

LEASE AGREEMENT
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THIS LEASE made this _____ day of _____, A.D. 2014

ARTICLE 1 GRANT OF LEASE

Section 1.01

Parkland County, a municipal corporation incorporated under the laws of the Province of Alberta and in the Province of Alberta, (hereinafter called the "Landlord") being registered as owner, subject however to such encumbrances, liens and interests as are notified by memorandum underwritten (or endorsed hereon) of the lands described in **Schedule "A"** hereto, does hereby lease to:

PARKLAND BIG LAKE AREA COMMUNITY ASSOCIATION

A society incorporated under the Societies Act of Alberta, the said lands (hereinafter referred to as "the Demised Premises") to be held by the Tenant as Tenant for the space of twenty-five (24) years from the 1st day of September, A.D. 2014 (hereinafter called "the Commencement Date"), and from thenceforth next ensuing and fully to be completed and ended on the 31st day of December, A.D. 2037 (but subject to prior termination in the events hereinafter set forth and which the Landlord and Tenant agree to observe and perform as the same may be applicable to each of them respectively.

ARTICLE 2 PAYMENT OF RENT

Section 2.01

The Tenant shall yield and pay for the said term on the Commencement Date the lump sum rent of **ONE (\$1.00) DOLLAR**, the sum of which is hereby acknowledged. There to be no other rent whatsoever payable by the Tenant to the Landlord during the term of this lease.

ARTICLE 3 TITLE TO AND CONDITION OF PREMISES

Section 3.01

The Tenant acknowledges and agrees that the Tenant has thoroughly inspected the Demised Premises and that the Tenant accepts the Demised Premises "as is", knowing their condition and that the Landlord has made no representation or warranty with respect to the condition of the Demised Premises or the suitability of the Demised Premises for the use proposed by the tenant.

ARTICLE 4 TAXES AND IMPOSITION

Section 4.01

The Tenant shall in each and every year during the Term hereof pay and discharge when due:

- (a) all taxes, charges, rates and assessments which may be levied or assessed against or in respect of the Tenant's use or occupancy of the Demised Premises, and
- (b) all charges for water, sewer, gas, light, heat, telephone, electricity, power and other utility and communication services rendered or used on or about and serving the Demised Premises.

ARTICLE 5 COMPLIANCE WITH LAW

Section 5.01

During the Term hereof the Tenant shall, at its own cost and expense, promptly observe and comply with all present and future laws, ordinances, requirements, orders, directions, rules and regulations of the federal, provincial and municipal governments and of all other authorities having or claiming jurisdiction over the Demised Premises or the condition, equipment, maintenance, use, occupation or alteration thereof or addition thereto.

ARTICLE 6 INSPECTION

Section 6.01

Upon reasonable notice the Landlord, the Landlord's agents and employees may enter the Demised Premises at all reasonable times during the construction of all buildings, replacements, major structural alterations, additions, changes, substitutions or improvements that may be authorized by this Lease of the Landlord for the purpose of inspecting and ascertaining whether the work conforms with the approved plans, drawings and specifications and the stipulations contained in them, but in so doing will not disturb or interfere with the Tenant's operations more than is reasonably necessary in the circumstances.

Section 6.02

Upon reasonable notice it shall be lawful for the Landlord, its employees or agents during normal business hours during the Term hereof, to enter upon the Demised Premises and enter into any buildings located on the Demised Premises for the purpose of inspection (and for such other purposes as the Landlord may reasonably consider necessary for the protection of its interests under this Lease) and all want of maintenance or reparation that upon such view shall be found, and for which notice in writing shall be delivered to the Tenant, the Tenant shall forthwith, after such notice, proceed to repair and make good accordingly. In exercising its rights hereunder, the Landlord shall not disturb or interfere with the Tenant's operations more than is reasonably necessary in the circumstances.

ARTICLE 7 BUILDERS' LIENS

Section 7.01

The Tenant shall forthwith pay off and cause to be discharged any builders' or similar liens that may be filed against the Demised Premises during the Term of this Lease for work or materials supplied at the request of the Tenant.

