

GONDOLA AGREEMENT FRAMEWORK

THIS AGREEMENT FRAMEWORK MADE BETWEEN:

THE CITY OF EDMONTON

(the "City")

and

PRAIRIE SKY GONDOLA INC.

("Prairie Sky")

WHEREAS the vision for an urban gondola connecting the city across the river valley was chosen by a panel of business and community leaders after an on-line vote of citizens in the Edmonton Project, a citizen-lead contest which challenged Edmontonians to brainstorm on projects that would make Edmonton a more attractive city for residents, visitors and investors.

AND WHEREAS Prairie Sky is a citizen-lead group of private investors which has committed itself to construct, operate and maintain an urban gondola, including without limitation the gondola towers, ropelines and stations (collectively the "Project") in Edmonton without public sector investment.

AND WHEREAS Prairie Sky has, at its sole cost, completed a Phase I Preliminary Economic and Technical Analysis and a detailed Phase II Preliminary Project Development Plan and have advised the City that both have concluded that the Project is viable from a commercial and technical perspective as a purely private sector development.

AND WHEREAS Prairie Sky has advised that it is not viable for it to secure the investment required for the completion of the required Phase III complete project development plan without a greater measure of assurance that the agreements with the City necessary for the Project to proceed are possible if negotiations are successful and all required approvals are obtained.

AND WHEREAS the proposal to construct a gondola connecting downtown to Whyte Avenue is, at a high level, well aligned with the City Plan, which provides strategic direction for Edmonton including environmental and social planning, economic development and mobility systems and the City's Strategic Plan: ConnectEdmonton, which provides strategic direction and encourages collaboration between the City, public and private sectors and non-profit organizations to build a connected City.

AND WHEREAS the City is or is entitled to become the owner of the lands legally described in Schedule "A" hereto (the "City Titled Land") and the road right of way land as also described in Schedule "A" hereto and shown on Schedule "B" hereto (the "City RROW Land" and collectively with the City Titled Land the "City Land").

CITY CLERKS	103243
FILE NO.	

AND WHEREAS the City leases from the Her Majesty The Queen in Right of Alberta, as represented by the Minister of Transportation (the "Province") that portion of the lands legally described in Schedule "A" hereto and shown on Schedule "C" hereto (the "City Leased Land" and collectively with the City Land the "Land").

AND WHEREAS Prairie Sky has proposed footprints and conceptual designs of the ropelines and each of the five stations and the towers (the "Towers") for the Project on those portions of the Land as shown on Schedule "D" hereto. The portion of the Land for the five stations from South to North along the line shall be referred to respectively herein as the "Whyte Avenue Station", the "End of Steel Park Station", the "Power Plant Station", the "Ortona Station" and the "Downtown Station" (collectively, the "Stations").

NOW THEREFORE the City and Prairie Sky enter into this non-binding Agreement Framework ("Framework") to describe their relationship and willingness to continue negotiations for agreements which would grant Prairie Sky the rights necessary to construct and operate the Project on the City Land as set out herein.

NON-BINDING

1. It is expressly understood that this Framework is not a legally binding document. Rather it is a statement of mutually agreed upon principles and an expression of a mutual intent to engage in negotiations to enter into legally binding agreements based upon the principles set out herein.

AGREEMENTS FOR THE CITY LAND

2. The City and Prairie Sky will enter into negotiations for the following agreements, which would allow for the construction, operation and maintenance of the Project on those portions of the City Land generally shown on the conceptual design attached as Schedule "D" hereto:
 - a. leases for the Stations to be located on the City Titled Land;
 - b. licenses or easements for the Towers and ropelines to be located on the City Titled Land; and
 - c. consent and access agreements for the Stations, Towers and ropelines to be located on the City RROW Land;(collectively, the "Land Agreements").
3. The final alignment of the Project would be confirmed by way of a plan of survey obtained by Prairie Sky at its sole cost. For clarity, the Ortona Station lease would be limited to that portion of the lands legally described as Plan 6417 Block Two (2) Lots Forty-one (41) To Forty-four (44) as shown on the site plan attached as Schedule "D" or such lesser area that would accommodate the Ortona Station.

