

**COMMERCIAL LEASE AGREEMENT**

THIS LEASE AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

BETWEEN:

**HER MAJESTY THE QUEEN** in Right of  
Saskatchewan, as represented by the  
Minister of Parks, Culture and Sport  
(hereinafter called "the Lessor")

- and -

**CARIBOU CREEK LODGE LTD.**  
Dwight Whitley  
PO Box 354  
MEATH PARK SK S0J 1T0  
(hereinafter called "the Lessee")

WHEREAS the Lessor is the owner of the land described in Schedule "A" (hereinafter referred to as "the land") and whereas the land is "park land" within the meaning of *The Parks Act S.S., 1986, P-l.1*, located in Narrow Hills Provincial Park; and

WHEREAS the Lessee has made improvements on the land; and

WHEREAS the Lessee is desirous of leasing the land from the Lessor on the terms and conditions more particularly described herein;

NOW WITNESSETH that in consideration of the rents, provisions and agreements contained herein, the Lessor and the Lessee promise, covenant and agree as follows:

Interpretation

1. In this Lease Agreement:

- (a) "business" means the business for which the land and improvements are to be used as more particularly described in Section 5 hereof;
- (b) "Ministry" means the Saskatchewan Ministry of Parks, Culture and Sport;
- (c) "improvements" means all buildings, structures and fixed improvements heretofore or hereafter constructed on the land and any additions thereto and replacements thereof;
- (d) "land" means the land which is the subject of this Lease Agreement and which is more particularly described in Schedule "A" which schedule is annexed hereto and forms part of this Lease Agreement;
- (e) "Minister" means the Minister of Parks, Culture and Sport and includes any person expressly authorized by him to act in his behalf;
- (f) "operating season" means the period commencing April 1st and ending the March 31st, next following.

Lease of the Land

- 2. The Lessor leases to the Lessee the land more particularly described in Schedule "A" attached hereto.

Term of Lease

- 3. This Lease Agreement shall be in effect from the date of execution of this Lease Agreement until March 31, 2032 (hereinafter referred to as the "term").

## Rent

- 4(a) The term "gross revenue" as used in this Section shall mean the dollar aggregate of the sale price of all goods, services, and merchandise sold and the charges for all services performed by the Lessee or any other party under authorization of the Lessee by way of license, concession, subletting or otherwise from all business conducted on, in, at, or from the land and improvements, whether made for cash, by cheque, on credit or otherwise. Each charge or sale upon instalment or credit shall be treated as a sale for the full price in the month during which such charge or sale be made irrespective of date when the Lessee shall receive payment for such charge, sale or credit.
- (b) The Lessee shall make and keep upon the said lands for a period of not less than one year following the end of each operating season as herein defined, detailed records of all gross revenue including all supporting records in connection therewith, all of which books and records shall be open to inspection or audit by the Lessor or its nominees at any reasonable time during ordinary business hours during the term hereof and for the period of one year following the expiration of the term hereof.
- (c) The Lessee shall submit to the Lessor by December 31st of each year, a written statement by the Lessee and certified by it to be true and correct as to the amount of the gross revenue during the immediately preceding operating season ended October 31st, which statement shall be satisfactory to the Lessor.
- (d) The Lessor shall have the right at any time and from time to time to cause, upon five days' notice to the Lessee, a complete audit to be made of the Lessee's business affairs in and about the land and improvements and all records required by this Lease Agreement shall be kept by the Lessee and the Lessee shall make all records available for examination. The audit will be at the expense of the Lessor.
- (e) Subject to Sections 14 and 4(h), the Lessee shall pay to the Lessor annual rent, for the land, in and for each and every operating season of the term hereof, calculated as:
- (i) Store/Campgrd/Rest calculated as one point five percent (1.5%) of gross revenue**
- (a) Subsequent operating seasons' rental may vary due to increases or decrease in each operating season's gross revenue. Payments will be due on September 1st and December 31st of each year.
- (ii) Gasoline / Diesel Sales 0.5% calculated as zero point five percent (0.5%) of gross revenue**
- (a) Subsequent operating seasons' rental may vary due to increases or decrease in each operating season's gross revenue. Payments will be due on September 1st and December 31st of each year.
- (iii) Accommodation /\$410unit x 16 units = \$6,560.00**
- (f) The Lessee shall pay interest to the Lessor on any amount not paid on time pursuant to Subsection (e). The rate of interest shall be 1.0% per month (12.0% per annum) on all sums of money owing that is not paid within 60 days from the date of issue, and unpaid interest shall be compounded annually thereafter.
- (g) The Lessee shall pay when due, the Goods and Services Tax that relate to the Lessee's operation in respect of this Lease Agreement.
- (h) Where lease fees calculated pursuant to Section 4(e) amount to less than \$200.00, a minimum annual lease fee of \$200.00 will apply.
- (i) In addition to the lease fees outlined in clauses 4(e)(i), (ii) the Lessee and Lessor acknowledge that, from time to time, the lease fee may be reduced according to the terms of the Capital and Lease Incentive Program (CLIP) for up to 50% of any eligible year's lease fees, based on available Capital Investment Credit on the Lessee's account. The Lessee agrees that whether a capital investment is eligible for the CLIP, and whether a Capital Investment Credit is issued annually, is the Lessor's decision and said decision is final.
- (j) The Lessee acknowledges that in order to remain in good standing under the terms of the Lease and eligible to participate in CLIP, they shall continue to pay all on-going fees and charges as they come due

