



Application for Registration

Privacy Act Statement

*This statement explains the purposes and use of your personal information. Only information needed to respond to program requirements will be requested. Collection and use of personal information is in accordance with the Privacy Act. In some cases, information may be disclosed without your consent pursuant to subsection 8(2) of the Privacy Act.

The collection and use of your personal information for this Statutory Declaration is authorized by sections 21 - 55 of the Indian Act http://laws-lois.justice.gc.ca/eng/acts/i-5/ and is required for your participation.

We will use your personal information, your contact information, for the processing of the form. We share the personal information you give us with Bands (First Nation Governments) for whom AANDC tracks this. The information collected is described in Personal Information Bank "Monitoring and Compliance of Reserve Land Instruments", AANDC PPU 096, detailed at http://www.aandc-aandc.gc.ca/eng/1100100011039/1100100011040, will be retained for a period of 30 years after the last administrative action and then transferred to Library and Archives Canada (LAC) as archival records.

As stated in the Privacy Act, you have the right to access your personal information and request changes to incorrect information. Contact our office (toll-free) at 1-800-567-9604 to notify us about incorrect information. For more information on privacy issues and the Privacy Act in general, you can consult the Privacy Commissioner at 1 (800) 282-1376.

Please send two copies of this document to your regional Aboriginal Affairs and Northern Development Canada office listed in the 'Contact Us' directory.

<u>Registration Number</u> 6109935	<u>Received Date</u> 2018/10/03	<u>Regional File Number</u> 5643-6-06639-9
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NAME OF PARTIES TO INSTRUMENT	
<u>Name</u> Crown Canada	Grantor
<u>Name</u> TSUUT'INA LAND DEVELOPMENT LIMITED PARTNERSHIP	Grantee

Instrument Type	Lease 014
Instrument Date	2018/09/28
Purpose	COMMERCIAL
Remarks	DESIGNATION REG #6086524

LAND DESCRIPTION	
Province :	ALBERTA
Reserve Name	06639 - TSUU T'INA NATION 145
Legal Description - Land Affected	LOT 38 Canada Lands Surveys Record 103678

List of Supporting documentation (must be attached to document or a registration number quoted)			
Legal Document	BAND COUNCIL RESOLUTION #3511 DATED SEPTEMBER 20, 2018	10/4/2018	3:48:02PM
Legal Document	ISC CONSENT TO ASSIGNMENT OF LEASE DATED SEPTEMBER 28, 2018	10/4/2018	3:48:41PM

Applicant Email : _____ Band Email : _____

Signature of Applicant () _____
Tel. number of Applicant email Date

Return To :

Registration Number 6109935

Registration Date: 2018-10-05 and Time: 5:30:10

[Signature] _____ October 5, 2018
Signature of Registration Officer Date

Comments

Reason for return

Signature of Registration Officer Date

TAZA PARK LEASE

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA,

as represented by the Minister of Indigenous Services

(referred to as the "Lessor")

AND

**TSUUT'INA LAND DEVELOPMENT LIMITED PARTNERSHIP,
by its General Partner,
TSUUT'INA LAND DEVELOPMENT GP INC.,**

duly incorporated under the laws of the Province of Alberta

(referred to as the "Lessee")

For the Lands (defined herein) which are part of Tsuu T'ina Indian Reserve No. 145

Dated: September 28, 2018

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Schedule A – Improvements Existing at Commencement Date

Schedule B – Mitigation Measures

Schedule C – Environmental Remediation Requirements for Taza Park

Appendix A – Assignment Consent Agreement

Appendix B – Non-Disturbance Agreement (Sublease)

Appendix C – Non-Disturbance Agreement (Sub-Sublease)

Appendix D – Lessor Acknowledgement and Mortgage Agreement (Head Lease)

Appendix E – Lessor Acknowledgment and Mortgage Agreement (Sublease)

Appendix F – Estoppel Certificate Form

TAZA PARK LEASE

This Lease is made between:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA,

as represented by the Minister of Indigenous Services

(referred to as the "Lessor")

AND

**TSUUT'INA LAND DEVELOPMENT LIMITED PARTNERSHIP,
by its General Partner,
TSUUT'INA LAND DEVELOPMENT GP INC.,**

duly incorporated under the laws of the Province of Alberta

(referred to as the "Lessee")

BACKGROUND:

- A. The Lands are part of Tsuu T'ina Indian Reserve No. 145, which are held for the use and benefit of the Tsuut'ina Nation.
- B. The Lands were designated for leasing by a Designation assented to on June 27, 2014 and accepted by the Minister by Ministerial Order No. 2015-20 on May 20, 2015, which Ministerial Order was registered in the Indian Lands Registry under No. 6085772 and which Designation was registered in the Indian Lands Registry under No. 6086524, as amended by an Amendment of Designation assented to on June 28, 2016 and accepted by the Minister by Ministerial Order No. 2016-045 on September 19, 2016, which Amendment of Designation and Ministerial Order were registered in the Indian Lands Registry under No. 6094852.
- C. The Lessee has applied to lease the Premises.
- D. The Lessor is authorized to grant this Lease under subsection 53(1) of the *Indian Act*.
- E. The Improvements, if any, described in Schedule A were on the Lands at the Commencement Date.
- F. The Council consented to the terms of this Lease on behalf of the First Nation as evidenced by a copy of the band council resolution number 3511 dated September 20, 2018.

NOW THEREFORE, for mutual consideration, the Parties agree as follows:

1. DEFINITIONS

1.1 In this Lease, including the recitals:

“Additional Rent” means any amount payable to the Lessor under this Lease other than Basic Rent.

“Alterations” means any alterations, restorations, renovations, relocations, reductions, additions, expansions, reconstructions, removals, replacements, repairs or modifications of any Premises.

“Appendix” means an attachment to this Lease labeled “Appendix”, which does not form part of this Lease.

“Approved Mortgagee” means any Mortgagee to whose Mortgage the Lessor has consented to and which Mortgage is registered, or has been filed for registration, in the Registry.

“Area Development Plan” means that plan referred to in subsection 6.1.2.

“Architect” means a person who is licensed as an architect in the province of Alberta.

“Artifact” means any burial site, human remains, or any item of archeological or cultural interest.

“Authority” means any federal, provincial, First Nation or other governmental authority having jurisdiction in respect of the Premises, or the occupation or use of the Premises, including the Council and any utility company lawfully acting under its statutory power.

“Authorized Uses” means the uses referred to in section 4.1.

“Basic Rent” has the meaning assigned to such term in subsection 5.3.1.

“BIA” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

“Business Day” means any day which is not Saturday, Sunday, a day observed as a holiday under the Laws in the province of Alberta.

“CCAA” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36.

“CEAA” means the *Canadian Environmental Assessment Act*, 2012, S.C. 2012, c. 19, s. 52.

“Commencement Date” means the date of the execution of this Lease by the Lessor.

“Construction Plan” means, dependent on the stage of construction, individually or collectively, plans, design briefs, construction specifications, cost estimates, as-built plans and any other documents that the Lessor reasonably requires, in respect of the Improvements or Premises prepared and certified by an Architect or Engineer, and includes all site plans drawn to scale showing the following required features with appropriate dimensions:

- (a) boundary lines with dimensions and acreage, natural and artificial features of the Lands and contiguous property, including Improvements;
- (b) "North" arrow;
- (c) title block, including drawing scale, date, developer's name and address and reference numbers;
- (d) location, dimension, size and construction specifications of roads, parking lots and driving aisles;
- (e) location, dimension, size and construction specifications of buildings and structures (including number of units, storeys, floor area, number of rooms) as well as dimensions of front, side and back yards; and,
- (f) location, dimension, size and construction specifications of on-site sanitary sewer connections and of existing and proposed water mains.

