MEMORANDUM OF AGREEMENT entered into this 24th day of March, 2015.

BETWEEN:

CITY OF SPRUCE GROVE, a municipal corporation incorporated under the laws of the Province of Alberta

(hereinafter referred to as "Spruce Grove"),

OF THE FIRST PART,

- and -

TOWN OF STONY PLAIN, a municipal corporation incorporated under the laws of the Province of Alberta

(hereinafter referred to as "Stony Plain"),

OF THE SECOND PART,

- and -

PARKLAND COUNTY, a municipal corporation incorporated under the laws of the Province of Alberta

(hereinafter referred to as "Parkland"),

OF THE THIRD PART,

- and -

TRI-MUNICIPAL LEISURE FACILITY CORPORATION, a not for profit corporation incorporated under the Companies Act (Alberta)

(hereinafter referred to as the "Corporation"),

OF THE FOURTH PART.

WHEREAS Spruce Grove, Stony Plain and Parkland (hereinafter defined as "the Municipalities") have jointly arranged for the construction and development of a Tri-Municipal Joint Regional Leisure Facility on certain lands within Spruce Grove and the Municipalities have incorporated and established the Corporation to operate and manage the said Tri-Municipal Joint Regional Leisure Facility; and

WHEREAS by an Agreement in writing dated the 14th day of December, 2001, between the Municipalities and the Corporation (hereinafter defined as the "2001 Agreement"), the Municipalities and the Corporation entered into an Agreement with each other to define and describe the relationship of the Municipalities to the Corporation and to each other and the rights and obligations of the Corporation to operate and manage the said Facility; and

WHEREAS the Municipalities and the Corporation amended the 2001 Agreement in 2009 and the Municipalities now wish to enter into a new Agreement to replace the 2009 Agreement and to further define and describe the relationship of the Municipalities to the Corporation and to each other and the continuing rights and obligation of the Corporation to operate and manage the said Facility all on the terms and subject to the conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto in consideration of the mutual covenants and agreements hereinafter set forth, covenant and agree, except as otherwise stated, with each other as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions - In this Agreement, unless the context provides otherwise, the following words or phrases shall have the following meanings:

a) "Approved Budgets" shall mean the capital and operating budgets for the Corporation for a fiscal period once they have been approved by the Council of each Municipality;

b) "Board" shall mean the Board of Directors of the Corporation to be appointed pursuant to this Agreement;

c) "Corporation" shall mean the Tri-Municipal Leisure Facility Corporation, a not for profit corporation established under the Companies Act (Alberta);

d) "Council" shall mean the municipal Council of Spruce Grove, Stony Plain or Parkland;

e) "Facility" shall mean the Tri-Municipal Joint Regional Leisure Facility constructed and developed by the Municipalities on the Lands, together with the Lands and all equipment, furnishings, installations and appurtenances to the Facility and improvements to the Lands either provided by the Municipalities or acquired by the Corporation for the operation and maintenance of the Facility;

f) "Lands" shall mean those lands upon which the Facility has been developed and constructed and which are legally described as follows:

PLAN 0120977
BLOCK 1
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS;

g) "Municipality" shall mean any one of the Municipalities;

h) "Municipalities" shall mean Spruce Grove, Stony Plain and Parkland;

i) "Parkland" shall mean Parkland County, a municipal corporation established under the laws of the Province of Alberta;

j) "Party" or "Parties" shall mean a signatory or the signatories, respectively, to this Agreement;

k) "Proportionate Share" shall mean the ownership share of a Municipality based upon the percentages described in paragraph 2.2;

l) "Public Member" shall mean an individual residing within the boundaries of one of the Municipalities and who is not a member of Council or an employee of one of the Municipalities;

m) "Service Area" shall mean that area of the municipalities which is outlined on Schedule "A" attached hereto;

n) "Spruce Grove" shall mean the City of Spruce Grove, a municipal corporation established under the laws of the Province of Alberta;

o) "Stony Plain" shall mean the Town of Stony Plain, a municipal corporation established under the laws of the Province of Alberta;

p) "Term" shall mean the period of time that this Agreement shall remain in effect as described in paragraph 9.1;

q) "2001 Agreement" shall mean the Agreement dated the 14th day of December, 2001 entered into by the Municipalities and the Corporation to define and describe the relationship of the Municipalities to the Corporation and to each other and the rights and obligations of the Corporation to operate and manage the Facility; and

r) "2009 Agreement" shall mean the Agreement dated the 30th day of April, 2009 entered into by the Municipalities and the Corporation to amend the 2001 Agreement.

