

## FARM LEASE AGREEMENT

**THIS LEASE** made effective the 28<sup>th</sup> day of November, 2016.

**BETWEEN:**

**DANIEL DeGIROLAMO and MARIE MYKYTYSHYN**, both of Saskatoon, Saskatchewan  
(together, the "**Landlord**")

- and -

\_\_\_\_\_  
 ("**Tenant**")

**WHEREAS** the Landlord owns or leases with right of sublease those lands legally described on Schedule "A" hereto ("**Lands**") which are subject to the interests set out on Schedule "A" hereto ("**Interests**") and which contain an estimated number of cultivatable acres as set out on Schedule "A" hereto ("**Acreage**");

**AND WHEREAS** the Tenant desires to lease from the Landlord and the Landlord desires to lease to the Tenant, the cultivated acres of farmland contained in the Lands ("**Farmland**"), subject to the Interests and on the terms and conditions contained herein;

**NOW THEREFORE** in consideration of the rent to be paid hereunder and in consideration of the mutual covenants and agreements contained herein (the sufficiency of all of which consideration the parties hereby acknowledge) the parties agree as follows:

1. The Landlord does hereby demise and lease (or sublease, as the case may be) unto the Tenant the Farmland (subject to the rights of the holders of the Interests) for a term certain of (3) three years from the 1<sup>st</sup> day of April, 2017 up to and including the 31<sup>st</sup> day of March, 2020 upon which date this Lease shall be fully determined with no right of renewal. It is understood and agreed that the aforementioned demise and lease is subject to the Interests and any rights that the holder of the Interests may have (whether acknowledged on title or otherwise) as against the Lands or which may interfere with the use or occupancy of the Lands. For greater certainty, the rights granted to the Tenant in this Lease are for cultivated acres only and do not include rights to the use or occupancy of any other portion of the Lands including, without limitation, i) those portions of the Lands not containing cultivated acreage; or ii) bins, quonsets, houses, radio or communications towers, other buildings or other improvements upon the Lands. Notwithstanding all of the forgoing in this paragraph, the Landlord reserves a right of way and easement over the Farmlands for access by the Landlord, its successors, assigns and agents, with or without motor vehicles, to and from any improvement upon the Lands (including, without limitation, any which may be situate on the Farmland) from and to any other such improvement and the adjacent municipal roadways. Notwithstanding all of the forgoing in this paragraph, the Tenant shall have the right to use, for the purposes of moving crop product and equipment, all roadways and trails as may be located on the Lands from time to time. The parties agree to be reasonable in the use of such aforementioned rights of way.

2. The Tenant shall pay to the Landlord the yearly rental for the use of the Farmland of \_\_\_\_\_ Dollars plus applicable GST payable by the Tenant to the Landlord annually on the 1<sup>st</sup> day of April in each year of the term. Rent is payable by post-dated cheques issued

by the Tenant to the Landlord upon execution and delivery by the Tenant of this Lease. Notwithstanding the forgoing, at the time of signing this Lease, the Tenant shall pay to the Landlord's leasing agent twenty-five percent (25%) of the first annual instalment as a non-refundable deposit with the remainder of the first annual installment to be paid to the Landlord on the 1<sup>st</sup> day of April 2017. The yearly rental has been calculated on the basis of \_\_\_\_\_ Dollars per acre of Acreage as set out in Schedule "A" hereto. Unless, the Landlord grants the Tenant consent to bring more acreage under cultivation in accordance with the terms hereof, the Acreage for lease purposes is as set out in Schedule "A" hereto and shall not be adjusted for the calculation of yearly rent payable.

3. The Tenant agrees to accept the Farmland in an "as is" condition and the Tenant specifically agrees that neither the Landlord nor anyone acting on behalf of the Landlord or otherwise (including, without limitation, any auctioneer) makes any representations or warranties, express or implied, to the Tenant as to the condition or fitness of the Lands, environmental or otherwise, or any improvements thereon. All descriptions, measurements and acreage provided by the Landlord or anyone on its behalf or otherwise (including, without limitation, any auctioneer) are to be used as a guide only. The Tenant acknowledges that it has satisfied itself, amongst other things, as to i) the effect that the Interests may have upon the use and occupancy of the Farmland and any other rights granted to the Tenant herein; and ii) the location and condition of the Farmland, and all descriptions with respect thereto, prior to bidding, including, without limitation the location and amount of cultivated acreage on the Lands and, regardless of any independent calculation of cultivated acreage located upon the Lands, the Tenant agrees to pay the annual rent based upon the Acreage as set out in Schedule "A".

