



August 20, 2019

Re: Sunshine Village Corporation and Parks Canada – new lease

Dear Mr. Van Vliet,

Thank you for the two email and attachments sent yesterday, August 19, 2019. I forwarded them to Parks Canada and have been instructed to respond as follows.

By letter dated July 30, 2019, Parks Canada expressed a preference for a signed lease by today, August 20, 2019, in effect giving Sunshine Village Corporation a further three week extension.

It has been more than eight months since Sunshine and Parks Canada, through their negotiators, concluded negotiations by initialling the draft lease and entering the letter of understanding. It has been a full seven weeks since Parks Canada's letter of July 9, 2019, notifying Sunshine of the amendments to schedule 5 of the Canada National Parks Act and requesting a date to sign the lease.

Although yesterday's email enclosed a lease that had been signed by Sunshine, it was not *the* lease that was initialled and agreed in principle in December 2018. The term and use clauses were unilaterally amended without consultation or negotiation and despite the understanding that had been reached by Sunshine and Parks Canada, through their respective negotiators and expressed in writing in December. Term and use clauses are not minor clauses in a lease. Along with rent and the demised premises, they represent among the most significant and serious clauses in this lease, as they do in any lease.

The use clause was not "unworkably restrictive" when it was negotiated in person and finalised among the clauses that were agreed in principle. To date, two other ski hills have agreed to wording similar if not more restrictive, and can be presumed to have found the wording quite "workable." These unilateral amendments to the use clause cannot be accepted.

The amendment to the term clause is inconsistent with the agreement of the parties in December that the new lease would commence on execution. If Sunshine has an operational concern with the new lease ending in the fall season (in 2061), Parks Canada is agreeable to a lease termination date in the spring or summer of 2061.

Parks Canada remains prepared, by 5pm MDT tomorrow, Wednesday, to sign the license of occupation and the lease, in the form and substance sent to Sunshine on July 9, seven weeks ago. Sunshine should contact Sheila Luey as soon as possible to make an appointment to sign these instruments before then. Parks Canada will prepare the execution copies. Otherwise, for the reasons given in numerous past correspondence these past couple of years, Parks Canada must take steps to initiate the request for proposal process.