoor soccer training facility and a number of outdoor soccer fields (the "Soccer Project", which term includes Soccer Project Lands, as defined below);
- F. The intention is for the Academy to construct the Soccer Project upon the lands identified as "Proposed Lot 2", shaded in blue on Schedule "C" to this MOU (the "Soccer Project Lands");
- G. Communications have begun between the Rural Municipality and the Academy concerning the establishment of the Soccer Project upon the Recreational Area, and more specifically upon the Soccer Project Lands;
- H. It is the intention of the Rural Municipality to grant to the Academy permission to establish, operate, and construct the Soccer Project upon the Soccer Project Lands, subject to certain understandings, further negotiations taking place between the parties, and the parties reaching mutually agreeable terms and conditions to be documented in a formal written lease agreement to be prepared and signed by the parties following the execution of this MOU, once the subdivision of the Recreational Area has been completed and prior to construction commencing on the Soccer Project Lands;
- I. The Rural Municipality has in good faith set out its current intention with respect to the Soccer Project and in its planning, but it cannot pre-determine or fetter a future decision of Council of the Rural Municipality or of any other body involved in such approval processes, and such processes will proceed with the required public involvement and input before final decisions will be made. Accordingly, the Rural Municipality cannot provide any warranty or covenant that its current plans and intentions will result in the finalization of a formal written agreement between the parties as set out in the MOU and/or regarding future negotiations; and
- J. The purpose of this MOU is to document the understanding that the Rural Municipality and Academy have reached concerning the Soccer Project at this time, it being understood that both parties will continue to work in a collaborative manner towards a final agreement, which shall set out the definitive terms and conditions of this arrangement and the obligations and responsibilities of each party (the "Lease Agreement");

INTERPREATION

- 1. The preamble above and the Schedules attached hereto shall form integral parts of this MOU.

THE RECREATIONAL AREA AND SOCCER PROJECT

- 2. The parties agree that the Soccer Project Lands as are identified in Schedule "C" is only a preliminary plan. The Rural Municipality reserves the right to amend the specific lands for the Soccer Project and its subdivision purposes, and any more detailed plan and/or survey required by the Rural Municipality will be obtained at its expense. Once subdivision takes place regarding the Recreation Area and two titles are issued, the allocation of the Soccer Project on the Soccer Project Lands between the multiple components of indoor facility and outdoor soccer fields will be left to the

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Academy following consultation with the Rural Municipality.

3. It is the intention of the Academy for the Soccer Project to be completed in one phase. Subject to the availability of contractors, the indoor facility and the outdoor fields shall be completed simultaneously. The construction of the Soccer Project shall also include the Academy's construction of a paved parking lot for the use of patrons at its sole expense.

CONSTRUCTION OF THE SOCCER PROJECT & RELATED APPROVALS

4. The parties understand that the Rural Municipality intends to subdivide the Municipality Land to provide for the Recreation Area having a separate title. The Rural Municipality will apply for the said subdivision at its sole expense.

5. As part of the subdivision of Municipality Land, an application to rezone the Recreational Area shall be required. If the rezoning application is not obtained, the Rural Municipality reserves to itself and has the sole right to terminate this MOU and there shall be no Soccer Project. If such event were to occur, the Academy acknowledges, agrees and covenants it shall have no recourse or claim against the Rural Municipality of any sort whatsoever.

6. The Rural Municipality shall be responsible for all costs incurred for the rezoning and subdivision of the Recreational Area, along with any other costs incurred for planning purposes or any required soil analysis or testing.

7. All construction and related costs and expenses for the Soccer Project or any portion thereof upon the Soccer Project Lands shall be at the sole expense of the Academy. The Academy agrees that in consideration for being granted the exclusive right to construct, operate and maintain the Soccer Project, or portion thereof, upon the Soccer Project Lands, the Rural Municipality shall not be required to financially contribute to the construction, operation and/or maintenance of the Soccer Project, or any portion thereof under any circumstance whatsoever whether foreseen or not now or into the future.

