

neglects to pay any amount within thirty (30) days of the date of the written invoice produced by the Lessor, the Lessee shall pay interest on such amount until paid in full, at the rate prescribed from time to time in the directives or regulations issued by the Minister of Finance under *The Financial Administration Act (Manitoba)*.

PART II - THE PARTIES FURTHER COVENANT AND AGREE as follows:

WINNING BID AMOUNT, TAXES

1. The Lessee shall pay in each year included within the Lease Term, together with and in addition to the annual rent payment referred to in Part I b) above, the following amounts:
 - a) in the first year of the Lease Term, the winning bid amount of the Lessee determined by auction as set out in Schedule "C" to this Lease Agreement, if applicable;
 - b) such amounts as the Agriculture Minister, in his or her absolute discretion, fixes under subsection 7(4) of the Act as payment(s) to be made by the Lessee in lieu of municipal or local government district taxes and school taxes in respect of the Leased Lands; and
 - c) an amount equal to any and all goods and services, sales, value-added or other taxes imposed on or collectible by the Lessor with respect to the said rent payments, and such amount shall not be considered rent for the purposes of this Lease Agreement but the Lessor shall have the same rights and remedies for recovering such amount as the Lessor has for recovery of unpaid rent under this Lease Agreement.

LESSOR'S RIGHT TO RECOVERY OF ARREARS

2. Where any rent, taxes (or payment in lieu) or other amount payable by the Lessee under this Lease Agreement is in arrears or remains outstanding for a period of three (3) months, the RESB Director or any authorized person may, in writing, and in addition to any other remedies available to the Lessor under this Lease Agreement or the Act, or both, issue a distress warrant to a person named therein who shall proceed, subject to any exemptions available to the Lessee under *The Landlord and Tenant Act (Manitoba)*, to distrain the goods and chattels of the Lessee, wherever they are found on the Leased Lands, for the recovery of the rent or other amount in arrears or that is outstanding, and the Lessor may sell them; such distraining of the Lessee's goods and chattels shall not deprive the Lessor of the right to recover such arrears or amount outstanding, or any remaining part thereof, by any other lawful means.

CANCELLATION FOR DEFAULT, BREACH, OR NON-PERFORMANCE

3. The RESB Director may immediately cancel or terminate this Lease Agreement for default in payment of rent, taxes (or payment in lieu) or any other amount hereby reserved or payable by the Lessee or for the breach or non-performance by the Lessee of any covenant, proviso, condition or undertaking herein contained, to be kept, observed or performed by the Lessee, by providing to the Lessee at the address specified in Section 38 b) of this Lease Agreement, a written notice stating the intention of the RESB Director to do so; and upon issuing such written notice, all rights of the Lessee under this Lease Agreement and of any other persons claiming through or under the Lessee shall cease and determine, and the RESB Director may in his or her discretion cause to be forfeited to the Crown any or all monies, including rent and taxes paid in advance in accordance with Part I b) and Section 1 of Part II of this Lease Agreement, paid by or on behalf of the Lessee in respect of or under this Lease Agreement, and the Lessor may dispose of the Leased Lands as if this Lease Agreement had never been made.

USE OF THE LEASED LANDS

4. The Lessee shall:
 - a) subject to any restrictions or limitations set out in Schedule A to this Lease Agreement, use the Leased Lands for the purpose of perennial forage production in accordance with the terms of this Lease Agreement at all times during the Lease Term, except for any time period that may be authorized by the Agriculture Director in writing;
 - b) not cultivate or bring into cultivation any portion of the Leased Lands without first obtaining the consent of the Agriculture Director in writing;
 - c) use the Leased Lands in accordance with good management, husbandry and conservation practices;
 - d) ensure that any activities under clause (i) and (ii) above are done in a manner that supports the long-term productivity and sustainability of the Leased Lands and are appropriate in the applicable climatic conditions;
 - e) at no time do, suffer or permit to be done any act or thing in or upon the Leased Lands that is or may be considered a nuisance or disturbance to the occupiers of any lands and premises adjoining or adjacent to, or in the vicinity of, the Leased Lands, or to the public generally; and
 - f) at no time cause, allow or permit any liens (including, but not limited to, builders' liens) to arise or be filed against any of the Leased Lands on account of any work, labour, services or materials supplied to or on behalf of the Lessee.

ACTIVE INVOLVEMENT

5. At all times during the Lease Term, the Lessee shall ensure the following is actively involved in grazing livestock or haying on the Leased Lands:

- (a) if the Lessee is an individual, the individual;
- (b) if the Lessee consists of more than one individual, each individual;
- (c) if the Lessee consists of or includes a partnership, each member of the partnership;
- (d) if the Lessee is a corporation, each shareholder of the corporation;
- (e) if the Lessee is a forage cooperative, each member of the cooperative;
- (f) if the Lessee is a band as defined by the *Agricultural Crown Lands Leases and Permits Regulation*, at least one member of the band;
- (g) if the Lessee is a Hutterite colony or other similar organization, or a corporation owned by a Hutterite colony or other similar organization, at least one member of the Hutterite colony or other similar organization.