"Contaminant" includes any toxic substance, deleterious substance, hazardous substance, hazardous waste, hazardous recyclable, ozone-depleting substance, halocarbon, pesticide, waste, designated material or substance as defined in or pursuant to any applicable Environmental Laws.

"Council" means the First Nation's "council of the band" within the meaning of the *Indian Act*.

"Default Interest Rate" means the Prime Rate plus 5%.

"Engineer" means a person who is licensed as an engineer in the province of Alberta.

"Environment" means the components of the earth and includes:

- (a) air, lands and water;
- (b) all layers of the atmosphere;
- (c) all organic and inorganic matter and living organisms; and,
- (d) the interacting natural systems that include the components referred to in paragraphs (a), (b) and (c) of this definition.

"Environmental Laws" means:

- (a) any Laws relating, in whole or in part, to the assessment and protection of the Environment; and,
- (b) any decisions, determinations, mitigation measures, standards, codes, guidelines, or environmental protection measures made pursuant to those Laws.

"Environmental Review" means the Lessor's environmental review in respect of a proposed Project to be carried out on the Premises, to enable the Lessor to make a determination pursuant to section 67 of the CEAA, as to whether the proposed Project is

likely to cause significant adverse environmental effects and requires any mitigation measures.

"Federal Courts Act" means the *Federal Courts Act*, R.S.C., 1985, c. F-7.

"First Nation" means the Tsuut'ina Nation, a "band" within the meaning of the *Indian Act*, or any successor.

"Improvements" means improvements, as determined according to the common law, and includes any buildings, structures, works, facilities, infrastructure, services, landscaping, and other improvements (including any equipment, machinery, apparatus, and other such fixtures forming part of or attached to the improvements), made by any Person that are, from time to time, situated on, under, or above the Lands but excludes Trade Fixtures.

"Indian Act" means the *Indian Act*, R.S.C. 1985, c. I-5.

"Lands" means those lands situated, lying, and being in the Reserve, and more particularly known and described as:

Lot 37, Canada Lands Surveys Record Plan 103721

Lot 38 Canada Lands Surveys Record Plan 103678

excepting all Minerals and subject to the following third party encumbrances, but only to the extent such encumbrances constitute valid and enforceable encumbrances:

- (a) Easement (power line) in favour of TransAlta Corporation and registered in the Registry under number X10548, as amended by instruments registered in the Registry under numbers X10550, 16470, 6085324 (as to Lot 37) and 6085329 (as to Lot 38);
- (b) Easement (gas pipeline) in favour of ATCO Gas and Pipelines Ltd. and registered in the Registry under number 16488, as amended by the Amendment to Easement registered in the Registry under number 6085309;
- (c) Blanket distribution permit in favour of TELUS Corporation and registered in the Registry under number 8086 as amended by instruments registered in the Registry under numbers 55169, 206120, 270394 and 270395;
- (d) Blanket distribution permit in favour of ATCO Gas and Pipelines Ltd. and registered in the Registry under number 70224, as amended by instruments registered in the Registry under numbers 301895 and 6085312;
- (e) Blanket distribution permit (Supernet Network Permit) in favour of Her Majesty the Queen in right of Alberta and registered in the Registry under number 329478;
- (f) Utility Sewer Transmission permit in favour of the City of Calgary and registered in the Registry under number 6085408, as amended by the Amendment to Permit registered in the Registry under number 6086076;

- (g) Utility Stormwater Transmission permit in favour of the City of Calgary and registered in the Registry under number 6085409, as amended by the Amendment to Permit registered in the Registry under number 6086077;
- (h) Utility Stormwater Transmission permit in favour of the City of Calgary and registered in the Registry under number 6085365;
- (i) Utility Stormwater Transmission permit in favour of the City of Calgary and registered in the Registry under number 6085393, as amended by the Amendment to Permit registered in the Registry under number 6086075;
- (j) Designation registered in the Registry under number 6086524, as amended by the Amendment to Designation registered in the Registry under number 6094852;
- (k) Construction permit in favour of Crown Alberta, as represented by the Minister of Transportation and registered in the Registry under number 6099047; and
- (l) Construction permit in favour of Crown Alberta, as represented by the Minister of Transportation and registered in the Registry under number 6099051.

“Land Use Plan” means the land use plan for the Lands approved by the Council, as amended and in effect at any time and from time to time.

“Laws” means all applicable laws, statutes, regulations, codes and by-laws of any Authority.

“Lease” means this lease agreement, and all Schedules attached to it, as amended from time to time, but does not include any Appendices.

“Material Alteration” means any Alteration which would require a development permit or building permit in accordance with First Nation Laws or which, if the Lands were within the jurisdiction of the City of Calgary, would require a development permit or building permit from the City of Calgary.

“Material Improvement” means any Improvement which would require a development permit or building permit in accordance with First Nation Laws or which, if the Lands were within the jurisdiction of the City of Calgary, would require a development permit or building permit from the City of Calgary.

“Minerals” means ore of metal and every natural substance that can be mined and that:

- (a) occurs in fragments or particles lying on, above, or adjacent to the bedrock source from which it is derived and commonly described as talus;
- (b) is in the place or position in which it was originally formed or deposited, as distinguished from loose, fragmentary, or broken rock or float, which, by decomposition or erosion of rock, is found in wash, loose earth, gravel, or sand; and,

- (c) includes coal, petroleum, and all other hydrocarbons, regardless of gravity and howsoever and wheresoever recovered, natural gas, methane, coal bed methane, and other gases, building and construction stone, limestone, dolomite, marble, shale, clay, sand and gravel.

"Minister" means the Minister of Indigenous Services, or the predecessor or successor thereof, as the context permits or requires.

"Mortgage" means any mortgage charging a leasehold interest in the Premises and includes any debenture, deed of trust, bond, assignment of rent, or any other means made to a Mortgagee as security.

"Mortgagee" means a lender under a Mortgage.

"Party" means a party to this Lease.

"Person" includes any individual, partnership, firm, company, corporation, incorporated or unincorporated association or society, co-tenancy, joint venture, syndicate, fiduciary, estate, trust, bank, government, governmental or quasi-governmental agency, board, commission or authority, organization or any other form of entity however designated or constituted, or any group, combination or aggregation of any of them.

"Premises" means the Lands and Improvements or any part of the Lands and Improvements.

"Prime Rate" means:

- (a) the floating rate of interest expressed as a percentage established from time to time by the main branch in Calgary, Alberta of the Reference Bank as the base rate it will use to determine rates of interest charged by it for Canadian dollar commercial demand loans made by it in Canada and designated by the Reference Bank as its "prime rate"; or
- (b) if at any time the Reference Bank does not establish its "prime rate", the interest rate designated by the Lessor, acting reasonably, with the approval of the Lessee, acting reasonably.

"Project" has the meaning assigned to that term in paragraph 15.2.1.1.

"Reference Bank" means Bank of Montreal, or its successor, or if at any time during the Term such bank does not exist, such other Canadian chartered bank designated by the Lessor, acting reasonably.