8. The Academy shall be solely responsible for obtaining any necessary permits including permits related to the ingress and egress for the Soccer Project Lands and the required approvals for allowing the widening of the current access or constructing any additional access.

9. The Academy shall be responsible, financially and otherwise, for installing any temporary fencing required during construction of the Soccer Project that is reasonably requested by either the Rural Municipality or the Airport.

10. Without the prior written consent of the Rural Municipality, the Academy agrees not to convey, dispose of, mortgage, or encumber the Soccer Project and Soccer Project Lands or any portion thereof, in any manner whatsoever. The Academy agrees not to register any caveat or other encumbrance against the Soccer Project or Soccer Project Lands, unless it is in form and content approved by the Rural Municipality's solicitor or designate, which consent can be withheld in the Rural Municipality in its sole unfettered discretion. The Academy shall have the right to register a caveat against the Soccer Project Lands in respect of the Lease Agreement, in form and content satisfactory to the Rural Municipality, acting reasonably.

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11. The Academy shall be responsible at its sole cost and expense for securing all required approvals and permits for the construction, operation and maintenance of the Soccer Project or any portion thereof, including the costs and expenses associated with such approvals. Such required approvals shall be applied for by the Academy and acted upon in a timely fashion by the Academy. In addition, the Academy shall obtain and keep in force during the full term of construction and thereafter in its operation and maintenance a Comprehensive General Liability Policy reasonably required by the insurer of the Rural Municipality, and the Academy shall provide written proof thereof upon request by the Rural Municipality. Further, the Academy shall indemnify and keep indemnified the Rural Municipality from and against all claims, actions or proceedings for loss, injury, damages or compensation by any person, firm or corporation, whether to real or personal property wheresoever situated, or by any member, employee, agent, licensee, invitee, tenant or third party whether claiming through or under the Academy or to the Academy's construction of the Soccer Project.

12. To ensure the completion of construction of the Soccer Project and to ensure performance of its covenants and obligations under this MOU, the Academy shall supply to the Rural Municipality following the execution of this MOU and prior to any approvals and building permits being applied for, security in the form of an irrevocable letter of credit (or other form of security satisfactory to the Rural Municipality's solicitor) in the amount of \$2,100,000.00 (the "Letter of Credit"). The Letter of Credit shall remain in place until the Soccer Project is fully constructed and the Rural Municipality has indicated it is satisfied with all aspects of the construction and completion thereof.

13. If the Academy abandons the construction of the Soccer Project, or any portion thereof, and the Rural Municipality, as determined in its sole discretion, is required to remedy any deficiency or shortcoming in construction thereof, the Rural Municipality may, in its sole discretion, draw upon the Letter of Credit and use any such funds obtained in any manner it deems fit to discharge the obligations of the Academy in relation to Soccer Project.

DESIGN & CONSTRUCTION OF THE SOCCER PROJECT

14. Prior to commencement of any construction, the Academy shall provide the Rural Municipality with construction drawings, plans, and specifications for the Soccer Project (the "Plans"). The Rural Municipality shall engage its own engineering consultant to review the Plans. The Academy shall pay all costs of the Rural Municipality's engineering consultant. If any deficiencies in the Plans are identified by the Rural Municipality's engineering consultant, the Plans shall be updated based on the advice and recommendations provided to the Academy by the Rural Municipality.

15. The preparation of the Plans shall also include a study being undertaken by the Academy regarding their proposed Soccer Project and building and operations therein and impact on the required water usage, ERUs and the effect and load the Soccer Project will place on the Rural Municipality's infrastructure and specifically its low pressure sewer connection once the Soccer Project is completed. The study will be at the Academy's sole expense and shared with the Rural Municipality. The Rural Municipality reserves the right to terminate the MOU following receipt of the study and findings regarding the impacts of the Soccer Project. Further, if required, the Academy shall be responsible for any infrastructure upgrades deemed necessary due to its anticipated impact with the infrastructure, including service arrangements with the City of Winnipeg.

