



LEASE

THIS INDENTURE OF LEASE made in duplicate this ____ day of ____, ____.

BETWEEN:

TRANSALTA CORPORATION,
a corporation formed under the laws of the Province of Alberta
(the "**Lessor**")

OF THE FIRST PART

- and -

PARKLAND COUNTY
a municipal corporation formed under the laws of the Province of Alberta
(the "**Lessee**")

OF THE SECOND PART

WHEREAS the Lessor is the owner in fee simple of certain lands situated within the Parkland County as described in Schedule A (the "**Lands**");

AND WHEREAS the Lessee wishes to lease from the Lessor a portion of the Lands on an exclusive basis for the Permitted Uses (as defined herein) and, subject to the terms and conditions set forth herein, Lessor agrees to same;

WITNESSETH THAT IN CONSIDERATION of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be paid, observed and performed, the Lessor by these presents both demise and lease unto the Lessee the Lands.

1. TERM

The Lessor hereby covenants and agrees to lease the Lands to the Lessee for a term of twenty (20) years commencing on the 1st day of April, 2018, and ending on the 31st day of March, 2038 (the "**Term**") subject to the covenants, terms and conditions hereof.

2. SUBLEASE

The Lessee may not sublease the Lands without the prior written approval of the Lessor.

3. PERMITTED USES

Subject to compliance with applicable laws, the Lessee and its respective directors, officers, employees, agents, representatives, customers, guests and any invitees accessing the Land (collectively, "**Permitted Users**") may use the Lands for the following recreational uses ("**Permitted Uses**"):

- (a) walking and other non-motorized recreational uses;
- (b) access to the Wabamun Lake for boating purposes;
- (c) development, operation and maintenance of a boat launch site;
- (d) the installation and use of the following existing improvements the locations of which are further detailed in Schedule D ("**Existing Improvements**"):
 - (i) one fixed gangway and connecting fifty (50) slip floating boat dock;
 - (ii) two floating boat docks, each limited to twenty-five (25) feet in length, or less; and
 - (iii) up to fifty-four (54) clearly marked boat moorings; and
- (e) the installation and use of additional improvements in accordance with Section 18.

4. **QUIET ENJOYMENT**

The Lessor covenants with the Lessee that, subject to the rights and privileges herein contained and upon the Lessee paying the rent and performing the covenants contained herein, the Lessee and Permitted Users shall and may quietly and peaceably possess and enjoy the Lands without interruption from the Lessor.

5. **RENT**

The Lessee hereby covenants and agrees to pay as rental unto the Lessor the sum of **TEN THOUSAND DOLLARS (\$10,000.00)** plus any applicable goods and services tax pursuant to the *Excise Tax Act* (Canada) upon the execution of this agreement, for the first year of the Term.

Thereafter, the Lessee hereby covenants and agrees to pay as rental unto the Lessor the sum of **TEN THOUSAND DOLLARS (\$10,000.00)** escalated at a rate of 2.0% every year beginning on the first anniversary date of this agreement plus any applicable goods and services tax pursuant to the *Excise Tax Act* (Canada) on each first day of the anniversary month of this agreement, for the remainder of the Term hereof.

6. **CONDUCT**

The Lessee hereby covenants and agrees that it shall use, and shall cause Permitted Users to use, the Lands exclusively for the Permitted Uses and the Lessee covenants and agrees not to, and to ensure that the Permitted Users do not, use, carry on or permit any noxious, noisome, or offensive art, trade, business or calling to be carried on respecting the Lands, nor shall it or the Permitted Users suffer or permit any act, matter of thing whatsoever to be done in, around or upon the Lands, or any part thereof, which shall cause annoyance or nuisance or grievance or damage or any disturbance to the owners or occupants of the Lands and properties adjoining or within the reasonable proximity of the Lands. The Lessee further agrees not to construct or install improvements on the

Lands without the written consent of the Lessor. Without limiting the generality of the foregoing, the Lessee shall not construct any permanent facilities on the Lands or any facilities that become fixtures on the Lands without the written consent of the Lessor. The Lessee acknowledges that notwithstanding Lessor providing any such written consent, Lessee shall be solely responsible for obtaining any permits, consents, licenses or similar regulatory requirements, at its sole cost and expense, and to comply with any other applicable laws necessary for the construction or installation of improvements on the Lands.

