



Cold Lake Ambulance Society

Cold Lake, Alberta

GROUND AND FACILITY
LEASE AGREEMENT

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THIS LEASE made the ____ day of _____, 2016.

BETWEEN:

The Lessor
CITY OF COLD LAKE
(hereinafter referred to as the "City")

- and -

The Lessee
COLD LAKE AMBULANCE SOCIETY
(hereinafter referred to as the "Society")

GROUND AND FACILITY LEASE

WHEREAS:

A. The City is the registered owner of the lands comprising the Lands and containing the Leased Premises;

And

B. The Society requires space to facilitate the storage of equipment and vehicles and the management and operations associated with activities provided by the Cold Lake Ambulance Society including but not limited to emergency medical and ambulance services.

NOW THEREFORE in consideration of the grant of leasehold interest, rents payable, and the mutual covenants contained within this Lease, the parties hereby agree as follows:

ARTICLE 1 – DEFINITIONS AND SCHEDULES

1.1 Definitions. In this Lease the following terms have the following meanings:

- (a) “Cold Lake Fire Station Headquarters and Emergency Centre” includes the building and immediate lands and parking area that is owned by the City as shown in **Schedule “A”**;

- (b) “Force Majeure” means any event causing a bona fide delay in the performance of any obligations under this Lease and resulting from:
- (i) an inability to obtain materials, goods, equipment, services, utilities or labour;
 - (ii) any statute, law, bylaw, regulation, order in council, or order of any competent authority other than one of the parties;
 - (iii) an inability to procure any license, permit, permission, or authority necessary for the performance of such obligations, after every reasonable effort has been made to do so;
 - (iv) a strike, lockout, slowdown, or other combined action of workers; or
 - (v) an act of God.

Notwithstanding the foregoing, no event caused by an act or omission by either party or caused by an act or omission by a person not at arm’s length from either party, or caused by the financial incapacity of either party will be considered to be an event of Force Majeure.

- (c) “Hazardous Substances” means toxic, hazardous, dangerous or potentially dangerous substances of any kind whatsoever including, without restricting the generality of the foregoing, urea formaldehyde, asbestos, PCB transformers and those elements, materials, substances or compounds which are regulated by federal, provincial or local statute, law, ordinance, code, rule, regulation order or decree including, but not limited to, the Environmental Protection and Enhancement Act, R.S.A. 2000, c.E-12, as amended from time to time, regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous or potentially dangerous waste, substance or material of any kind or nature whatsoever;
- (d) “Leased Premise” means those lands located within the City of Cold Lake more particularly described and illustrated in **Schedule “A”** attached to this Lease, that are leased to the Society.
- (e) “Lease” means this lease agreement, as from time to time amended in writing by agreement between the City and the Society;
- (f) “Permitted Use” means the operation and management of the Cold Lake Ambulance Society, in compliance with all applicable laws, regulations or bylaws

affecting the Development, and for no other purpose whatsoever unless expressly authorized in writing by the City;

(g) “Rent” means all those sums payable by the Society to the City pursuant to or contemplated within this Lease including, without restriction, those sums referred to within Article 5 of this Lease;

(h) “Term” means the term of this Lease as set forth in Section 3.1 of this Lease.

1.2 Schedules. The following schedules are attached to and form a part of this Lease:

Schedule “A” -The Lands

ARTICLE 2 - DEMISE

2.1 Demise of Leased Premises. In consideration of the rents, covenants, conditions and agreements contained within this Lease to be paid, observed and performed by the Society, the City hereby demises and leases the Leased Premises to the Society.

ARTICLE 3 - TERM OF LEASE

3.1 Term. This Agreement shall commence on the date of full execution (the “Commencement Date”) and continue until the expiry date of **May 31, 2021** subject to earlier termination or renewal as provided in this Lease.

3.2 Option to Renew. Provided that the Society is not in default of any of its obligations contained within this Lease, the Society shall have the option to renew this Lease up to a maximum of two (2) additional five (5) year extensions of the Term upon the following conditions:

(a) First five (5) year extension: If the Society wishes to exercise the first five (5) year extension, written notice must be provided to the City no earlier than May 30, 2019 and no later than **May 30, 2020**. If exercised, the term of the first five (5) year extension shall commence on May 31, 2021 and shall expire on May 31, 2026.

(b) Second five (5) year extension: The second five (5) year extension is only available if the parties mutually agree to the extension. If the Society exercised the first five (5) year extension, and wishes to exercise the second five (5) year extension, written notice must be provided to the City no earlier than May 30, 2024 and no later than **May 30, 2025**. If exercised, the term of the second five (5) year extension shall commence on May 31, 2026, and shall expire on May 31, 2031.

- (c) If either the first or second five (5) year extension is exercised, all terms remain the same during the extension with the exception of “Article 5 – Rent” which shall be reviewed, negotiated and agreed prior to the commencement of the renewal.

ARTICLE 4 – THE LANDS AND THE LEASED PREMISES

- 4.1 "As Is, Where Is". The City shall provide, and the Society shall accept, the Leased Premises in an “as is, where is” condition, with respect to topography, vegetation, geotechnical and hydrological conditions, and subject to the Permitted Encumbrances.
- 4.2 Satisfactory Condition. Without limiting the foregoing but subject to the proviso contained in Section 4.1, the Society agrees:
- (a) that no warranties or representations whatsoever respecting the Leased Premises (including, without restriction, the condition or quality of the Leased Premises, or its suitability for the purposes and use intended by the Society) have been made by the City or its agents or employees; and
 - (b) that the Society has examined the Leased Premises and as at the date of this Lease the Leased Premises are in good order, fit for their purpose and in satisfactory condition.

