

TOWN OF VEGREVILLE
MUNICIPAL LAND LEASE AGREEMENT

THIS LEASE made this **30th** day of **April 2020**.

BETWEEN:

TOWN OF VEGREVILLE
Vegreville, Alberta,
a Municipal Corporation
(hereinafter referred to as the “Landlord”)

-and-

XXXXX
(hereinafter referred to as the “Tenant”)

WHEREAS:

- A. The Landlord is the registered owner of the lands located within the Province of Alberta, (hereinafter referred to as the “Lands”); and
- B. The Landlord has agreed to lease to the Tenant the lands, subject to the terms, covenants and conditions contained herein.

IN CONSIDERATION of the mutual covenants and agreements contained within this Lease to be respectively observed and performed by the parties, the Landlord and the Tenant hereby agree as follows:

ARTICLE 1 – DEFINITIONS

- 1.1 “Commencement Date” means **XXX**.
- 1.2 “Agricultural Farming Operations” shall mean agricultural purposes of crop cultivation and for no other use whatsoever.
- 1.3 “Hazardous Substances” shall mean toxic, hazardous, dangerous or potentially dangerous substances of any kind whatsoever including, without restricting the generality of the foregoing, urea formaldehyde, asbestos, PCB transformers and those elements, materials, substances or compounds which are regulated by federal, provincial or local statute, law, ordinance, code, rule, regulation order or decree including, but not limited to, the Environmental Protection and Enhancement Act, R.S.A. 2000, c.E-12, as amended from time to time, regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous or potentially dangerous waste, substance or material of any kind or nature whatsoever.
- 1.4 “Lands” shall mean the Lands legally described within **Schedule “A”** attached hereto.
- 1.5 “Rent” shall mean the annual sum of xx dollars (**\$xx.xx**) per acre, at xx (xx) acres, for a total of xxx (**\$xxx.xx**) plus applicable GST.
- 1.6 “Term” shall mean the term of this Lease as specified in **Section 2.2** hereof to commence on the Commencement Date.

ARTICLE 2 – DEMISE AND TERM

2.1 Demise and Term

The Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord the Lands for the term set forth within **Section 2.2** of this lease, and upon and subjected to any Permitted Encumbrances, and to the terms and covenants, conditions and agreements contained within this Lease.

2.2 Term

The Tenant shall have and hold the Lands for a five (5) year Term beginning on the Commencement Date, and ending the 30th day of **April, 20xx**, subject always to the earlier renewal or termination of this Lease pursuant to this Lease.

2.3 Termination

Notwithstanding the foregoing, this Lease may be terminated in its entirety as follows:

- (a) Upon mutual written agreement between the Landlord and the Tenant; or
- (b) Unilaterally by the Landlord by providing **thirty (30) days'** written notice and mutually agreed upon compensation for a growing crop to the Tenant.

ARTICLE 3 – RENT

3.1 Rent

The Tenant shall, throughout the Term, pay to the Landlord Rent at the proscribed rate per year, or portion thereof, payable in advance on or before the **1st day each and every year**, in each and every year of the Term, commencing with the Commencement Date.

ARTICLE 4 – TAXES AND UTILITIES

4.1 Taxes and Utilities

The Tenant shall be responsible for the prompt payment, when due, of the following:

- (a) all utilities consumed on or within the Lands including, without restriction, all gas, water, electrical, and telephone rates and charges;
- (b) all business sales, machinery, equipment, and all other taxes, assessments, charges and rates attributable to the property, business, sales or income of the Tenant in respect of the Lands;
- (c) all property taxes in respect of the Lands.

4.2 Goods and Services Tax

Any sums or amounts payable by the Tenant to the Landlord under this Lease do not include applicable Goods and Services Tax. The Tenant shall be responsible for the payment of all Goods and Services Tax which may become due and owing with respect to any sums or amounts payable by the Tenant under this Lease.