4. Except as otherwise stated herein, the Tenant shall make all decisions with respect to farming the Farmland (including without limitation, which pesticides to use) and shall be responsible for all costs of farming the Farmland. The Tenant shall negotiate and pay for all arrangements regarding crop and hail insurance coverage and shall receive all benefits of such coverage.

5. The Tenant shall:

- a) use the Farmland for the sole purpose of growing crops thereon
- b) shall annually alternate between an oil seed crop and a cereal crop on all of the Farmland; for greater certainty, for the purposes of growing separate crops, the Farmland may be portioned as the Tenant deems fit but always provided that the aforementioned annual rotation is maintained on each such portion;
- c) cultivate, seed, harvest crops, control weeds, insects and disease on the Farmland in a proper and sustainable manner consistent with good farming practices;
- d) when applying chemicals to the Farmland, do so in accordance with manufacturer's instructions and all applicable laws and regulations;
- e) protect and care for the crops grown on the Farmland and use its best endeavors and approved methods of husbandry to prevent the growth of and to exterminate all noxious weeds on the Lands and maintain all summer fallow in a reasonably weed-free condition; and
- f) minimize soil loss from erosion with the use of, but not limited to, good crop residue management, conservation tillage, zero-till practices, grassed waterways, strip cropping or other accepted conservation practices.

6. The Tenant shall not:
- a) seed the Farmland to grass;
  - b) overload nutrient levels on the Lands or adjacent water bodies;
  - c) allow pesticide to drift on to non-target lands, including adjacent crops and shelterbelts;
  - d) accumulate, permit or allow the accumulation of any waste material, debris, refuse or garbage on the Lands;
  - e) commit any waste on the Lands or impoverish the Lands;
  - f) contaminate the Lands, adjacent lands or adjacent waterbodies;
  - g) burn, bale or otherwise remove, use or dispose of straw, chaff, stubble or other crop residue remaining from crops grown on the Farmland, other than flax straw, without the consent of the Landlord;
  - h) change the natural course of any waterways on the Lands;
  - i) cut down bush, trees, shrubs or brush growing on the Lands, disturb any natural wildlife habitat or remove top soil from the Lands;
  - j) allow the entry of any persons for the purpose of hunting, outfitting, eco-tourism, picking of berries or flowers or any such plant materials;
  - k) remove any sand, gravel, clay, stone or other such substances existing on, or under the surface of the Lands; or
  - l) bring under cultivation any new portions of the Lands without the Landlord's written consent, which consent may be withheld in the Landlord's sole and unreasonable discretion.

7. The Tenant shall throughout the Term, any extension or renewal thereof and during such times as the Tenant may be on the Lands before or after the Term by virtue of the rights set out in paragraphs 16 and 20 hereof, at its sole cost and expense, take out and keep commercial general liability insurance in the name of the Tenant, with the Landlord as an additional insured, written on an occurrence basis with respect to the business carried on, in or from the Lands and the use and occupancy of the Lands by the Tenant and those for whom the Tenant is responsible at law, for bodily injury or death or damage to property of others and such insurance shall have limits as reasonably required by the Landlord from time to time but in any event not less than Two Million (\$2,000,000.00) Dollars with respect to one accident or occurrence and shall protect the Landlord in respect of claims by the Tenant, or anyone claiming through the Tenant as if the Landlord was separately insured.

All insurance policies required to be maintained by the Tenant shall be on terms and conditions including but not limited to the amount of the deductible thereof and with insurers satisfactory to the Landlord. Each policy required to be written on behalf of the Tenant in accordance herewith shall contain a Severability of Interest Clause and a Cross-Liability Clause and a waiver of any subrogation rights which the Tenant or the Tenant's insurers may have against the Landlord and against those for whom the Landlord is in law responsible or any of them.