Provided further that the Landlord may upon reasonable prior written notice to the Tenant, but shall not be obliged to, discharge any such lien if in the Landlord's reasonable judgment the Demised Premises or the interest of the Landlord or the Tenant therein has become liable to any forfeiture, foreclosure or sale or is otherwise in jeopardy, and any amount paid by the Landlord in so doing, together with all reasonable costs and expenses of the Landlord, shall be deemed to be additional rent payable hereunder and shall be repaid to the Landlord on demand together with interest at eighteen (18%) percent per annum from the date of payment by the Landlord until paid.

ARTICLE 8 REPAIRS AND MAINTENANCE

Section 8.01

The Landlord shall not be obliged to furnish any service or facilities or to make any repairs or alterations in or to the Demised Premises or to any buildings, improvement or structure placed

upon the Demised Premises, the Tenant hereby assuming the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Demised Premises and any building, improvement or structure placed upon the Demised Premises.

Section 8.02

The Tenant shall, during the term of this Lease, and at its own cost and expense throughout the Term keep or cause to be kept in good order, condition and repair the Demised Premises, and all buildings, improvements and structures placed upon the Demised Premises with the consent of the Landlord pursuant to the terms of this Lease.

Section 8.03

The Tenant covenants not to commit or allow waste or injury to the Demised Premises and not to use or occupy or permit to be used or occupied the Demised Premises for any purpose whatsoever other than for the purpose of constructing and operating public recreation and social facilities for the use of the residents of the Landlord and members of the Tenant and for no other purpose whatsoever unless otherwise authorized in writing by the Landlord.

Section 8.04

The Tenant shall cause all work done in connection with any construction, repair, alteration or replacement to be done promptly and in a good and workmanlike manner in accordance with the provisions of Article 5 hereof.

Section 8.05

The Tenant shall at all times ensure that the residents of the Landlord are permitted to use the recreational facilities constructed by the Tenant on the Demised Premises upon the payment of a reasonable fee or a fee for membership in the Tenant.

ARTICLE 9 TENANT'S IMPROVMENTS TO THE DEMISED PREMISES

Section 9.01

The Tenant shall be at liberty to construct only those improvements, buildings and structures on the Demised Premises which are described on **Schedule "B"** hereto and the Tenant shall, from time to time and subject to the other provisions contained elsewhere in this Lease, be at liberty to make alterations and additions to any such improvement, building and structure.

Section 9.02

Prior to the commencement of any work by the Tenant on the Demised Premises or the placement by the Tenant of any improvements, buildings, or structures on the Demised Premises, or the alteration or addition to any improvement, building or structure on the Demised Premise, the Tenant shall prepare and submit to the Landlord such plans and specifications as the Landlord shall require showing in detail the work to be carried out by the Tenant and the improvements, buildings and structures to be placed by the Tenant on the Demised Premises.

Section 9.03

Only such work and improvements shall be carried out or placed on the Demised Premises by the Tenant as shall have been approved in writing by the Landlord.

Section 9.04

The Tenant, at the sole cost and expense of the Tenant, shall at all times ensure that all work carried out and improvements placed on the Demised Premises comply with the plans and specifications approved by the Landlord and that all work and improvements shall be completed by the Tenant on or before such date as may be specified by the Manager of Recreation, Parks and Culture Services of the Landlord or such other person as may be designated by the Landlord.

Section 9.05

The Tenant shall at all times ensure that any work carried out by the Tenant on the Demised Premises and that the use and occupation of the Demised Premises is carried out or conducted subject to the conditions and restrictions described on **Schedule "C"** hereto.

Section 9.06

The Tenant shall not cut, damage, or remove any trees, shrubs or plants on the Demised Premises or excavate or alter the surface of the Demised Premises in any manner whatsoever without first obtaining the approval in writing of the Landlord and Section 9.02 shall apply mutatis mutandis to any cutting, damage or removal of any trees, shrubs or plants and the alteration of the Demised Premises.

ARTICLE 10 DAMAGE OR DESTRUCTION

Section 10.01

The partial destruction and damage by fire or other casualty of a building or buildings, improvement or structure constructed on the Demised Premises shall not terminate the Lease and the Tenant shall forthwith repair or replace the damage or partial destruction.

Section 10.02

The Tenant covenants that in the event of complete or substantially complete destruction of a building or buildings, improvement or structure constructed on the Demised Premises, either the Landlord or the Tenant within thirty (30) days of the date of the destruction of the said building or buildings, improvement or structure shall be at liberty to terminate this Lease by notice in writing to the other, such notice to be given in the manner hereinafter set forth.