completed pursuant to this condition when determining the public engagement requirements for the purposes of any development, rezoning or other regulatory approval as may be required to allow for the construction and operation of the Project;

- vii. the City and Prairie Sky agreeing on the extent of mutually beneficial integration of the Project with the City's public transit system, and entering into such agreements as may be required to implement integration on terms and conditions as are satisfactory to Prairie Sky and the City;
- viii. Prairie Sky, at its sole cost, obtaining from all applicable federal, provincial, municipal or other governmental or administrative bodies such licenses, permits, consents, approvals, certifications, registrations and authorizations as are required to permit the construction and operation of the Project, including without limitation:
 - 1. finalizing a general maintenance and emergency maintenance plan, as well as an emergency response plan for responding to an emergency that may require rescue or evacuation and any required approvals of such plans in accordance with regulations established by authorities with jurisdiction;
 - 2. such licenses, permits, consents, approvals, certifications, registrations and authorizations as are required relative to the Project's passage over the North Saskatchewan River; and
 - 3. obtaining City Council approval of an environmental impact assessment, a site location study and of deeming the location of the Project in the North Saskatchewan River Valley as essential pursuant to the River Valley Area Redevelopment Plan.
- ix. the City, in its capacity as landowner, reviewing and approving Prairie Sky's application for rezoning for the City Titled Land to a (DC2) Site Specific Development Control Provision or such other rezoning acceptable to the City and Prairie Sky which allows for the construction and operation on the Project;
- x. Prairie Sky, at its sole cost, obtaining the rezoning of the City Titled Land to the (DC2) Site Specific Development Control Provision zoning or such other rezoning accepted by the City and Prairie Sky in accordance with the foregoing condition. Prairie Sky and the City, in its capacity as landowner, acknowledge that advancing the proposal through the regulatory process in an efficient manner would be of benefit to both parties. For clarity, the foregoing does not bind the City in its capacity as a regulatory body, as further set out in section 11 herein.

- xi. **Prairie Sky aligning the design of the Project with the Capital City Downtown Plan and all other relevant statutory documents and making commercially reasonable efforts to align the design of the Project with the Touch the Water Promenade, Rosedale Power Plant reuse, McDougall Hill Pedestrian Bridge, South Edge Promenade in the Downtown Public Places Plan, River Crossing initiative, the Queen Elizabeth Park Master Plan, the Old Strathcona Public Places Plan and the Main Street Guidelines all to the satisfaction of the City;**
 - xii. **Prairie Sky developing a tree protection plan for the City Land that is satisfactory to the City in accordance with the Corporate Tree Management and Tree Reserve Procedure Policy, City Policy Number C456C and the Tree Preservation Guidelines referenced therein (the “City Tree Policy”);**
 - xiii. **Prairie Sky providing the City with open book access to its capital and operating models during phase III complete project development and design to allow the City to satisfy itself as to the commercial viability of the Project during construction and operations, and the City being satisfied with its review of such models. The open book access would be provided on such confidentiality terms and conditions as are satisfactory to the City and the Prairie Sky; and**
 - xiv. **Prairie Sky providing the City with an operational continuity plan during phase III complete project development and design, and the City being satisfied with its review of such plan.**
- b. **Prairie Sky would pay market value for the rights to the City Land obtained pursuant to the Land Agreements, plus such amounts as are payable for the removal of any trees from the City Land in accordance with the City Tree Policy;**
 - c. **the capital cost of the construction of the Project would be borne by Prairie Sky without contribution from the City;**
 - d. **the operating costs, including all capital maintenance and rehabilitation, of the Project would be borne by Prairie Sky without contribution from the City. The Land Agreements would include repair, maintenance and rehabilitation obligations satisfactory to the City;**
 - e. **Prairie Sky would work to reasonably mitigate the ecological footprint for, and the geotechnical impact of, the Stations and Towers in the river valley;**
 - f. **Prairie Sky would work with Indigenous groups to ensure that all excavations and construction activities at the Power Plant Station site are conducted with great care and respect for, and preservation of, the archaeological history of the site;**