At or before the 1 April 2017 and thereafter at the request of the Landlord and in any event upon the renewal or expiration of any such insurance policy, the Tenant shall file with the Landlord on request copies of current policies or certificates or other proofs as may be required to establish the Tenant's insurance coverage from time to time and the payment of premiums thereon. If the Tenant fails to insure or pay premiums or to file satisfactory proof thereof as so required the Landlord may but without in any way being obliged to do so, and in addition to any

other remedy or rights of the Landlord hereunder without notice to the Tenant effect such insurance and recover any premiums paid therefor from the Tenant on demand. All policies written on behalf of the Tenant in accordance herewith shall contain an undertaking by the insurers to notify the Landlord in writing not less than thirty (30) days prior to any material change, cancellation or termination thereof.

8. The Tenant shall defend, indemnify and save harmless the Landlord in respect of all claims for bodily injury or death, property damage or other loss or damage arising from the use or occupancy of the Lands, the conduct of any work by or any act or omission of the Tenant or anyone for whom the Tenant is responsible at law and in respect of all costs, expenses and liabilities incurred by the Landlord in connection with or arising out of all such claims, including the expenses of any action or proceeding pertaining thereto, and in respect of any loss, cost, expense or damage suffered or incurred by the Landlord arising from any breach by the Tenant of any of its covenants and obligations under this Lease. This indemnity will survive the expiry or earlier termination of this Lease. The Tenant shall indemnify and save harmless the Landlord from all loss and damage caused by fire or otherwise through the negligence or carelessness of the Tenant or anyone for whom the Tenant is responsible at law.

9. The Tenant shall protect the Lands and indemnify the Landlord in regard to any and all liens and charges by reason of or in any way accruing from the construction of any building or the making of any improvements thereon done by or on behalf of the Tenant. The Tenant shall not suffer or permit any lien under *The Builders' Lien Act* (Saskatchewan) or like statute or any interest to be filed or registered against the Lands or any fixtures or improvements on the Lands, by reason of work, labour, services or materials supplied or claimed to have been supplied to the Tenant or to anyone holding any interest in any part thereof through or under the Tenant. If such lien or interest shall at any time be filed or registered, the Tenant shall immediately initiate all necessary steps to ensure that the said lien or interest be discharged. The Landlord may, but shall not be obliged to, discharge any such lien or interest filed or registered at any time if the Tenant fails to take and prosecute expeditiously all necessary steps and actions to ensure that such lien or interest is discharged, or if the Lands, improvements thereon or any part thereof, or the Landlord's, or Tenant's interest therein, becomes liable to any forfeiture or sale or is otherwise in jeopardy, and any amount paid by the Landlord in so doing, together with all reasonable costs and expenses of the Landlord, shall be reimbursed to the Landlord by the Tenant on demand. Nothing in this Lease shall authorize the Tenant, or imply any consent or agreement on the part of the Landlord, to subject the Landlord's, or the Tenant's estate or interest in the Lands or the improvements thereon to any lien or interest.

10. The Landlord or their representative has the right at all reasonable times to attend and inspect the Farmland and the Lands including right of entry and exit.

11. In the event that any payment, subsidy, or other reimbursement is made from any government agency to support the landowner or producer or both, such payments shall be negotiated and mutually agreed upon or this contract shall expire at such time and capital payment made to landowners as compensation for the loss of the value of the land shall remain with the Landlord.

12. Any compensation for property damage shall accrue to the party which has suffered the loss.

13. The Landlord shall pay all property taxes assessed against the Lands.

14. The Tenant shall not assign this Lease, in whole or in part nor sublet the Farmland, or any portion thereof, without the written consent of the Landlord, which consent may be unreasonably withheld. The Tenant shall not register or permit to be registered against title to the Lands or any other land owned by the Landlord any interest respecting this agreement or any interest in land granted hereby.

15. The Tenant shall not make improvements to the Lands or any buildings thereon, other than reasonably repair and maintenance, without the written consent of the Landlord which consent may be unreasonably withheld.

16. The Tenant shall at all times during the term hereof keep and at the end of the term hereof or sooner determination of this Lease yield up the Farmland in good and tenantable repair and at all times during the term hereof maintain reasonable fire guards. As soon as practicable, and in any event, prior to the end of the term hereof, the Tenant shall harvest and remove from the Farmland all crops growing thereon and all crops, grain, forage and any other personalty stored thereon which is the property of the Tenant. Notwithstanding the forgoing, in the event that the harvesting and marketing conditions prevent the tenant from delivering the grain grown and stored on the Farmland during the term of this Lease, such grain may be harvested and removed from the Farmland according to *The Agricultural Leaseholds Act* (Saskatchewan).