"Registry" means the land registry with registration jurisdiction over the Lands, which, as of the date of this Lease, is the Indian Lands Registry.

"Release" includes discharge, dispose of, spray, inject, inoculate, abandon, deposit, spill, leak, leach, seep, pour, emit, empty, throw, dump, place or exhaust.

"Rent" means Basic Rent and Additional Rent.

"Reserve" means Tsuu T'ina Indian Reserve No. 145, which has been set apart for the use and benefit of the First Nation.

"Schedule" means an attachment to this Lease labeled as a "Schedule", which forms part of and is integral to this Lease.

"Sublease" means a sublease in writing granted by the Lessee with respect to its leasehold interest under this Lease, but does not include a Mortgage by way of a sublease.

"Subleased Premises" means that part of the Premises subleased to a Sublessee under a Sublease.

"Sublessee" means the sublessee in any Sublease.

"Sub-Sublease" means a sub-sublease in writing granted by a Sublessee with respect to its subleasehold interest under its Sublease, but does not include a Mortgage by way of sub-sublease.

"Sub-sublessee" means the sub-sublessee in any Sub-Sublease.

"Substantial Completion", in respect of any Improvements, means the date on which the Lessor is provided with a written certificate by an Architect or Engineer certifying to the Lessor that:

- (a) the Improvements are substantially complete in all material respects in a proper and workmanlike manner and in accordance with the Area Development Plan and the Construction Plan required under article 6, and in accordance with the requirements in this Lease, except for deficiencies the correction of which, in the opinion of the Architect or Engineer, are to be adequately addressed by the Lessee;
- (b) all permits for occupancy required by an Authority have been obtained; and,
- (c) the Improvements are ready for occupancy.

"Taxes" means any tax applicable to the granting of this Lease or the payment of Rent, including harmonized sales tax (HST), goods and services tax (GST) and provincial sales tax (PST).

"Term" means the period starting on the Commencement Date and expiring at the end of the day on May 18, 2114, unless this Lease otherwise ends in accordance with its provisions.

"Trade Fixtures" means trade fixtures as determined at common law and, for greater certainty, includes the personal chattels installed during the Term by or on behalf of the Lessee or any Sublessee in, on, or which serve the Premises for the sole purpose of the Lessee or Sublessee carrying on its trade in the Premises, but do not include Improvements of the Lessee or any Sublessee.

"Unavoidable Delay" means any delay, stoppage or interruption resulting from any of the following:

- (a) strike, lock-out or other labour dispute;
- (b) material or labour shortage not within the control of the Lessee;

- (c) stop-work order issued by any court, tribunal of competent jurisdiction or Authority provided that such order was not issued as the result of any act or fault of the Lessee;
- (d) fire or explosion or other casualty;
- (e) flood, wind, earthquake, act of God;
- (f) Laws or orders of any Authority; or,
- (g) other similar circumstances beyond the reasonable control of the Lessee and not avoidable by the exercise of reasonable effort or foresight by the Lessee, but does not include the inability of the Lessee to meet its financial obligations under this Lease or otherwise.

2. INTERPRETATION AND GENERAL PROVISIONS

- 2.1 **Definitions** – Defined words are capitalized for ease of reference. A defined word may be read as having an appropriate corresponding meaning when it is used in the plural or verb form.
- 2.2 **Parts of this Lease** – These are the parts of this Lease: article (1.), section (1.1), subsection (1.1.1), paragraph (1.1.1.1), and subparagraph (1.1.1.1.1.). Unless stated otherwise, any reference in this Lease to an article, section, subsection, paragraph or subparagraph means the appropriate part of this Lease.
- 2.3 **Headings** – All headings in this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit, enlarge, modify or explain the scope or meaning of this Lease or any of its provisions.
- 2.4 **Extended Meaning**
 - 2.4.1 A word in the singular form may be read in the plural form if the context allows it and a word in the plural form may be read in the singular form if the context allows it. A word expressed in the masculine gender may be read as feminine gender or neuter gender depending on the context.
 - 2.4.2 The words “include”, “includes”, and “including” are to be read as if they are followed by the phrase “without limitation”.
 - 2.4.3 The phrases “if this Lease ends”, “if this Lease ends early”, “the ending of this Lease”, and “earlier termination” include, as applicable, an ending by expiration, cancellation, termination, surrender or mutual agreement.
- 2.5 **Joint and Several** – If a Party is comprised of more than one Person then all covenants and agreements of that Party are joint and several.
- 2.6 **Statutes** - Any reference to a statute or law means that statute or law, and any regulations made under it, all as amended, replaced, enacted or re-enacted from time to time.

- 2.7 **Governing Laws** - This Lease will be governed by and interpreted in accordance with the applicable laws of Canada and of the Province of Alberta.
- 2.8 **Entire Agreement** - This Lease constitutes the entire agreement between the Parties with respect to the subject matter of this Lease and supersedes and revokes any and all previous discussions, negotiations, arrangements, letters of intent, offers to lease and representations. There are no other covenants, agreements, representations or warranties between the Parties whatsoever other than those set out in this Lease.
- 2.9 **Modification** - Any modifications of this Lease, agreed to by the Parties and approved by the Council, must be in writing and executed in the same manner as this Lease.
- 2.10 **Consent** – Unless any part of this Lease states otherwise, when a Party is required to provide consent or approval under a part of this Lease, that consent or approval will not be unreasonably withheld.
- 2.11 **Time is of the Essence** - Time is of the essence in this Lease and time will remain of the essence notwithstanding any extension of any time granted to a Party.
- 2.12 **Severability** - If any part of this Lease is declared or held invalid for any reason, the invalidity of that part will not affect the validity of the remainder of this Lease, which will continue in full force and effect and be construed as if this Lease had been executed without the invalid part.
- 2.13 **Survival Obligations** – If a part of this Lease states that it survives the ending of this Lease, then the survival of that part is only to the extent required for the performance of any obligations pertaining to it.

3. PREMISES & MINERALS

- 3.1 **Rights to the Lands** – The Lessor hereby leases the Lands to the Lessee to hold during the Term, and the Lessee is entitled to quiet enjoyment of the Lands, subject to the terms and conditions set out in this Lease.
- 3.2 The Lessor represents and warrants that, as of the Commencement Date this Lease creates a valid leasehold interest in the Premises for the Term, subject only to:
- 3.2.1 those third party encumbrances listed in the definition of Lands, but only to the extent such encumbrances constitute valid and enforceable encumbrances against the Lands; and
- 3.2.2 any other encumbrance or right, existing as of the Commencement Date, given for, or attaching to, the Premises, except rights granted by the Lessor prior to the Commencement Date which cause material interference with the Lessee's use of or right to use the Premises in accordance with the terms of this Lease, or would materially reduce the value of the Lessee's leasehold interest herein.

As of the Commencement Date, the Lessor is not aware of any other existing encumbrance or right consented to or granted by the Lessor or through any interest granted by the Lessor, given for or attaching to the Premises, other than those third party encumbrances or rights listed in the definition of Lands.

3.3 Other Interests

3.3.1 The Lessor reserves the right to further grant, with the consent of the First Nation by band council resolution, other interests on the Premises, or any part of the Premises, including by way of permit, easement, right-of-way, or other similar interest in the Lands, in favour of any Authority or other Person, with the prior written consent of the Lessee, acting reasonably, and as long as the grant of interest has no material adverse effect on the Lessee's use and enjoyment of the Premises, in accordance with the terms of this Lease.