7. MAINTENANCE OF LANDS

The Lessee hereby covenants and agrees that it shall be responsible for the maintenance of the Lands and, without limiting the generality of the foregoing, shall cut and keep down all weeds, grasses and other such vegetation. The Lessee shall not allow, and shall ensure that the Permitted Users do not allow, any refuse, garbage or other loose or objectionable waste material to accumulate in, about or upon the Lands, and it shall at all times keep the Lands in a clean condition. Upon expiration or earlier termination of this Lease, neither the Lessee or the Permitted Users shall leave any objects, refuse, garbage or loose or objectionable waste material or obstructions of any kind on the Lands and the Lessee shall leave, and cause the Permitted Users to leave, the Lands in a clean, unobstructed condition. If the terms of this Section 7 are not complied with, the Lessor may pay for the cleanup or maintenance of the Lands (including any reasonable labour costs) and the Lessee agrees to promptly reimburse Lessor for all such costs.

8. RESTRICTIONS

The Lessee hereby covenants and agrees that at all times, notwithstanding the initial site development and construction as shown in a plan which has received written approval from TransAlta, it shall maintain any and all existing fences in good repair and that it shall not, and shall ensure the Permitted Users shall not, cut timber or remove soil, sand or gravel from the Lands. The Lessee also agrees that it shall not, and shall ensure the Permitted Users shall not, without the prior written consent of the Lessor or as expressly permitted in Section 3, erect any structure, fence or object nor permit the growth of any trees or vegetation on the Lands to interfere with any above ground installations associated with the Lessor's operations; or to allow any objects or obstructions to accumulate in, about or upon the Lands that could in any manner interfere with navigation; or to construct or install any other facilities, fixtures or improvements on the Lands. If the terms of this Section are not complied with, the Lessor may pay for such maintenance (including any reasonable labour costs) and the Lessee agrees to promptly reimburse Lessor for all such costs.

9. OPERATIONS OF LESSOR

The parties hereto mutually covenant and agree that nothing in this Lease shall be considered to interfere with, limit or abrogate the rights of the Lessor in respect to its business operations and contractual arrangements with third parties, including the operation, maintenance, repair, replacement, future development or abandonment of its

power generation facilities and operations in the Lake Wabamun area as well as any flood and drought mitigation activities from time to time required and in such cases the Lessor shall not be liable to the Lessee or any Permitted Users for any losses, liabilities, claims, damages, expenses, debts, dues, suits, actions and causes of actions or costs, of whatsoever nature and kind, as a result of such actions.

10. RENEWAL

Provided always that the Lessee is not in default under any of its obligations hereunder, this Lease shall continue on an evergreen basis and automatically renew for successive one (1) year periods after the expiry of the Term unless either party gives notice of its intention to terminate this Lease in accordance with Section 11.

11. TERMINATION

If either party, desires to terminate this Lease for any reason whatsoever, then such party may, upon three hundred sixty five (365) days written notice to the other party, terminate this Lease or any renewal thereof.

12. CONDITION PRECEDENT

It is understood and agreed that it is a condition precedent to the Lessee or any Permitted Sub-lessee exercising any rights in or subleased under this Lease or a permitted sublease, as applicable, that the Lessee shall, at its sole cost and expense:

- (a) provide copies of certificates of insurance as required under Section 16 as well as such other insurance as may be required by applicable laws;
- (b) install signage warning Permitted Users that water levels on the Lands may vary significantly without notice and that use of the such Lands and the adjacent water shall be at their sole risk; and
- (c) obtain and maintain all necessary approvals and/or consent from any governmental bod having jurisdiction over the Lands or the Lessee.

