



LEASE FOR AGRICULTURAL, GRAZING, OR BARE LAND

THIS LEASE AGREEMENT made this First day of January, 2027.

BETWEEN:

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

BOX 279

PINCHER CREEK, AB T0K 1W0

(hereinafter called the "Landlord")

AND:

Leaseholder

P.O. BOX ***

Town, ALBERTA, Postal

(hereinafter called the "Tenant")

WHEREAS:

- A. The Landlord is or is entitled to be the legal and beneficial owner of the Lands;
- B. The Landlord has agreed to lease to the Tenant, and the Tenant has agreed to lease from the Landlord, the Lands;

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

1.1 Definitions

In this Lease, and in addition to the defined parties to this Lease, the following words and expressions shall have the meanings herein set forth unless inconsistent with the subject matter or context:

- (a) **"Commencement Date"** means the 1st day of January, 2027, or such other date as mutually agreed-upon by the Landlord and Tenant;
- (b) **"Goods and Services Tax"** shall mean the Goods and Services Tax assessed under and pursuant to the *Excise Tax Act*, RSC 1985, Chapter E-15 and shall include any other tax imposed supplementary thereto or in substitution therefore;

- (c) **"Hazardous Substances"** means any substance which is hazardous to persons or property and includes, without limiting the generality of the foregoing, substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Tenant and the Lands;
- (d) **"Lands"** means the lands legally and municipally described as set out in **Schedule "A"** attached hereto;
- (e) **"Lease"** means this lease as from time to time amended in writing and agreed to by all parties hereto;
- (f) **"Permitted Use"** means the Tenant's exclusive use of the Lands for the following purpose(s):
 - Agricultural cultivation and/or livestock grazing;*
- (g) **"Rent"** means the rent specified in Section 4.1, together with all other payments which may become due from the Tenant to the Landlord pursuant to this Lease; and
- (h) **"Term"** means the term of this Lease as set out in Section 3.1.

ARTICLE 2 – DEMISE

2.1 Demise of Lands

The Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord the Lands for the Term and upon and subject to the covenants, conditions and agreements herein expressed.

ARTICLE 3 – TERM

3.1 Term

The Tenant shall have and hold the Lands basis for the period commencing upon the Commencement Date and ending upon the 1st day of January, 2027 to January 1st 2032, subject always to earlier termination and the Term as provided in this Lease.

3.2 Renewal

Provided that the Tenant is not then in default of any of its obligations contained within this Lease, this lease will be automatically renewed on an annual basis for five (5) years, unless at least 90 day written notification has been given by either party of intent to terminate the lease upon the same terms, covenants and conditions contained within this Lease.

3.3 Termination by Landlord

Notwithstanding any provisions contained within this Lease, the Landlord may terminate this Lease, together with all rights and privileges granted to the Tenant under this Lease, without cause or reason, at the Landlord's sole discretion, upon ninety (90) days prior written notice to the Tenant.

ARTICLE 4 – RENT

4.1 Rent

The Tenant shall pay to the Landlord as rent for the Term of this Lease the sum of ***** (\$*,***.00) Dollars per year, plus applicable taxes such as the federal Goods and Services Tax, payable commencing on the Commencement Date. Rent is calculated at \$**** per acre for farmland, and \$*** per acres for grazing (**acres farmland &/or *** acres grazing land).

4.2 Net Lease

The Landlord and the Tenant hereby covenant and agree that for all purposes that this Lease shall be a net lease for the Landlord, and that save and except for as specifically set forth within this Lease, the Landlord shall not be responsible for any cost, charge, expense or outlay of any nature whatsoever arising from or relating to the Lands, or any impositions, costs and expenses of every nature and kind relating to the Lands whether or not specifically provided for within this Lease. All such costs shall be the responsibility of the Tenant to pay promptly when due. To the extent that any such costs are paid by the Landlord the Tenant shall reimburse the Landlord immediately upon demand, such sums being collectable in the same manner as Rent.

ARTICLE 5 – UTILITIES, TAXES AND EXPENSES

5.1 Goods and Services Tax

The Tenant shall pay promptly when due all Goods and Services Tax applicable to the payment of Rent or on any other amounts owed by the Tenant to the Landlord. In the event that such taxes are by statute, law, by-law, regulation or ordinance imposed upon or payable by the Landlord as recipient of the Rent, the Tenant shall pay to the Landlord as Rent the Goods and Services Tax.