pursuant to the terms of the Lease, and any and all other applicable park fees that come due during the term of this Agreement, and in no way incur debt to the Lessor.

- (k) Any Capital Investment Credit confirmed by the Lessor is available only to the Lessee signed below and is not transferable.

#### Nature of Business

- 5(a) The Lessee may occupy and use the land during the operating seasons of each year in which this Lease Agreement is in effect for the sole purpose of the operation of the store, restaurant, campground, gasoline sales, and accommodation units in Narrow Hills Provincial Park.
- (b) The Lessee acknowledges and agrees that it is solely responsible for the business and improvements, and all obligations that arise therefrom, during the term and any extensions thereto and that the Lessor has no responsibilities regarding the ongoing operations of the business or business affairs to the Lessee or to any other person.
- (c) The Lessee covenants to provide the business as described herein on the land during the term of this Lease Agreement.
- (d) The Minister will have sole discretion in determining whether the Lessee may sell or rent a product or service and his decision in this regard is final.

#### Improvements

- 6(a) The Lessee shall not make any further improvements nor undertake any repair, removal, rebuilding, replacement, alteration or addition in respect of such improvements, excepting normal repair and maintenance, without having first obtained the prior written approval of the Lessor.
- (b) The Lessee shall submit to the Lessor plans and specifications and when required by the Lessor enter into a development agreement for any further improvements prior to commencing construction thereon;
- (c) Upon obtaining the approval referred to in Subsection (a) hereof, the Lessee shall commence and therefore proceed diligently with the construction and shall carry out the work in all respects in compliance with all applicable laws, bylaws or regulations, including the obtaining of all necessary licenses and permits for the construction.
- (d) During construction, the Lessee shall not permit any nuisance of any kind which will cause any unnecessary disturbance to the occupiers of adjacent premises.
- (e) The Lessee hereby indemnifies and saves harmless the Lessor against all claims arising out of such construction, including but not limited to claims for workers' compensation, unemployment insurance, holidays, back pay or any rates or charges and hereby indemnifies and saves harmless the Lessor against all costs, claims and actions brought against the Lessor for bodily injury, death or property damage arising from such construction by the Lessee, its employees, agents or contractors.
- (f) The Lessee shall pay promptly when due all costs incurred in such construction, whether for services or materials so as not to make the land or improvements or the interest of the Lessor or Lessee therein subject to any builders' liens or other liens. The Lessee indemnifies the Lessor against all costs of the services and materials and all claims arising therefrom.
- (g) The Lessee shall permit the Lessor and his representatives to enter and inspect the land to view the state of construction and upon completion of the improvements, to view the same.
- (h) The Lessee shall maintain all improvements in good and substantial repair and condition. If the Lessee fails, within the time specified by the Lessor, to make repairs to such improvements and pay for the same, the Lessor may undertake such repairs, without liability for any disturbance, loss of business, or other damage resulting therefrom. All costs of such repairs performed by the Lessor shall be a debt due and owing by the Lessee and the Lessor, may, at its option, add such costs to the next ensuing instalment of rent.

### Use of Land

- 7(a) The Lessee shall not have access to the land and improvements at any time other than during the operating season without the written consent of the Lessor.
- (b) The Lessee shall operate the business on days and hours that are reflective of both the business and operations of the Lessee and the needs of the park visitors.
- (c) The hours of operation are to be posted on the improvements.