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16. The Academy shall be responsible for the management of the design, bidding and construction for the Soccer Project and any portion thereof and shall carry out the design and construction to industry standard and in a reputable and good workmanlike manner and as may be directed from time to time by the Rural Municipality and its engineer consultant. The Academy shall ensure to have a course of construction insurance policy throughout the duration of construction, and this policy shall be provided to the Rural Municipality upon request to ensure the Rural Municipality's satisfaction with same.

17. The Academy shall establish a project advisory committee with a minimum of two representatives of the Rural Municipality to advise the Academy on matters that relate to Soccer Project Lands and the recreational needs of the Rural Municipality. It is understood that the Academy will consult with the Rural Municipality in matters respecting the design of the facilities and that programming will be established in collaboration with the Rural Municipality through the project advisory committee.

OPERATION, MAINTENANCE & PROGRAMMING

18. The parties agree that all costs associated with the management, operation and maintenance of the Soccer Project on the Soccer Project Lands shall be the sole responsibility of the Academy. This shall include ordering corrective maintenance, preventative maintenance, and other actions that relate to the day-to-day operations of the indoor soccer facility and the outdoor soccer fields. Prior to an occupational permit being granted to the Academy, the parties shall enter into the Lease Agreement and it shall be negotiated in good faith and mutually agreed upon in writing by both parties.

19. Programming for the use of the facilities once constructed shall rest with the Academy, who shall consult with the project advisory committee and/or any new committee established by the parties in relation to same. However, a condition of the Lease Agreement is that the Academy shall agree to provide complimentary access to both the indoor facility and outdoor fields to residents of the Rural Municipality on a regular basis, the specific terms of which are to be agreed to by the Academy and the Rural Municipality in the Lease Agreement, both acting reasonably.

ACCESS TO THE SOCCER PROJECT LANDS DURING THESE NEGOTIATIONS

20. The Rural Municipality will permit the Academy and its agents, together with such machinery, materials and equipment as may be reasonably required to enter upon the Soccer Project Lands as may be reasonably required by Academy for the purpose of surveying and inspecting as required. The Academy shall provide the Rural Municipality 48 hours' notice prior to accessing the Soccer Project Lands.

21. The Academy agrees to indemnify and save harmless the Rural Municipality from all risks, damages and injuries arising from or out of the survey, testing or construction on the Soccer Project Lands. If any damage is caused to the Recreational Area in carrying out the survey, testing or construction thereon, the Academy shall within a reasonable period of time repair the damage at its sole expense, and restore as reasonably practicable to the condition it was in before the damage. This provision of the MOU is binding on the parties and survives notwithstanding any failure of the parties to enter into the Lease Agreement.

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USE OF THE SOCCER PROJECT LANDS

22. The parties agree to negotiate in good faith the term of Academy's lease of the Soccer Project Lands in the Lease Agreement and related matters thereto.

23. Subject to the terms of the Lease Agreement, the Academy hereby covenants and agrees with the Rural Municipality to pay basic rent to the Rural Municipality, for the whole of the term of the lease of the Soccer Project Lands, in the amount of \$100.00 per annum plus GST, plus in addition to basic rent the Academy shall be responsible for realty property taxes, local improvement levies, applicable taxes, payment of all fire insurance, utility costs, and any other costs set out in this MOU or the Lease Agreement, for the Soccer Project Lands for the entire term of the Lease Agreement.

24. The Academy shall be responsible for the payment of any realty property taxes assessed against the Soccer Project Lands.

25. Should any portion of the Soccer Project and Soccer Project Lands be developed and/or operated directly or indirectly by the Academy other than as a soccer facility, and provided that the Academy has first secured the written approval for such development and use from the Rural Municipality, which approval may be withheld at the absolute discretion of the Rural Municipality, the Academy shall pay to the Rural Municipality additional rent and the specifics and particulars thereof are to be negotiated by the parties in the Lease Agreement or in an additional document to supplement the Lease Agreement.