ARTICLE 5 – RENT

- 5.1 Leased Premises Market Value Rent. The City and the Society agree that the fair market value rent for the Leased Premise as of the date of commencement of this Lease shall be \pm \$22.80 per square foot plus GST.
- 5.2 Rent. The annual base rent payable by the Society to the City for the Term of this Lease shall be the sum of \$72,000 per year payable on the first day of each month in the amount of \$6000.00.
- 5.3 Inclusions. The City and the Society hereby covenant and agree for all purposes that this Lease shall be inclusive of:
- Dedicated space constructed to their specifications
 - Use of shared area space (admin areas and reception)
 - Utilities (water, power & gas)

- Garbage Removal
- Designated Staff Parking
- Snow Removal
- Landscaping Maintenance
- Building Systems Maintenance and Repair (mechanical, electrical)
- Kitchen Appliances

5.4 Exclusions. The City and the Society hereby covenant and agree for all purposes that this lease shall be exclusive of:

- GST and other applicable taxes
- Janitorial Fees and Janitorial Supplies
- Cable/ Satellite TV
- Phone/ IT requirements
- Furnishings (excluding kitchen appliances)
- Insurance
- Signage

ARTICLE 6 – TAXES

6.1 The Cold Lake Ambulance Society's Taxes. The Society shall pay, when and if they should ever become due and payable, all real estate taxes, assessments, rates and charges and other government impositions, general or special, ordinary or extraordinary, foreseen or unforeseen, of every kind, including assessments for local or public improvements and school taxes which may at any time during the Term be imposed, assessed or levied, in respect of the Development and the Society's leasehold interest in the Leased Premises and all fixtures and improvements from time to time located thereon, or which, howsoever imposed, might constitute a lien on the Development or any part thereof or a liability of the City. The Society shall furnish to the City, within Thirty (30) days of receipt of a written request from the City, official receipts or other proof satisfactory to the City evidencing the payment of the taxes.

- 6.2 Goods and Services Tax. The Society shall be responsible for the payment of any and all Goods and Services Tax pursuant to the Excise Tax Act, R.S.C. 1985, c. E-15, or other value-added tax which may be imposed in place of or in addition to the Goods and Services Tax, which may become payable in respect of any sums to be paid pursuant to the terms of this Lease.

ARTICLE 7 – DEVELOPMENT OF THE PREMISES

- 7.1 Development of the Leased Premises. Development or redevelopment within the Lease Premises shall be subject to the approval of Development Permits by the City in accordance with this lease.

ARTICLE 8 – ON-SITE SERVICES AND IMPROVEMENTS

8.1 Design and Plans

- (a) Prior to commencing any construction of any alteration to the Lease Premises, the Society shall submit the Plans for such services or improvements to the City for acceptance and where necessary the approval of development and/or building permits. The Plans submitted shall give all necessary details of the changes to the footprints that are to be constructed by the Society.
- (b) The Plans for the construction and installation of any such changes, pursuant to Section 8.1(a) hereof shall be designed by a qualified professional engineer, landscape architect, planner, or accredited land surveyor, as appropriate to the development being designed and in the case of the Onsite Services shall conform to the engineering services standards and procedures which have been adopted by the City at the time of the commencement of the installation of the Onsite Services. Landscaping plans for public properties shall comply with City standards and landscaping of the Leased Premises shall be in accordance with applicable development permit approvals.
- (c) It is understood and agreed that the City's approval of the Plans shall be in principle only and, in the case of unforeseen conditions which may adversely affect development, the detailed design specifications for any of the Onsite Services or other improvements shall be subject to review and revision, from time to time, in accordance with accepted engineering and construction practices.

8.2 Builders' Liens. The Society covenants not to permit any builders' or liens to be registered against either the City's freehold title to the Leased Premises, or the Society's leasehold interest pursuant to this Lease as a result of any construction activities carried out by or on behalf of the Society on the Leased Premises. Upon the registration of such a lien on any of the said titles, the Society shall obtain a discharge thereof within Thirty (30) days after the Society has notice of the lien. With respect to any such lien registered against the City's freehold title to the Leased Premises, the City shall have the right, but not the obligation, to arrange for discharge of such lien, whereupon all sums paid by the City to procure the discharge, as well as the City's costs of obtaining such discharge including, without restriction, legal and other costs on a solicitor and his own client full indemnity basis will be payable by the Society and recoverable by the City in the same fashion as Rent. Notwithstanding the foregoing, with respect to liens registered on the Society's leasehold interest only, the Society may contest the validity of any such lien provided that the Society shall first either:

- (a) obtain an order from a Court of competent jurisdiction discharging the lien from the Society's leasehold title by payment into Court; or
- (b) furnish to the City security satisfactory to the City, in both format and amount, against all loss or damage which the City might suffer or incur as a result of the Society contesting the lien.

8.3 Liability for Liens. Notwithstanding anything contained within this Lease, the City and the Society hereby covenant and agree that the City shall not be considered to be an owner for the purposes of the attachment of builders' liens. Without limiting the generality of the foregoing, nothing contained within this Lease shall be interpreted as an admission of liability on the part of the City for the performance of any work or furnishing of any materials in relation to any improvements made to the Leased Premises or the Development.

ARTICLE 9 - QUIET ENJOYMENT

9.1 The Cold Lake Ambulance Society's Quiet Enjoyment. Subject to the terms, covenants and conditions contained in this Lease, the City covenants that upon duly performing and observing all its covenants and obligations contained in this Lease the Society shall and may peaceably possess and enjoy the Leased Premises for the Term without any disturbance or interruption from the City or any other person using the Leased Premises.

ARTICLE 10 - OPERATION OF DEVELOPMENT

10.1 Operation, Management, Maintenance and Renewal. The Society shall operate and manage the operation of the ambulance services within the Cold Lake Fire Station Headquarters and Emergency Centre, in a manner consistent with the Permitted Use and in a safe, efficient, and good workmanlike manner, and in substantially the same manner as a prudent owner would operate and manage the premises, and shall take such action as appropriate to ensure that the leased premises of the Cold Lake Fire Station Headquarters and Emergency Centre is properly and adequately supervised including, without limiting the generality of the foregoing, the Society shall:

- (a) supply all necessary equipment and personnel and provide all services reasonably required with respect to the efficient management, operation, and maintenance of the Cold Lake Ambulance Society;
- (b) promptly pay when due any and all charges, impositions, costs and expenses of every nature and kind relating to the Cold Lake Ambulance Society and the maintenance, operation, cleaning, repair and replacement of all improvements located thereon including, without restriction, all costs relating to cleaning the interior and exterior portion of the leased premises of the Cold Lake Fire Station Headquarters and Emergency Centre, window cleaning and repairing damaged components of the leased premises of Cold Lake Fire Station Headquarters and Emergency Centre;
- (c) throughout the Term continuously use the leased premises of Cold Lake Fire Station Headquarters and Emergency Centre solely for the Permitted Use and shall not use or permit or suffer the use of the leased premises of Cold Lake Fire Station Headquarters and Emergency Centre or any part thereof for any other business or purpose;
- (d) not cause or suffer or permit any Hazardous Substances to be located in or upon the Leased Premises, or discharged into the Leased Premises or into any driveways, parking areas, ditches, water courses, culverts, drains or sewers in or adjacent to the Leased Premises, other than Hazardous Substances reasonably required by the Society to support the objectives of the Society, or those normal cleaning or other products reasonably required with respect to the maintenance and operation of the Society. To the extent that Hazardous Substances are placed, held, located or disposed of on, under or at the Cold Lake Fire Station Headquarters and Emergency Centre, the Society shall comply with, or cause to be complied with, all applicable

laws and regulations relating to the use, storage and disposal of the Hazardous Substances;