1.2 Interpretation - In this Agreement, save where the contrary is expressed:

a) The headings are for convenience of reference only and shall not be used in construction or interpretation.

b) Where a period of time is prescribed, dated or calculated from a day or event, the time shall be calculated excluding such day or the day of such event unless a contrary intent appears.

c) Words importing the singular shall include the plural, and words importing the masculine shall include the feminine or neuter or corporations, or vice versa, as the context or the number or gender, from time to time, so requires.

d) Should any provision be illegal, void or otherwise unenforceable, such provision shall be severed from this Agreement and the rest of this Agreement shall remain in full force and effect and be binding upon the Parties as though the said provision or provisions had never been included.

1.3 Schedules - The Schedules to this Agreement, which are incorporated into and form part of this agreement, are as follows:

Schedule "A" - Service Area

ARTICLE 2

OWNERSHIP, PRINCIPLES AND APPROVED USES

2.1 Approved Uses - The Municipalities and the Corporation covenant and agree that the Facility will be constructed by the Municipalities and operated and managed by the Corporation to serve the recreational, cultural and social needs of the Service Area. Without restricting the generality of the foregoing, the Facility shall be operated and managed by the Corporation predominately for the following:

a) recreational and sport uses;

b) social events and gatherings;

c) cultural and art exhibits and shows;

d) trade shows and fairs;

e) conventions;

f) business events;

g) fundraising events;

h) community events and meetings;

i) commercial uses ancillary or complementary to the uses described above.

2.2 Ownership - The Municipalities each covenant and agree with each other that the Facility is owned by the Municipalities in the following percentages and that the cost of the construction and development of the Facility will be shared by the Municipalities in these percentages:

Spruce Grove	-	42.0%
Parkland County	-	33.5%
Stony Plain	-	24.5%
		100 %

2.3 Guiding Principles – The Municipalities and the Corporation covenant and agree with each other that the Facility has been designed and constructed and shall be operated and maintained based upon the following guiding principles:

a) The Facility has been designed and will at all times be operated and maintained to provide both structured and casual leisure opportunities;

b) The Facility has been designed and will be operated and maintained to provide programming and meet the needs of organized sport, recreation, and leisure groups;

c) The Corporation shall operate the Facility in a financially prudent manner and the user charges, rents and leases for the Facility shall be set by the Board at a level, which will ensure an optimal financial return for the Facility. All revenues from the operation of the Facility shall go into the Facility for operational and capital costs and future sustainability of the facility;

d) On the basis that the Facility has been designed and will be operated and maintained by the Board, the capital and operating costs for the Facility as contained in

Approved Budgets shall be shared by the Municipalities based upon the population of the Service Area as provided for in Article 7;

e) All users, renters and patrons of the Facility residing within the boundaries of the Municipalities shall be treated equally irrespective of the location of their residence;

f) The Board shall consist of equal representation from each of the Municipalities regardless of the population of each Municipality within the Service Area; and

g) The Board shall set and maintain the lease rates for the Facility for tenants at levels which are at least equal to or above the rates for similar premises in similar locations within the Municipalities and local area businesses. All leases will be granted in the facility through a competitive tendering or bidding process.

ARTICLE 3

ESTABLISHMENT AND ORGANIZATION OF THE CORPORATION

3.1 Incorporation of Corporation - The Municipalities each acknowledge and agree that the Corporation has been incorporated by the Municipalities for the purpose of managing and operating the Facility and that the Memorandum of Association and the Articles of Association of the Corporation shall at all times be consistent with the terms and conditions contained in this Agreement, and in the event of a conflict between the Memorandum of Association or the Articles of Association of the Corporation the terms and conditions of this Agreement shall prevail.