26. The Academy shall:

- (a) comply, in all material respects, with all applicable statutes, by-laws, ordinances and regulations of any federal, provincial or municipal authority pertaining to the use and occupancy of the Soccer Project and Soccer Project Lands or any portion thereof, by the Academy, and shall obtain all necessary permits;
- (b) not erect or permit the erection of any building or other structure upon the Soccer Project and Soccer Project Lands, except for those structures which are to be erected or placed thereon and consented to by the Rural Municipality in advance in writing in accordance with the Soccer Project;
- (c) use the Soccer Project and Soccer Project Lands or any portion thereof, at the Academy's sole cost and expense (subject to the division of costs to be agreed to in the Lease Agreement in respect of maintenance and repair), with only the components agreed upon by the parties in writing, and not to use or permit the Soccer Project and Soccer Project Lands or any part thereof, to be used for any other purpose;
- (d) maintain the Soccer Project and Soccer Project Lands in a clean, tidy and safe condition in accordance with the rules, regulations and by-laws of any municipal, Provincial or Federal legislation and to the satisfaction of the Rural Municipality;
- (e) unless otherwise provided herein, not to register any caveat or other encumbrance against the Municipality's Land or the Soccer Project Lands unless it is in form and content approved by the Rural Municipality Solicitor or designate;

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- (f) indemnify and keep indemnified the Rural Municipality from and against all claims, actions or proceedings for loss, injury, damages or compensation by any person, firm or corporation, whether to real or personal property wheresoever situated, or by any member, employee, agent, licensee, invitee, tenant or third party whether claiming through or under the Academy or to the Academy's use of the Soccer Project and Soccer Project Lands, or the construction, maintenance, existence or use of any buildings erected thereon by the Academy, or any way connected therewith or otherwise by reason of the exercise by the Academy of the use hereby granted or the performance of or failure to perform its obligations hereunder. To further safeguard the Rural Municipality, the Academy shall pursue and keep in force during the full term of construction and thereafter in its operation and maintenance a Comprehensive General Liability Policy reasonably required by the insurer of the Rural Municipality.

27. The Rural Municipality shall pursue and keep in force Comprehensive General Liability Policy reasonably required by its insurer given the nature of the arrangement between the Rural Municipality and the Academy as set forth in the Lease Agreement.

OWNERSHIP OF SOCCER PROJECT

28. Unless otherwise agreed to in the Lease Agreement, the Rural Municipality shall remain the sole owner of the Soccer Project Lands and the improvements thereupon, including the Soccer Project.

29. In the event of any abandonment of the Soccer Project by the Academy, or termination or cancellation of the MOU and/or the Lease Agreement (as applicable), the parties agree that:

- (a) the Academy shall at its own expense, remove all its personal property and other material from the Soccer Project Lands. Should the Academy default in so doing, then, in such event, the Rural Municipality may remove the Soccer Project and other materials at the sole risk and expense of the Academy and the Academy shall pay to the Rural Municipality the entire cost and expense, which may be reasonably incurred by the Rural Municipality in carrying out any such work and/or removal and/or disposal, and for the restoration of the Soccer Project Lands to its satisfaction, acting reasonably;
- (b) the Academy shall not be entitled to compensation of any kind whatsoever in respect of improvements to the Soccer Project Lands that were made prior to the termination or cancellation herein;
- (c) the Rural Municipality shall have the right to complete the construction of the Soccer Project itself and may draw upon the Letter of Credit to do so.

NO ASSIGNMENT

30. The Academy shall not assign this MOU without the prior written consent of the Rural Municipality, which consent may be withheld in its sole discretion.