ARTICLE 5 – USE AND OCCUPANCY OF THE LANDS

5.1 Use of the Lands

Subject to the terms, covenants and conditions contained in this Lease, as well as the performance of all obligations of the Tenant contained within this Lease, the Tenant shall be permitted to use the Lands continuously during the Term for Agricultural Farming Operations, and for no other use whatsoever. The Tenant shall not carry on or permit to be carried on upon the Lands any other trade, business or activity without prior written consent of the Landlord. The Tenant will not use the Lands in any way, whether within the use permitted or not, which would or may impose upon the Landlord any obligation to modify, extend or alter any part of the Lands.

5.2 Nuisance

- (a) The Tenant shall not carry on any business nor 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 or any other land owners in the area, nor do or suffer any waste or damage, disfiguration or injury to the Lands.
- (b) Items or materials deemed unsafe and/or hazardous by the Landlord are to be removed as dictated by the Landlord. This includes, but is not limited to bales, stooks, swaths, equipment and any other

material deemed similar by the Landlord. Failure to comply will result in the removal of offensive items by the Landlord at a cost to the Tenant.

5.3 Compliance with Laws

The Tenant will promptly comply with and conform to the requirements of every applicable law, statute, bylaw, rule, regulation, ordinance and order at any time or from time to time in force during the Term affecting the Tenant, the Lands, the business carried on upon the Lands and structures, improvements, machinery, equipment and other facilities located on or in the Lands. Without limiting the generality of the foregoing, the Tenant shall comply with any applicable regulations, orders, requirements or directives of the Provincial Fire Commissioner's Office, or any person or body having similar function, as well as any applicable orders, requirements or directives of any insurer of either the Landlord or the Tenant.

5.4 Improvements, Alterations, Fixtures

- (a) The Tenant will not, without the prior written consent of the Landlord, excavate, drill, install, erect, or permit to be excavated, drilled, installed or erected over, under or through the Lands any pit, foundation, pavement, building, fence, sidewalk, or other structure or installation. In the event any alteration, addition, improvement or installation has been made without the written consent of the Landlord, the Landlord may require the Tenant to restore the Lands to such an extent as the Landlord deem expedient.
- (b) Unless otherwise agreed to between the parties, upon the expiration or other termination of this Lease, the Tenant shall remove any and all pits, foundations, pavements, buildings, sidewalks, signs or other structures or installations which may have been made or installed by the Tenant upon the Lands (whether with or without the Landlord's consent). The Tenant shall, however, make good the damage caused to the Lands which may result from such installation and removal including, without restriction, the restoration of the lands to the same condition that they were in before any pits, foundations, pavements, buildings, sidewalks, signs or other structures or installations were or were permitted to be excavated, drilled, installed or erected over under or through the Lands.

5.5 Title of Lands

The Tenant covenants not to permit any construction, mechanics', builders' or other liens, mortgages or conditional sales contracts to be registered against the title to the Lands. Whenever and so often as any such lien, mortgage or contract shall be registered on title or claim be filed, the Tenant shall within ten (10) days after the Tenant have notice of the claim, lien, mortgage or contract, procure the discharge, thereof by payment or by giving security thereof in such other manner as is or may be required or permitted by law.

5.6 Insurance

The Tenant shall, throughout the Term, maintain in full force and effect at its sole cost and expense the following insurance:

- (a) public liability insurance with inclusive limits of not less than \$2,000,000.00 per occurrence;
- (b) all risks insurance upon all property owned by, or under the care and control of, the Tenant and located upon the Lands; and
- (c) such other insurance coverage in form, content or amount as may be reasonably required by the Landlord.

All such policies shall show the Landlord as an additional named insured as its interests may appear, and shall contain a waiver of subrogation rights against the Landlord, a severability of interests clause, a waiver of breach of warranty clause, and a clause stating that the Tenant's policy will be considered as the primary insurance and shall not call into contribution any other insurance that may be available to the Landlord.

5.7 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 professional costs on a solicitor and his own client full indemnity basis) and expense of any kind whatsoever including, without limitation:

- (a) the cost of defending, counter-claiming or claiming over against third parties in respect of any action or matter including legal fees, costs and disbursements on a solicitor and his own client basis and at all court levels;
- (b) any cost, liability or damage arising out of a settlement of any action entered into by the Landlord with or without the consent of the Tenant; and
- (c) the cost of repair, clean-up or restoration paid by the Landlord and any fines levied against the Landlord;

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-Tenant, licensees, concessionaires or anyone permitted by the Tenant to be in or on the Lands and the Lands. Without limiting the generality of the forgoing, this indemnity shall include those aforementioned costs which at any time or from the 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, emissions or release, 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 of the Lease and the termination of the Lease for whatever cause.