### Mortgages

- 8(a) Subject to the Lessor's approval of any proposed assignee or mortgagee and form of assignment or mortgage as required by Section 30;
  - (i) It is agreed between the Lessor and the Lessee that the Lessee shall have the right to mortgage its leasehold estate hereby created;
  - (ii) Such right to mortgage shall be for security for monies borrowed solely to finance the development or operation and for no other purpose and any security granted by the Lessee of the leasehold interest for the purpose of securing monies or financing for any other purpose shall be void as against the leasehold interest;
  - (iii) Such right to mortgage shall include a mortgage by way of assignment of the Lessee's leasehold interest as security for any loans made to the Lessee, and as collateral security to any such mortgage of its leasehold interest or leasehold title, as the case may be;
  - (iv) The Lessee shall not mortgage the leasehold estate in an amount greater than 75% of the replacement cost of the improvements.
- (b) If a mortgagee shall have given to the Lessor, before any default in this Lease Agreement, a written notice specifying the name and address of such mortgagee, the Lessor shall send by registered mail to such mortgagee, a copy of each notice of default by the Lessee at the same time as and when such notice of default shall thereafter be sent by the Lessor to the Lessee. No notice by the Lessor shall be deemed to have been given to the mortgagee unless and until a copy thereof shall have been so given to such mortgagee.

### Mortgagee's Right to Cure Default

- 9(a) At any time the Lessor shall serve any notice of default in accordance with the provisions of Section 8(b), the mortgagee so notified shall have the right to remedy such default or cause the same to be remedied, and the Lessor shall accept such performance by or at the instigation of such mortgagee as if the same had been performed by the Lessee.
- (b) In the event the mortgagee becomes tenant to the Lessor whether by way of assignment, quit claim, foreclosure or other realization of its security or by operation of law, the Lessor agrees that it shall recognize such tenancy provided however that the mortgagee may not assign, sell or otherwise dispose of the said Lease Agreement without the written consent of the Lessor.

### Lessor's Rights Re: Mortgagee

- 10. In the event of default hereunder by the Lessee thereby rendering this Lease Agreement liable in termination or cancellation, the Lessor may terminate the Lease Agreement provided however the Lessor shall give notice in writing by registered mail to any mortgagee who shall have notified the Lessor of its name and address pursuant to Section 8(b) of the Lessor's intention to terminate or cancel this Lease Agreement.

### Mortgagee's Rights to Continue

11. If the Lessor elects to terminate the Lease Agreement as provided for in Section 10 hereof the mortgagee shall have the right, exercisable by notice in writing served by registered mail to the Lessor within 30 days after service of the notice by the Lessor under Section 10, to take over the Lease Agreement and in such case the Lessor will enter into a new lease of the lands with such mortgagee, or its nominee, for the remainder of the term hereof, effective on the day immediately prior to the day such termination or cancellation occurs, at the rent and additional rent and upon all of the terms, provisions, covenants and agreements contained in this Lease Agreement. It is understood that if the mortgagee gives the said notice within the time required, the Lessor will not terminate or cancel this Lease Agreement, except subject to the terms and conditions hereof, PROVIDED HOWEVER, it is and shall be a condition of the granting of such new Lease Agreement to the mortgagee that:

(a) The mortgagee's notice to the Lessor under this Section 11 shall be accompanied by payment to the Lessor of all sums then due to the Lessor under this Lease Agreement together with reasonable expenses; and

(b) Such mortgagee shall pay to the Lessor at the time of the execution and delivery of the proposed new Lease Agreement any and all sums which would at the time of execution and delivery of such new Lease Agreement be due under this Lease Agreement but for such termination, or if this Lease Agreement shall have been terminated by reason of any default, the curing of which default requires that the mortgagee shall be in possession, then such mortgagee shall immediately upon taking possession of the land and the improvements, commence and diligently prosecute the curing of such default and pay to the Lessor all expenses.

In the event the mortgagee shall enter such new Lease Agreement with the Lessor, or if the mortgagee shall realize on the security given to it under the terms of the said mortgage, the mortgagee may not assign, sell or otherwise dispose of the said Lease Agreement and leasehold estate without the written consent of the Lessor.