Section 10.03

In the event that neither the Landlord nor the Tenant shall elect to terminate this Lease pursuant to Section 10.02 then the Tenant, subject to the compliance with the provision of Article 9 hereof shall either:

- (i) remove, reconstruct or replace the said building or buildings, improvement or structure with a new building, structure or improvement in accordance with any agreement which may be made by it with the Landlord, or
- (ii) replace the said building or buildings, improvement or structure in the absence of an agreement, with a replacement building or buildings, improvement or structure.

ARTICLE 11 SURRENDER OF PREMISES

Section 11.01

The Tenant will at the expiration or other termination of this Lease for any cause whatsoever peaceably surrender and yield up to the Landlord the Demised Premises together with all fixtures constituting a part thereof and the Tenant shall not be entitled to any compensation or payment from the Landlord for any structure, improvement, alteration, building or buildings constructed by the Tenant on the Demised Premises and the said structure, improvement, alteration, building or buildings shall belong to the Landlord.

Section 11.02

Notwithstanding clause 11.01 of this Article, on the expiration or other termination of this Lease for any cause whatsoever, the Tenant, if requested to do so by the Landlord, shall remove structures, improvements and buildings placed upon the Demised Premises by the Tenant and

the Tenant shall restore the Demised Premises to a condition which is acceptable to the Landlord.

Section 11.03

Notwithstanding any provision contained in this Lease to the contrary, upon the termination or earlier termination of this Lease, the Tenant, with the consent in writing of the Landlord, shall be entitled to remove all improvements, structures, alterations, building or buildings constructed by the Tenant or placed by the Tenant on the Demised Premises, subject to the restoration by the Tenant of the Demised Premises, at the Tenant's expense, to a condition acceptable to the Landlord.

ARTICLE 12 RENEWAL OF LEASE

Section 12.01

If the Tenant duly and regularly performs all and every of the covenants and agreements herein on the part of the Tenant to be paid and performed, the Landlord will, at the expiration of the original term hereof and upon the written request of the Tenant given as herein provided to the Landlord not later than ninety (90) days prior to the expiration of the original term hereof, grant to the Tenant a renewal of this Lease for twenty-five (25) years on such terms as may be agreed upon by the Landlord and the Tenant.

ARTICLE 13 INSURANCE

Section 13.01

The Tenant shall throughout the term hereof in respect of the Demised Premises, provide and keep in force (or cause to be provided and kept in force in respect of the Demised Premises) at its expense insurance as follows:

- (a) if requested by the Landlord, fire and extended coverage for all improvements, buildings, and structures on the Demised Premises
- (b) comprehensive general liability insurance for bodily injury and/or death and damage to property of others for a minimum amount of TWO MILLION (\$2,000,000.00) DOLLARS, per occurrence, written on an inclusive basis. Proof of insurance to be provided to Parkland County, Parks, Recreation and Culture Services by January 1st annually.

Section 13.02

All such insurance required above shall be with companies approved by the Landlord, shall be in amounts which the Landlord acting reasonably shall from time to time reasonably determine as being reasonable and sufficient, and shall require at least thirty (30) days prior, written notice by registered mail to the Landlord of any cancellation or change in coverage or expiry thereof. The Tenant shall procure renewals of all such insurance policies required to be carried hereunder from time to time at least thirty (30) days before the expiration thereof and shall from time to time provide evidence satisfactory to the Landlord, by receipts or otherwise, that such insurance is in full force and effect. Each policy required to be carried hereunder by the Tenant shall be signed by the insurer issuing the same and a certified copy of such policy shall be deposited with the Landlord.

ARTICLE 14 INDEMNITY

Section 14.01

The Tenant acknowledges and agrees that the Tenant shall be solely responsible for the security and use of the Demised Premises and that the Landlord shall not be liable for the death of any person or for any injury to any person or for any damage done to any property, at any time on, or in the vicinity of the Demised Premises including any adjoining sidewalks, whether arising from the fault or negligence of the Tenant, its agents, contractors, employers, invitees or

licensees or from any other cause whatsoever and the Tenant covenants to indemnify and save harmless the Landlord from and against all actions, suits, damages, loss, costs, claims and demands of every kind arising out of such injury, loss and damage.