5.2 Utilities and Services

The Tenant shall be responsible for the prompt payment, when due, of all costs (including installation charges) of all utilities consumed on or within the Lands including, without restriction, all gas, water, electrical, and telephone rates and charges, and shall indemnify the Landlord against any and all liability or damages pertaining thereto. Payments shall either be made directly to the supplier of the services or equipment, or shall be paid to the Landlord as reimbursement for payment of such costs if paid by the Landlord to the said supplier(s).

5.3 The Tenant's Taxes

Subject to the availability of any exemption under the Municipal Government Act, RSA 2000, Chapter M-26, as amended from time to time, the Tenant shall pay, when and if they shall 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 Lands and Tenant's leasehold interest in the Lands and all fixtures and improvements from time to time located thereon, or which, howsoever imposed, might constitute a lien on the Lands or any part thereof or a liability of the Landlord.

ARTICLE 6 – USE OF LANDS

6.1 Use of Lands

The Lands shall be used continuously during the Term for the Permitted Use, and for no other use. The Tenant shall not carry on nor permit to be carried on upon the Lands any other trade, business or activity, without the prior written consent of the Landlord, which consent may be unreasonably withheld.

6.2 No Nuisance

The Tenant shall not carry on any business or do or suffer any act or thing which in the opinion of the Landlord constitutes a nuisance or would result in a nuisance, or which would be offensive or an annoyance to the Landlord, as well as occupants of lands and property owners in the vicinity of the Lands, nor do or suffer any waste or damage, disfiguration or injury to the Lands.

6.3 Compliance with Laws

- (a) The Tenant will promptly comply with and conform to the requirements of every applicable law, by-law, regulation, ordinance and order at any time or from time to time in force during the Term affecting the Lands or the business carried upon the Lands.
- (b) The Landlord will promptly comply with and conform to the requirements of every applicable law, by-law, regulation, ordinance and order at any time or from time to time in force during the Term affecting the Lands.

6.4 Improvements, Alterations, Fixtures

- (a) The Tenant will not, without the prior written consent of the Landlord, construct, install, excavate, drill, erect or permit to be constructed, installed, excavated, drilled or erected over, under or through the Lands any pit, foundation, pavement, building, fence, sidewalk, sign, alteration or other structure or installation.
- (b) Upon the expiration of the Term or upon the earlier termination of this Lease, the Tenant covenants to surrender the Lands in substantially the same condition as the Lands were in upon delivery of possession thereof under this Lease save and except for reasonable wear and tear, and any alterations approved by the Landlord pursuant to the terms of this Lease.

- (c) Notwithstanding Section 6.4(b), but subject to Section 6.4(a), and provided the Tenant has duly performed its obligations under the Lease, the Tenant shall be entitled to remove any or all buildings, improvements, equipment and trade fixtures from the Lands, provided always that the Tenant repairs all damage occasioned by such removal. The Tenant shall not be responsible for the removal and disposal of any of the containers referred to within Section 6.6(d) of this Lease.

6.5 Insurance

- (a) The Tenant shall purchase at its own expense and maintain in force during the Term and any renewal term the following insurance coverage satisfactory to the Landlord:
 - (i) comprehensive general liability or commercial general liability insurance certificate of insurance, including coverage of liability for bodily injury, death and property damage occurring in or about the Lands in the following amounts:
 - A. not less than TWO MILLION (\$2,000,000.00) DOLLARS (or from time to time such greater amounts as are sufficient, as determined from time to time by the Landlord acting reasonably, to afford equivalent protection against all such claims) comprehensive general liability if the Tenant is either a private individual and the Permitted Use is not for a commercial purpose or is a not-for-profit association or society; otherwise
 - B. 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 Landlord acting reasonably, to afford equivalent protection against all such claims) commercial general liability is required if the Tenant is a body corporate, a government entity, or an individual where the Permitted Use is for a commercial purpose; or
- (b) Each policy shall name the Landlord as an additional insured and each policy shall contain a waiver of cross-claim and subrogation against the Landlord, its servants, agents and employees and shall protect and indemnify both the Tenant and the Landlord.
- (c) In addition to the foregoing, the Landlord reserves the right to:
 - (i) require that the Landlord maintain Workers' Compensation Insurance in accordance with the Workers' Compensation Act, RSA 2000, Chapter W-15, as amended from time to time, protecting the Landlord and the Tenant from claims under that Act; and
 - (ii) require certified copies of all insurance policies and to accept or reject the Tenant's insurer(s).