- (e) not do, omit to do, permit to be done, or omit to be done, any act or thing which may render void or voidable or conflict with the requirements of any policy or policies of insurance, including any regulations of fire insurance underwriters applicable to such policy or policies, under which the Cold Lake Fire Station Headquarters and Emergency Centre or the contents of the Cold Lake Fire Station Headquarters and Emergency Centre are insured;

- 10.2 Utilities. The Society shall pay promptly when due all rates, levies and charges (including installation charges) telephone, cable, telecommunication, and any and all other services and utilities supplied to or used within the Development and not covered under Inclusions in 5.3, and will indemnify the City against any liability or costs which it might incur as a consequence of any failure on the part of the Society to make such payments.
- 10.3 No Nuisance. The Society shall not at any time during the Term, use, exercise or carry on or permit or suffer to be used, exercised or carried on, in, about or upon the Development or any part thereof any waste or any offensive act, trade, business, occupation or calling, and no act, matter or thing whatsoever shall at any time during the Term be done in, about or upon the Development or any part thereof which shall be inconsistent or incompatible with the intended use of the Development, or which may be or grow to the annoyance, nuisance, damage or disturbance of the occupants and other users of the Development, as well as occupants of lands and property owners in the vicinity of the Development.
- 10.4 Comply with Laws and Regulations. The Society shall comply promptly at its expense with all laws, bylaws, ordinances, regulations, requirements and recommendations of any and all federal, provincial, civic, municipal and other lawful authorities, which may be applicable to the Society, to the Development, to the manner of use or operation of the Development, or the making by the Society of any repairs, alterations, changes or improvements to the Development.
- 10.5 Signs and Advertising. The Lessee shall not erect or install any exterior signs or interior window or door signs or advertising media or window or door lettering without the previous written consent of the Lessor which consent may be withheld if the Lessee's sign or other form of identification is not of a colour, size, style, character and material consistent with the standards set by the Lessor for the building. The Lessee shall not use

any advertising media that the Lessor shall deem objectionable to it or other tenants, such as loud speakers, phonographs, broadcasts or telecasts in a manner to be heard or seen outside the demised premises. The Lessee shall not install any exterior lighting or plumbing fixtures, signs, awnings, exterior decorations or painting or build any fence, aerial or mast, or make any change to the store front without the previous written consent of the Lessor. The Lessee shall indemnify and save harmless the Lessor from all claims, demands, losses or damage to any person or property arising out of any such sign, mast, aerial or other alteration.

ARTICLE 11 – ASSIGNMENT, SUBLETTING, ETC.

- 11.1 Restricted Assignment, Subletting, Etc. Except as is expressly set out, the Society shall not assign this Lease in whole or in part, nor sublet all or any portion of the Leased Premises, nor mortgage by either specific or floating charge or encumber in any way whatsoever this Lease or the Leased Premises or any part thereof, without the City's prior written consent.
- 11.2 Non-Waiver by the City. Any consent by the City to any subletting by the Society will not constitute a waiver of the necessity for consent to any subsequent assignment, subletting, mortgage or encumbrance. If this Lease is assigned or if the Leased Premises or a part thereof are sublet or occupied by anybody other than the Society without consent, (except as set out above), the City may collect Rent from the assignee, subtenant or occupant and apply the net amount collected to the Rent herein reserved, but no such assignment, sublease, occupancy or collection will be deemed a waiver of the requirements of this Section, nor an acceptance of the assignee, subtenant, or occupant as a tenant, nor a release of the Society from the further performance of its obligations contained herein. Notwithstanding an assignment or sublease, the Society shall remain fully liable under this Lease and will not be released from performing the terms, covenants and conditions of this Lease, and any breach by any assignee or sublessee of any term, covenant or conditions of this Lease or its respective assignment or sublease agreement shall constitute a breach under this Lease and the City shall have all remedies available to it under this Lease. If the City consents to an assignment of this Lease, or a subletting of the Leased Premises, the City's standard consent document then in use shall be prepared by the City or its solicitors and all of the City's costs with respect thereto shall be borne by the Society.
- 11.3 Change of Use. In the event that the proposed assignee or subtenant does not use the Leased Premises for the same purposes permitted under this Lease, and the City is also willing to consent to the assignment or subletting, the City reserves that right to amend the Rent payable hereunder. Provided, however, that the Rent payable by the assignee or

subtenant shall not exceed the fair market rent payable for lands similar in size, quality and location to the Leased Premises.

ARTICLE 12 –INSURANCE AND INDEMNITY

12.1 The Cold Lake Ambulance Society's Insurance. The Society shall purchase and maintain in force during the Term and any renewal term the following insurance coverage satisfactory to the City:

- (a) during any periods of construction upon the Leased Premises, property insurance in an amount not less than One Hundred (100%) percent of the replacement value of the improvements upon the Leased Premises, providing coverage by way of a "Builder's All Risk" policy. Such policy is to be satisfactory to the City acting reasonably;
- (b) comprehensive general liability insurance against, among other things, claims for personal injury, death, property damage, or third party or public liability claims arising from any one accident or occurrence upon, in or about the Development of and from any cause to an amount of not less than FIVE MILLION (\$5,000,000.00) DOLLARS (or from time to time such greater amounts as are sufficient, as determined from time to time by the City acting reasonably, to afford equivalent protection against all such claims) in respect of any one accident or occurrence. Such general liability insurance coverage is to be satisfactory to the City acting reasonably; and
- (c) insurance on the Development, the equipment, and all fixtures and improvements within the Development from loss or damage caused by:
 - (i) fire and other perils as may from time to time be included in fire insurance policies generally available to owners of commercial premises in the Province of Alberta; and
 - (ii) risks normally insured against by owners of premises in the Province of Alberta for a development of the size, construction, location and use similar to the Development.

Such insurance shall be for the full replacement value of the Development, the equipment and all fixtures and improvements within the Development, and to be satisfactory to the City acting reasonably.

Notwithstanding the foregoing, all insurance coverage limits and deductibles applicable thereto, shall at all times be substantially similar to limits and deductibles maintained by prudent owners and operators of facilities similar in size, construction, location and use as the Development.