3.2 Organization of Corporation - Without restriction to paragraph 3.1 above, the parties agree as follows:

a) Each of Spruce Grove, Stony Plain and Parkland shall have one (1) share in the Corporation and no other shares in the Corporation shall be issued without the consent of Spruce Grove, Stony Plain and Parkland;

b) No share in the Corporation shall be transferred, assigned, pledged or hypothecated without the consent of Spruce Grove, Stony Plain and Parkland or as provided for elsewhere in this Agreement;

c) Each share in the Corporation shall have one vote and each of the Municipalities shall designate the Mayor to vote that share as well as an alternate who may vote in the absence of the Mayor;

3.3 Directors of the Corporation – The Directors of the Corporation have the authority and mandate to provide leadership in the business of governing and managing all corporate and operational responsibilities. The Board must set overall policies and provide direction for the organization through the General Manager of the Facility subject to the following:

a) There shall be nine (9) directors of the Corporation, three (3) representing each Municipality and of the three (3) representing each Municipality, one (1) shall be a member of Council; the Municipalities shall each vote accordingly. A director must have his or her principal residence within the boundaries of the Municipalities. Public Members shall be appointed by each Municipality to be selected by the Board from a slate of candidates put forward by each Municipality.

b) There shall be opportunity for one representative of the primary naming sponsor of the Facility to sit on the Board as a non-voting member.

c) The Officers of the Corporation shall be the Chairman, Vice-Chairman and Secretary. The Officers of the Corporation shall be elected annually by the Board. The Chairman and Vice-Chairman shall each be a Public Member of the Board. The Secretary shall not be a member of the Board;

d) The Chairman shall not serve for more than three consecutive years as Chairman;

e) Each of the Municipalities shall endeavour to appoint its representatives to the Board for a term of three (3) years, subject to, in the case of an elected official, to that elected official remaining a member of Council;

f) No Board Member shall be eligible to serve on the Board for a term exceeding six (6) consecutive years and each of the Municipalities shall endeavour to stagger their appointments to the Board in such a manner as will cause continuity on the Board;

g) A majority (five or more) of the members of the Board shall be a quorum at a meeting of the Board;

h) The Board shall be at liberty to authorize the payment of honoraria and expenses to members of the Board for attendance at meetings of the Board and for other duties performed with the authorization of the Board, as long as such honoraria and expenses are similar in amount to the honoraria and expenses paid to elected officials within the service area and are provided for in an Approved Budget;

i) The Board shall establish and maintain a policy for the public tendering of materials and services required for the operation, maintenance and management of the Facility; and

j) The Corporation shall indemnify and save harmless each board member from all liability, costs, expenses and claims which may be made against a board member in the course of carrying out the board member's lawful duties as a member of the Board.

ARTICLE 4

MANAGEMENT AND OPERATION OF THE FACILITY

4.1 Management and Operation - The Corporation shall be solely responsible for governing the management, operation and maintenance of the Facility in accordance with policies and directions adopted or provided by the Board from time to time.

4.2 Specific Obligations - Without restricting the generality of paragraph 3.1, the Corporation shall:

a) at all times ensure that the Facility is operated and managed in accordance with the guiding principles and the approved uses described in paragraph 2.1.

b) supply such managerial, supervisory and other assistance as may be necessary to cause the Facility to be operated, managed, maintained and repaired in accordance with the Policies and directions of the Board;

c) cause the Facility to be used solely for the approved uses described in paragraph 2.1 and for no other purpose without the approval of all of the Municipalities;

d) keep and maintain at the Facility full, detailed and proper records regarding all usage of the Facility and financial transactions related thereto which records shall be available for inspection by each Municipality on reasonable notice;

e) ensure that the Facility is at all times operated in accordance with operational and capital budgets approved by the Municipalities as provided for elsewhere in this Agreement;

f) keep and maintain its status as a validly subsisting corporation under the Companies Act (Alberta);

g) subject to Article 2 of this Agreement, use its best efforts to maximize the use of the Facility by all interested persons pursuant to the provisions hereof;

h) retain an auditor on such audit engagement terms as may be approved by the Board and forward to each Municipality draft annual audited financial statements by February 28 of each year with final audited financial statements sent to each

Municipality by March 31 of each year for the previous fiscal year ended December 31;

i) obtain and maintain insurance for the full replacement cost of the Facility showing the Municipalities as co-insureds based upon the ownership interests described in paragraph 2.2, together with such other insurance insuring against such risks and perils as may be appropriate for a facility of this nature; and

j) the Corporation shall not undertake any other duties or responsibilities other than the duties and responsibilities set out in this Agreement without the consent of all of the Municipalities.

4.3 A General Manager, appointed by the Board, shall manage and operate the Facility. The General Manager of the Facility will meet and communicate regularly with designated representatives from the three municipalities to address the implementation and management of the Facility and this Agreement. Should any issues arise that cannot be addressed informally in this manner, communication will be directed from or to the Board and the Mayor of each Municipality.