6.6 Indemnity

The Tenant hereby indemnifies and saves harmless the Landlord and its successors and assigns from and against any and all losses, liabilities, damages, costs (including, without restriction, all legal and other professional costs on a solicitor and his own client full indemnity basis) and expense of any kind whatsoever which at any time or from time to time may be paid, incurred or asserted against the Landlord, whatsoever arising from or out of, directly or indirectly, the Tenant's use or occupancy of the Lands or occasioned wholly or in part by any act or omission of the Tenant, its agents, contractors, employees, sub-tenants, licensees, concessionaires or anyone permitted by the Tenant to be in or on the Lands. Without limiting the generality of the foregoing, this indemnity shall include those aforementioned costs which at any time or from time to time may be paid, incurred or asserted against the Landlord as a direct or indirect result of the presence on or under, or the escape seepage, leakage, spillage, discharge, emission or release by the Tenant, and those parties permitted to be upon the Lands by the Tenant (excluding the Landlord, its employees, agents, and contractors), of any Hazardous Substances, from the Lands either onto any lands (including the Lands), into the atmosphere or into any water. This indemnification shall survive the expiration of the Term and the termination of this Lease for whatever cause.

6.7 Hazardous Substances

The Tenant represents, covenants and warrants to and in favour of the Landlord that:

- (a) it shall not allow any Hazardous Substances to be placed, held, located or disposed of on, under or at the Lands without the prior written consent of the Landlord, which consent may be arbitrarily or unreasonably withheld;
- (b) it shall not allow the Lands to be utilized in any manner in contravention of any applicable laws intended to protect the environment, including without limitation, laws respecting the use, storage, handling, disposal and emission of Hazardous Substances;
- (c) to the extent that Hazardous Substances are, with the Landlord's consent, placed, held, located or disposed of on, under or at the Lands in accordance with the terms hereof, the Tenant shall:
 - A. comply with, or cause to be complied with, all applicable laws and regulations relating to the use, storage, handling and disposal of the Hazardous Substances (including, without restriction, compliance with WHMIS program recommendations),
 - B. at the request of the Landlord, provide evidence to the Landlord of compliance with all such requirements, such evidence to include inspection reports and such tests as the Landlord may reasonably require, all at the expense of the Landlord.

ARTICLE 7 – REPAIRS

7.1 Maintenance and Repair

The Tenant covenants to keep the Lands tidy and in substantially the same condition as existed as of the commencement of this Lease as determined by the Landlord acting reasonably including, without restriction, promptly attending to the following:

- (a) maintaining the Lands, as well as any improvements, equipment, machinery, or other property of the Tenant placed upon the Lands, in a safe condition capable of use by the Tenant;
- (b) routine yard maintenance and weed control so as to comply with all applicable laws and otherwise not constitute a nuisance; and
- (c) all snow removal, field maintenance and cleaning required with respect to the use and occupation of the Lands.

7.2 Weed Control

The Tenant shall, at their own sole expense, strictly comply with the Alberta Weed Control Act and Municipal District of Pincher Creek Weed Control Bylaw. The Tenant is responsible for the immediate eradication of all Prohibited Noxious Weeds and the control of all Noxious Weeds (as defined by the Alberta Weed Control Regulation) on the Leased Premises during the term of this Agreement. This obligation extends to all cultivated acres, pastures, and headlands.

The Landlord and Tenant acknowledge that pre-existing weed populations may be present on the Leased Premises at the commencement of this Agreement.

The Tenant shall manage and operate the Leased Premises in a manner that ensures pre-existing weed populations do not increase in density or spread beyond the baseline areas. The Tenant is strictly responsible for ensuring that no new weed species or invasive infestations are introduced to the property during the term of this Agreement.

The Landlord, their authorized representatives, and inspectors from the Municipal District of Pincher Creek retain the absolute right to enter and monitor the Leased Premises at any reasonable time during the agreement to inspect weed management practices and verify compliance with this clause.

If the Tenant fails to prevent the spread of pre-existing weeds, allows new weeds to establish, or fails to comply with MD directives, the Landlord reserves the right to enter the property to perform the necessary remediation. The Tenant shall reimburse the Landlord for all incurred costs (including labor, equipment, and chemical costs).

Notwithstanding any of the foregoing, the Tenant shall not be responsible for the reconstruction of damaged or destroyed improvements owned by the Landlord, but only if the Tenant is not the cause of the aforesaid damage or destruction.