Section 14.02

Without limiting the generality of the provisions contained in Section 14.01 above (but subject to the qualifications contained in Section 14.01 above), the Tenant covenants to indemnify and save harmless the Landlord in its capacity as Landlord under this Lease, from all claims, actions, costs and loss of every nature arising during the Term out of:

- (a) a breach of or non-compliance with a covenant, agreement or condition on the part of the Tenant contained in this Lease, and
- (b) injury to a person, occurring on or about the Demised Premises or on an adjacent sidewalk including death resulting from the injury; and
- (c) damage to or loss of property arising out of the use and occupation of the Land or the Demised Premises or the use of the adjacent sidewalks.

ARTICLE 15 ASSIGNMENT AND SUBLETTING

Section 15.01

The Tenant shall not at any time convey, sell, transfer, encumber or assign this Lease or sublet or part with possession of the Demised Premises or any part thereof directly or indirectly.

Section 15.02

The Tenant shall not alter its constitution or bylaws in any manner, which may result in the Demised Premises not being used for public recreation or social purposes for use by the Landlord residents as well as the members of the Tenant.

ARTICLE 16 DEFAULTS AND REMEDIES

Section 16.01

If and whenever:

- (a) the Tenant shall default in the payment of any sum required to be paid by the Tenant by a provision of this Lease, and such default shall continue for seven (7) days after notice thereof by the Landlord to the Tenant, or
- (b) the Tenant shall violate any of the provisions of Article 15 thereof or Section 8.03 hereof; or
- (c) the Tenant shall default in the performance or observance of any of the other agreements, terms, covenants or conditions on the Tenant's part to be performed or observed hereunder and such default shall continue for a period of fifteen (15) days after notice thereof by the Landlord to the Tenant, or if such default cannot reasonably be cured within such fifteen (15) day period, the Tenant shall not in good faith have commenced to cure the same within fifteen (15) day period, or shall have failed thereafter diligently to proceed therewith to completion; or
- (d) the Tenant file in any court a petition in bankruptcy or insolvency or for the appointment of a receiver or trustee of all or a portion of the Tenant's property, or the Tenant takes the benefit of any act now or hereafter in force for bankrupt or insolvent debtors or if any action is taken with a view to the winding up, dissolution or liquidation of the Tenant or if there is filed against the Tenant in any court a petition in bankruptcy or insolvency or for the appointment of a receiver or trustee of all or a portion of the Tenant's property, and the Tenant, as the case may be, does not contest promptly and in good faith and with due diligence and thereby secures within thirty (30) days after the commencement of any such proceedings the dismissal of such petition; or
- (e) the Tenant ceases to exist or ceases to function as a community league, then and in any such event the Landlord may without notice or any form of process whatever

forthwith re-enter upon the Demised Premises or any part thereof in the name of the whole, whereupon at the option of the Landlord, this Lease and the Term hereof as well as all right, title and interest of the Tenant hereunder shall forthwith terminate, notwithstanding anything contained herein or in any statute or law to the contrary.

Section 16.02

In the event that the Tenant shall not have commenced the use of the Demised Premises for the said purpose described in Section 8.03 by the date specified by the Landlord's Manager of Parks, Recreation and Culture Services, or such other person as may be designated by the Landlord, the Landlord shall be at liberty to terminate this Lease on thirty (30) days notice in writing to the Tenant.

ARTICLE 17 WAIVER

Section 17.01

The failure of the Landlord to insist in any one or more cases upon the strict performance of any of the terms, covenants or conditions of this lease or to exercise any option herein contained shall not be construed as a waiver or a relinquishment of such term, covenant, condition or option.

ARTICLE 18 QUIET ENJOYMENT

Section 18.01

The Landlord covenants that upon the Tenant paying the rent hereby reserved, and performing and observing the covenants, obligations and agreements herein on its part contained, the Tenant shall and may peaceably possess and enjoy the Demised Premises for the term hereby granted without any interruption or disturbance from the Landlord or from any other person or persons lawfully claiming by, from or under it.

ARTICLE 19 NOTICE, DEMANDS AND OTHER INSTRUMENTS

Section 19.01

All notices, demands, requests, consents, approvals and other instruments required or permitted to be given pursuant to the terms of this Lease shall be in writing and shall be deemed to have been properly given if personally served, sent by registered mail or certified mail, postage prepaid, return receipt requested to:

- A. The Landlord, at:
Attn: Manager, Community and Protective Services
Parkland County
53109A SH 779
Parkland County, AB T7Z 1R1
- B. The Tenant, at:
Box 23072,
St. Albert, AB T8N 6Z9

Provided however that such addresses may be changed upon five (5) days written notice thereof, similarly given, to the other party.