### Mortgagee not Obligated to Remedy Defaults

12(a) The Lessor acknowledges and agrees that any mortgagee shall not be required, except as a condition to obtaining a new Lease Agreement under the provisions of Section 11 hereof, to cure or remedy any default or defaults of the Lessee, or any of them, which the mortgagee is entitled to cure or remedy pursuant to Section 9 hereof.

(b) Where the Lessee:

(i) Fails to pay an amount of rent or other charges when due and payable under the terms of this Lease Agreement, or

(ii) Fails to perform or comply with any other covenant, term or condition in this Lease Agreement to be performed or complied with by the Lessee,

if the leasehold estate created by this Lease Agreement is subject to a mortgage, the mortgagee, before forfeiture may make all payments and do all things necessary to prevent a forfeiture of this Lease Agreement.

### Insurance

13(a) Throughout the term of this Lease Agreement the Lessee shall insure and keep in force at its own expense, for the benefit of the Lessor and the Lessee:

(i) general liability insurance in respect of injury to or death of any person or property loss or damage in an amount to be not less than \$2,000,000 (two million dollars). Such insurances shall include but not be limited to:

a) Ministry of Parks, Culture and Sport as additional insured;

- b) Participants coverage;
  - c) Cross liability; and
- (ii) fire or other property loss insurance for all improvements now or hereafter erected on the lands equal to the full replacement value thereof.
- (b) All insurance shall be effected with insurers holding a current license as an insurer under *The Saskatchewan Insurance Act* and upon terms and conditions satisfactory to the Lessor.
  - (c) Prior to the commencement of each operating season, the Lessee shall furnish to the Lessor a certified true copy of the insurance policy, Certificate of Insurance or other evidence satisfactory to the Lessor of such insurance and any renewals thereof.
  - (d) All required policies shall state that coverage provided not be materially changed nor cancelled until 15 days written notice of such material change or cancellation has been given to the Lessor.

#### Amounts may be Varied

- 14(a) At any time during the continuance of this Lease Agreement, the Lessor may unilaterally vary the rents specified in Section 4 and the amounts specified in Sections 13 and 17 for any operating season by giving the Lessee written notice of the Lessor's intention to do so prior to the commencement of business operations in that operating season.
15. Where the Lessor does not vary a sum or amount pursuant to Section 14, the sum or amount applicable for the next operating season shall be the sum or amount applicable for the immediately preceding operating season.

#### Indemnification

- 16(a) The Lessee hereby indemnifies the Lessor and saves it harmless from any and all claims, actions, suits, damages, liability and expense in connection with loss of life, bodily injury or property damage arising from or out of any occurrence in, upon or at the land or improvements or occasioned wholly or in part by any act or omission of the Lessee, its agents, contractors, employees, servants, invitees, licensees or concessionaires.
- (b) The Lessor shall not be responsible in any way for injury to any person or persons or for loss of or damage to any property belonging to the Lessee or to its employees, agents, invitees, customers, or licensees while such person or property is in or about the land or improvements, including, without restricting the generality of the foregoing, any injury to any such person or loss of or damage to any such property caused by theft or breaking, or for any damage or injury caused by anything done or omitted to be done by the Lessee or for any other loss whatsoever of the Lessee with respect to the land or improvements or the business or property of the Lessee carried on or contained therein, unless such damage or loss is caused solely by the wilful act or gross negligence of the Lessor.
- (c) All property of the Lessee, including without limitation, inventories, finishings, fixtures, located upon or stored upon the land or improvements shall be at the sole risk of the Lessee and the Lessee hereby release the Lessor from any and all liability for any claims whatsoever arising out of damage to, loss or theft of the same including any and all claims in subrogation by any insurer of the Lessee, unless such damage or loss is caused solely by the wilful act or gross negligence of the Lessor.

#### Service and Utility Charges

- 17(a) In addition to the rents hereby reserved, the Lessee shall pay to the Lessor service and utility charges according to the following schedule:

garbage: Lessee responsibility.

water: Lessee responsibility or if provided by the Lessor, to be determined by the Lessor.

sewer: Lessee responsibility.

power: Lessee responsibility.

energy: Lessee responsibility.

litter control: It is to be provided by the Lessee, as described in Section 27(b) contained herein, if not provided to the satisfaction of the Lessor, notification will be given and following a 24-hour period the Lessor may supply clean up and charge the Lessee accordingly based on actual costs of labour and/or equipment

security: The Lessee agrees to be responsible for all security within the land and improvements necessary to protect the land and improvements from vandalism or damage through wilful acts of third parties.