5.8 Hazardous Substances

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

- (a) they 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 granted with conditions respecting manner of storage procedures for handling;
- (b) they 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 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:
 - (i) comply with, or cause to be complied with, all Landlord's conditions and all applicable laws and regulations relating to the use, storage and disposal of the Hazardous Substances,
 - (ii) at the request of the Landlord, provide evidence to the Landlord of compliance with all applicable laws and regulations, such evidence to include inspection reports and such tests as the Landlord may reasonably require, all at the expense of the Tenant.

ARTICLE 6 – REPAIRS

6.1 Tenant Repairs

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. The Tenant will forthwith repair or replace if required any damage, and undertake the maintenance required, as directed by the Landlord.

The Tenant shall take all preventative measures, obey all operating instructions of the Landlord relative thereto, and shall not permit waste. The Tenant shall make all repairs and maintenance required under this Lease with all due diligence, including without restriction, promptly attending to the maintenance of the roadway leading into the yard of the Lands and any equipment, machinery or other property of the Tenant placed upon the Lands. The Tenant will forthwith repair any damage or undertake the maintenance required, as directed by the Landlord in writing. The failure by the Landlord to give direction to repair or to maintain shall not relieve the Tenant from its obligation to repair or to maintain. The Tenant's repair obligations under this Section shall exclude damage caused by fire, tempest or other casualty, provided such damage is in no way due to the negligent, careless or willful acts or omissions of the Tenant, its employees, agents, servants, invitees, or those for whom the Tenant is responsible in law.

6.2 Repair Where Tenant is at Fault

If any part of the Lands, or any fixtures securely attached thereto, becomes damaged or destroyed through the negligence, carelessness or willful act or omission of the Tenant, its employees, agents, servants, invitees, and those for whom the Tenant is responsible in law, or all other persons conducting business upon or from the Lands, or through them, the costs of the necessary repairs, replacements or alterations plus twenty percent (20%) of the aggregate costs for overhead will be borne by the Tenant, and the Tenant will pay this amount to the Landlord on demand as Rent.

6.3 Repair Upon Expiration or Termination

Upon the expiration of the Term or upon the earlier termination of the 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, any alterations approved by the Landlord pursuant to the terms of this Lease, and damage caused by fire, tempest or other casualty not due to the negligent, careless or willful acts or omissions of the Tenant, its employees, agents, servants, invitees, or those for whom the Tenant is responsible in law.

6.4 Notice of Accident, Defects, Etc.

The Tenant shall give the Landlord prompt notice of:

- (a) the existence of any conditions upon the Lands of which the Tenant are aware which could constitute a hazard to vehicles or persons; and
- (b) damage or injury to the Lands or any person thereon of which the Tenant are aware howsoever caused;

provided that nothing herein shall be construed so as to require repairs to be made by the Landlord except as expressly provided in this Lease.

ARTICLE 7 – LICENSES, ASSIGNMENTS AND SUBLETTINGS

7.1 Licenses, Assignments and Sublettings

The Tenant shall not transfer, assign, license or sublet this Lease, the Lands, or any portions thereof, not mortgage, pledge, or in any way encumber this Lease, without the prior consent in writing of the Landlord, which consent may be withheld for any reason whatsoever. For the purposes of this **Section 7.1** of this Lease, an assignment requiring the consent of the Landlord shall include, without restricting any of the foregoing, any assignment or transfer of any of the Tenant's interest in the Lands and the Lands under this Lease, whether such assignment or transfer occurs voluntarily or by operation of law.

7.2 Assignment by Landlord

The Landlord shall be entitled to assign this Lease concurrently with the completion of any sale of the Lands. In this regard, upon the purchaser of the Lands agreeing to assume all of the obligations of the Landlord pursuant to this Lease, the Landlord shall be released from all further obligations and liabilities under this Lease from and after the date of completion of the sale of the Lands.