- g. At the expiration of the term of the Land Agreements, Prairie Sky would, at its sole cost, demobilize and remove the Project and remediate the City Land in accordance with the terms of the Land Agreements. The Land Agreements would address whether Prairie Sky is required to remove the Stations from the City Land in the event of termination of the Land Agreements prior to the expiry of the term;
- h. Prairie Sky would provide the City with surety or security, including without limitation monetary security, to secure the costs of demobilization and removal of the Project and remediation of the City Land and associated liabilities in accordance with the terms of the Land Agreements.
- i. Prairie Sky would, at its sole cost, obtain insurance satisfactory to the City for the construction and operation of the Project;
- j. the intent of the parties is that Prairie Sky would be solely responsible and liable for all costs and liability associated with the Project. Prairie Sky would therefore provide the City with a release for all costs, claims and liability and indemnify and hold harmless the City from and against any liability arising out of the Prairie Sky's possession, use or occupation of the City Land, including, but not limited to, any third party claims for personal injury, property damage, impacts on adjacent lands and landowners or environmental hazards or conditions which may be brought to or occasioned by the Prairie Sky during the period of its construction, operation and decommissioning of the Project. The indemnity would except such liabilities arising from the negligent acts of the City or breach of the Land Agreements by the City; and
- k. Prairie Sky would maintain the Project in good and substantial condition, including any repair or upgrade as may be necessary to facilitate suitable use as a gondola.

5. The Land Agreements would be subject to approval by City Council.

6. The City and Prairie Sky shall each bear their own costs with respect to the negotiation and drafting of the Land Agreements and any ancillary agreements. The cost of all land titles registration fees would be at the sole cost of Prairie Sky.

TERM

- 7. If the parties do not enter into the Land Agreements on or before the date that is one year following the date that this Agreement is fully executed by both parties, then either party can terminate the Framework on 30 days' written notice to the other party.

NOTICE

8. Any notice required or permitted to be given hereunder may be sufficiently given if personally delivered or sent by fax or prepaid registered mail or emailed addressed as follows:

- a. the City at:

The City of Edmonton
Real Estate, Financial and Corporate Services
10th Floor, Edmonton Tower
10111 104 Avenue, NW
Edmonton, AB T5J 0J4
Attention: Avril McCalla

- b. to Prairie Sky at

MLT Aikins LLP
Suite 2200, 10235 - 101 Street
Edmonton, Alberta T5J 3G1
Attention: J. Robert Black, Q.C.

GENERAL

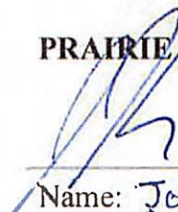
9. The Schedules attached hereto form part of this Framework.
10. Prairie Sky understands and acknowledges that the City is a public body having certain obligations respecting the collection and distribution of personal information pursuant to the Freedom of Information and Protection of Privacy Act, R.S.A. 2000, C. F-24 and that the City must adhere to the provision of such legislation in any discussions as contemplated by this Framework.
11. The City in entering into this Framework is doing so in its capacity as an owner of real property and not in its capacity as a regulatory, statutory or approving body pursuant to any law of the Province of Alberta and nothing in this Framework shall constitute the granting by the City of any approval or permit as may be required pursuant to the Municipal Government Act, R.S.A. 2000 c. M-26 and any amendments thereto, and any other legislation in force in the Province of Alberta. Nothing in this Framework restricts the City, its municipal council, its officers, servants or agents in the full exercise of any and all powers and duties vested in them in their respective capacities as a municipal government, as a municipal council and as the officers, servants and agents of a municipal government.

[Remainder of page intentionally left blank. Signature page to follow.]

12. This Framework may be executed in any number of counterparts, and may be delivered originally, by facsimile, or by electronic transmission in Portable Document Format ("PDF") and each such original, facsimile copy or PDF copy, when so executed and delivered, shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

PRAIRIE SKY has executed this Framework as of the 23 of April, 2021.

PRAIRIE SKY GONDOLA INC.