- (b) The Lessor agrees that the Lessee shall only pay service and utility charges under Section 17(a) during the months or parts thereof that the Lessee occupies the improvements. The Lessee shall notify the Lessor of the date on which the improvements will be vacated following closing of the business operation.
- (c) The payments required by this Section shall be due and payable in the amount as stated in the invoices from the Lessor within 15 days from the date of the said invoice. The Lessee shall pay interest to the Lessor on any amount not paid on time. The rate of interest shall be 1.0% per month (12% per annum) on all sums of money owing that are not paid within 60 days from the date of issue, and unpaid interest shall be compounded annually thereafter.
- (d) The Lessor shall have access to the land for the purpose of establishing and placing utility right-of-ways. The Lessor agrees to repair any damage to the improvements including turf disruption that may be necessary for the placement of utility right-of-ways.

#### Default

##### 18. If and whenever:

- (a) The Lessee fails to make rent or any other payment when required;
- (b) The Lessee, at any time during the operating season, except with the written consent of the Lessor, vacates the land and improvements for a period exceeding seven consecutive days, or if the land and improvements are used for any purpose other than the business;
- (c) The Lessee fails to provide the business as required by this Lease Agreement;
- (d) The Lessee or if more than one, any of them files in any court a petition in bankruptcy or insolvency or for the appointment of a receiver or trustee of all or a substantial portion of the Lessee's property or if there is filed against the Lessee in any court a petition in bankruptcy or insolvency or for reorganization resulting from insolvency or for the appointment of a receiver or trustee of all or a portion of the Lessee's property, and such petition has not been finally dismissed and the Lessee is not proceeding in good faith to contest the same:

- (e) The Lessee or if more than one, any of them makes an assignment for the benefit of creditors;
- (f) The Lessee fails within the time period specified in a written notice by the Lessor to carry out the maintenance and repair obligations under Section 27;
- (g) The Lessee fails to provide the insurance as required by this Lease Agreement;

(any of which events are hereinafter referred to as "default")

then and in the event of such default the Lessor shall without notice or any form of process have the right to re-enter upon the land and improvements and the term shall forthwith terminate and rent for the three months next ensuing for such interest shall immediately become due and payable.

Except as otherwise agreed to in this Lease Agreement, the parties agree that, in the event of any default by the Lessee as defined in this Section, Clauses 19(a) and (a.1) of *The Parks Act* shall not apply in respect of such default.

#### Non-Compliance with Terms:

19. In addition to the rights of the Lessor under Section 18, if the Lessee defaults under or fails to comply with any term in this Lease Agreement, the Lessor may deliver to the Lessee notice in writing to that effect, and following the delivery of the notice the Lessee shall have 30 days to remedy the default. If the Lessee has not remedied the default within 30 days after the delivery of the notice this Lease Agreement shall be terminated, and the Lessor may, without further notice or any form of process re-enter and take possession of the land and improvements.

#### Removal of Property

20. Subject to the Lessor's right of distress, upon the expiration or termination of this Lease Agreement pursuant to any provision herein, the Lessee shall forthwith remove from the improvements and land all of its property consisting of stock, equipment and facilities (other than fixtures and improvements) placed or brought on the land and improvements by the Lessee. Failure to remove the said property within 90 days of the expiration or termination of this Lease Agreement shall be deemed to be an abandonment of the said property by the Lessee and such property shall be forfeited to the Lessor without compensation for it, to be disposed of in any manner that the Lessor considers appropriate.

#### Removal of Improvements

- 21(a) Upon the expiration or termination of this Lease Agreement pursuant to any provision herein, the Lessee may, within 90 days after such expiration or termination, remove any improvements from the land without causing unnecessary damage to the land or subject to Section 23, sell the improvements. The Lessee is liable to the Lessor for any damage to the land caused by the removal of improvements under this paragraph.
- (b) If the Lessee does not remove or sell the improvements within the time specified in paragraph (a) of this Section, the Lessee is no longer entitled to remove or sell the improvements and shall cease to have any rights in respect thereof and the Lessor may, upon the expiration of the notice period specified in paragraph (a), remove or cause to be removed any or all improvements and all costs incurred thereby, including any costs of repairing any damage to the land occasioned by such removal, shall be a debt due and owing by the Lessee to the Lessor.

