

ENCROACHMENT AGREEMENT made on NOVEMBER 19, 2010

BETWEEN:

THE CITY OF EDMONTON
a Municipal Corporation,
("the City")

- and -

ART GALLERY OF ALBERTA SOCIETY
OF: 2 - SIR WINSTON CHURCHILL SQUARE NW
EDMONTON, ALBERTA
T5J 2C1
("the Society")

A The Society is the registered owner of land within the city of Edmonton which is legally described as:

PLAN 4390 NY
BLOCK A
LOT 1
EXCEPTING THEREOUT ALL MINES AND MINERALS

and municipally known as 2 - SIR WINSTON CHURCHILL SQUARE NW ("the Society's Land").

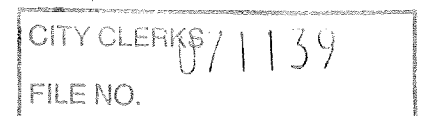
B The BUILDING, OVERHANG, HANDICAP RAMP, STAIRS, glycol heat distribution system and Fire Shutter ("the Encroachments"), located on the Society's Land, encroaches onto the City owned lands ("the City Lands") immediately SOUTH and WEST of the Society's Land.

C The Society has requested that the City permit the Encroachments to remain in its present location and the City has agreed to grant such permission.

D City of Edmonton Bylaw 12513, City Streets Development Control Bylaw specifies the fees payable by the Society for the Encroachments (the "City Streets Development Control Bylaw").

IN CONSIDERATION OF the mutual commitments of the Society and the City and the payment by the Society of the amounts specified in this Encroachment Agreement, the Society and the City agree as follows:

1. The Encroachments may, subject to the terms and conditions of this Encroachment Agreement, encroach onto that portion of the City Lands shown in red on the plan attached as Schedule "A" to this Encroachment Agreement ("the Encroachment Area").



2. The Society shall, as consideration for the City granting them permission for the Encroachments to encroach onto the Encroachment Area, pay the City an amount equal to:
 - (a) the sum determined by the municipal council of the City of Edmonton; or
 - (b) if the municipal council of the City of Edmonton does not authorize a payment of less than market value on or before March 31, 2011, then the market value of the use of space by the Encroachments of the City Lands as determined by the calculations outlined in the City Streets Development Control Bylaw.

Such payment to be made on or before April 30, 2011.

3. The Society shall indemnify the City from all claims of every kind, including costs that may arise directly, indirectly or incidentally as a result of the City granting the permission for Encroachments to encroach onto the Encroachment Area. This indemnification will not cover claims that arise because of the negligent acts of the City.
4. If the Encroachments are removed from the Encroachment Area the permission granted to the Society by this Encroachment Agreement is automatically revoked without notice to the Society.
5. In reading and interpreting this Encroachment Agreement:
 - (a) the word "Society" shall be read and interpreted as in the plural instead of the singular number, if there is more than one owner named, and in such case, the terms and conditions of this Encroachment Agreement shall bind the owners individually as well as jointly,
 - (b) the masculine gender shall include the feminine or a body corporate where in this Encroachment Agreement, the context or the parties require, and
 - (c) the word "shall" is to be read and interpreted as mandatory and the word "may" is to be read and interpreted as permissive.

6. The terms and conditions of this Encroachment Agreement, shall be binding upon the respective heirs, executors, administrators, successors and assigns of the City and the Society.

7. The City shall have the right to decommission the glycol heat distribution system without prior notice where circumstances requires such action as determined solely by the City, acting reasonably. The Society shall be liable for any costs associated with the decommission of the glycol heat distribution system.

8. At the discretion of the City's Director, Risk Management, the Society shall maintain in full force and effect for the life of this Encroachment Agreement General Liability Insurance in an amount not less than \$2,000,000.00 per occurrence for personal injury and/or property damage. The Insurance Policy shall be endorsed to provide coverage for Contractual Liability (including this Agreement) and Products and completed operations. The amount of insurance shall not limit the Society's obligations under this Agreement.
9. The insurance coverage shall be endorsed to provide the City with thirty (30) days prior written notice of cancellation or material change, and shall be in a form acceptable to the City's Director, Risk Management. Evidence of the insurance coverage shall be submitted to the City on the Certificate of Insurance form provided to the Society and must be completed by the Society's broker and/or insurer. The Society shall promptly supply certified copies of such endorsements if requested to do so by the City's Director, Risk Management.
10. Evidence of the renewal of the insurance coverage shall be provided to the City prior to the expiry of the coverage. Upon request by the City, the Society shall obtain additional insurance if deemed necessary by the City's Director, Risk Management.

THE CITY AND THE SOCIETY HAVE EXECUTED THIS AGREEMENT ON NOVEMBER 19, 2010

APPROVED

As to Form.....

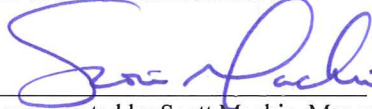


Law Branch

WITNESS

J.P. Thomas

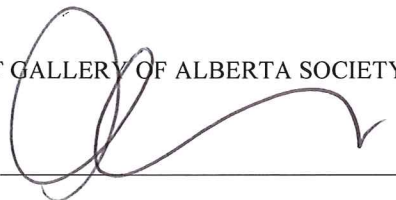
THE CITY OF EDMONTON



As represented by Scott Mackie, Manager
Current Planning Branch

ART GALLERY OF ALBERTA SOCIETY

Per:



Gilles Hébert
Executive Director



ALBERTA LAND SURVEYOR'S REPORT PROPERTY REPORT

ENCUMBRANCES, LIENS & INTERESTS PERTAINING TO EXTENT OF TITLE	
REGISTRATION NO.	PARTICULARS
772 181 747	City of Edmonton Covenant
852 037 839	City of Edmonton Covenant

REV.	DATE	BY
1	10/27/10	LE
2	10/27/10	LE

HAMILTON & OLSEN SURVEYS LTD
 4000 NEUTRO - ALBERTA LAND SURVEYOR
 Phone: 465-7111 Fax: 465-7137

TO: LEDCOR CONSTRUCTION LTD.
 4000 NEUTRO - ALBERTA LAND SURVEYOR
 EDMONTON, ALBERTA

RE: **LOT 1 BLOCK A PLAN 4380 NY**
ART GALLERY OF ALBERTA
400 WEST 102A AVENUE
CITY OF EDMONTON

DATE OF SURVEY: JANUARY 27th, 2010
 DATE OF TITLE SEARCH: JANUARY 18th, 2010
 C. of T. No: 772 181 745 (A copy of which is attached hereto)

- NOTES:**
- Distances are expressed in metres and decimals thereof.
 - Bearings are NAD83 314 Reference Meridian.
 - Unless specified otherwise, the improvement enclosures shown herein are exterior building walls, not enclosures from property boundaries to exterior building walls.
 - Fd. No. M's within Plan 4380NY unless shown otherwise.
 - © Hamilton & Olsen Surveys Ltd., 2010

LEGEND:
 Alberta Survey Control Marker is shown thus:
 Property Boundaries Outlined thus:

CERTIFICATION
 I hereby certify that this report, which includes this plan and related survey, was prepared by the performance of a Registered Professional Land Surveyor's Association and supplements thereto. Accordingly, within these statistics and as of the date of this report, I am of the opinion that:

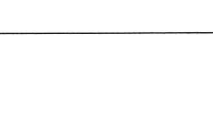
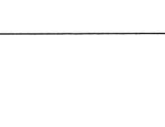
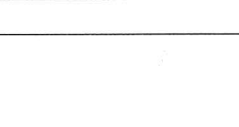
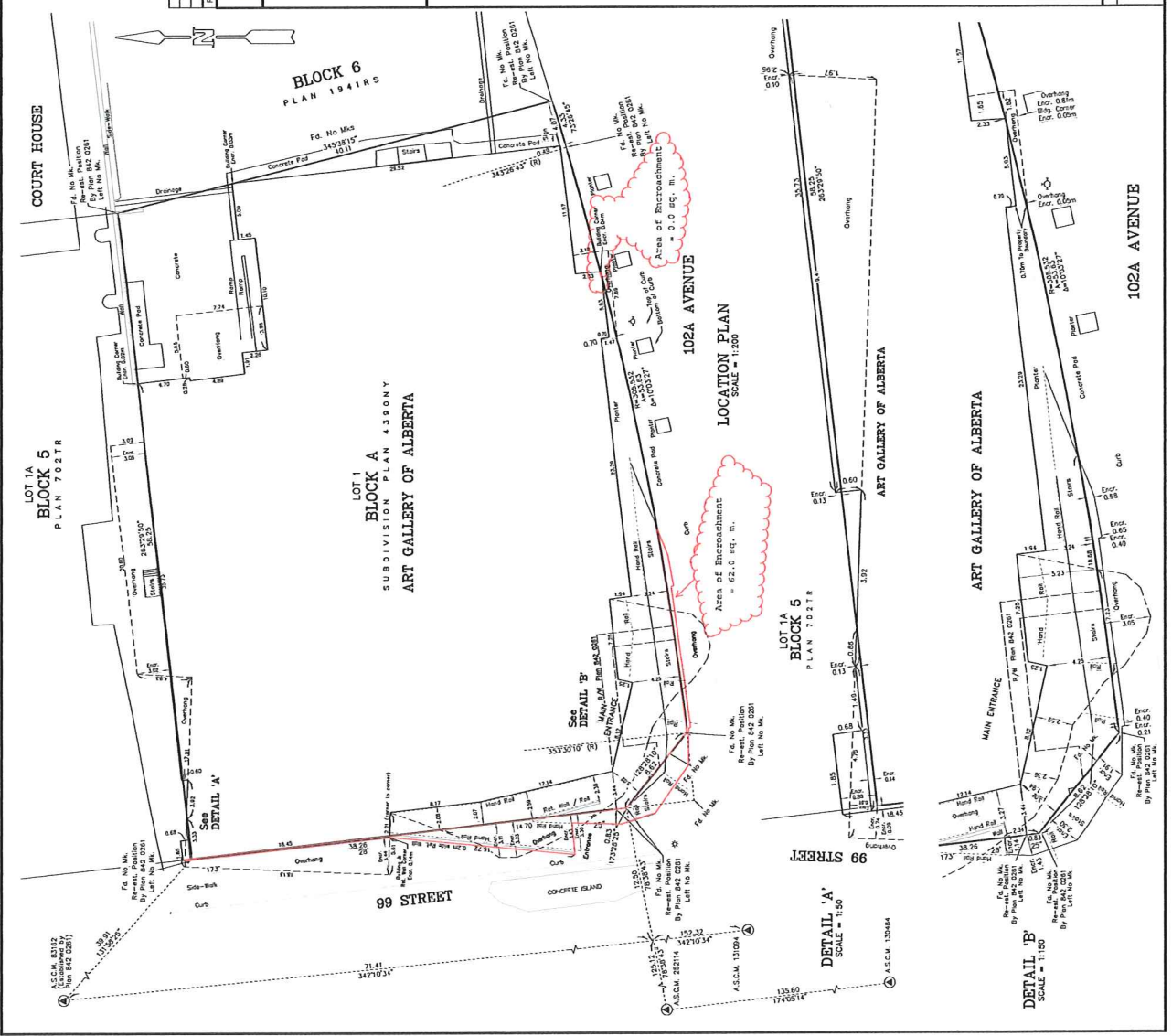
- the plan illustrates the boundaries of the property, the improvements thereon, and the location of the improvements, and the location of any easements or rights-of-way affecting the extent of the title to the property;
- the improvements are entirely within the boundaries of the property except:

- building, overhang, stairs and hand rails encroach into 102A Avenue;
- into 99 Street;
- building, overhang, retaining wall, stairs and concrete pad encroach into 102A Avenue;
- building and concrete pad encroach into Block 6, Plan 1941RS;
- no visible encroachments exist on the property from any improvements situated on an adjoining property;
- no visible encroachments exist on registered easements or encroachments into R/W Plan 842 0261.

PURPOSE: This Report and related plan have been prepared for the benefit of the Property owner, subsequent owners and any other persons who may be affected by the improvements shown on this certificate. Copying is permitted only for the benefit of these parties, and where applicable, registered easements and utility rights of way affecting the extent of the property have been shown on the attached plan. The information shown on this Real Property Report reflects the information shown on the title to the property and is not intended to be a guarantee of accuracy or a warranty of any kind. The user is encouraged to have the Real Property Report updated for future requirements.

Hamilton & Olsen Surveys Ltd.
 4000 NEUTRO - ALBERTA LAND SURVEYOR
 January 28, 2010

SCALE = 1 : 200



ALBERTA LAND SURVEYOR'S ASSOCIATION
 4000 NEUTRO - ALBERTA LAND SURVEYOR
 January 28, 2010

SCALE = 1 : 200

ALBERTA LAND SURVEYOR'S ASSOCIATION
 4000 NEUTRO - ALBERTA LAND SURVEYOR
 January 28, 2010

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DATED THIS day of NOVEMEBER, 2010

BETWEEN:

THE CITY OF EDMONTON,
a Municipal Corporation,
("the City"),

- and -

ART GALLERY OF ALBERTA SOCIETY
OF: 2 - SIR WINSTON CHURCHILL SQUARE NW
EDMONTON, ALBERTA
T5J 2C1
("THE SOCIETY")

ENCROACHMENT AGREEMENT

Corporate Services, Law Branch
City of Edmonton
9th Floor, Chancery Hall
Edmonton, Alberta
T5J 2R7