ARTICLE 5

ACTIVITIES REQUIRING THE CONSENT OF THE MUNICIPALITIES

5.1 The Corporation shall not, without the consent and approval of the Council of each of the Municipalities:

a) lease or otherwise give up possession of all or a portion of the Facility to a third party except for leases of portions of the Facility for commercial uses which are ancillary or complementary to the uses described in paragraph 2.1;

b) adopt a name or logo for the Facility;

c) substantially alter or change the Facility or permit or allow other improvements or installations to be constructed or installed on the Lands other than in accordance with an Approved Budget;

d) permit any use of the Facility for other than the uses described in paragraph 2.1;

e) incur any debts or other obligations in the aggregate in excess of $500,000.00 or as otherwise provided for in an Approved Budget;

f) alter the boundaries of the Service Area; or

g) change the fiscal period of the Corporation from the calendar year.

ARTICLE 6

BUDGETING PROCESS

6.1. Board Review – In August of each year the Board will meet to review the draft capital and operating budgets for the Corporation for the following fiscal period.

6.2 C.A.O. Committee Review – The General Manager shall forward a draft copy of the capital and operating budgets for the following fiscal period to the Chief Administrative Officers of the Municipalities and the General Manager of the Facility and the Chief Administrative Offices shall meet as a committee to review and comment upon the draft capital and operating budgets within twenty-one (21) days of the date that the draft capital and operating budgets are received by the Chief Administrative Officers.

6.3 Committee Report to the Board - The Committee comprising the Chief Administrative Officers and the General Manager of the Facility shall report to the Board with the comments and suggestions of the committee, and the Board, before approving the capital and operating budgets for a fiscal period, shall consider such comments and suggestions.

6.4 Submission to the Municipalities - Once the capital and operating budgets for a fiscal period have been approved by the Board, the operating and capital budgets shall be referred to the Council of each of the Municipalities for final review and approval. Each of the Municipalities shall endeavour to have its Council review and approve the budgets for a fiscal period within a reasonable period of time after the budgets are received by the Municipality.

6.5 The capital and operating budgets of the Corporation for each fiscal period shall require the approval of the Council of each Municipality before each budget can be implemented by the Corporation. In the event that all of the Municipalities shall not have approved the capital and operating budgets for the Corporation for a fiscal period prior to the commencement of the fiscal period, the Corporation shall be entitled to continue to operate under the operating budget approved by the Municipalities for the previous fiscal period.

ARTICLE 7

SUBSIDIES/SURPLUSES

7.1 The Municipalities each agree that any deficit shown in any capital and operating budgets approved by the Municipalities for the fiscal period of the Corporation commencing January 1, 2015 shall be shared by the Municipalities by way of a subsidy or grant to the Corporation in the following proportions:

Spruce Grove	45.42%
Parkland	28.46%
Stony Plain	26.12%
	100 %

7.2 For each fiscal period of the Corporation commencing after December 31, 2008 each of the Municipalities shall be responsible for its share of any deficit in any Approved Budgets based upon the population of the Service Area as shown on the last year for which a complete census has been carried out by Statistics Canada for all of the Municipalities prior to the fiscal period in question.

7.3 In the event that following the completion of a census by Statistics Canada, the population figures for the Service Area within Parkland shall not be available from Statistics Canada prior to the commencement of a fiscal period, the population for each of the Municipalities for the Service Area shall be based upon the last year for which a complete census is available from Statistics Canada for all of the Service Area.

7.4 Each of the Municipalities shall advance to the Corporation its share of any subsidy or grant to the Corporation in quarterly instalments or as otherwise determined by the Corporation based upon Approved Budgets.

7.5 Any surplus up to TWENTY-FIVE THOUSAND ($25,000) DOLLARS achieved by the Corporation in a fiscal year shall immediately be transferred to the "Operations Reserve" account to be used to fund future deficits of the Corporation. Any additional surplus in excess of TWENTY-FIVE THOUSAND ($25,000) DOLLARS shall be divided equally (50/50) between the "Capital Reserve" and "Operations Reserve" accounts.

ARTICLE 8

MEDIATION

8.1 The purpose of this Article is to set forth a framework and procedure pursuant to which each party agrees to use reasonable efforts to resolve disputes that may arise under this Agreement. To achieve this goal the parties agree to use mediation procedures to resolve any disputes which may arise between the parties.

8.2 All information disclosed by a party pursuant to the mediation procedure shall be treated as privileged, confidential and without prejudice and neither the delivery nor the disclosure of information shall represent any waiver of privilege by a party disclosing the same.