17. The Tenant shall have no right whatsoever to sand, gravel, clay, valuable stone or other substances existing on or under the surface of the Lands.

18. If the term hereby granted or any of the goods and chattels of the Tenant or his assigns shall be at any time seized or taken in execution or in attachment by any creditors of the Tenant or his assigns, or if the tenant or his assigns shall make any assignment for the benefit of creditors, or becoming bankrupt or insolvent, shall take the benefit of any legislation that may be in force for bankrupt or insolvent debtors, or if any writ of execution shall issue against the goods and chattels of the Tenant or his assigns, the then current year's rent shall immediately become due and payable, and the said term shall immediately become forfeited and void at the option of the Landlord.

19. If the rent reserved or any part thereof be in arrears whether such rent has been demanded or not, or if there be default, breach or non-observance by the Tenant at any time or times of any covenant, proviso, condition or reservation herein contained, which on the part of the Tenant ought to be observed or performed, whether such covenant be positive or negative, or if there be any seizure or forfeiture of the said term for any of the causes herein specified, then the Landlord or his agents may enter upon the Farmland and thereafter have, possess and enjoy them as if this indenture had not been made, and no acceptance of rent subsequent to any breach or default (other than for non-payment of rent) nor any condoning, excusing or overlooking by the Landlord on previous occasions of breach or default similar to that for which re-entry is made shall be taken to operate as a waiver of this condition, nor in any way defeat or affect the rights of the Landlord herein.

20. An incoming tenant, purchaser or the Landlord shall have the right to enter on the Farmland after harvest in the fall preceding the expiration of the term for the purpose of

preparing the land for crop provided that the insurance as more particularly set out in paragraph 7 hereof .is taken out by the Tenant and in full force and effect as at the date the Tenant first enters the Lands.

21. Any notice, request, demand or any other communication required to be given in writing by the terms hereof shall be personally served or given by registered mail, postage prepaid, addressed or delivered to such other party at:

in the case of the Landlord at:  
2116 Morgan Avenue  
SASKATOON SK S7J 2E1

in the case of the Tenant at:  
P.O Box \_\_\_\_\_  
\_\_\_\_\_ SK \_\_\_\_\_

22. The Landlord and Tenant may, by mutual agreement, submit any disagreement which may arise with respect to the terms and conditions of this Lease to arbitration in accordance with *The Arbitration Act* (Saskatchewan).

23. Time should be in every respect of the essence of this agreement.

24. This Lease Agreement shall be governed in accordance with the laws of the province of Saskatchewan.

25. The terms "landlord" and "tenant" and "Landlord" and "Tenant" shall include their heirs, executors, administrators, successors and assigns in the singular or plural number and feminine, masculine or neutral (including, persons of an incorporeal nature) gender when the context or the parties so require and all the covenants shall be construed as being joint and several.

26. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement and each signed may be delivered to another party by e-mail, facsimile or other generally accepted electronic format.

27. This Lease shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executor, administrators, successors and assigns.

**IN WITNESS WHEREOF** the Landlord has executed this Lease this 28th day of November, 2016.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Daniel DeGirolamo

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Marie Mykytyshyn

**IN WITNESS WHEREOF** the Tenant has caused this Lease to be executed by its duly authorized officer in that behalf this 28<sup>th</sup> day of November, 2016.

(SEAL)

\*

Per: \_\_\_\_\_  
\*

-or-

**IN WITNESS WHEREOF** the Tenant has executed this Lease this 28<sup>th</sup> day of November, 2016.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
\*

## **SCHEDULE "A"**

### **LANDS, INTERESTS and ACREAGE**

**1. Description:**

Surface Parcel #147400657

Reference Land Description: NE Sec 34 Twp 45 Rge 06 W3 Extension 26

As described on Certificate of Title 85PA20798, description 26

**Interests:**

CNV Easement in favour of TRANSGAS LIMITED with Converted Instrument #:  
68PA11457

**Acreage:** 90 acres

**2. Description:**

Surface Parcel #146499722

Reference Land Description: Blk/Par APlan No 101485627 Extension 65

As described on Certificate of Title 00PA20458, description 65

**Interests:**

Miscellaneous Interest with Interest Register #: 117359477 in favour of Vernon Steger  
and Dawn Lois Steger

**Acreage:** 10