Name: Jeffrey Hansen-Carlson (Seal)

Title: President

I have the authority to bind the corporation.

THE CITY has executed this Framework as of the 3 of May, 2021.

APPROVED:

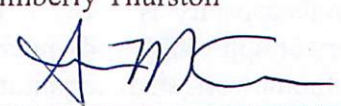
Legally Reviewed

and Approved as to

Form: Kimberly Thurston

Kimberly Thurston

As to

Content: 

**THE CITY OF EDMONTON, as
represented by the Branch Manager,
Real Estate, Financial and Corporate
Services**

Per: 

Chris Hodgson

(Seal)

AFFIDAVIT VERIFYING
CORPORATE SIGNING AUTHORITY

CANADA)
PROVINCE OF ALBERTA)
TO WIT)
)

I, Jeffrey Hansen-Carlson
of the City of Edmonton,
in the Province of Alberta
MAKE OATH AND SAY:

1. I am an officer of **PRAIRIE SKY GONDOLA INC.** named in the within instrument.
2. I am authorized by the corporation to execute this instrument without affixing a corporate seal.

SWORN BEFORE ME)
at the City of Edmonton)
in the Province of Alberta)
this 23RD day of APRIL)
2021)
)

A Commissioner for Oaths
in and for Alberta
Commission expires

J. ROBERT BLACK, Q.C.



SIGNATURE OF OFFICER

SCHEDULE "A"

THE LAND

City Titled Land

End of Steel Park Station

30 Tommy Banks Way

Title Number 792176279

Legal Description

Plan I

Block (J)

Excepting Thereout: 0.004 Hectares, More Or Less,

As Shown On Road Plan 8021767

Excepting Thereout All Mines And Minerals

And The Right To Work The Same

Ats Reference: 4;24;52;28;W

Estate: Fee Simple

Municipality: City Of Edmonton

Power Plant Station

10155 - 96 Ave, Edmonton

Title Number 151L172

Legal Description

All that portion of the Hudson's Bay Company's reserve in the City of Edmonton described as follows

commencing at a point of intersection of the south limit of Calgary Avenue and the east limit of fourth street, both as shown on plan (b), thence east along the said south limit of Calgary Avenue to the west limit of first street as shown on said plan (b), thence south along the said west limit to the north bank of the north saskatchewan river, thence westerly along the said bank to its intersection with the said east limit of fourth street, thence north, along the said east limit to the point of commencement

containing forty three (43) acres more or less

excepting thereout: 0.431 hectares (1.07 acres) more or less, as shown on road plan 8322583 as to surface only

Ortona Station

9722 - 102 St

Title 832075759E

Legal Description

Plan 6417as

Block Two (2)

Lots Forty-one (41) To Forty-four (44) Inclusive

Excepting Thereout

A. All Those Portions Of The Said Lots Forty-three (43) And Forty-four (44) Lying North West Of A Straight Line Drawn From The South Western Corner Of The Said Lot Forty Three (43) To A Point On The North Western Boundary Of The Said Lot Forty-four (44) Distant One Hundred And Thirty Nine (139) Feet South Westerly From The North Eastern Corner Thereof

B. Portions Of Said Lots Forty-one (41), Forty-two (42) And Forty-three (43) For Road As Shown On Road Plan 4455rs

Excepting Thereout All Mines And Minerals

Downtown Station

10031 Macdonald Dr.

Title 225L76

Legal Description

Plan 5011eo

Block (B)

**Excepting Thereout: Forty One Hundredths (0.41) Of
An Acre More Or Less Under Plan 418ny**

Excepting Thereout All Mines And Minerals

Towers:

11 Tommy Banks Way

Title 972329060

Legal Description

Plan I

Block K

**All That Portion Of Lying To The North Of
Right Of Way Plan 8020624,Containing**

1.31 Hectares, More Or Less

Excepting Thereout: Hectares More Or Less

A) Plan 9723772 Road 0.002

10380 Queen Elizabeth Park Rd.

Title 162008725

Legal Description

Descriptive Plan 1620102

Block 1

Lot 1

Excepting Thereout All Mines And Minerals

Area: 21.8 Hectares (53.87 Acres) More Or Less

Ats Reference: 4;24;52;11;Rl

Ats Reference: 4;24;52;13;Rl

Ats Reference: 4;24;52;15;Rl

10003 Mcdougall Hill

972173453004

Legal Description

Plan 5011eo

Block C

Excepting Thereout:

Hectares (Acres) More Or Less

A) Plan 9721952 Road 0.049 0.12

Excepting Thereout All Mines And Minerals

Ats Reference: 4;24;54;4;Rl

Ats Reference: 4;24;54;6;Rl

City Road Right of Way Land

Towers Located in Road Right of Way: 2.2, 3.3, 3.4, 4.1, 4.2, 4.3

Ropeline Flying Over Road Right of Way:

- Tower 1.1-1.2: 8235 Gateway Blvd., fly over 83 Avenue
- Tower 1.3-1.4: 11 Tommy Banks Way, fly over Tommy Banks Way
- Tower 2.1-2.3: 30 Tommy Banks Way to 10380 Queen Eliz. Pk. Rd.
- Rosedale Station - Tower 4.5: 10155 - 96 Ave to 10031 Macdonald Dr.

City Leased Land

Whyte Avenue Station

Title 972 329 060+1

8235 Gateway Blvd.

Legal Description

Plan (I)

Block (K)

Excepting Thereout: Hectares (Acres) More Or Less

A) All That Portion Lying To The North Of Right Of Way Plan 8020624 1.31 3.24

B) Plan 8722846 Road 0.021 0.05

C) Plan 9723772 Road 0.111 0.27



SCHEDULE "B"
SITE PLAN OF THE CITY LAND

Edmonton

REAL ESTATE
FINANCIAL AND
CORPORATE SERVICES

— SUBJECT PROPERTY
LEGAL: ROSSDALE - ALL THAT PORTION OF LAND
PLAN 5011ED BLOCK C



20 08 27 NK 5011ED-C (SITE 9)



REAL ESTATE
FINANCIAL AND
CORPORATE SERVICES

— SUBJECT PROPERTY
LEGAL: ROSSDALE - ALL THAT PORTION OF LAND
PLAN 6417AS BLOCK X
PLAN 6417AS BLOCK 2 LOTS 41-44





Edmonton

REAL ESTATE
FINANCIAL AND
CORPORATE SERVICES

— SUBJECT PROPERTY
LEGAL: ROSSDALE - ALL THAT PORTION OF LAND
PLAN NB BLOCK 01



20 08 27 NK NB-01 (SITE 6)