13. PROTECTION OF ENVIRONMENT

The Lessee shall use, and shall cause Permitted Users to use, the Lands and Lake Wabamun in such a manner that protects the environment and ecology to the greatest extent possible. The Lessee shall also, at its sole cost, obtain all approvals and permits from any applicable regulatory bodies necessary to operate a facility for Permitted Uses. Upon termination of this Lease, the Lessee shall, upon the request of the Lessor, remove any installations the Lessee or Permitted Users may have placed on the Lands so as to return the Lands to their original state.

14. COMPLIANCE WITH LAWS

The Lessee covenants that it shall, and shall cause Permitted Users to, comply with any and all applicable laws, including the *Navigation Protection Act*, RSC 1985, c N-22, in connection with its use of and activities upon the Lands and shall (i) be liable for and, in addition, (ii) indemnify, defend and hold harmless the Lessor from any breach thereof, or for failure to follow the regulation or direction of any body or authority having jurisdiction over the use of the Lands, and the conduct of the activities thereon. The Lessee shall, in accordance with Section 12 hereof, obtain, at its sole cost and expense, all permits, consents or licenses and shall comply with any other regulatory requirements necessary for the enjoyment of this Lease.

15. LICENSE FEES

The Lessee hereby covenants and agrees to pay every business tax and license and like fee in respect of its business carried on thereon or in respect of the occupancy of the Lands by the Lessee, whether such taxes, licenses or fees are charged by any Municipal, Provincial, Federal or other body of authority whatsoever.

16. INSURANCE

- (a) The Lessee hereby covenants and agrees to insure the Lessor and the Lessee or Permitted Sub-lessee, as applicable, and their respective servants and agents, and to keep them insured at the Lessee's and Permitted Sub-lessee's sole expense, as applicable, against all legal liability as provided under occurrence based Comprehensive General Liability Insurance providing for damage because of bodily injury (including death at any time resulting therefrom) sustained by a person or persons and/or for damage to persons or property caused by the ownership, maintenance, use or occupancy of the Lands or by reason of the conduct of any business carried on by the Lessee or Permitted Sub-lessee, as applicable, and provided for herein, such insurance to be placed with any insurance company or companies licensed to do business in the Province of Alberta, for a combined single limit of not less than five million dollars (\$5,000,000.00). The Lessee shall make all payments necessary for the above purpose promptly as the same shall become due and shall furnish in writing to the Lessor satisfactory evidence that such insurance is in full force and effect.
- (b) The Insurance required in Section 16 (a) shall name the Lessor and any officer, director, employee, agent, representatives, assigns or servant of the aforementioned as additional insureds with a cross liability clause and, without restricting the generality of the foregoing, include extensions known as: Blanket Contractual; Personal Injury; Non-Owned Automobile Liability; Contingent Employers' Liability.
- (c) The Lessee and Permitted Sub-lessee, as applicable, with respect to the ownership, maintenance, use or occupancy of the Lands or by reason of the conduct of any business carried thereon and provided herein, shall also procure and maintain at its own expense the following minimum appropriate insurance covering its obligations under this Lease:

- (i) Workers' Compensation or equivalent insurance, to the full extent required in the Province of Alberta and wherever the contracts of employment for Lessee's employees are made or expressed to be made;
 - (ii) Automobile Liability Insurance covering all motor vehicles owned, operated or licensed by Lessee with a bodily injury, death and property damage limit of not less than Two Million (\$2,000,000) Dollars inclusive;
 - (iii) All Risk Property Insurance covering all risks of physical loss or damage to property of every description owned by Lessee or for which Lessee is legally liable or responsible, for an amount not less than the replacement value of such property, and providing a waiver of subrogation against Lessor.
- (d) All policies required as set out in this Section 16 will be primary and will not call into contribution any other insurance available to Lessor, with the exception of automobile liability policy, and shall provide that no cancellation of any such policy or policies shall become effective unless thirty (30) days prior notice in writing of such cancellation shall have been given to the Lessor by registered mail. In the event of cancellation of any policy or policies of insurance named above, the Lessee or Permitted Sub-lessee, as applicable, shall immediately replace the same with another policy or policies of insurance which shall conform in all respects to the terms set out in this Section 16. If the Lessee or Permitted Sub-lessee, as applicable, fails to take out or keep in force any such insurance referred to herein then the Lessor shall have the right to obtain such insurance at the cost of the Lessee or Permitted Sub-lessee, as applicable.
- (e) It is understood and agreed that it is a condition precedent to the Lessee or Permitted Sub-lessee, as applicable, exercising any of the rights under this Lease or a sublease, as applicable, that the Lessee or Permitted Sub-lessee, as applicable, shall provide to the Lessor a certificate of insurance evidencing the insurance coverage required to be in place pursuant to the terms hereof.