8.3 When a dispute is referred to mediation, the parties shall immediately meet and attempt to appoint a mediator who shall be qualified by education and experience to address the matter in dispute. If the parties fail to appoint a mediator within five (5) business days after a dispute has been referred to mediation or if the dispute is not resolved by the mediator within

thirty (30) days of the mediators appointment then the mediation process, unless the parties otherwise agree, shall be terminated.

8.4 The mediation process set out in this Article shall not apply to any issue or matter under this Agreement which requires the approval of the Councils of the Municipalities.

ARTICLE 9

TERM OF AGREEMENT AND WITHDRAWAL OF A MUNICIPALITY

9.1 Agreement Term - This Agreement shall remain in effect for a period of twenty-five (25) years from the date of completion of the Facility and may be extended for such additional term or terms as the parties hereto may agree.

9.2 In the event that one or more of the Municipalities shall wish to dispose of all or a portion of its interest in the Facility at any time (such Municipality being hereinafter referred to as the Offeror), the Offeror shall give the other Municipalities (the other Municipalities being hereinafter referred to as the Offerees) notice in writing (the Notice) of the Offerors intention to dispose of its interest in the Facility and the terms upon which the Offeror is prepared to dispose of its interest in the Facility.

9.3 The Offeree shall have a period of sixty (60) days from the date of receipt of the Notice within which to purchase the Offerors interest in the Facility on the terms and conditions set out in the Notice.

9.4 In the event that one or both of the Offerees shall not advise the Offeror that either or both of them is or are prepared to purchase the Offerors interest in the Facility on the terms set out in the Notice, the Offeror, for a period of one (1) year from the date of expiration of the period described in paragraph 10.4 of this Article, shall be at liberty to dispose of its interest in the Facility to a third party on the same terms and conditions as are set out in the Notice subject to such third party undertaking to become a party to this Agreement and be bound by the terms of this Agreement.

9.5 The Municipalities shall be at liberty from time to time to add another or other parties to this Agreement with the prior approval of the Council of each Municipality.

9.6 The Council of a Municipality may elect on one (1) year's notice in writing to the other Municipalities to withdraw from the Corporation and the Facility and upon the expiration of the said one (1) year period the Municipality electing to withdraw shall continue to remain responsible for any indebtedness which the Municipality has incurred for that Municipality's share of the Cost of Construction of the Facility, and that Municipality shall no longer be responsible for any deficits arising from the operation of the Facility after the expiration of the said one (1) year period and that Municipality shall no longer be a party to this Agreement and shall not have any representation on the Board.

9.7 Upon the execution of this Agreement by the parties hereto, the 2001 Agreement and the 2009 Agreement shall terminate.

ARTICLE 10

NOTICES

10.1 Notices - Any notices or other communications required under this Agreement shall, unless otherwise provided herein, be deemed to be properly given if sent by registered mail or delivered by hand to the other party at the following addresses:

(a) City of Spruce Grove
315 Jespersen Avenue
Spruce Grove, Alberta T7X 3E8
Attention: City Manager

(b) Town of Stony Plain
4905 - 51 Avenue
Stony Plain, Alberta T7Z 1Y1
Attention: Town Manager

(c) Parkland County
53109A SH 779
Parkland County, Alberta T7Z 1R1
Attention: Chief Administrative Officer

(d) Tri-Municipal Leisure Facility Corporation
221 Jennifer Heil Way
Spruce Grove, Alberta T7X 4J5
Attention: General Manager

and shall be deemed to be received, in the case of registered mail five (5) days after the date of mailing and, in the case of delivery by hand one day after the date of delivery.

ARTICLE 11

AMENDMENT OF AGREEMENT

11.1 Any amendment of this Agreement shall be in writing and shall be subject to the approval of the Council of each Municipality.

IN WITNESS WHEREOF the Parties have hereunto affixed their seals by the hands of their proper officers in that behalf as of the day and year first above written.