Edmonton

REAL ESTATE
FINANCIAL AND
CORPORATE SERVICES

— SUBJECT PROPERTY
LEGAL: ROSSDALE - ALL THAT PORTION OF LAND
PLAN NB BLOCK 07



20 28 27 NK NB-01 SITE 51



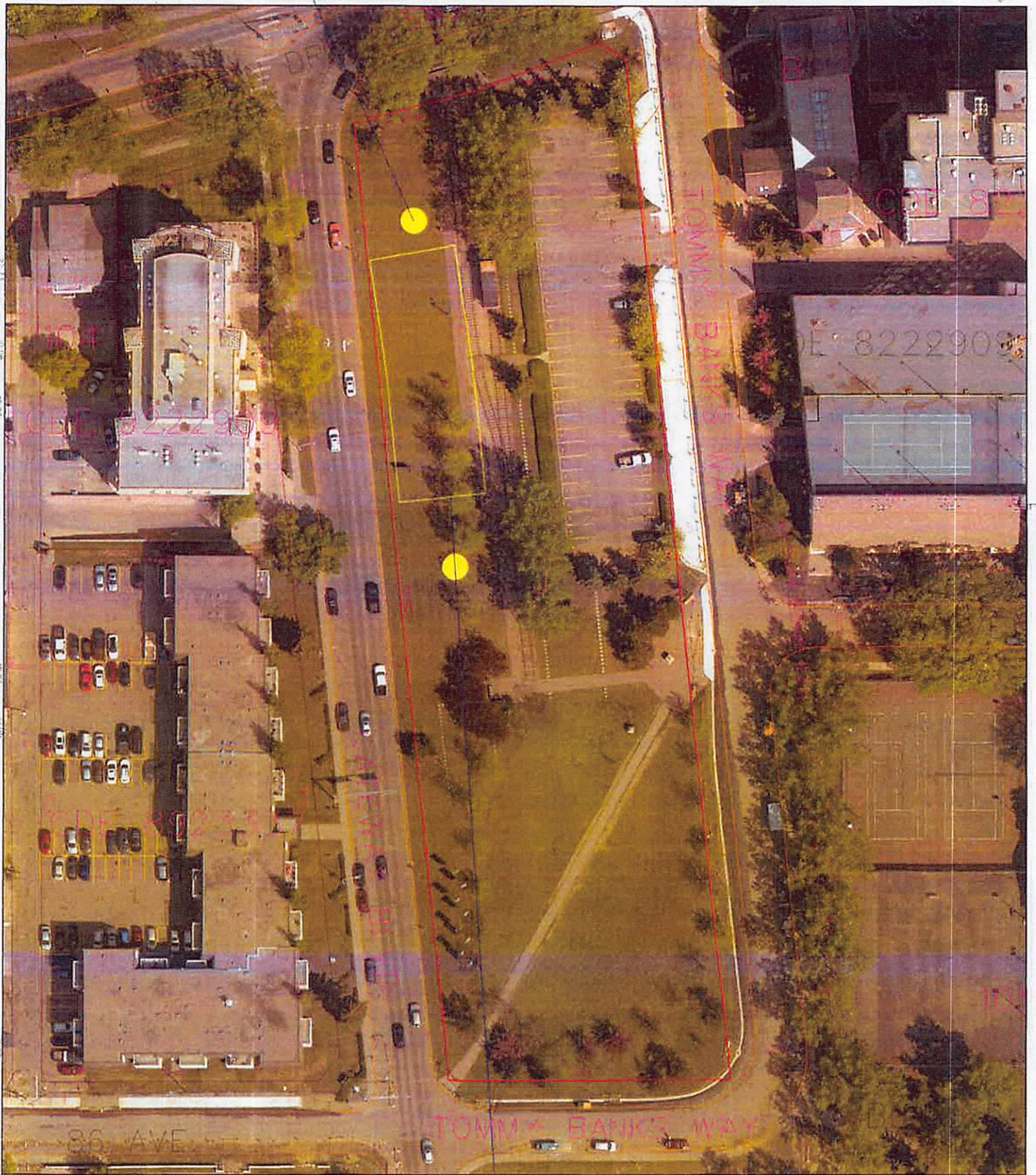
Edmonton

REAL ESTATE
FINANCIAL AND
CORPORATE SERVICES

20 28 27 NK 1622102-1-1 (SITE 4)

— SUBJECT PROPERTY
LEGAL: RIVER VALLEY WALTERDALE - ALL
THAT PORTION OF LAND
PLAN 1622102 BLOCK 1 LOT 1





Edmonton

REAL ESTATE
FINANCIAL AND
CORPORATE SERVICES

— SUBJECT PROPERTY

LEGAL: STRATHCONA - ALL THAT PORTION OF LAND
PLAN 1 BLOCK J



20 08 27 NK I-J (SITE3)