17. INDEMNITY

- (a) Use of the land by the Lessee and Permitted Users shall be at their own risk. Except as set out in Section 17(b), Lessor assumes no responsibility for any losses, costs, damages, expenses, charges, fines, penalties and other liabilities (including legal fees on a solicitor and client basis) (collectively, "**Losses**") which may be suffered, sustained, paid or incurred by the Lessee or the Permitted Users as a result of or in connection with their use of the Lands.
- (b) In addition to any other liabilities and indemnities provided for in this Lease, the Lessee shall be liable to the Lessor, its affiliates and their respective directors, officers, employees, agents, representatives and assigns (the "**Lessor Indemnitees**") for any and all Losses which may be suffered, sustained, paid or incurred by the Lessor Indemnitees arising out of or in connection with any

negligence, willful misconduct or non-compliance with applicable laws on the part of the Lessee or Permitted Users in the performance or non-performance of this Lease or a sublease; and indemnify, defend and save harmless the Lessor Indemnitees from and against any and all Losses and Claims which may be claimed, made or brought by any third party, including any Permitted Users, against the Lessor Indemnitees, or which any of them may suffer, sustain, pay or incur, arising out of or in connection with any negligence, willful misconduct or non-compliance with applicable laws on the part of the Lessee or Permitted Users in the performance or non-performance of this Lease or a sublease.

- (c) Lessor shall not be liable to the Lessee or Permitted Users under this Lease or in connection with any sublease for any Losses of an indirect, incidental, contingent, special, consequential or punitive nature, including any losses of profit or anticipated business.

18. REPAIRS, ALTERATIONS AND IMPROVEMENTS

The Lessee agrees that the Lessor is under no obligation to rebuild, replace, maintain or make any repairs to the Lands, or to the improvements thereon during the Term or any renewal thereof. The Lessee may make such alterations and improvements to the Lands as they may deem desirable for their use thereof, at their option and sole expense, at any time and from time to time during the Term or any renewal thereof, provided however, that prior to undertaking such alterations and improvements the Lessee shall obtain prior written approval from the Lessor to the plans and specifications in respect of such alterations and improvements. Any and all alterations and improvements shall be completed in compliance with the pre-approved plans and specifications. To the extent that any such alterations and improvements are found to be inconsistent with such pre-approved plans and specifications, the Lessee shall rebuild, replace, repair or remove the alterations or improvements within 30 days of written notice and direction from Lessor. Should the Lessee fail to do so, Lessor may or remove the alterations or improvements, at the Lessee's sole cost and expense.

19. RIGHT OF ENTRY

The rights and privileges of the Lessee and any Permitted Users hereby granted shall at all times be subject to the paramount right of the Lessor at any time and from time to time to enter upon the Lands for any purpose including for the purpose of inspecting the Lands; for the purpose of inspecting, constructing or removing any improvements thereon; or for the purpose of performing any of its varied operations. The Lessor may, from time to time, be required to engage in significantly disruptive activity necessitating the closure of the Permitted Uses area. Should such closure be required, Lessor shall provide Lessee with a minimum of sixty (60) days notice and the rent due in the following year shall be reduced by the amount equivalent to the number of days required for the closure times the Rent at the time of closure divided by 365.

20. DEFAULT

In the event that the Lessee or a Permitted User defaults in any of the obligations under this Lease, then the Lessor shall provide written notice unto the Lessee advising of such

default, and if such default shall continue for a period of fifteen (15) days from the receipt of such notice from the Lessor, then, at the discretion of the Lessor, the term and privileges hereby granted shall terminate and the Lessee and Permitted Users shall quit and quietly surrender the Lands unto the Lessor.