31. The Lease Agreement shall provide that it shall not be assignable, nor shall any portion of the Soccer Project and Soccer Project Lands be sublet in any fashion whatsoever without the prior

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written consent of the Rural Municipality, acting reasonably, provided that such sublease is consistent with the use and intent of the Soccer Project (ex. A soccer pro-shop). Furthermore, any consent by the Rural Municipality to an assignment or sublet shall not relieve the Academy of its obligations for the payment of rent and expenses and the performance of the terms and conditions contained in the Lease Agreement.

RIGHT TO ENTER

32. The parties agree that the Lease Agreement will provide as follows:

- (a) The Rural Municipality shall retain its right to enter upon the Soccer Project and Soccer Project Lands, or any portion thereof, at any time with or without equipment and subject to first having given notice to the Academy, except in the case of emergency, when notice shall not be required:
 - (i) to view the state of repair of the Soccer Project and Soccer Project Lands; or
 - (ii) for the purpose of maintaining or repairing its utilities in, on, over or under the Soccer Project and Soccer Project Lands Land, or near thereto, together with the right to enter upon and make full use thereof at any time with or without equipment, for the purpose of renewing, altering or repairing its utilities including the right to exclude all others for as long as may be necessary to carry out such work; or
 - (iii) to inspect the Soccer Project and Soccer Project Lands upon the completion of construction by the Academy prior to the cancellation of the Letter of Credit;
 - (iv) for any other purpose it deems necessary to comply with applicable laws;

without being responsible for any damage to the improvements upon the Soccer Project and Soccer Project Lands occasioned thereby, except in cases where such loss, costs, expenses, claims and/or demands are caused by the negligence of the Rural Municipality or its agents or employees.

33. If upon inspection the Rural Municipality shall identify any issues with respect to the construction or maintenance of the Soccer Project and Soccer Project Lands, the Academy shall make repairs according to notice in writing given by the Rural Municipality. If the Academy fails to repair according to the notice, the Rural Municipality may do such work at the sole cost and expense of Academy and may draw upon the Letter of Credit.

34. In addition to the Academy allowing the Rural Municipality to enter upon the Soccer Project Lands, it shall also allow access to representatives of the St. Andrews Airport Inc. as well if such access is required in order to maintain normal operations of the St. Andrews Airport.



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MISCELLANEOUS PROVISIONS



- 35. It is understood by the parties that this MOU may be amended by mutual written agreement.
- 36. Unless extended in writing by the parties, this MOU will come to an end two (2) years after it is fully executed or upon the signing of the Lease Agreement, whichever shall first occur.
- 37. Each party shall present this MOU to its appropriate decision makers for approval.

IN WITNESS WHEREOF the parties hereto have executed these presents as of the day and year first above written.

THE RURAL MUNICIPALITY OF ST. ANDREWS

Per: 
Per: 

A.K. SOCCER ACADEMY LTD.

Per: 
President
Per: 
Secretary/Treasurer

Schedule "A"

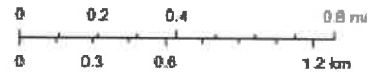
St. Andrews Map



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- Road labels + + Rail
- Roads (jurisdiction) □ Parcels_Municipal
- Provincial □ RM Boundary
- Municipal



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Schedule "B"

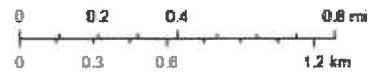
St. Andrews Map



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- Road labels  Rail
- Roads (jurisdiction)  Parcels_Municipal
-  Provincial  RM Boundary
-  Municipal