#### Forcible Entry

22. For the purpose of entering the land and improvements pursuant to Section 18 or 19, the Lessor may use any reasonable force necessary to gain entry to the improvements and improvements without responsibility to the Lessee for liability for resulting damage and the Lessee hereby expressly releases the Lessor from any action, proceeding, claim or demand respecting such forcible entry.



### Right of First Refusal

- 23(a) During the term of this Lease Agreement and any renewal thereof or within the time mentioned in 21(a), if the Lessee receives a bona fide offer to purchase the improvements which the Lessee is willing to accept, then the Lessee shall give written notice of such offer to the Lessor and the Lessor shall have the right, during the next 30 business days after the giving of such notice, by written notice given to the Lessee, to elect to purchase the improvements for the price and upon the terms and conditions contained in the said offer.
- (b) If the Lessor does so elect, the notice given by it shall constitute a binding agreement of purchase and sale. If the Lessor does not so elect, the Lessee shall be free to sell the improvements on the terms and conditions set forth in the said offer, subject however to the written consent of the Lessor for such sale or disposition.

### Improvements Subject to Debts

24. Notwithstanding any other provision of this Lease Agreement, the right of the Lessee to remove or sell improvements shall be subject to any debts (including rent) owing by the Lessee to the Lessor or owing by the Lessee to any other person according to the terms of this Lease Agreement, and the Lessor may elect to sell or retain any or all improvements as partial or full satisfaction of such debts.

### Quiet Enjoyment

25. Until termination of this Lease Agreement in accordance with the provisions hereof, and while not in default the Lessee shall and may peaceably possess and enjoy the land for the term, without interruption or disturbance from the Lessor or any other person lawfully claiming by, from or under the Lessor, but nothing in this Section limits the rights of inspection conferred upon the Lessor hereunder.

### Operating Provisions

- 26(a) The Lessee shall obtain prior approval of the Lessor for all advertising, signs and other promotional material with respect to content, distribution and placement within Narrow Hills Provincial Park.
- (b) The Lessee shall maintain, in a manner satisfactory to the Lessor, records respecting the business or undertaking of the Lessee, and shall allow any person authorized in writing by the Lessor to inspect such records at all reasonable times.
- (c) The Lessee shall obtain all licenses and permits required by law and pay all taxes, assessments and other levies imposed by federal, provincial and municipal governments and other lawful agencies.
- (d) The Lessee shall maintain stock and equipment that is satisfactory to the Lessor and that will adequately meet reasonable public demands.
- (e) If the Lessee or his employees find or receive unclaimed articles, whether in the park or on the land or improvements, such articles shall be immediately delivered to the park manager and the Lessee hereby agrees to forfeit all claims to such articles.
- (f) The Lessee shall immediately remove from the land and improvements any stock item or object considered objectionable by the Lessor upon being requested to do so by the Lessor.
- (g) The Lessee shall employ an adequate number of competent, neat and obliging personnel in order to operate the business and shall comply with all federal, provincial and municipal laws respecting employees.
- (h) The Lessee covenants and agrees that its directors or officers will personally manage and operate the business located on the land during the continuance and subject to the terms and conditions of this Lease Agreement, provided however that the Lessee may delegate any of its management and operational duties to another person with the express written consent of the Lessor.
- (i) The Lessee shall insure that a competent and capable person is available to represent the Lessee on improvements at all times.

- (j) The Lessee shall price goods and services at fair and reasonable rates and shall conspicuously display the prices.
- (k) Prior to the commencement of each operating season and upon the Lessor's request, the Lessee shall provide to the Lessor a list of prices that he intends to charge during that operating season.
- (l) The Lessee shall refrain from carrying on or permitting to be carried on any activity which is damaging, disturbing or a nuisance to the land, the improvements, the park or persons on the land.
- (m) The Lessee shall comply with all provisions of law including federal, provincial and municipal which relate to the equipment, maintenance, operation and use of the land and improvements and protection of the environment.
- (n) The Lessee is responsible to operate and maintain the land and improvements in a manner to preserve public safety.