- 12.2 The City Named Insured. The insurance purchased and maintained by the Society pursuant to Section 12.1 of this Lease shall include the City as an additional named insured, such insurance to apply to the parties as their respective interests may appear from time to time.
- 12.3 Additional Terms. All such policies of insurance maintained by the Society shall contain a waiver or waivers of subrogation against the City and its insurers, and the Society waives, releases and discharges the City and its insurers from all rights and claims which may arise against the City arising out of damage to or destruction of the Development occasioned by the perils insured against by the Society of which the Society is required to insure against, whether or not the rights and claims arise through the negligence or other fault of the City, its servants, agents or contractors.
- 12.4 Certified Copies. The Society shall, on an annual basis starting with the Commencement Date, provide the City with certificate(s) of insurance evidencing each insurance policy purchased by the Society pursuant to the terms of this Lease.
- 12.5 Proceeds of Insurance. Subject to the provisions contained within Article 13 of this Lease, the proceeds of insurance which may become payable under any policy of insurance effected pursuant to this Lease shall be payable to the City and the Society as their respective interests may appear.
- 12.6 Repair Obligations. Subject to the provisions contained within Section 14.1 of this Lease, where repairs are necessary due to damage or destruction of the Development, the Equipment, or any fixtures and improvements in or upon the Development, the Society shall promptly carry out such repairs.
- 12.7 Increases in Insurance Rates. The Society agrees that it will not keep nor suffer to be kept anything in, upon, or about the Development, nor carry on in or upon the Development any trade, business, activity, occupation or calling, that may contravene or be prohibited by any of the insurance policies maintained by the City or which will prevent the City from procuring insurance policies with companies acceptable to the City. If the use and occupancy of the Development, or any act or omission of the Society within or upon the Development, causes or results in any increase in premiums for any of the City's insurance

policies, the Society shall pay the premium increase forthwith upon the rendering by the City of an invoice for the additional premium which shall be deemed to be payable and collectable in the same manner as Rent. In determining whether increased premiums are the result of the Society's use or occupancy of the Development a statement issued by the organization establishing the insurance rate on the Development will be conclusive evidence of the items and changes which constitute the increased premium.

12.8 Cancellation or Threatened Cancellation of Insurance. If any insurance policy on the Development or any part thereof is cancelled or threatened by the insurer to be cancelled or the coverage thereunder reduced or threatened to be reduced by the insurer, by reason of the use or occupancy of the Development by the Society, and if the Society fails to remedy the condition giving rise to this cancellation, threatened cancellation, reduction, or threatened reduction of coverage within twenty-four (24) hours after notice thereof by the City (provided that the said condition is reasonably capable of being remedied within the required period) or, if the condition is not reasonably capable of being remedied within the said period, if the Society fails to commence remedying the said condition within the required period and thereafter continuously and diligently pursue remedying the said condition, the City may, at its option, and without liability to the Society, either:

- (a) re-enter the Development forthwith and thereupon the provisions of Article 15.4 will apply; or
- (b) enter the Development and remedy the condition giving rise to the cancellation or reduction or threatened cancellation or reduction and the Society will pay to the City the cost thereof on demand, which amount shall be collectable in the same manner as Rent.

Such an entry by the City, alone and in and of itself shall not constitute a breach of any covenant for quiet enjoyment contained within this Lease.

12.9 Indemnity to the City. The Society shall indemnify and save harmless the City from any and all liabilities, damages, expenses, costs, fees (including all legal and other professional costs on a solicitor and his own client full indemnity basis), claims, suits or actions arising out of the use and occupation of the Development by the Society and its invitees including, without restriction:

- (a) any breach, violation, or non-performance of any covenant, condition or agreement in this Lease on the part of the Society to be fulfilled, kept, observed and performed;

- (b) any damage to property occasioned by the use or occupation of the Development or any part thereof by the Society, any occupant of the Development, or any of their respective invitees;
- (c) any injury to any person or persons including death resulting at any time arising in connection with or out of the use or occupation of the Development or any part thereof by the Society, any occupant of the Development, or any of their respective invitees;
- (d) any act or omission of the Society, occupants of the Development, or their respective agents, employees, licensees, servants, invitees or other persons from time to time in, on or about the Development;
- (e) any deductible payable by the City as a result of any insurance claim made against the insurance policies maintained by the City arising from or out of the Development including, without restriction, the use and occupation of the Development by the Society and its invitees, and the construction, operation, maintenance, repair and replacement of the Development by the Society.

This indemnity shall specifically exclude any and all such claims, costs and expenses arising solely from the negligence of the City, or those for whose actions the City is legally responsible. This indemnity shall survive the expiry or sooner termination of this Lease.

12.10 Indemnity to the Cold Lake Ambulance Society The City shall indemnify and save harmless the Society from any and all liabilities, damages, expenses, costs, fees (including all legal and other professional costs on a solicitor and his own client full indemnity basis), claims, suits or actions arising out of the overt or negligent acts of the City and its agents, employees, and contractors (in the course of their respective appointment, employment, or retainer) and those for whose actions the City is responsible for in law including, without restriction:

- (a) any breach, violation, or non-performance of any covenant, condition or agreement in this Lease on the part of the City to be fulfilled, kept, observed and performed;
- (b) any damage to property occasioned by the use or occupation of the Development or any part thereof by the City and its agents, employees, and contractors (in the course of their respective appointment, employment, or retainer) and those for whose actions the City is responsible for in law;

- (c) any injury to any person or persons including death resulting at any time arising in connection with or out of the use or occupation of the Development or any part thereof by the City and its agents, employees, and contractors (in the course of their respective appointment, employment, or retainer) and those for whose actions the City is responsible for in law;
- (d) any act or omission of the City and its agents, employees, and contractors (in the course of their respective appointment, employment, or retainer) and those for whose actions the City is responsible for in law from time to time in, on or about the Development;
- (e) any deductible payable by the Society as a result of any insurance claim made against the insurance policies maintained by the Society arising from or out of the use and occupation of the Development by the City and its agents, employees, and contractors (in the course of their respective appointment, employment, or retainer) and those for whose actions the City is responsible for in law.

This indemnity shall specifically exclude any and all such claims, costs and expenses arising solely from the negligence of the Society, or those for whose actions the Society is legally responsible. This indemnity shall survive the expiry or sooner termination of this Lease.