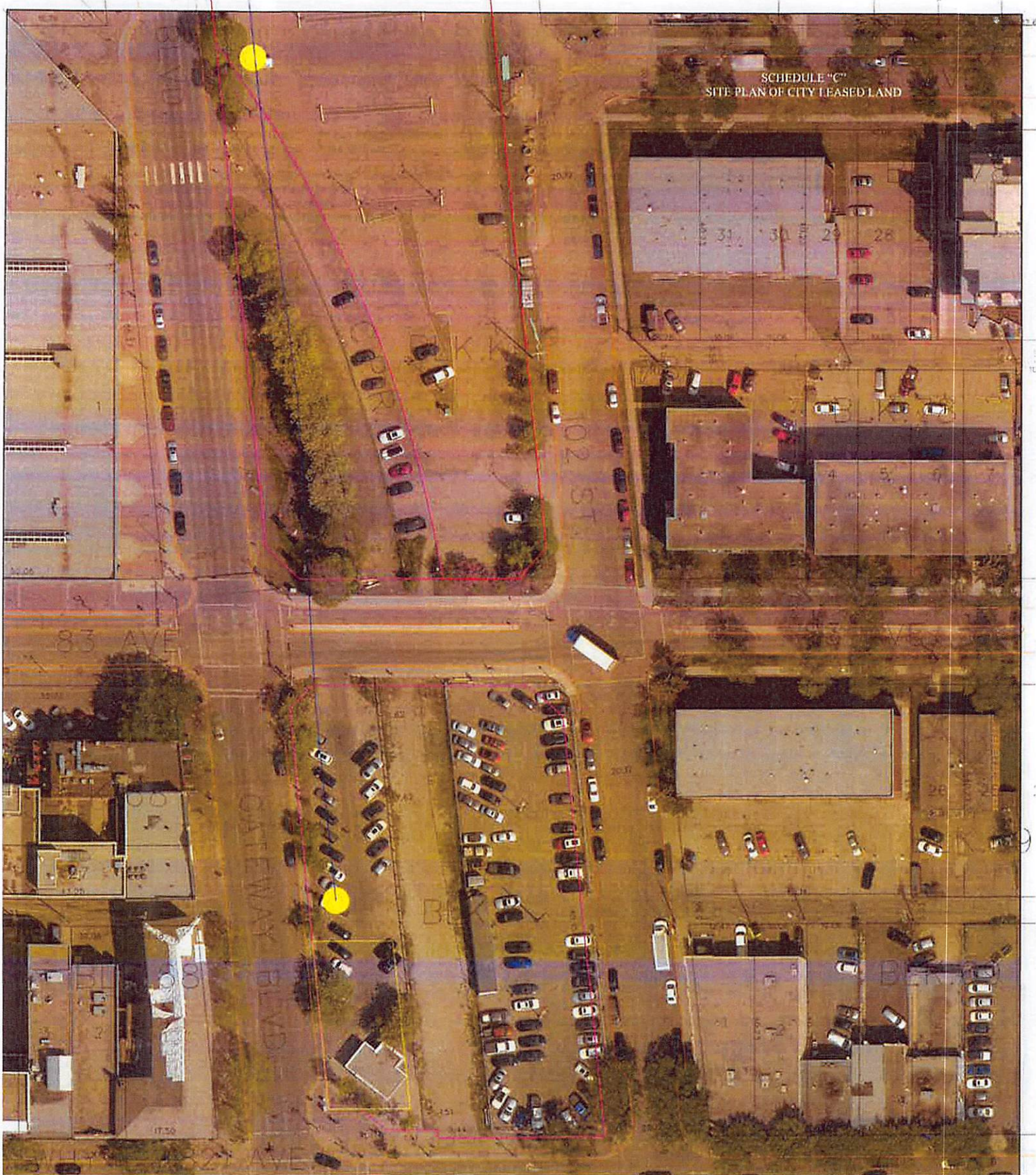
Edmonton

REAL ESTATE
FINANCIAL AND
CORPORATE SERVICES

SUBJECT PROPERTY BLK. K

LEGAL: STRATHCONA - ALL THAT PORTION OF LAND
PLAN 1 BLOCK K (HER MAJESTY THE QUEEN)

20 04 27 NK 2-K



SCHEDULE "C"
SITE PLAN OF CITY LEASED LAND

Edmonton

REAL ESTATE
FINANCIAL AND
CORPORATE SERVICES

— SUBJECT PROPERTY
LEGAL: STRATHCONA - ALL THAT PORTION OF LAND
PLAN 1 BLOCK 4 (HER MAJESTY THE QUEEN)



SCHEDULE "D"
CONCEPTUAL DESIGN SHOWING PROPOSED TOWER, STATION
AND ROPELINE LOCATIONS ON THE LAND