3.3.2 The Lessor will determine compensation for interference, if any, and give a notice to the Lessee of the amount of compensation, if any, that is to be paid for interference with this Lease by the Lessor's exercise of its rights under this section 3.3 and such interference, if any, will not be a default of the Lessor's covenant of quiet enjoyment.

3.3.3 If the Lessee disagrees with the compensation determined by the Lessor under subsection 3.3.2 then the Lessee may, at its own expense and within 60 days from delivery of the notice referred to in subsection 3.3.2, refer the matter to Federal Court under section 17 of the *Federal Courts Act* for a review of the determination of compensation. If the Lessee fails to refer the matter to Federal Court within the specified time, then the compensation, if any, will be deemed to be that set out in the Lessor's notice.

3.3.4 On the granting of another interest by the Lessor in accordance with this section 3.3, the Lessee will promptly sign and deliver to the Lessor the necessary documentation to subordinate the Lessee's right and interest in the Premises under this Lease to such other interest, if required by the Lessor.

3.4 **Minerals** - The Lessor reserves all Minerals on or under the Lands and this Lease does not confer on the Lessee any rights in respect of any Minerals.

4. USE OF THE LANDS

4.1 **Authorized Uses** – The Lessee will not use the Lands for any purposes except for the following authorized uses:

4.1.1 access roads and ancillary roads;

4.1.2 office, business or commercial establishments;

4.1.3 recreation, including parks, museums, playgrounds, community centres, golf courses and equestrian facilities;

- 4.1.4 cultural institutions, including places of worship, libraries and museums;
- 4.1.5 shopping centres;
- 4.1.6 service centres and automotive centres, including gas stations and car washes;
- 4.1.7 retail and wholesale sales;
- 4.1.8 signs;
- 4.1.9 entertainment establishments, including movie theatres, performing arts centres and motion picture studios;
- 4.1.10 parking areas;
- 4.1.11 restaurant and food sales facilities, including kiosks, convenience stores and supermarkets;
- 4.1.12 hotels and motels;
- 4.1.13 financial institutions;
- 4.1.14 health care and educational facilities, including medical and dental office; and
- 4.1.15 residential, including multi-unit residential rental and condominium properties and staff accommodations for staff working on the Lands,

or such other specific commercial, institutional or recreational uses approved by a majority of the First Nation's electors at a general meeting of the Nation, consented to by the Minister and consistent with any First Nation land use bylaw or development plan.

- 4.2 **Nuisance** – Except as required by the construction or removal of the Improvements or making Alterations, the Lessee will not cause, permit or suffer any nuisance at the Premises.
- 4.3 **Waste** – Except as required by the construction or removal of the Improvements or making Alterations, the Lessee will not cause, permit or suffer the commission of any waste of the Premises.
- 4.4 **Garbage** – Without limiting any of the Lessee's obligations under this Lease, the Lessee will not cause, permit or suffer any garbage or debris to be placed or left at the Premises except as is reasonably necessary in accordance with the Authorized Uses and in accordance with Laws, or as otherwise permitted in writing by the Lessor.
- 4.5 **Not Vacate or Abandon the Premises** – The Lessee will not vacate or abandon the Premises at any time during the Term without the prior written consent of the Lessor, acting reasonably.

4.6 Access

- 4.6.1 The Lessee will provide the Lessor with reasonable access to inspect the Premises. Except in the case of an emergency, the Lessor will provide reasonable notice to exercise this right of access. If the inspection is in response to a default of this Lease, or if in the process of inspecting the Premises, the Lessor discovers or confirms that there is a default of this Lease, then the Lessor's reasonable expenses under this section are deemed to be Additional Rent.
- 4.6.2 During the last 12 months of the Term and as long as the Lessee's use and enjoyment of the Premises are not unreasonably interfered with, the Lessor may, at the direction of the First Nation or with the consent of the First Nation by band council resolution:
- 4.6.2.1 display signs on the Premises advertising the Premises for lease; and,
 - 4.6.2.2 on reasonable notice being given to the Lessee, allow prospective lessees and their advisors access to the Premises so that they may inspect or perform any reasonable assessments of the Premises.

4.7 Artifacts and Survey Monuments

- 4.7.1 If any Artifact is discovered in, on, or under the Lands, then the Lessee will immediately cease any work and promptly notify the Lessor of the Artifact and send a copy of the notification to the Council, and the Lessee will comply with any applicable First Nation Laws and other Laws with respect thereto, including the First Nation's burial site protocol, as applicable, and any other lawful requirements of the Council.
- 4.7.2 If any legal survey monument is disturbed, damaged, or destroyed during the Term, the Lessee will ensure that it is replaced by a licensed surveyor to the satisfaction of the Surveyor General of Canada.

4.8 Representation about the Land and its Use

- 4.8.1 **No warranties** – The Lessee acknowledges and agrees that the Premises are being leased to the Lessee by the Lessor on an “as is – where is” basis.
- 4.8.2 **No representations** – The Lessor makes no representations or warranties with respect to the condition of the Premises and in particular makes no representations with respect to compliance of the Lands with any Laws, or the Lands' condition, including the presence of Contaminants on, in or under the Premises, or issues of title or encumbrances affecting title, or the suitability of the Lands for the Lessee.
- 4.8.3 **Access to the Premises** – The Lessor makes no representations or warranties with respect to access to and from the Lands. The Lessee is solely responsible for securing and maintaining legal access (be it by public or private road, water, air or otherwise) to and from the Premises.

- 4.8.4 **Inspection** – The Lessee represents that, prior to taking possession of the Premises; it has conducted an inspection of the Premises, including any investigations that the Lessee has deemed prudent regarding compliance of the Premises with Laws and the presence of Contaminants on, in or under the Premises.
- 4.8.5 **Reliance** – The Lessee represents that it has not relied on any representations or warranties by the Lessor, the First Nation, or any member of the First Nation with respect to the condition of the Premises, including compliance of the Premises with any Laws and the presence of Contaminants on, in or under the Premises, except, in the case of the First Nation, those, if any, as are set out in an agreement in writing with the First Nation.
- 4.8.6 **Suitability of Use** – The Lessee represents that it is satisfied that the Premises are suitable for the intended uses and that those uses are within the Authorized Uses.

5. RENT

- 5.1 **Payments** – All payments of Rent made by the Lessee to the Lessor under this Lease must be:
- 5.1.1 paid in Canadian dollars;
 - 5.1.2 made payable to the Receiver General for Canada;
 - 5.1.3 paid without any prior demand, set-off, deduction, or abatement; and,
 - 5.1.4 accompanied by payment of any Taxes payable on such Rent.
- 5.2 The Lessor may apply any outstanding amounts owed to it by the Lessee under this Lease as is determined by the Lessor.
- 5.3 **Basic Rent and Payment**
- 5.3.1 The basic rent (the “**Basic Rent**”) payable by the Lessee to the Lessor under this Lease will be [REDACTED]. The Basic Rent has been calculated as a prepaid rental amount as of the Commencement Date, which is a sum of money owed on the Commencement Date but payable, with interest as set out in subsection 5.3.2, on a deferred basis in accordance with subsection 5.3.3.

The Lessor and the Lessee agree that the amount of the Basic Rent set out in this subsection 5.3.1 and the per net developable acre amount set out in paragraph 5.3.3.1 comprise confidential business information that is not to be shared and that, when this lease is filed in the Registry, the filing party will file this Lease on that basis and request that the copy of this Lease recorded in the publicly accessible area of the Indian Lands Registry must redact the amount of the Basic Rent set out in this subsection 5.3.1 and the per net developable acre amount set out in paragraph 5.3.3.1.