CITY OF SPRUCE GROVE

Per: _____

Per: _____

TOWN OF STONY PLAIN

Per: _____

Per: _____

PARKLAND COUNTY

Per: _____

Per: _____

TRI-MUNICIPAL LEISURE FACILITY CORPORATION

Per: _____

Per: _____

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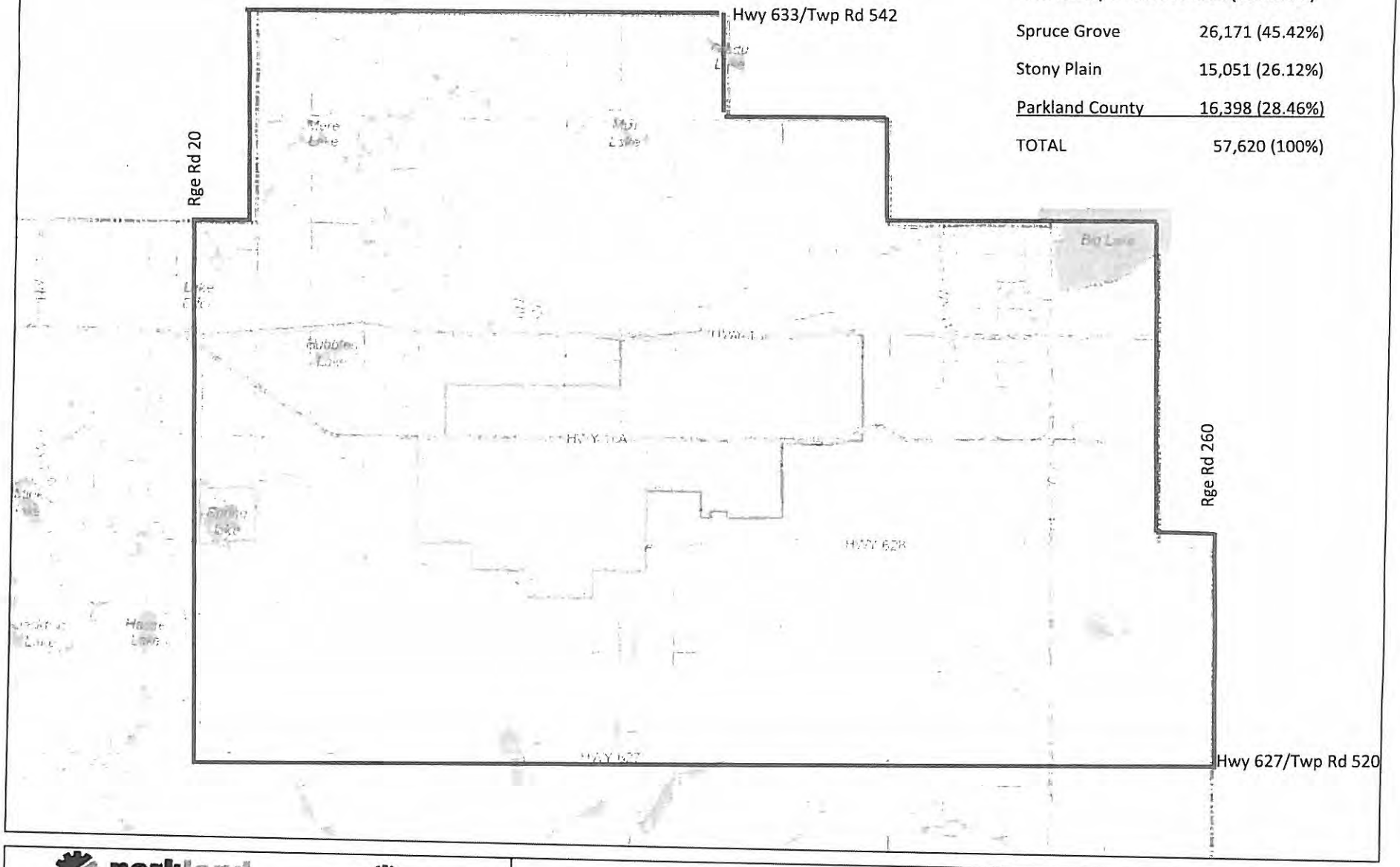
(hereinafter referred to as the "Corporation"),
OF THE FOURTH PART.

OPERATING AND MANGEMENT AGREEMENT

Schedule "A"

Tri-Municipal Market Area (TLC MOU)

Spruce Grove	26,171 (45.42%)
Stony Plain	15,051 (26.12%)
Parkland County	16,398 (28.46%)
TOTAL	57,620 (100%)



parkland county

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Disclaimer:
Parkland County offers this information in good faith, but makes warranty with regard to the correctness, and accuracy of the data.

Parkland County

Created by		**Department**	
Date	Tue Oct 28, 2014 11:01AM	**Scale**	1:132474

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