ARTICLE 13 - DAMAGE AND DESTRUCTION

- 13.1 Damage or Destruction of Development. In the event that the Development is damaged or destroyed by any cause whatsoever, the Society shall promptly repair such damage subject to the following provisions:
- (a) if, in the reasonable opinion of the Society, the Development cannot be rebuilt or made fit for the purposes of the Cold Lake Fire Station Headquarters and Emergency Centre within eighteen (18) months of the damage or destruction, then instead of requiring the Society to rebuild or make the Development fit for use by the Society, the Society may, at its option, terminate this Lease by giving the City Sixty (60) days' notice of termination and the Society shall deliver up possession of the Leased Premises to the City in the condition required under the terms of this Lease on or before the expiry of such Sixty (60) days; and
 - (b) if, in the reasonable opinion of the Society, no less than sixty (60%) percent of the Development requires repair or reconstruction, instead of rebuilding or making the Development fit for use by the Society may, at its option, terminate this Lease by

giving the City Sixty (60) days' notice of termination and the Society shall deliver up possession of the Leased Premises to the City in the condition required under the terms of this Lease on or before the expiry of such Sixty (60) days.

- 13.2 Distribution of Insurance Proceeds. Notwithstanding anything contained within this Lease, the proceeds of any insurance received by the City and the Society as a result of the damage or destruction of the Development, or a portion thereof, shall be dealt with as follows:
- (a) subject to the provisions of Section 13.1 of this Lease, applied to the costs of repairing, replacing, or reconstructing the Development; and
 - (b) in the event of a termination pursuant to Section 13.1 of this Lease, the proceeds shall be applied in the following order:
 - (i) the payment in full of any and all costs incurred in relation to the demolition of the Development and restoration of the Leased Premises to a condition substantially similar to that which existed prior to the construction of the Development; and
 - (ii) any remaining portion of the insurance proceeds shall be paid to the Society.
- 13.3 Notice of Accidents, Defects or Damages. The Society shall immediately advise the City, and promptly thereafter by notice in writing confirm such advice to the City, of any accident to or defect in the Equipment, plumbing, gas pipes, water pipes, heating, ventilating, and air conditioning apparatus, electrical equipment, conduits, or wiring, or of any damage or injury to the Development, or any part thereof, howsoever caused. Provided, however, that in no way shall this provision be construed in such a manner as to obligate the City to affect any repairs or replacement.

ARTICLE 14 - DEFAULT BY THE TENANT AND TERMINATION

- 14.1 Events of Default. Each and every of the following events shall constitute an event of default (hereinafter referred to as an "Event of Default"):
- (a) if the Society fails to make any payment, in whole or in part, of any amount payable to the City as provided in this Lease;
 - (b) if the Society makes an assignment of its assets for the benefit of its creditors, or makes a proposal to its creditors under any bankruptcy or insolvency legislation of any jurisdiction;

- (c) if the interest of the Society in the Development becomes liable to be taken or sold under any form of execution, writ of enforcement, or other like process;
- (d) if the Society ceases to carry on the Permitted Use;
- (e) if the Society defaults under any other agreement with the City concerning or related to the Development;
- (f) if the Society neglects or fails to observe, perform or comply with any of its obligations pursuant to this Lease, howsoever arising, and fails to remedy such default within thirty (30) days from the date of receipt of written notice from the City requiring that the Society cure the default.

14.2 Termination. Upon the occurrence of an Event of Default, in addition to any and all other rights and remedies available to landlords the City may terminate this Lease by delivery of notice in writing to that effect to the Society. Such termination shall not limit in any way the City's recourse to any remedies available to it at law, equity or otherwise. At the time of any termination and provided the Society has continuously maintained the Development appropriately, the City shall assume at its sole discretion, ownership of the Development in its condition at termination of this Lease. At the time of any termination the City may, at its sole discretion, assume ownership of any improvements constructed by the Society on the Leased Premises and dispose of or operate the development. The City shall not be liable for any outstanding debt or mortgage owing on the development.

14.3 Collection of Costs. In addition to any other rights available to the City pursuant to this Lease, upon the occurrence of an Event of Default, the City shall be entitled to collect from the Society the following costs as Rent:

- (a) all payments made by the City or costs incurred by the City which ought to have been paid or incurred by the Society, or for which the City is entitled to be paid or to be reimbursed by the Society, pursuant to the terms of this Lease;
- (b) all disbursements and costs (including legal and other professional costs on a solicitor and his own client full indemnity basis) and all fees and costs related to recovery or collection of such sums or the enforcement of the terms of this Lease generally; and
- (c) interest at the rate of the Alberta Treasury Branch's prime lending rate charge at its main branch in Sherwood Park, Alberta, plus 5%, from the date they are invoiced by the City to the Society to the date of payment in full to the City.

- 14.4 Set-Off. In the event that the Society fails to make any payment or provide any sum to the City as Rent, that amount may, at the election of the City and without limiting or waiving any right or remedy against the Society under this Lease, be set off against and shall apply to any sum of money owed by the City to the Society from time to time until all amounts owing to the City have been completely set off.
- 14.5 Force Majeure. Whenever and to the extent that either the City or the Society shall be unable to perform, or shall be delayed or restricted in the full performance of, any obligation within this Lease (other than any obligation to pay Rent or any other amount contemplated under this Lease) by reason of an event of Force Majeure, such party shall, so long as any such impediment exists, be relieved from the performance of such obligation to the extent restricted or prevented by that event of Force Majeure, and the other party shall not be entitled to compensation for any damage, inconvenience, nuisance or discomfort caused by such delayed or restricted performance. Provided always that such relief shall in any event be limited to a maximum period of one hundred and eighty (180) days.

ARTICLE 15 - CITY'S PERFORMANCE & REMEDIES

- 15.1 City May Perform the Cold Lake Ambulance Society's Covenants. If the Society shall fail to perform or cause to be performed any of the covenants or obligations of the Society in this Lease contained on the part of the Society to be observed or performed, the City shall have the right, but shall not be obligated, to perform or cause the same to be performed, and to do or cause not to be done such things as may be necessary or incidental thereto, including without limiting the foregoing, the right to make repairs, installations, erections and expend monies, and all payments, expenses, costs, charges, fees, including all legal fees on a solicitor and his own client full indemnity basis, and disbursements incurred or paid by or on behalf of the City in respect thereof shall be immediately due and payable to the City as Rent.
- 15.2 Waiver of Exemptions. Notwithstanding anything contained in any statute in existence as at the date of this Lease or from time to time during the Term, none of the goods or chattels of the Society at any time during the continuance of the Term in or upon the Development, or comprising a portion thereof, shall be exempt from levy by distress for Rent in arrears by the City and upon any claim being made for such exemption by the Society or on distress being made by the City this covenant and agreement may be pleaded as an estoppels against the Society in any action brought to test the right to the levying upon any such goods and the Society hereby waives all and every benefit that could or might have accrued to the Society under and by virtue of any such statute.

- 15.3 Overlooking and Condoning. Any condoning, excusing or overlooking by the City of any default, breach or non-observance by the Society at any time or times in respect of any covenant, proviso or condition contained in this Lease shall not operate as a waiver of the City's rights under this Lease in respect of any subsequent default, breach or non-observance nor so as to defeat or affect in any way the rights of the City in respect of any subsequent default, breach or non-observance.
- 15.4 Forcible Re-entry. In the event that the City shall be entitled under the terms of this Lease or by law to enter the Development, then the City shall be at liberty to effect such re-entry forcibly, and for such purpose the City, or its servants or agents duly authorized in writing may break open locks, doors, windows, or otherwise, as may be deemed necessary for such purposes, without in any way incurring any liability or becoming responsible for damages or otherwise to the Society.
- 15.5 Remedies Generally. Mention in this Lease of any particular remedy of the City in respect of the default by the Society does not preclude the City from any other remedy in respect of any such default, whether available at law or in equity or by statute or expressly provided for in this Lease. No remedy shall be exclusive or dependent upon any other remedy, but the City may from time to time exercise any one of more of such remedies generally or in combination, such remedies being cumulative and not alternative. Whenever the Society seeks a remedy in order to enforce the observance or performance of one of the terms, covenants, agreements and conditions contained in this Lease on the part of the City to be observed or performed, the Society's only remedy, if any, shall be for such damages as the Society shall be able to prove in a court of competent jurisdiction that it has suffered as a result of a breach of this Lease by the City.

ARTICLE 16 - RESPONSIBILITY

- 16.1 City Not Responsible for Injuries, Loss or Damage. Notwithstanding anything contained within this Lease the City shall not be responsible in any way or under any circumstances whatsoever for any injury to any person, including death, howsoever caused or for any loss of or damage to any property belonging to the Society, any permitted sub-lessee, or to other occupants of the Development or to their respective invitees, licensees, agents, servants or other persons from time to time attending at the Development, damage to any such property caused by theft or breakage, failure to keep the Development in repair and free from refuse, obnoxious odours, vermin or other foreign matter, defective equipment, wiring, plumbing, gas, sprinkler, steam, sewer, water or other pipes or fixtures, the bursting, leaking, running or clogging of any heating, ventilating, ice making or air-conditioning equipment or other mechanical systems (including elevator system, if any), cistern tank, sprinkler system,

boiler, washstand, water closet or waste pipe, discharge of the sprinkler system, water, snow, ice or other foreign matter being upon or coming through the roof, skylight, trap-doors, doors, windows or from any part of the Development or any adjacent or neighbouring lands and premises or otherwise, acts or negligence of guests, invitees or employees of the Society or other occupants of the Development, acts or negligence of any owners or occupants of adjacent or contiguous) or property of their guests, invitees or employees, acts of God, acts or negligence of any person or for any loss whatsoever with respect to the Development and any business carried on therein, unless such damage, injury, death or loss is caused solely by the negligence, omission or default of the City or those whose actions the City is responsible for in law.

ARTICLE 17 – OWNERSHIP OF DEVELOPMENT UPON EXPIRATION OR TERMINATION

- 17.1 Ownership of Development. Upon the expiration of the Term or renewal term, as the case may be, or upon the sooner termination of this Lease, subject always to Section 17.2 of this Lease the Development shall be surrendered to the City together with the Leased Premises. The rights and obligations of the parties contained within this Section shall survive the expiration and termination of this Lease for any reason whatsoever.
- 17.2 Condition Upon Expiration or Termination. Notwithstanding Section 18.1 of this Lease, upon the expiration of the Term or renewal term, as the case may be, or upon the sooner termination of this Lease, the City may require that the Society, at its sole cost and expense, demolish all improvements located upon the Leased Premises and return the Leased Premises in substantially the same condition that existed upon the Commencement Date.

ARTICLE 18 – GENERAL

- 18.1 Grants of Interests. The Society's leasehold interest in the Leased Premises is and shall be subject to any and all grants of easements, utility right of ways, or other similar interests in the Leased Premises by the City, whether presently existing or to be granted in the future. In this regard, the Society acknowledges that the City may deem it necessary or appropriate from time to time to cause or allow third parties, or the City itself, to construct and install permanent underground or above-ground utility lines, pipeline facilities and transmission lines which will cross the Leased Premises, and the Society acknowledges and agrees that it shall in no way interfere or hinder the construction, installation, repair or maintenance of such lines or facilities undertaken by the City or any person to whom the City has granted such permission, and shall execute such further documentation as deemed appropriate in

the sole discretion of the City for purposes of expediting or permitting any such utility lines, pipeline facilities and transmission lines to be constructed, installed, repaired or maintained within the Leased Premises by the City or other authorized persons. Notwithstanding anything contained to the contrary herein, the City shall be entitled to register any and all easements and party wall agreements that are required to address the needs of the City, the Society, and new parties to the Operating Agreement and their respective construction upon the Lands in accordance therewith.

- 18.2 Expropriation. In the event that the whole or any part of the Leased Premises or the Development shall be taken by, or conveyed to, federal, provincial, city or other authority for public use or under any statute or by right of eminent domain, and such taking in the opinion of the City renders the remainder of the Leased Premises and the Development unusable for the purposes of this Lease, the City shall have the option to terminate this Lease upon Sixty (60) days written notice to the Society.
- 18.3 Overholding. If at the expiration of the Term or renewal term, as the case may be, the Society shall hold over with the consent of the City, the tenancy of the Society thereafter shall, in the absence of written agreement to the contrary, be from month to month only and shall be subject to all other terms and conditions of this Lease except as to duration and any option to renew or extend the Term. The rent payable during any holding over shall be payable monthly in advance on the first day of each month and shall be a rental equal to the fair market rental for premises of a quality and function equivalent to the Development providing similar services and located in comparable communities.
- 18.4 Certificate of Status. Whenever requested from time to time by the City or any actual or proposed purchaser, mortgagee or encumbrance of the Leased Premises, the Society shall promptly execute and deliver, to the party requesting the same, a certificate or acknowledgement as to the status and validity of this Lease and such other information as may reasonably be required. In the event the City determines to sell, mortgage or encumber the Leased Premises, the City shall use its commercially reasonable best efforts to obtain a non-disturbance and attornment agreement from the mortgagee or encumbrancer that is acceptable to all parties.
- 18.5 Notices. Whether or not stipulated in this Lease, all notices, communication, requests and statements (the "Notice") required or permitted under this Lease shall be in writing. Notice shall be served by one of the following means:
- (a) personally, by delivering it to the party on whom it is to be served at the address set out in this Lease, provided such delivery shall be during normal business hours.