#### Conditions of Land & Improvements During Term

- 27(a) The Lessee shall at all times maintain, to the satisfaction of the Lessor, the land and improvements in good order, clean and in good condition/repair and with items of comparable construction and repair.
- (b) The Lessee shall daily clean up papers, wrappers, bags and other refuse that accumulates within a fifty-foot radius of the land.
- (c) The Lessee shall repair or replace any property of the Lessor that breaks down or is damaged as a result of misuse, abuse or neglect by the Lessee or his servants, employees, agents or contractors.
- (d) At the close of each operating season the Lessee shall prepare the improvements for off-season storage.
- (e) The Lessee shall permit the Lessor to enter and view the state of repair and maintenance of the land and improvements and to require repair according to notice in writing.
- (f) The Lessee agrees to maintain and repair all access roads to the outside perimeter of the land identified in Schedule "A".
- (g) The Lessee shall remove all non-working heavy equipment, trailers, automobiles, recreational vehicles, as well as all scrap metal, construction supplies, and other materials from the site by March 31, 2021.

#### Repair and Maintenance by Lessor

- 28. (a) The Lessor is not required to repair, maintain or replace any property, including improvements, provided by the Lessee or any other persons.
- (b) The Lessor will not be responsible to maintain, repair or replace water and sewer related improvements that are located within the lease boundary and are owned by the Lessor and leased to the Lessee.
- (c) The Lessor is not required to provide any winter services to the Lessee. This includes, but is not limited to, snowplowing roads within Narrow Hills Provincial Park to access the lease premises.

#### Damage or Destruction

- 29(a) The partial destruction or damage or complete destruction by fire or other casualty of the improvements shall not terminate this Lease Agreement or entitle the Lessee to surrender possession of the land or to demand an abatement or reduction of the rent or additional rent or other charges payable under this Lease Agreement.
- (b) The Lessee covenants that in the event of damage to or partial destruction or complete destruction of the improvements, the Lessee will either:
  - (i) repair or replace or cause to be repaired or replaced the part of the improvements damaged or partially destroyed, or

- (ii) replace, or cause to be replaced, the improvements which have been destroyed at a cost of not less than the amount of insurance available to the Lessee.

The Lessee shall use or cause to be used the proceeds of insurance for rebuilding or repairing and shall ensure that the insurance policy so stipulates.

#### Assignment

- 30. The Lessee shall not mortgage, assign, sell, sublet, transfer or otherwise dispose of this Lease Agreement or any part thereof or any of the rights and privileges contained therein without prior written consent of the Minister.

#### Notice

- 31(a) Any notice required to be served on or delivered to the Lessee under this Lease Agreement may be served personally or by sending it by registered mail to the following address:

**CARIBOU CREEK LODGE LTD.**

Dwight Whitley

PO Box 354

MEATH PARK SK S0J 1T0

- (b) Any notice required to be served on or delivered to the Lessor under this Lease Agreement may be served personally on any responsible permanent employee of the ministry or by sending it by registered mail to the ministry at the following address:

Ministry of Parks, Culture and Sport

Parks Division – 2<sup>nd</sup> Floor

3211 Albert Street

REGINA SK S4S 5W6

- (c) If either party changes its address for service it must give the other party written notice of the change within 30 days.

#### Observance of Governmental Regulations

- 32(a) The Lessee covenants that it will comply with or cause to be complied with all provisions of law including, without limitation federal and provincial legislative enactments, zoning and building by-laws, and any other governmental or municipal regulations which relate to the equipment, maintenance, operation and use of the improvements and land and to the making of repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the building or any part thereof. The Lessee covenants to comply with or cause to be complied with all police, fire and sanitary regulations imposed by federal, provincial or municipal authority.
- (b) In addition to the covenants, conditions, stipulations and provisions herein expressed or implied, and without restricting the generality of the foregoing, these presents shall be subject to all the applicable provisions of the laws of Saskatchewan including without limiting the generality of the foregoing: *The Fire Safety Act, The Forest Resources Management Act, The Fisheries Act (Saskatchewan), 1994, The Wildfire Act, The Public Health Act 1994, The Wildlife Act 1998, The Mineral Resources Act 1985, The Crown Minerals Act, The Saskatchewan Water Corporation Act, The Saskatchewan Watershed Authority Act 2005, The Environmental Management and Protection Act 2010, The Planning and Development Act 2007, The Power Corporation Act, The Environmental Assessment Act, The Parks Act and The Saskatchewan Employment Act*, all of the Province of Saskatchewan, and to all the applicable provisions of the regulations now in force or which may hereafter from time to time be made under the authority of the said Acts or any of them, and the Lessee does hereby covenant and agree to observe, perform and abide by all such provisions.
- (c) Except as specifically otherwise provided herein, this Lease Agreement is subject to all provisions of *The Parks Act* and regulations thereunder, including without limiting the generality of the foregoing, the implied reservations, terms and conditions to which dispositions under that Act are subject.