ARTICLE 8 – LIABILITIES

8.1 Theft and Damage

The Landlord shall not be liable for the theft of or damage to any property at any time in or on the Lands.

8.2 Damage and Injury

The Landlord shall not be liable for any injuries or death, or any losses or damages caused to any individual or property while on 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 the Lease. Without limiting the generality of the foregoing, the Landlord shall not be liable for any losses or damages whatsoever which may be caused to any machinery which may be placed upon the Lands by the Tenant, save and except for where such damage or injury is caused by the overt or negligent acts of the Landlord.

ARTICLE 9 – TENANT DEFAULT

9.1 Termination and Re-Entry

Without limiting any rights or remedies which may otherwise be available to the Landlord, the Landlord shall be entitled to re-enter and take possession of the Lands, with or without terminating the Lease, at any time after the failure by the Tenant to perform any term, covenant or condition of this Lease required to be performed by the Tenant. Without limiting the generality of the foregoing, the Tenant shall be deemed to be in default of its obligations under this Lease:

- (a) upon any lien, writ, or registration being registered upon the title to the Lands as a result of the Tenant's acts or omissions;
- (b) the Tenant becoming insolvent or bankrupt;
- (c) the Tenant making an assignment for the benefit of creditors;
- (d) the Tenant being declared bankrupt;
- (e) upon the Tenant taking the benefit of any legislation that may be in force for bankrupt or insolvent debtors;
- (f) if the Tenant fails to pay Rent according to the terms hereof, and such failure is not cured within five (5) days following receipt by the Tenant of written notice of said failure from the Landlord; or
- (g) if the Tenant breaches any other term or condition herein contained, and said breach is not cured within thirty (30) days following the receipt by the Tenant of written notice of said breach from the Landlord.

9.2 Landlord's Right to Perform

In addition to all other remedies the Landlord may have by this Lease at law or in equity, if the Tenant defaults in any of its obligations hereunder the Landlord may at its option perform any such obligation after ten (10) days' written notice to the Tenant and in such event the cost of performing the obligation shall be payable by the Tenant to the Landlord as Rent, together with interest at the rate of the Province of Alberta Treasury Branch's prime rate plus five percent (5%), calculated from the date of the performance obligation by the Landlord, forthwith upon demand. On default of payment, the Landlord shall have the same remedies as on the default of payment of Rent.

9.3 Alternative Remedies

The Landlord may from time to time resort to any or all rights and remedies available to it in the event of any default hereunder by the Tenant, either by provision of this Lease or by statute, at law or in equity and all rights and remedies are intended to be cumulative and not alternative and the express provisions hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord at law or in equity.

9.4 Waiver

The waiver by the Landlord of a breach of a term, covenant or condition contained within this Lease, or any condoning, excusing or overlooking of any such default, will not be deemed to be a waiver, condoning, excusing or overlooking of any subsequent breach of the same or another term, covenant or condition herein contained. The due and timely performance of any covenant, term or condition of this lease will not be deemed to have been waived by the Landlord unless the waiver is in writing and signed by the Landlord.

9.5 Costs

In the event the Tenant defaults under any term of this Lease, the Tenant shall reimburse the Landlord forthwith for all legal and other professional fees and disbursements on a solicitor and his own client full indemnity basis and for all bailiffs fees and disbursements that the Landlord may incur as a result of such default, such fees and disbursements being payable by the Tenant on demand. On default of payment, the Landlord shall have the same remedies as on the default of payment of Rent.

ARTICLE 10 – GENERAL PROVISIONS

10.1 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 10.1** shall limit the rights of access granted to the Landlord.