Personally delivered Notice shall be deemed received when actually delivered as aforesaid; or

- (b) by Fax machine or email or by any other like method by which a written or recorded message may be sent, directed to the party on whom it is to be served at that address set out in this Lease. Notice so served shall be deemed received on the earlier of:
 - i. upon transmission with answer back confirmation if received within the normal working hours of the business day; or
 - ii. at the commencement of the next ensuing business day following transmission with answer back confirmation of delivery; or
- (c) by mailing via post, postage prepaid, to the party on whom it is served. Notice so served shall be deemed to be received seventy-two (72) hours after the date it is postmarked. In the event of postal interruption, no notice sent by means of the postal system during or within seven (7) days prior to the commencement of such postal interruption or seven (7) days after the cessation of such postal interruption shall be deemed to have been received unless actually received.

All Notices to be sent in accordance with this paragraph shall be addressed as follows:
to the City at:

City of Cold Lake
5513 – 48 Avenue
Cold Lake, Alberta
T9M 1A1
Attention: Chief Administration Officer
Phone: (780) 594-4494
Fax: (780) 594-3480

to the Society at:

Cold Lake Ambulance Society
#2007, 5101 – 46 Avenue
Cold Lake, Alberta
T9M 0C8
Attention: Debra Pelechosky, President
Phone: (780)594-6674 ext. 104
Fax: (780)594-3919

Or to such other address as each party may from time to time direct in writing.

- 18.6 Governing Law. This Lease shall be construed and governed by the laws of the Province of Alberta and the parties attorn to the jurisdiction of the courts of the Province of Alberta.
- 18.7 Interpretation. All of the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate article, paragraph and sub-paragraph of this Lease, and all of such covenants and agreements shall be deemed to run with the Land and the reversion therein.
- 18.8 Severance. Should any provision of this Lease be illegal or not enforceable they shall be considered separate and several from the Lease and its remaining provisions shall remain in force and be binding upon the parties as though the illegal or unenforceable provisions had never been included.
- 18.9 Schedules. The schedules shall form part of this Lease.
- 18.10 Time of Essence. Time shall be of the essence throughout this Lease.
- 18.11 Captions. The headings, captions, paragraph numbers, sub-paragraph numbers, article numbers and indices appearing in this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit, construct or enlarge the scope or meaning of this Lease or any provisions of this Lease.
- 18.12 Relationship Between Parties. Nothing contained herein shall be deemed or construed by the City or the Society, nor by any third party, as creating the relationship of principal and agent or of partnership, or of a joint venture agreement between the City and the Society, it being understood and agreed that none of the provisions contained in this Lease nor any act of the parties shall be deemed to create any relationship between the City and the Society other than the relationship of a landlord and tenant.
- 18.13 Lease Entire Relationship. The Society acknowledges that there are no covenants, representations, warranties, agreements or conditions expressed or implied, collateral or otherwise forming part of or in any way affecting or relating to this Lease save as expressly set out in this Lease and that this Lease constitutes the entire agreement between the City and the Society in relation to the granting of a leasehold interest in the Leased Premises from the City to the Society, and all rights and obligations relating to the occupancy and use of the Leased Premises.

18.14 Binding Effect. This Lease and everything contained within this Lease shall ensure to the benefit of and be binding upon the heirs, executors, administrators, successors, permitted assigns and other legal representatives, as the case may be, of each of the City and the Society subject to the granting of consent by the City as provided to any assignment or sublease. Where the Society is comprised of more than one legal entity, this Lease shall be binding upon all such parties on a joint and severable basis.

IN WITNESS WHEREOF each of the City of Cold Lake and the Cold Lake Ambulance Society have executed this Lease on the day and year first written above.

CITY OF COLD LAKE

Per: _____

Per: _____

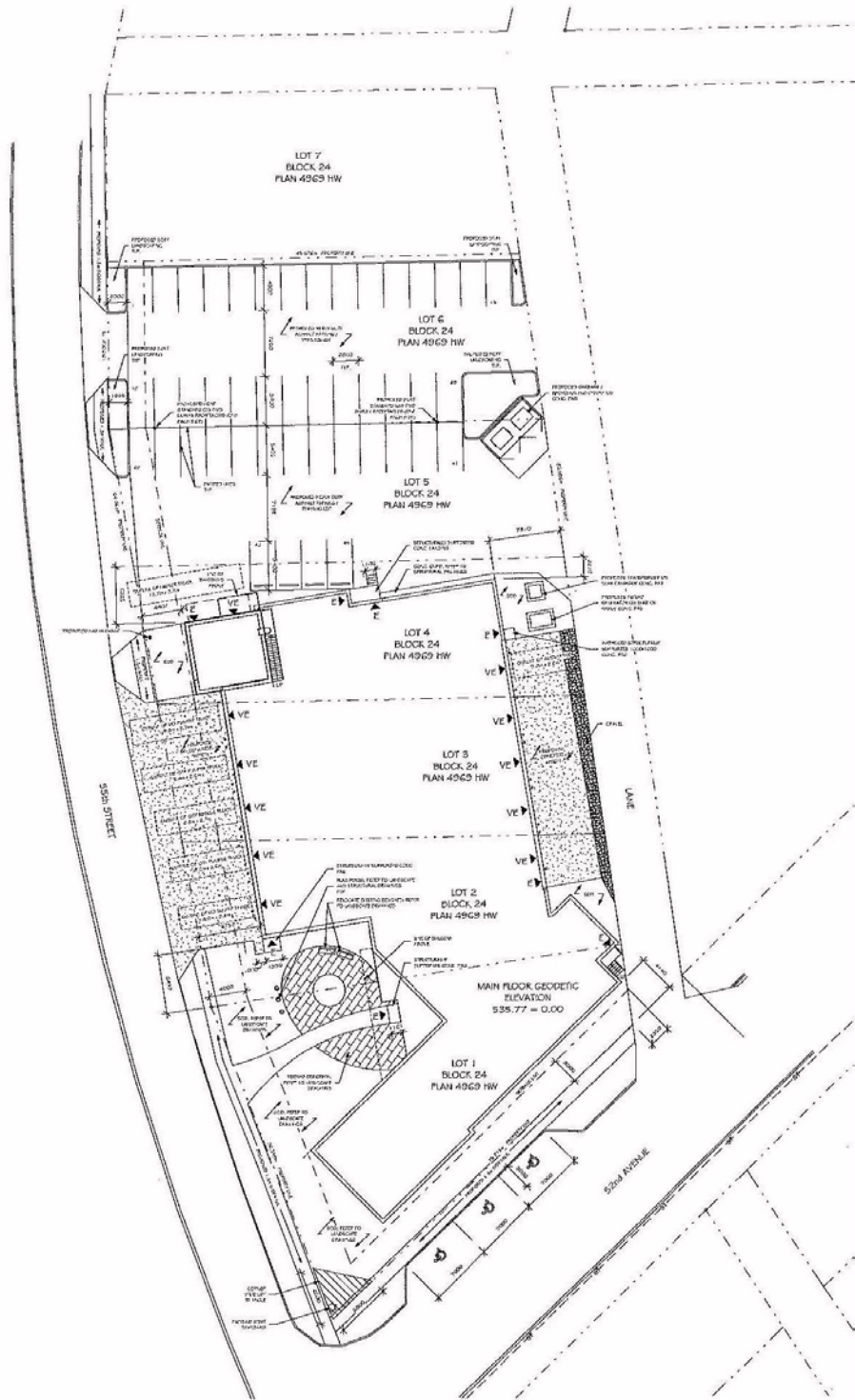
COLD LAKE AMBULANCE SOCIETY

Per: _____

Per: _____

SCHEDULE "A"
The Lands

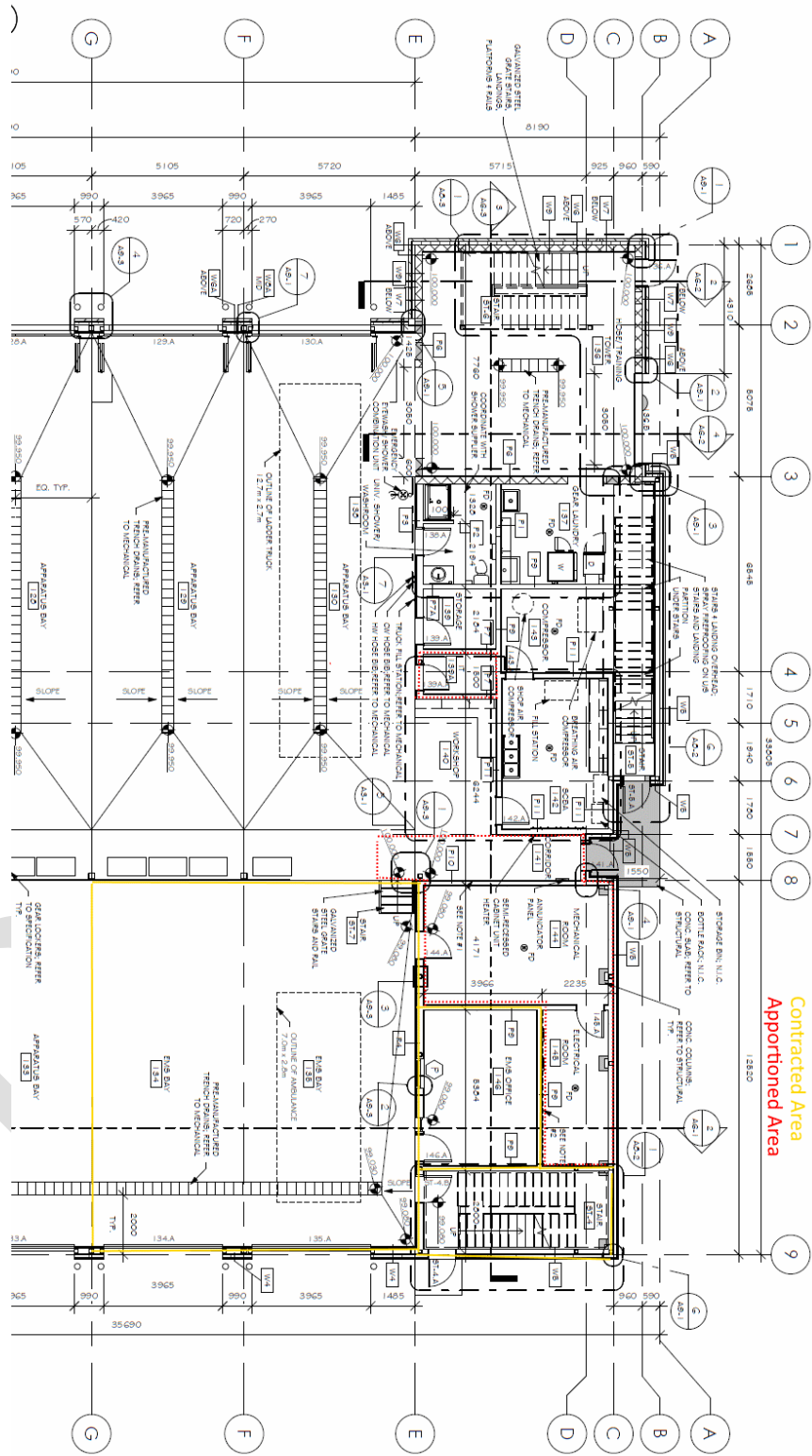
Firstly: 5201 – 55 Street legally described as part of Lot 16 Block 24 Plan 142 4714.



SITE PLAN
DATE: 11.2010

EMS Area				
	Room	Raw Space (m ²)	Allocation (%)	Space (m ²)
Apparatus Bay (East - Middle)	134	60	100%	60
Apparatus Bay (East - End) - Including Stairs	135	75	100%	75
EMS Office	146	20	100%	20
Kitchen/Dining/Lounge	233	46	100%	46
Corridor	234	20	100%	20
Dorm	235	11	100%	11
Washroom (Womens)	236	5	100%	5
Dorm	237	11	100%	11
Dorm	238	11	100%	11
Washroom (Mens)	239	5	100%	5
Dorm	240	11	100%	11
Corridor	241	5	100%	5
Universal Shower	242	7	100%	7
Stairwell	ST-4	16	100%	16
Stairwell (Emergency)	ST-5	13	100%	13
				316.0
Waiting Area	101	57	13.6%	7.8
Reception	102	10	13.6%	1.4
Custodial	103	3	13.6%	0.4
IT Room	115	10	13.6%	1.4
Mechanical Room	144	25	13.6%	3.4
Electrical Room	145	11	13.6%	1.5
				14.3
Total Section Allocation			14.2%	330.3

First Floor Contracted Areas and Apportioned Areas



Contracted Area
Apportioned Area

Second Floor Contracted and Apportioned Areas