- 5.3.2 Any unpaid Basic Rent will bear interest at the Prime Rate, calculated with changes effective as of the date of any change in the Prime Rate, and compounded annually, from and including the Commencement Date up to the date of payment.
- 5.3.3 The Lessee will pay the Basic Rent, together with interest at the Prime Rate in accordance with subsection 5.3.2 as follows:
- 5.3.3.1 upon the granting of any Sublease, the Lessee will pay to the Lessor the amount equal to [REDACTED] per net developable acre multiplied by the number of acres within the Subleased Premises, which will be deemed to be the number of net developable acres, plus the amount of interest on such amount at the Prime Rate, from and including the Commencement Date up to the date of payment; and
 - 5.3.3.2 the balance of the Basic Rent, plus any accrued interest thereon, will be payable by the Lessee to the Lessor on the earliest of:
 - 5.3.3.2.1 the date of the termination of this Lease by the Lessor in accordance with the terms hereof;
 - 5.3.3.2.2 the date of the relinquishment of this Lease by the Lessee; and
 - 5.3.3.2.3 the date that is 20 years after the Commencement Date.
- 5.3.4 The Lessee may prepay all or any portion of the unpaid Basic Rent or interest thereon at any time and from time to time, without notice, bonus or penalty.
- 5.4 **Deposit of Basic Rent** – The Lessor will deposit the Basic Rent and any interest thereon received to an account for the benefit of the First Nation and the Lessee acknowledges that it has no right to a refund of Basic Rent or any interest thereon from the Lessor if this Lease ends early.
- 5.5 **Additional Rent** - If, at any time before or after the ending of this Lease, the Lessor, following written notice to the Lessee, incurs any expenses by reason of any failure of the Lessee to perform or observe any of the Lessee's obligations under this Lease, then, the amount of each expense, together with interest at the Default Interest Rate, calculated with changes effective as of the date of any change in the Prime Rate, and compounded annually, from the date of such expense until the date of payment, plus an administration fee of 15% of the expenses will be paid to the Lessor as Additional Rent and will be promptly paid by the Lessee on notice from the Lessor and if not paid will be recoverable in the manner provided for by law for the recovery of rent in arrears.
- 5.6 **Arrears to Bear Interest** - If Rent or any other sum owing to the Lessor by the Lessee under this Lease is not paid when it is due, then the Lessee will pay interest on the unpaid amount at the Default Interest Rate, calculated with changes effective as of the date of any change in the Prime Rate, and

compounded annually, from the date the Rent or sum is due until the date of the payment being received by the Lessor. This stipulation for interest will not prejudice or affect any other remedies of the Lessor under this Lease or otherwise, or be construed to relieve the Lessee from any default in paying Rent or other amounts at the time and in the manner specified in this Lease. This section survives the expiration or earlier termination of this Lease.

- 5.7 **Recovery of Taxes, Additional Rent, and Interest** - The Lessor may recover the Taxes, Additional Rent, and interest due to the Lessor as if they were unpaid Rent.

6. CONSTRUCTION

6.1 Before Construction Commences on the Premises

6.1.1 **Authorization** – Prior to the commencement of the construction of any Improvements or the making of any Alterations on the Premises, the Lessee will make or cause to be made all applicable applications to any appropriate Authority for any approvals or authorizations necessary to construct the Improvements or to make the Alterations on the Premises.

6.1.2 **Area Development Plan** – Prior to the commencement of any construction of any Material Improvements for which an Area Development Plan has not been previously prepared and delivered in accordance with this Lease, the Lessee will prepare and deliver, at the Lessee's expense, or will cause to be prepared and delivered, to the Lessor a general conceptual plan called the Area Development Plan that the Lessee agrees may be relied on by the Lessor, and that:

6.1.2.1 complies with the Land Use Plan;

6.1.2.2 is certified by an Architect or Engineer on the basis that it may be relied upon by the Lessor and the Lessee; and

6.1.2.3 identifies the Premises and sets out the basic development principles for the Lands, including the principles governing land use, transportation, infrastructure and the protection of the Environment.

6.1.3 **Possible Additional Information** - Within 30 days following the delivery of the Area Development Plan the Lessor, acting reasonably, may request additional information regarding the Area Development Plan. If the Lessee receives such a request for additional information from the Lessor, then the Lessee will provide, or cause to be provided, the additional information which must be to the reasonable satisfaction of the Lessor. If the Lessor does not request any additional information from the Lessee within the 30 days, or upon the Lessor confirming to the Lessee that the Lessor is satisfied with the additional information received, the Area Development Plan will be considered final.

6.1.4 **Amending Area Development Plan** - In order to amend the Area Development Plan, the Lessee will deliver, or cause to be delivered, to

the Lessor, prior to the construction of any Improvements or the making of any Alterations that would result in the Premises not being in compliance with the existing Area Development Plan, the following documents:

- 6.1.4.1 a written notice that the Lessee proposes to amend the Area Development Plan;
 - 6.1.4.2 a copy of the proposed amended Area Development Plan or amendments to the Area Development Plan, which must be completed in accordance with the requirements and principles set out in subsection 6.1.2 or identifying any required amendments to such requirements or principles; and
 - 6.1.4.3 a copy of any Construction Plan applicable to the proposed Improvements or Alterations in compliance with the terms of this Lease.
- 6.1.5 **Possible Additional Information for an Amended Area Development Plan** - Within 30 days following the delivery of the documents referenced in subsection 6.1.4, the Lessor may request additional information. If the Lessee receives such a request for additional information from the Lessor, then the Lessee will provide, or cause to be provided, the additional information to the Lessor which must be to the reasonable satisfaction of the Lessor. If the Lessor does not request any additional information from the Lessee within the 30 days, upon the expiry of the 30 days, or the Lessor confirming to the Lessee that it is satisfied with the additional information received, the Lessee may amend the Area Development Plan.
- 6.1.6 **Delivery of Amended Area Development Plan** – The Lessee will deliver, or cause to be delivered, to the Lessor the amended Area Development Plan, and include any applicable updated Construction Plan, and references to any prior Construction Plans that the Lessee had previously submitted to the Lessor.
- 6.1.7 **Unauthorized Construction** - If the Lessee constructs, or allows for the construction of, any Improvements or makes, or allows, any Alterations without first:
- 6.1.7.1 obtaining all necessary approvals and authorizations from any Authority, or
 - 6.1.7.2 if required under this Lease, delivering an Area Development Plan to the Lessor, or
 - 6.1.7.3 if required under this Lease, delivering a revised Area Development Plan to the Lessor,

the Lessor may require the Lessee, at the Lessee's expense, to remove such Improvements and restore the Premises to the condition they were in prior to such construction or Alteration, and if the Lessee fails to comply with the Lessor's requirements for removal and restoration, then the

Lessor may, following written notice to the Lessee, remove such Improvements or cause such Improvements to be removed, and restore the Premises to the condition they were in prior to the construction or making the Alteration. Any costs incurred by the Lessor under this subsection will be deemed to be Additional Rent and promptly paid upon notice from the Lessor.