10.2 Access

The Tenant covenants that the Landlord, or its employees or agents, may enter upon the Lands at any time during normal business hours for the purposes of inspecting the condition of the Lands and the Lands, confirming the performance of the Tenant's obligations under this Lease, and constructing, maintaining, repairing and replacing utilities and other similar public works. The Tenant shall unlock, open or otherwise remove any and all obstructions, barriers or other impediments to the Landlord's ability to access to the Lands and the Lands. In cases of emergency, the Landlord shall be entitled to cause the unlocking, opening or removal of any such obstructions, barriers or impediments without any cost or liability whatsoever to the Landlord, and all of the Landlord's costs of doing so shall be the responsibility of the Tenant payable upon demand as Rent. Any such entry onto the Lands by the Landlord shall not, in and of itself, constitute a re-entry, termination or interruption of the Tenant's quiet enjoyment under this Lease.

10.3 Lease Entire Agreement

It is understood and agreed 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 the Lease entered into by the Landlord and the Tenant and supersede and take the place of any and all previous agreements and representation 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 provision 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.

10.4 Relationship Between Parties

Nothing contained herein shall be deemed or construed by the Landlord or the Tenant, nor by any third party, as creating the relationship of principal and agent or of partnership, or of a joint venture agreement between the Landlord and the Tenant, it being understood and agreed that none of the provisions contained in this Lease nor any act of the parties shall be deemed to create any relationship between the Landlord and the Tenant other than the relationship of a landlord and tenant.

10.5 Parties Hereto

This Lease shall not inure to the benefit of and be binding upon the parties hereto, and their respective heirs, executors, successors and permitted assigns.

10.6 Notices

A notice, demand, request, consent or other instrument required or permitted to be given under this Lease shall be in writing and shall be given and deemed to have been received as provided in this **Section 10.6**, and shall be addressed:

- (a) to the Landlord as follows: Town of Vegreville
4829 – 50 Street, Box 640
Vegreville, AB T9C 1R7
- (b) to the Tenant as follows: xx

or such other addresses as either party may direct for all future Notices by giving Notice in writing. Any Notice must be mailed in Canada by ordinary mail, delivered personally or sent by prepaid registered mail or courier. A Notice shall be deemed to have been served upon the intended party upon receipt of delivery, registered mail or by courier, or on the day which is two (2) business days following the date that the Notice was mailed. Provided always that at the time of mailing any Notice there is not an actual or apprehended interruption in mail service by labour dispute or otherwise, in which case all Notices shall be delivered or sent by courier.

10.7 Governing Law

This Lease shall be construed and governed by the laws of the Province of Alberta. All of the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate article, paragraph and subparagraph of this Lease, and all of such covenants and agreements shall be deemed to run with the Land and the reversion therein. Should any provision of this Lease be illegal or not enforceable they shall be considered separate and severable from the Lease and its remaining provisions shall remain in force and be binding upon the parties as though the illegal or unenforceable provisions had never been included. The schedules shall form part of this Lease.

10.8 Captions

The headings, captions, paragraph numbers, sub-paragraph numbers, article numbers and indices appearing in this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit, construct or enlarge the scope or meaning of this Lease or any provisions of this Lease.

10.9 Time of the Essence

Time shall be of the essence for this Lease and for each and every part thereof.

IN WITNESS WHEREOF the parties hereto have executed this Lease on the date specified on page 1 hereto.

The Landlord:
TOWN OF VEGREVILLE

Per: _____

Per: _____

The Tenant:

Witness

OR

Per: _____

Per: _____

AFFIDAVIT OF EXECUTION
[if Tenant(s) is/are individuals]

CANADA)	
)	I, _____.
)	
PROVINCE OF ALBERTA)	of the _____ of _____, in the
)	
TO WIT:)	Province of Alberta, MAKE OATH AND SAY:

1. THAT I was personally present and did see _____ and _____
named in the within (or annexed) Instrument who are personally known to me to be the persons named herein,
duly sign and execute the same for the purpose named herein.
2. THAT the same was executed at the _____ of _____, in the Province of
Alberta, and that I am the subscribing witness thereto.
3. THAT I know the said _____ and _____
and they are in my belief the full age of eighteen years.

SWORN before me at the _____ of)
_____, in the Province of)
Alberta, this _____ day of _____,)
20__.)
)
)

A COMMISSIONER FOR OATHS in and
for the Province of Alberta

SCHEDULE “A”

The Lands

or

LEGAL LAND DESCRIPTION: