

Memorandum of Agreement entered into this 14 day of May A.D. 2008.

Between:

Parkland County, a Municipal Corporation incorporated under the laws of the
Province of Alberta, (hereinafter referred to as "the County")

on the First Part,

and,

TransAlta Utilities Corporation, A Body Corporate registered under the laws
of Canada, (hereinafter referred to as "TransAlta")

on the Second Part,

WHEREAS the County, under the authority of the Municipal Government Act R.S.A. 2000,
C.M-26 ("the Act") with amendments, has control and management of the statutory road
allowances.

AND WHEREAS TransAlta wishes to proceed with the development and mining of its Pit 08.

In consideration of the mutual covenants herein contained, the County and TransAlta hereby
agree as follows:

1. Upon application by TransAlta the County will introduce a by-law or by-laws to Council, pursuant to Section 22 of the Act, to cause closure of the statutory road allowances which are identified as "Road Closures" on the attached map (Figure 1).
2. TransAlta acknowledges and agrees that the closure of the statutory road allowances (Road Closures) will be subject to the final passage of a by-law or by-laws by the Council of the County, after the approval of the Minister of Alberta Transportation is attained.
3. The County acknowledges and agrees that the construction of alternate replacement roads, shown on the attached map (Figure 1) will be subject to the final passage of a road closure by-law or by-laws by the Council of the County, after the approval of the Minister of Alberta Transportation is obtained. In the event that some or all necessary approvals are not obtained within a reasonable time, those portions of this agreement pertaining thereto shall be subject to renegotiation by the County and TransAlta. In the event the County and TransAlta are unable to reach agreement, either the County or TransAlta may refer the issues in dispute to arbitration. The arbitration shall be conducted in accordance with the Arbitration Act of Alberta unless the parties agree otherwise.
4. TransAlta shall, prior to the removal of the existing roads being closed, construct alternate replacement roads as shown on the attached map (Figure 1). For such roads and where applicable TransAlta shall dedicate all required right-of-way thirty meters in width on lands owned by TransAlta or such other lands as TransAlta may be able to obtain access to; and, shall file the required Plan of Survey at Land Titles. Should the County negotiate and purchase any of the required right-of-way, TransAlta shall reimburse the County for all reasonable costs, including staff time, expense and registration.

5. TransAlta agrees that the level crossing and all roads to be constructed by TransAlta pursuant to this Agreement will be constructed by TransAlta in accordance with plans and specifications approved by the County, such approval not to be unreasonably withheld, and to a reasonable standard approved by the County for public roadways at the time that the construction is to be carried out by TransAlta. TransAlta will have no obligation to construct roads on closed road allowances except as provided for herein.
6. As soon as the mining and reclamation operations have been completed through the closed portion of Range Road 43 (West of NW 34-51-04-W5M), TransAlta will reconstruct and asphalt concrete pave (in accordance with acceptable engineering practices) Range Road 43 and extend it northward to the relocated portion of Secondary Highway 627; and, shall reconstruct, to the specifications of Alberta Infrastructure and Transportation, any required road improvements to SH 627 or Range Road 43 deemed required by Alberta Infrastructure and Transportation at the intersection of SH 627 and Range Road 43. At that time, Township Road 515A including right-of-way may be closed and revert back to TransAlta, subject to the County being able to satisfy whatever legal requirements may exist at that time for road closures.
7. TransAlta shall construct Township Road 512 between Range Road 35 and Range Road 43 as soon as mining and reclamation operations have been completed at this location.
8. The existing forced road right-of-way in the North half of Section 35-51-04-W5M, that lies between Range Road 41 and Range Road 42, shall be transferred to TransAlta by the County in exchange for the new forced road right-of-way in the South half of Section 25-51-04-W5M when that road relocation is completed. Also, the closed portion of the Statutory road allowance on Range Road 35 shall be transferred to TransAlta by the County in exchange for the new forced road right-of-way in Pt. of NW 08 and West half of Sections 17 and 20-51-03-W5M to be transferred by TransAlta to the County, after completion of the road relocation all as shown on the attached map (Figure 1).
9. TransAlta shall reclaim all closed road allowances not required for future road construction, to a productive land use consistent with the Reclamation and End Use Plan approved by Alberta Environment and the County.
10. When TransAlta elects to construct the coal haul road shown in dark blue (Future Coal Haul Road) on the attached map (Figure 1), TransAlta shall construct, at its sole cost, expense, and to the reasonable satisfaction of the County, a level crossing to allow the future coal haul road traffic to cross Range Road 40. TransAlta shall provide ongoing operation and capital maintenance on this intersection for as long as it is required. When no longer required by TransAlta, TransAlta shall remove the crossing and restore the roadway to reasonable County standards.
11. TransAlta shall ensure that year round access is provided in a manner and form acceptable to the County, acting reasonably, to any parcel of land adjacent to a proposed road closure that is not owned by TransAlta. TransAlta shall by way of a separate agreement with the landowners, with an interest in the lands, ensure the foregoing.
12. The lands described as NW 33-51-04-W5M, previously owned by the County and transferred to TransAlta for the purpose of mining shall upon completion of mining and reclamation operations by TransAlta, be transferred by TransAlta to the County at no cost to the County.

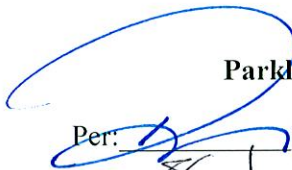
13. TransAlta shall consult with landowners directly affected by the road changes provided for in this Agreement.
14. Both parties agree to do such things and execute such further documents, agreements and assurances as may be deemed necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement.
15. This agreement replaces and supersedes any other agreement between the parties related to road closures for the construction of TransAlta's Pit 08 and Pit 09 developments.
16. The County and TransAlta have hereunto affixed their respective seals as witnessed by the hands of their proper signing officers duly authorized in that behalf as of the day and year first written above.

TransAlta Utilities Corporation

Per: 

Per: _____

Parkland County

Per: 

Per: 