21. ASSIGNMENT OF LEASE

The Lessee hereby covenants and agrees that it shall not assign or sublet this Lease or its sublease, as applicable, or in any way or manner part with possession or control of all or any part of the Lands, without the consent of the Lessor first obtained and such consent may be unreasonably withheld.

22. REGISTRATION

The Lessee hereby covenants and agrees that it shall not at any time register this Lease, or cause or permit the Lease or any permitted sublease to be registered, in a Land Titles Office either by way of caveat or otherwise howsoever against the title or titles of the Lessor, and in the event that this Lease or a permitted sublease is so registered, then the Lessee shall immediately upon the request of the Lessor cause the withdraw, discharge and release of such registration, at its sole expense.

23. GRANT OF OTHER RIGHTS

The Lessor hereby reserves the right at any time to grant or assign to a third party any rights including any consents, easements or leases respecting the Lands.

24. LIENS

Lessee shall (i) be liable for and, in addition, (ii) indemnify, defend and hold harmless Lessor from and against all liens, charges, security interests and encumbrances arising pursuant to any applicable laws in respect of Lessee's or its agents, employees, invitees or licensee's use of the Land. The Lessee shall not suffer or permit any builders' liens or other liens for work, labour, services or material relating to work contracted for or by the Lessee to remain filed against the Lands. If the Lessee fails to release and discharge any claim of lien of others against the Lands within ten (10) business days after receipt of notice from Lessor to remove such claim of lien, Lessor may, at its option, discharge or release, or cause to be discharged or released, the claim of lien, or otherwise deal with the lien claimant, and Lessee shall pay Lessor any and all costs and expenses of Lessor in so doing, including legal fees and expenses (on a solicitor and his own client basis), incurred by Lessor.

25. NOTICES

The parties hereto mutually covenant and agree that any notice to be given according to the provisions in this Lease contained shall be deemed to have been served on the third business day next following the mailing of a prepaid single registered letter addressed to the parties hereto at their respective mailing addresses, namely:

TransAlta Corporation

Attn: Manager, Land Services
 Box 1900, Station "M"
 110 – 12th Avenue S.W.
 Calgary, Alberta T2P 2M1

And to:

Parkland County

Attn:
 53109A Highway 779
 Parkland County, AB. T7Z 1R1

26. HAZARDOUS SUBSTANCES

The Lessee shall not and shall not allow Permitted Users to bring on to the Lands any substances defined as hazardous, toxic, contaminant, deleterious or dangerous pursuant to any applicable laws including, without limitation, any applicable environmental laws as they might appear from time to time. It is specifically agreed and acknowledged that the Lessee shall indemnify and hold harmless the Lessor from any and all losses, liabilities, claims, damages, expenses, debts, dues, suits, actions and causes of actions or costs (as between a solicitor and its own client and on a full indemnity basis), of whatsoever nature and kind, and arising howsoever as a result of the presence or the alleged presence of such hazardous, toxic, contaminant, deleterious or dangerous substances on the Lands or within the control of the Lessee or a Permitted User. Nothing contained in this paragraph shall restrict the duties and obligations of the Lessee and Permitted Users to comply fully with any applicable laws in force from time to time. If the Lessor reasonably believes that the Lessee or a Permitted User has defaulted with respect to the obligations under this Section 26, the Lessor may take any action it deems necessary to protect the environment, including terminating this Lease forthwith.

27. SURRENDER

The Lessee shall, and shall cause Permitted Users to, at the expiration of the Term or earlier termination of this Lease, peaceably surrender and yield unto the Lessor the Lands.

28. MISCELLANEOUS

- (a) Enurement: This Lease shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- (b) Time: Time shall be of the essence hereof.
- (c) "Including": References to "including" and "includes" means "including, without limitation" and "includes, without limitation" respectively.