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Part 05

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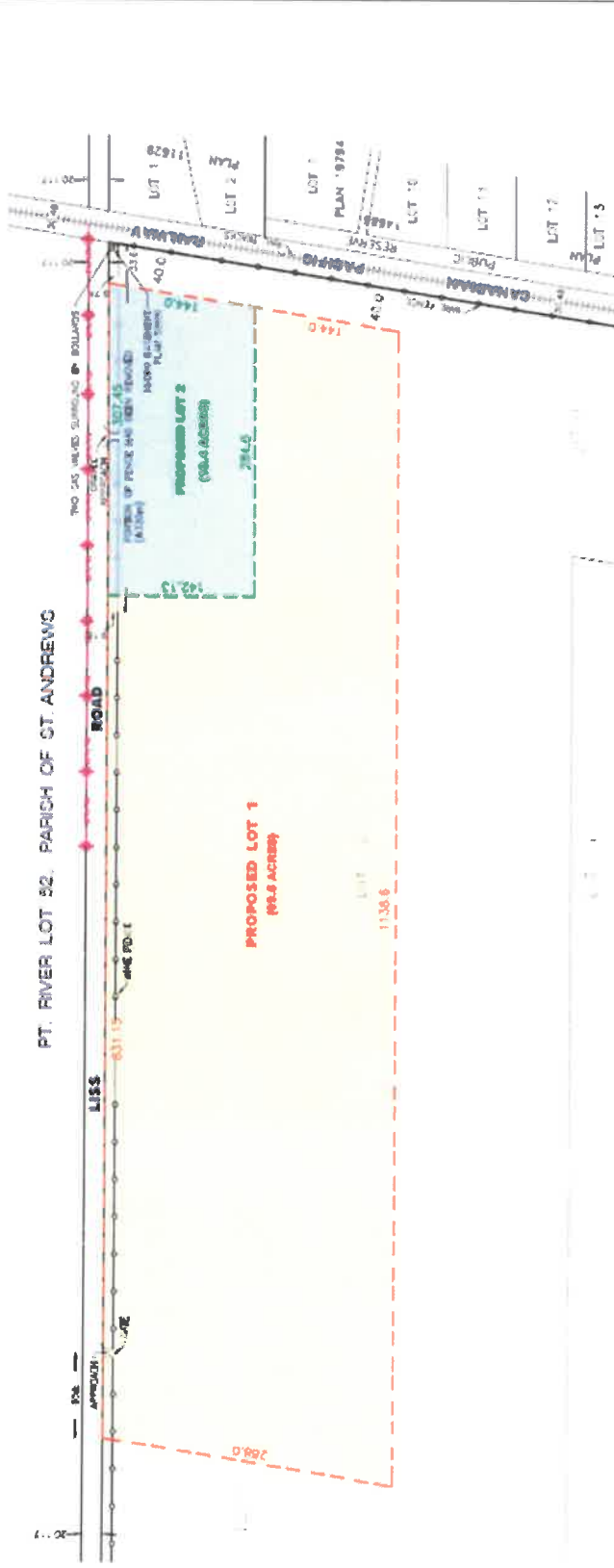
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Schedule "C"

Subdivision Application Map
 160 Liss Road, R.M. of St. Andrews
 of Part of River Lots 48, 49, 50 and 51, Parish of St. Andrews
 being Part of Lot 2, Plan 26781

The dimensions are not an official survey unless it bears the signature and the seal number and
 of the Surveyor, and the signature and seal number of the Surveyor is not an official
 of the State of Louisiana. License to survey professional engineer of Louisiana on a state-by-state basis.

METRIC
 SYSTEM - ALL DISTANCES ARE
 IN METERS AND MAY BE
 CONVERTED TO FEET BY
 MULTIPLYING BY 1.0936



This survey was made on the
 7th day of September, 2023
 Signed & Sealed

Note:
 This map has been prepared
 for subdivision application
 purposes only.
 This is not a final survey.

BARNES & DUNCAN
 PROFESSIONAL ENGINEERS & SURVEYORS
 6 Donald Street
 Winnie, MS
 N.E. 8th
 390-A, 5th Street
 Meriden, MS
 38457
 Our File: 23-1006
 Acad. Reg. 23-1006-1 S.A.M.
 Field Book: 1540 95
 Drafted: HT

Jason A. Crowley, S.L.S.
 Deed this 12th day
 of October, 2023

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