ARTICLE 8 – LICENSES, ASSIGNMENTS AND SUBLETTINGS

8.1 Licenses, Assignments and Subletting

The Tenant shall not transfer, assign, license or sublet this Lease, the Lands, or any portions thereof, nor mortgage, pledge, or in any way encumber this Lease, without the prior written consent of the Landlord, which may be unreasonably withheld.

ARTICLE 9 – LIABILITIES

9.1 Theft

The Landlord shall not be liable for the theft of any property at any time upon the Lands.

9.2 Damage or Injury

The Landlord shall not be liable for any injuries or death, or any losses or damages whatsoever, caused to any individual or property while on or within the Lands as a result of, or in any way arising out of, the occupation or use of the Lands by the Tenant pursuant to this Lease.

ARTICLE 10 – TENANT'S DEFAULT

10.1 Default

Notwithstanding anything contained herein to the contrary, if the Tenant fails to perform any of its obligations under this Lease as and when required, and such default continues for a period of seven (7) days after written notice from the Landlord of such default, then the Landlord may, at its option, re-enter and take possession of the Lands with or without terminating this Lease.

10.2 Remedies Upon Default

Upon the occurrence of the event of default, as defined within Section 10.1 of this Lease, at the Landlord's option, the Term shall become forfeited and void, and the Landlord may without notice or any form of legal process whatsoever forthwith re-enter upon the Lands, or any part thereof, in the name of the whole and repossess and enjoy the same as its former estate, anything contained in any statute or law to the contrary notwithstanding. No re-entry or taking possession of the Lands shall be construed as an election on the part of Tenant to terminate this Lease unless at the time of or subsequent to such re-entry or taking of possession written notice of such termination has been given to the Tenant.

10.3 Additional Remedies

The rights and remedies of the Landlord pursuant to Section 10.1 and 10.2 of this Lease are in addition to the rights and remedies of the Landlord at law, equity, or as otherwise contained within this Lease. The forfeiture of this Lease by the Tenant shall be wholly without prejudice to the right of the Landlord to recover damages for any antecedent breach of covenant on the part of the Tenant.

10.4 Right to Perform

All covenants, terms and conditions to be performed by the Tenant under any of the provisions of this Lease shall be performed by the Tenant, at the Tenant's sole cost and expense. If the Tenant shall fail to perform any act on its part to be performed under this Lease, and such default shall continue for seven (7) days after notice thereof from the Landlord, the Landlord may (but shall not be obligated so to do) perform such act without waiving or releasing the Tenant from any of its obligations relative thereto. The Tenant shall pay to the Landlord on demand for all costs incurred by the Landlord in performing such act, from the date each such payment was made or each such cost was incurred by the Landlord, until paid in full.

10.5 Waiver

The waiver by the Landlord of a breach of a term, covenant or condition herein contained will not be deemed to be a waiver of a subsequent breach of the same or another term, covenant or condition herein contained. No covenant, term or condition of this Lease will be deemed to have been waived by the Landlord unless the waiver is in writing signed by the Landlord.

ARTICLE 11 – GENERAL PROVISIONS

11.1 Quiet Enjoyment

By paying the Rent and other charges or expenses required to be paid by the Tenant under this Lease, and by duly performing all of the Tenant's other obligations under this Lease, the Tenant shall be entitled to peaceably enjoy and possess the Lands for the Term without any interruption or disturbance from the Landlord, or any person, firm or corporation lawfully claiming through the Landlord; provided always that nothing contained within this Section shall limit the rights of access granted to the Landlord. The Tenant will not oppose and will cooperate with the Landlord (including, without restriction, executing any documents or consents required by the Landlord) in connection with any subdivision, rezoning, development permit or building permit application which the Landlord may wish to make at any time after the Commencement Date. The Tenant shall be subject to any and all new easements or rights of way granted by the Landlord after the Commencement Date without further compensation or consideration owed to the Tenant.

11.2 Access

The Tenant covenants that the Landlord, or its employees or agents, may enter upon the Lands and the Lands at any time during normal business hours for the purposes of inspecting the condition of the Lands, confirming the performance of the Tenant's obligations under this Lease, and otherwise conducting non-destructive investigative work relative to the Landlord's intended use of the Lands.

11.3 Lease Entire Agreement

It is hereby understood and agreed by and between the parties that the terms and conditions set forth herein, together with the terms and conditions set forth in the rules and regulations and any schedules and plans annexed hereto, embrace all of the terms and conditions of this Lease entered into by the Landlord and the Tenant and supersede and take the place of any and all previous agreements or representations of any kind, written, oral or implied heretofore made by anyone in reference to the

Lands. If any provision of this Lease is illegal or unenforceable it shall be considered separate and severable from the remaining provisions of this Lease, and the remaining provisions shall remain in force and be binding as though the said illegal or unenforceable provisions had never been included. The schedules shall form part of this Lease.

11.4 Amendment to Lease

No amendment to or waiver of any provision of this Lease or any consent required or permitted hereunder shall be deemed or taken as made or given unless such amendment, waiver or consent is in writing and signed under the corporate seal of the Landlord.

11.5 Governing Law

This Agreement shall be governed in accordance with the laws of the Province of Alberta and the parties hereto agree to submit to such jurisdiction.

11.6 Notices

Any notice, demand, request, consent or other instrument required or permitted to be given under this Lease (the "Notice") shall be in writing and shall be given and deemed to have been received as provided in this Section, and shall be addressed as follows:

(a) to the Landlord as follows: Municipal District of Pincher Creek No. 9
1037 Herron Avenue
P.O. Box 279
Pincher Creek, AB T0K 1W0
Facsimile: (403) 627-5070
Attention: Roland Milligan, CAO

(b) to the Tenant as follows: Leaseholder
P.O. Box ***
Town, Alberta, Postal

or such other address as either party may appoint for all future Notices by notice in writing.

Any Notice must be delivered by: personal service, facsimile, mailed in Canada by prepaid registered post, or sent by prepaid courier. A Notice shall be deemed to have been received by the party to whom the Notice is addressed upon the same date as sending the Notice by delivery, facsimile, or prepaid courier, or on that day which is five (5) business days following the date that the Notice was mailed if sent by prepaid registered mail. If at the time of mailing there is an actual or apprehended interruption in mail service by labour dispute or otherwise, force majeure or other cause, then all Notices shall be delivered or sent by facsimile or prepaid courier.

11.7 Time of the Essence

Time shall be of the essence throughout this Lease.

11.8 Binding Effect

This Lease shall enure to the benefit of, and be binding upon, the Tenant and its respective heirs, executors, administrators permitted successors and permitted assigns, as well as the Landlord and its successors and assigns. Where the Tenant is more than one person/entity/corporation, all persons/entities/corporations designated as being part of the Tenant shall be jointly and severally bound by the terms, covenants and agreements contained in the Lease.

11.9 Independent Legal Advice

The parties hereby acknowledge and confirm that each was advised by the other to obtain independent legal or other professional advice, and that each has had an opportunity to read, review and understand the nature and effect of the provisions of this Lease prior by executing this Lease. Each hereby confirms that it has had the opportunity to seek independent legal or professional advice prior to executing this Lease and has either:

- (a) obtained such legal or other professional advice; or
- (b) waived the right to obtain such independent legal or other professional advice.

IN WITNESS WHEREOF the parties hereto have executed this Lease as of the date first above written above.

MUNICIPAL DISTRICT OF PINCHER CREEK NO. 9

Per: _____
Reeve

Per: _____ (c/s)
Roland Milligan, CAO

TENANT

Per:

Witness

Per:

Witness

SCHEDULE "A"

THE LANDS

- 1. Legal Description**
- 2. Map**

AFFIDAVIT OF EXECUTION

CANADA

PROVINCE OF ALBERTA

TO WIT:

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I, _____ of the
_____, in
the Province of Alberta, MAKE OATH AND SAY
THAT:

1. I was personally present and did see W.C. Ranching Ltd. named in the within (or annexed) instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes named therein.

2. the same was executed at _____, in the Province of Alberta, and that I am the subscribing witness thereto.

3. I know the said _____ and he/she is, in my belief, of the full age of eighteen years.

SWORN BEFORE ME at the _____ of
_____, in the Province of
Alberta, this _____ day of _____,
20____.

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Witness (Print): _____

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

AFFIDAVIT OF EXECUTION

CANADA

PROVINCE OF ALBERTA

TO WIT:

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I, _____ of the
_____ of _____, in
the Province of Alberta, MAKE OATH AND SAY
THAT:

1. I was personally present and did see W.C. Ranching Ltd. named in the within (or annexed) instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes named therein.

2. the same was executed at _____, in the Province of Alberta, and that I am the subscribing witness thereto.

3. I know the said _____ and he/she is, in my belief, of the full age of eighteen years.

SWORN BEFORE ME at the _____ of
_____, in the Province of
Alberta, this _____ day of _____,
20____.

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Witness (Print): _____

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