#### Builders' Liens

33. The Lessee shall retain the hold-back required under *The Builders' Lien Act* in respect of any construction of improvements, and shall not otherwise suffer or permit any liens under any builders' lien law or any similar law to be filed or recorded against the building or the land against the interest of either the Lessor or the Lessee therein. If any such lien shall at any time be filed or recorded, the Lessee shall, upon notice from the Lessor obtain the release or discharge of such lien. Provided, however, that if the Lessee wishes to contest in good faith the amount or validity of any such lien and if the Lessee has so notified the Lessor and deposited with the Lessor evidence of security sufficient to ensure payment of any such lien, or ability to satisfy same, then the Lessee may defer payment of such lien claim for a period of time sufficient to enable the Lessee to contest the claim with due diligence, provided always that neither the land nor the interest of the Lessor or Lessee therein shall thereby become liable to forfeiture, foreclosure or sale.

#### Miscellaneous

- 34(a) It is agreed that the remedies of the Lessor under this Lease Agreement are cumulative and the exercise by the Lessor of a right or remedy for a default or breach of a covenant, condition or agreement contained in this Lease Agreement is not considered to be a waiver of or to alter, affect or prejudice another right or remedy to which the Lessor may be lawfully entitled. A waiver by the Lessor of the strict observance, performance or compliance by the Lessee of or with a term, covenant, condition or agreement contained in this Lease Agreement is not considered to be a waiver of or to alter, affect or prejudice another right or remedy to which the Lessor may be lawfully entitled for the same default or breach.
- (b) It is agreed that the provisions contained in this Lease Agreement are not considered improvements.
- (c) Time is of the essence of this Lease Agreement.
- (d) It is agreed that the parties shall execute any reasonable changes or amendments to this Lease Agreement not affecting the substance of this Lease Agreement which are required by any mortgage in connection with any interim or permanent financing for the building and which are approved by the parties hereto (such approval not to be unreasonably withheld or delayed). This Lease Agreement may not be amended except by an instrument in writing of equal formality signed by the parties to this Lease Agreement or by their successors or assigns and where a mortgage of the leasehold estate has been made in accordance with this Lease Agreement, no amendment shall be valid unless consented to by the mortgagee.
- (e) It is hereby agreed that the rights and obligations conferred or imposed on the Lessor by this Lease Agreement may be exercised by any person expressly authorized by the Lessor to act on his behalf.
- (f) The Lease Agreement contains the sole agreement between the parties with respect to the subject matters of the Lease Agreement. There is no representation, warranty, collateral agreement or condition affecting this Lease Agreement other than as expressed herein.
- (g) It is agreed that if upon the termination of this Lease Agreement the Lessor permits the Lessee to remain in possession of the improvements and accepts rent, a tenancy from year to year is not created by implication of law, and the Lessee is considered to be a monthly tenant only at the rent payable immediately prior to the termination.

- (h) Where the masculine gender is used in this Lease Agreement, it is deemed to include the feminine and, where the Lessee is a corporation, is deemed to be a reference to the corporation.
- (i) This Lease Agreement shall enure to the benefit of and be binding on the parties and their respective permitted heirs, executors, administrators, successors and assigns.
- (j) Where notice is provided by registered mail from the Lessor, the Lessee is deemed to have received it five days after the day on which it is mailed.

IN WITNESS WHEREOF the parties have set their hands and seals the day and year first above written.

SIGNED, SEALED AND DELIVERED  
in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Minister of Parks, Culture and Sport (seal)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Lessee (seal)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Lessee (seal)

## SCHEDULE "A"

To the Lease Agreement dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

between:

The Minister of Parks, Culture and Sport  
(Lessor)

and

CARIBOU CREEK LODGE LTD.  
(Lessee)

### Land Location/Description:

The improvements are located on lands designated by the Lessor and situated in the Province of Saskatchewan and defined within the "Lease Boundary" outlined in red on the plan marked Schedule "A", which is attached hereto and forms part of this Lease Agreement, which said lands are located on the Southwest quarter of Section 32, in Township 58, Range 18, West of the Second Meridian in Narrow Hills Provincial Park.



0 250 500 Feet  
0 75 150 Meters  
Scale 1:2500



**Lease Area**  
**Narrow Hills Provincial Park**

Date: 5/9/2019