6.1.8 Construction Plan - In the course of the construction of Material Improvements or the making of Material Alterations, the Lessee:

6.1.8.1 will provide, or will cause to be provided, to the Lessor the applicable Construction Plan that relates to the construction or applicable stage of construction, and will ensure that each Construction Plan is consistent with the Area Development Plan and this Lease; and

6.1.8.2 will instruct, or ensure the instruction of, the Architect or Engineer certifying the Construction Plan to be provided that it must be completed on the basis that it may be relied on by the Lessor, and the Lessee agrees that any Construction Plan delivered to the Lessor may be relied on by the Lessor.

6.2 Area Development Plan and Construction Plan - The Area Development Plan and Construction Plan must only provide for the Authorized Uses.

6.3 Release of Liability - The Lessee releases the Lessor from any liability associated with the Lessor's review of, and the Lessee's implementation of, the Area Development Plan or Construction Plan. This section survives the ending of this Lease.

6.4 Failure to Comply with Area Development Plan and Construction Plan - The Lessor may consider the construction of any Material Improvements, or the performance of any Material Alterations, in contravention of any applicable Area Development Plan or Construction Plan to be a default of this Lease.

6.5 Construction Compliance

6.5.1 Following the later of the receipt of the required approvals or authorizations referred to in section 6.1 and the delivery to the Lessor of the Area Development Plan or any amended Area Development Plan, as applicable, the Lessee will be permitted to construct, or cause to be constructed, the Improvements, or make, or cause to be made, the Alterations in a proper and workmanlike manner in accordance with such approvals and authorizations and in compliance with the Area Development Plan and the Construction Plan.

6.5.2 Under no circumstances will the Lessee be required to construct, or cause to be constructed, any Improvements, even after required approvals or authorizations are obtained, provided that once the construction of any Improvements, or a phase of Improvements, has been commenced on the Lands, such construction will be pursued with commercially reasonable diligence in accordance with this Lease and all

applicable Laws and, without limiting the generality of the foregoing, no Improvements will be left unfinished in an unsafe or unsightly condition.

6.5.3 The Lessee will provide the Lessor with notice if the prompt construction of any Improvements or the making of any Alterations is impacted by an Unavoidable Delay, and the Lessee will act diligently, and take all reasonable steps that a prudent owner would take, to resolve or remove any Unavoidable Delay in the making of Alterations or the Substantial Completion of Improvements in accordance with this Lease.

6.5.4 Construction of any Improvements or Alterations on the Lands must comply with Laws, and with the national building code in effect at the time of the construction, unless at any time the First Nation lawfully adopts the Alberta building code, in which case the Alberta building code will apply.

6.6 **Security for Construction if Required** – Without in any way relieving the Lessee from any other obligation under this Lease, prior to constructing any Improvements associated with each phase of construction or making any Alterations, the Lessee will post or cause to be posted any performance bond, letter of credit or other security, if any, as may be required by the First Nation at any time and from time to time, in accordance with its laws.

6.7 **Completion of Construction**

6.7.1 Improvements will not be occupied until Substantial Completion has occurred with respect to the Improvements. Substantial Completion may occur in respect of portions of the Improvements.

6.7.2 For any completed Material Improvements or Material Alterations, the Lessee will promptly deliver, or cause to be delivered, to the Lessor reproducible and as-built drawings certified by an Architect or Engineer that industry standards and codes have been met.

7. **REPAIRS & MAINTENANCE**

7.1 **General** –The Lessor will not be required to provide any services or facilities to the Premises nor to make repairs or Alterations to any Improvements, as it is the intent of the Parties that this Lease will be a completely carefree net Lease to the Lessor. The Lessee hereby assumes full responsibility for the condition, operation, repair, replacement, maintenance and management of the Premises and covenants to maintain and repair, or to cause to be maintained and repaired, the Improvements in a good condition consistent with the age and nature of the Improvements.

7.2 **Lessee Obligated to Repair** – During the Term, the Lessee will, at the Lessee's own expense, repair and maintain in good order and condition, or will cause to be repaired and maintained in good order and condition, the Improvements and the Premises. Such repair and maintenance will be in all respects to the standard which would be maintained by a prudent owner, reasonable wear and tear excepted.

8. IMPROVEMENTS

- 8.1 **Improvements** – The Parties confirm that the Improvements on the Lands at the Commencement Date, if any, are those Improvements identified in Schedule A of this Lease.
- 8.2 **Ownership of Improvements During the Term** – The Lessee and Lessor acknowledge and agree that, as between the Lessor and Lessee, any Improvements made by the Lessee or its Sublessees, before or after the Commencement Date, are deemed not to be the property of the Lessor during the Term of this Lease, and the Lessor will have no responsibility or liability for such Improvements made by the Lessee or any Sublessees.
- 8.3 **Ownership of Trade Fixtures** – The Lessee will own its own Trade Fixtures and may give any Sublessees or other occupants of the Premises the right of property in any Trade Fixtures and the right to remove such Trade Fixtures, provided that the Premises are repaired, maintained and kept up in accordance with the requirements of this Lease.
- 8.4 **Damage to, or Destruction of, Improvements** - If any Improvements are damaged or destroyed during the Term, then:
- 8.4.1 the Lessee will promptly notify the Lessor and the First Nation;
 - 8.4.2 this Lease will not be deemed to have ended;
 - 8.4.3 there will be no reduction or postponement of Rent; and,
 - 8.4.4 the Lessee will determine whether to repair or replace the damaged or destroyed Improvements, and
 - 8.4.4.1 if the Lessee determines to repair or replace any damaged or destroyed Improvements, the Lessee will do so within a reasonable time in accordance with the requirements and standards set out in this Lease; or
 - 8.4.4.2 if the Lessee determines not to repair or replace any damaged or destroyed Improvements, the Lessee will clean up and restore any part of the Premises where damaged or destroyed Improvements are not to be repaired or replaced, to a good, safe and tidy condition, and free from all damaged or destroyed Improvements and all debris and garbage, and ensure that the Premises are not left in an unsightly or unfinished condition, all in accordance with the requirements and standards set out in this Lease and to the reasonable satisfaction of the Lessor.

9. RETENTION OR REMOVAL OF IMPROVEMENTS

9.1 Removal and Retention of Improvements

9.1.1 In this article 9, "Improvements" does not include any improvements owned or held by any other Person pursuant to another right or interest granted by the Lessor.

9.1.2 At the end of this Lease, the Lessee may remove any Improvements from the Lands and may leave any Improvements on the Lands, as determined by the Lessee, in accordance with the requirements of this Lease.

9.1.3 Any Improvement the Lessee determines to leave on the Lands will vest with the Lessor for the use and benefit of the First Nation, free of all encumbrances, forthwith upon the Lessor, acting reasonably, confirming that such Improvements and the Premises are in the condition required under the terms of this Lease.

9.1.4 At the end of this Lease, the Lessee, without any compensation, will promptly surrender the Premises to the Lessor in the condition they were required to be kept under this Lease.

9.2 **Notice of Removal** – If the Lessee elects to remove Improvements from the Premises, then the Lessee will promptly remove any such Improvements, within 180 days after the expiration of the Term or any early termination of this Lease, and the Lessee will leave the remainder of the Premises in good and substantial repair and condition and free from all debris, to the reasonable satisfaction of the Lessor.

9.3 **Failure to Remove** – If the Lessee does not promptly remove any Improvements after the expiration of the Term or any early termination of this Lease, then the Lessor may remove them and dispose of them in the Lessor's absolute discretion and return the Premises to a good and substantial repair and condition and free from all debris. Upon notice from the Lessor, the Lessee will expeditiously pay to the Lessor, as Additional Rent, all the Lessor's costs and expenses incurred in the removal and disposal of such Improvements, in returning the Premises to a good and substantial repair and condition and free from all debris and in making good all damage caused to the Premises by any such removal. The Lessor will not be responsible to the Lessee for any loss suffered by the Lessee as a result of the removal or disposal of the Improvements.

9.4 **Secure the Premises** – Upon the ending of the Lease, the Lessee will promptly remove any garbage or debris from the Premises so that the Premises are in reasonably clean condition to the Lessor's reasonable satisfaction; and secure the Premises, if necessary, so that the Premises do not pose a danger to any Person until such time that the Lessee removes, repairs or replaces the Improvements and restores the Premises.

9.5 **Plans and Documents re: Improvements.** Upon the ending of this Lease, the Lessee will promptly provide, and cause any Sublessees to promptly provide, to the Lessor any plans, specifications, operating manuals and other documentation in respect of any Improvements the Lessee elects to leave on the Lands, as may be reasonably requested by the Lessor.

- 9.6 **Lessee not in Possession** – The Lessee is entitled to access the Premises after this Lease ends only at the reasonable times and on the reasonable conditions set by the Lessor, and only to be able to perform any of the Lessee's obligations that survive after this Lease ends. The Lessee will not be construed as being in possession of the Premises solely by the exercise of the Lessee's obligations under this article 9.
- 9.7 **Survival of Sections** – This article 9 survives the expiration or earlier termination of this Lease.

10. RECORDS

- 10.1 **Lessee to Retain Documents** – The Lessee will retain all documents or records pertaining to the calculation or payment of Rent by or on behalf of the Lessee for seven years after the end of the year in which the calculation or payment was made.
- 10.2 **Lessee to Deliver Documents** – The Lessee will, upon written request by the Lessor and:
- 10.2.1 within 15 days of such request in the case of documents or records of the Lessee; or,
- 10.2.2 within 30 days of such request in the case of documents or records of any other Person,
- deliver or cause to be delivered to the Lessor copies of such documents or records as are required to be retained by the Lessee under this article 10 as the Lessor requires.
- 10.3 **Plans** – The Lessee will maintain an updated chronological record of all Area Development Plans and Construction Plans (the "Plans") and will maintain copies of the Plans and all revisions made to the Plans. Within 30 days of a written request by the Lessor, the Lessee will provide the Lessor with a copy of the updated chronological record and copies of the Plans and revisions to the Plans for any year identified by the Lessor.
- 10.4 **Survival** - Section 10.3 will survive for seven years following the expiration or earlier termination of this Lease.

11. INSURANCE

- 11.1 **Errors and Omissions Insurance** – The Lessee will provide evidence to the Lessor that it has obtained, or caused to have obtained, errors and omissions insurance, with minimum limits of \$1,000,000 per claim and annual aggregate, from Architects or Engineers with respect to design drawings for Improvements to be constructed.
- 11.2 **Construction Insurance** – From the date that construction is started on the Premises, including the stockpiling of construction materials on the Premises in anticipation of construction, to Substantial Completion, and any other time an

Improvement is being constructed, the Lessee will obtain and maintain (or cause to be obtained and maintained) the following insurance:

- 11.2.1 "wrap up" commercial general liability insurance against claims for bodily injury (including death), personal injury, or property damage arising in connection with the use and occupation of the Premises for construction. The policy must be written on a commercial general liability with liability limits of at least \$5,000,000 per occurrence (or any other higher amount that the Lessor reasonably requires before construction begins), and with the Lessor as an additional insured.
- 11.2.2 construction insurance to cover "all risks" of physical damage to, or loss of, the Improvements, including by-laws extension, demolition and debris removal (and including goods and materials to be incorporated in the Improvements while in storage at the site or in transit to it) in an amount at least equal to its full replacement value plus no less than 25% of budgeted "soft costs". Despite subsection 6.7.1, the construction insurance will allow for full or partial occupancy of the Improvements prior to completion of construction. The construction insurance will also provide coverage for testing and commissioning of equipment installed as part of the Improvements.

11.3 Liability & Property Insurance – The Lessee will maintain or cause to be maintained, at the Lessee's expense, the following insurance with one or more companies satisfactory to the Lessor, acting reasonably, through the entire Term and any other period it may be in possession of the Premises, including any period where the Lessee is removing any Improvements, Trade Fixtures or movable goods pursuant to this Lease:

- 11.3.1 commercial general liability insurance, effective upon the Commencement Date, written in the name of the Lessee, with the Lessor as an additional insured, to keep each of the Lessor and Lessee, as their interests may appear, insured against claims for bodily injury (including death), personal injury or property damage arising in connection with the use of the Premises in an amount of not less than \$5,000,000 for any one occurrence or to such other reasonable amount as the Lessor may notify the Lessee in writing from time to time;
- 11.3.2 property insurance, effective upon Substantial Completion of any Improvements, written in the name of the Lessee, with loss payable to the insured and any Approved Mortgagee, as their respective interests appear, insuring the Improvements for 100% of their full replacement cost against loss or damage by fire and other perils (including the hazards of lightning, flood, earthquake, explosion, wind storm, cyclone, tornado, hail, riot, civil commotion, malicious damage, aircraft, smoke, vehicle damage, sewer backup, bylaw coverage, and ancillary equipment and systems) under supplementary coverage obtained by prudent owners to the extent such coverage can be obtained;
- 11.3.3 equipment breakdown insurance, effective upon Substantial Completion of any Improvements, written in the name of the Lessee, with loss payable to the insured and any Approved Mortgagee, as their respective

interests may appear, insuring the Improvements for explosion of pressure vessels, mechanical or electrical breakdown of machinery and equipment, air conditioning or refrigeration equipment and miscellaneous apparatus (and production machinery where applicable). This insurance must be on a repair or replacement basis in an amount at least equal to the full replacement value of the Improvements housing the equipment and any adjacent or ancillary Improvements in which the Lessee's interest is insurable;

11.3.4 automobile liability insurance, effective upon the Commencement Date, covering all Lessee's owned or licensed vehicles with a minimum of \$2,000,000 per accident for bodily injury or property damage, or to such other reasonable amount as the Lessor may notify the Lessee in writing from time to time; and

11.3.5 any other insurance that may be reasonably required by the Lessor and that a prudent owner of the Premises would obtain.

11.4 **Insurance Holdback** - In the event of any material damage to or destruction of any portion of the Premises for which property insurance proceeds are payable to the Lessee, the Lessee will provide the Lessor with written notice thereof, in reasonable detail (including the estimated cost of cleaning up and restoring the damaged or destroyed portion of the Premises to a good, safe and tidy condition), following which the Lessor, acting reasonably, may, by notice in writing to the Lessee, require the Lessee to hold back in a separate bank account on terms and conditions reasonably required by the Lessor, from such insurance proceeds the amount equal to 120% of the estimated cost of cleaning up and restoring the damaged or destroyed portion of the Premises to a good, safe and tidy condition until such time as the damaged or destroyed portion of the Premises is either repaired or rebuilt or the Premises are otherwise cleaned up and restored as required under section 8.4.4.2, to the satisfaction of the Lessor, acting reasonably, and provided that the Lessee will be entitled to use the proceeds to pay for such work. If required by the Lessor, acting reasonably, the hold back account will be maintained by a trustee on terms and conditions satisfactory to the Lessor and the Lessee, each acting reasonably.

11.5 **Insurance Provisions**

11.5.1 Every insurance policy required under this Lease must contain:

- 11.5.1.1 an agreement by the insurer that it will not cancel the policy without first giving the Lessor at least 30 days prior notice;
- 11.5.1.2 a clause to the effect that any release from liability entered into prior to any loss will not affect the right of the insureds or Lessor to recover;
- 11.5.1.3 a waiver of subrogation by the insurers against the Lessor; and
- 11.5.1.4 a provision that the policies will not be invalidated by any act, omission or negligence of any Person that is not within the knowledge or control of the insured.

- 11.5.2 If any insurance policy contains a co-insurance provision, then the Lessee will maintain, or cause to be maintained, sufficient insurance to prevent the Lessor and the other insureds from being co-insurers and to permit full recovery from the insurer.
- 11.5.3 The Lessee will not do anything, or permit or suffer anything to be done, at the Premises that might cause the insurance policies required by this Lease to be invalidated or cancelled.
- 11.5.4 On or prior to the Commencement Date, the Lessee will deliver certificates of the insurance required by the Lessor. Throughout the Term, the Lessee will deliver certificates evidencing every insurance policy that is required by this Lease to the Lessor immediately after the insurance is effected and the Lessee will deliver a certificate of renewal or other evidence satisfactory to the Lessor that the insurance has been renewed or replaced to the Lessor at least 15 days before the expiry or cancellation of any insurance policy in force.
- 11.5.5 The Lessee will provide the Lessor with a written statement, prepared and signed by a qualified insurance professional, confirming that all insurance policies obtained satisfy the terms of this Lease.
- 11.5.6 The Lessee will, upon written request from the Lessor, deliver a certified copy of every insurance policy requested by the Lessor.
- 11.6 **Release** – The Lessee hereby releases the Lessor from all liability for loss (including economic loss), damage or injury (including any loss, damage, or injury that may arise out of the negligence or omission of the Lessor or the Lessor's officials, employees, servants, agents, contractors, or subcontractors) in any way caused by or resulting from any of the perils or injury against which it has covenanted in this Lease to insure.
- 11.7 **Cancellation of Insurance** - The Lessee will immediately notify the Lessor if any insurance is:
- 11.7.1 cancelled or threatened to be cancelled and promptly deliver evidence of a certificate of renewal or other evidence satisfactory to the Lessor that the insurance has been renewed or replaced at least 15 days before the expiry or cancellation of any insurance policy in force; or
- 11.7.2 suspended and promptly provide evidence to the Lessor that the policy has been reinstated or replaced.
- 11.8 **Payment of Insurance Premiums** - If the Lessee does not pay or cause to be paid any insurance premiums when they become due and does not correct the situation after written notice from the Lessor, then the Lessor may pay them or obtain any insurance that the Lessor deems necessary, in the Lessor's discretion and the Lessor's payment for this is Additional Rent.

12. COMPLIANCE WITH LAWS

12.1 Compliance, Notification, and Receipts

12.1.1 The Lessee, at its own expense, will comply with all Laws regarding this Lease, the Premises, or any activity on the Premises. The Lessee will require that any other Person that the Lessee allows on the Premises also complies with all Laws.

12.1.2 The Lessee will promptly deliver to the Lessor copies of any notice from an Authority requiring something to be done, or stop being done, on the Premises. Once the matter under the notice has been resolved to the Authority's satisfaction, the Lessee will promptly deliver proof, satisfactory to the Lessor, evidencing the resolution.

12.2 **Authorization to Receive Information** – On written request from the Lessor, acting reasonably, the Lessee will either promptly deliver to the Lessor information from an Authority about the Lessee's compliance, or promptly arrange for written authorization to allow the Lessor to receive information from an Authority about the Lessee's compliance or non-compliance with Laws.

12.3 **Fire Services** – To the extent that the *Safety Codes Act* (Alberta), does not apply to the Premises or the activities carried out on the Premises under this Lease, the Lessee will ensure, at its own expense, that the Premises are inspected at least as frequently as inspections are carried out under that Act by a Person who has authority under that Act to conduct such inspections, whether or not such authority allows inspections on the Lands, or who is licensed in the Province of Alberta to conduct such inspections, whichever may be the case. That Person will prepare an inspection report which would include any recommended actions resulting from the inspection. The Lessee will promptly deliver the inspection report to the Lessor and promptly comply with the recommended actions in the inspection report and notify the Lessor of that compliance when completed.

13. TAXES

13.1 **General Requirement** – Without limiting the generality of article 12, the Lessee will pay or cause to be paid, on or before the due date in each and every year during the Term, all applicable taxes, trade licences, rates, levies, duties, and assessments of any kind, together with all charges, penalties and interest imposed by any Authority, whether regarding the Premises, Improvements, sales, transactions, or business related to the Premises or the occupation of the Premises by any Person or regarding payment of Rent or other amounts payable by the Lessee.

13.2 **Contesting the Validity** – Without in any way relieving or modifying the obligation of the Lessee to comply with section 13.1, the Lessee may at its own expense, contest or appeal the validity or amount of any tax, trade licence, rate, levy, duty, assessment, charge, penalty, or interest referred to in section 13.1, provided that the Lessee promptly commences any proceedings to contest or appeal the validity or amount and continues the proceedings with all due diligence and does not cause a charge, encumbrance or claim to be made against the Premises.

13.3 **Provision of Documents** – The Lessee will, on request by the Lessor, acting reasonably, provide the Lessor with official receipts of the Authority or other proof satisfactory to the Lessor evidencing payment of any applicable taxes, trade licences, rates, levies, duties, assessments, charges, penalties, or interest.

14. UTILITIES

14.1 **Lessee's Responsibility to Provide** – The Lessee, at its expense, will provide and maintain, or cause to be provided and maintained, all services, utilities and facilities required from time to time for the use of the Premises.

14.2 **Interruption Not a Disturbance** – The interruption of any service, utility or facility provided to the Premises will not be considered a disturbance of the Lessee's enjoyment of the Premises nor render the Lessor liable for any loss, injury, or damages to the Lessee nor relieve the Parties from their obligations under this Lease.

15. ENVIRONMENT

15.1 Compliance with Environmental Laws

15.1.1 The Lessee will use and occupy the Premises in compliance with Environmental Laws.

15.1.2 The Lessee will not use or permit the use of the Premises to generate, manufacture, refine, treat, transport, store, handle, transfer, produce, Release or process any Contaminants, except as may be reasonably required for the Authorized Uses and in strict compliance with Environmental Laws.

15.1.3 The Lessee will not carry out, or permit to be carried out, any operations or activities or construct any Improvements or Alterations that in the reasonable opinion of the Lessor materially increase the risk of liability to the Lessor (whether direct or indirect) as a result of the application of Environmental Laws.

15.1.4 The Lessor may consider the Lessee to be in default of this Lease and may exercise the Lessor's rights under section 19.1 upon:

15.1.4.1 a default by the Lessee of any provision contained in this article 15; or

15.1.4.2 the Lessor becoming aware of a default of Environmental Laws with respect to the Premises or the presence of any Contaminants on, in, or under the Premises in contravention of this Lease and which raises a material risk of liability to the Lessor (whether direct or indirect), as determined by the Lessor acting reasonably.