Section 19.02

The date of receipt of any such notice, demand, request, consent, approval or other instrument shall be deemed to be as follows:

- (a) in the case of personal service, the date of service;
- (b) in the case of registered or certified mail, the fifth day following the date of delivery to the Post Office provided however that in the event that at the time notice is so served there is any interruption whether anticipated or existing of mail service affecting the delivery of such mail, then notice shall not be deemed to have been served until one (1) week after the date that normal mail service is restored.

ARTICLE 20 NO PARTNERSHIP OR JOINT VENTURE

Section 20.01

This Lease is not intended nor shall it be construed to create the relationship of either a partnership or a joint venture between the Landlord and the Tenant.

ARTICLE 21 SUCCESSORS AND ASSIGNS

Section 21.01

It is agreed that this Lease extends to, is binding upon and ensures to the benefit of the parties and their respective successors and assigns as limited in the Lease.

ARTICLE 22 ENTIRE AGREEMENT

Section 22.01

This Lease contains the entire agreement between the Landlord and the Tenant and may not be amended except by an instrument of equal formality signed by the parties to the Lease or by their successors or permitted assignees.

ARTICLE 23 ACCEPTANCE

Section 23.01

The Tenant does hereby accept this Lease of the Demised Premises, to be held by it as Tenant, and subject to the conditions, restrictions and covenants above set forth.

IN WITNESS WHEREOF the Landlord and the Tenant have executed this Lease under their respective corporate seals, as witnessed by the hands of their respective proper officers duly authorized in that behalf, the day and year first above written.

PARKLAND COUNTY

PER: _____

PER: _____

PARKLAND BIG LAKE AREA COMMUNITY ASSOCIATION

PER: _____

PER: _____

SCHEDULE "A"

Land Description - Reserve lot 211, Lakeshore Estates SE 23- 53- 26- 4, 3.55 acres

DRAFT

SCHEDULE "B"

Facilities and amenities approved to be developed by the Parkland Big Lake Area Community Association on the aforementioned reserve property are:

- **playground**
- **parking lot**
- **fencing**

Any future development of recreational amenities on this municipal reserve parcel must be submitted in writing to Parkland County Council and approved by Council prior to development.

In addition, the Tenant is responsible for the construction and construction costs associated with the development of any project approved by the Landlord.

In the event that Parkland County considers selling this Demised Premises in the future, the lessee will be given a reasonable opportunity to purchase the said property at a price to be determined by the Landlord.

SCHEDULE "C"

1. The Tenant shall be responsible for maintenance requirements as outlined, but not limited, to the following:
 - A. Glass or debris cleaned and disposed of;
 - B. Grass is to be regularly maintained and the land cleared of piled debris;
 - C. Trees to be maintained and wind fallen trees are to be safely removed and disposed of; and
 - D. Grass clippings and other refuse must be removed from the site.
 - E. All facilities must be inspected and repaired on a regular basis (and as a minimum once a month) to ensure safe use; inspections and actions taken are to be entered into a permanent record book and are available for inspection by the Landlord or his designate.
 - F. The site shall be maintained in a weed free manner satisfactory to the Manager of Agricultural Services for the Landlord or his designate.
2. The Tenant is responsible to provide, at the Tenant's their own expense, a method of garbage disposal which meets with the approval of the local Health Authority.
3. All signs and the construction standards shall be approved by Parkland County prior to commencement.
4. A sanitary toilet will be allowed providing the location of these facilities are a minimum of .6 meters from the property line. The toilet must comply with requirements of the local Health Authority. Every effort must be made to blend the facilities with the natural surrounds of the area.
5. Fire permits will not be permitted on the reserve property, unless approved in advance by the Landlord, and all necessary permits are in place prior to the fire.
6. Parkland County roadside parking restrictions will apply. The leaseholder is responsible to provide on-site parking.
7. Further renovation or new construction of playground equipment shall comply with the Canadian Standards Association (CSA) standards for children's play spaces and equipment.
8. This land is governed in accordance with the by-laws of Parkland County. It is the sole responsibility of the Tenant to be familiar with these by-laws.