- (d) No Amendment Except In Writing. This Lease may be amended only by written instrument executed by both parties.
- (e) Inconsistencies: If there is any conflict or inconsistency between a provision of the body of this Lease and any Schedule, the provision of the body of this Lease shall prevail.
- (f) Sub-lease. Lessee shall not be relieved of its obligations hereunder as a result of the sublease of any of the Lands to a Permitted Sub-lessee.
- (g) Severability: If any of the provisions of this Lease are determined to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- (h) Headings etc.: Headings, captions or indices herein are inserted for convenience of reference only and shall not be used in any way in construing or interpreting any provision hereof; whenever the singular or masculine or neuter is used, it shall be interpreted as meaning the plural or feminine or body politic or corporate, and vice versa, as the context requires; and where a term is defined herein, a derivative of such term shall have a corresponding meaning unless the context otherwise requires.
- (i) Currency: References to dollars or \$ means Canadian dollars.
- (j) Computation of Time: The computation of any period or time referred to in this Lease shall exclude the first day and include the last day of such period, and (i) if the time limited for the performance or completion of any matter under this Lease expires or falls on a day that is not a business day, the time so limited shall extend to the next following business day, and (ii) to the extent that interest is calculated for a period ending on a day that is not a business day, the last day of such period, for the purposes of calculating interest, shall extend to the next following business day.
- (k) Waiver: A waiver of the Lessor or the Lessee of the strict performance of any term, covenant or condition herein shall not of itself constitute a waiver of any such term, covenant or condition or any subsequent breach thereof.
- (l) Governing Law: This Lease shall be governed by, and construed and enforced in accordance with, the applicable laws, other than conflict of laws rules, prevailing in the Province of Alberta.
- (m) Continuing Liability: Except if otherwise provided in this Lease, any provision of this Lease under which an obligation of a party has accrued but has not been discharged will not be affected by termination or expiry of this Lease, nor will the party liable to perform be discharged as a result of any such termination or expiry, nor will termination or expiry prejudice any such right of a party against the other in respect of anything done or omitted hereunder prior to such termination or expiry or in respect of any right to damage or other remedies.

- (n) Independent Legal Advice: The Lessee agrees and acknowledges that it has read and understood this Lease and acknowledges that it has had the opportunity to retain independent legal advice with respect to this Lease prior to the execution of this Lease. The Lessee accordingly waives any claim or right of defence which it may have based on its failure to obtain such legal advice should a dispute arise with respect to this Lease.
- (o) Due Execution. The Lessee represents that this Lease has been duly executed, delivered and authorized by all necessary action on the part of the Lessee.
- (p) Counterparts: This Lease and any document or instrument to be executed and delivered by the parties hereunder or in connection herewith may be executed and delivered in separate counterparts and delivered by one party to the other by facsimile or similar electronic means, each of which when so executed and delivered shall be deemed an original and all such counterparts shall together constitute one and the same agreement, if this Lease or any such document or instrument is delivered by facsimile or electronic means, the party so delivering this Lease or such document or instrument shall within a reasonable time after such delivery deliver an originally executed copy to the other.

IN WITNESS WHEREOF the Lessor and Lessee have executed this Lease as of the date set out above.

PARKLAND COUNTY

TRANSALTA CORPORATION

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

SCHEDULE "A"

DESCRIPTION OF LANDS

LEGAL SUBDIVISIONS ONE (1) AND TWO (2) OF SECTION TWENTY NINE (29)
TOWNSHIP FIFTY TWO (52)
RANGE FOUR (4)
WEST OF THE FIFTH MERIDIAN
WHICH LIE GENERALLY TO THE SOUTH AND WEST OF THE SOUTH WESTERLY
SHORELINE
OF WABAMUN LAKE AS SHOWN ON A PLAN OF SURVEY OF THE SAID TOWNSHIP
SIGNED
AT OTTAWA ON THE 9TH DAY OF DECEMBER A.D. 1922
CONTAINING 10.6 HECTARES (26.30 ACRES) MORE OR LESS
EXCEPTING THEREOUT: HECTARES (ACRES) MORE OR LESS
A) PLAN 0022616 ROAD 1.53 3.78
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

SCHEDULE "B"**EXISTING IMPROVEMENTS**

(Please see the attached sketches Schedule B1 and B2)