USE OF FORAGE

6. Any and all rights to use forage produced on or from the Leased Lands are conditional on the continued and timely payment of all rents and other monies and there being no other breach or default under this Lease Agreement, any other lease agreement that the Lessee has entered into with the Lessor or any licence or permit granted by the Lessor to the Lessee, whether solely or jointly with or to any other person, with respect to the leasing, licensing or permitting of agricultural Crown lands under the Act.

PROHIBITIONS

7. The Lessee shall not:
- a) remove or permit the removal of any soil, peat or sod from the Leased Lands; nor
 - b) sublet or underlet the Leased Lands or any part thereof, nor assign this Lease Agreement or any of the Lessee's rights or obligations hereunder without the prior written consent of the Lessor, which consent may be withheld at the Lessor's sole discretion.

NO WASTE AND UNDESIRABLE STRUCTURES

8. The Lessee shall not:
- a) accumulate, permit or allow the accumulation of any waste material, including manure piles, debris, refuse or garbage on the Leased Lands or any part thereof;
 - b) construct or permit the existence or construction of any structure on the Leased Lands or any part thereof that the Agriculture Director determines to be an undesirable structure;
- and the Lessee shall forthwith remove any such waste material, debris, refuse or garbage and forthwith repair or remove any such undesirable structure on written notice from the Lessor.

FENCES, TIMBER ETC.

9. The Lessee shall:
- a) keep all fences, structures and other improvements situated (now or at any time during the Lease Term) on the Leased Lands in good repair;
 - b) not cut down any trees or timber on the Leased Lands or any part thereof without a permit issued by the appropriate provincial government department or ministry; and
 - c) comply with all applicable laws including (but not limited to) *The Forest Act (Manitoba)* and *The Fires Prevention and Emergency Response Act (Manitoba)* and the regulations under *The Wildlife Act (Manitoba)* with respect to posting of hunting signage.

COMPLIANCE WITH LAWS

10. The Lessee shall comply with all applicable laws of the Province of Manitoba and Canada in the exercise of the Lessee's rights under this Lease Agreement and in the Lessee's use of the Leased Lands, including without limitation:
- a) *The Environment Act (Manitoba)* and all regulations under that Act;
 - b) *The Noxious Weeds Act (Manitoba)* and all regulations under that Act; and
 - c) all laws relating to infectious and contagious diseases of animals and any animals affected or contaminated by, or that appear to be affected or contaminated by, a reportable disease or toxic substance, including *The Animal Diseases Act (Manitoba)*.

RESIDENCE OR RANCH HEADQUARTERS

11. The Lessee shall not construct any residence or ranch headquarter building on any of the Leased Lands, unless the Lessee applies, in writing, at the address specified in Section 38 a) of this Lease Agreement for prior approval of his or her request that a specified area be removed from and no longer be part of the Leased Lands. If such removal is approved, in writing, by the Lessor, the Lessee may then apply for a general residential permit or residence lease from the Real Estate Services Branch.

RIGHTS TO SAND, GRAVEL & MINERAL WITHDRAWAL

12. The Lessee acknowledges and agrees that all mines and minerals, sand and gravel on or under the Leased Lands, and the right to enter, locate, prospect, mine for and remove such minerals, sand and gravel, are reserved to the Crown; and the Lessor retains the absolute right to, at any time, immediately withdraw, by notice in writing addressed to the Lessee at the address specified in Section 38 b) of this Lease Agreement, any part of the Leased Lands on or under which sand,

gravel or mineral deposits are located, and upon withdrawal such part shall cease to form part of the Leased Lands.

ADDITIONAL RESERVATIONS

13. a) In addition to the reservation of mines and minerals, sand and gravel referred to in Section 12 of this Lease Agreement, the Lessee acknowledges and agrees that the following shall be reserved to the Crown from or out of the Leased Lands:
- i) all public trails, roads and highways existing thereon, or that at any time during the Lease Term may be built thereon as public trails, roads or highways;
 - ii) such lands as may be required for works constructed or to be constructed thereon under any Act of the Legislature of the Province of Manitoba;
 - iii) such lands as may be withdrawn or required for a public work;
 - iv) such lands as may be required for alternate land use; and
 - v) such lands as are not being used by the Lessee for the purpose granted under this Lease Agreement.
- b) For the purposes of paragraphs 13 a) iii) and iv), respectively, the terms or expressions "public work" and "alternate land use", shall each have the meaning given to them in the written policies approved from time to time by the Agriculture Minister governing the use of agricultural Crown lands in the Province of Manitoba (the "Policies").

WITHDRAWAL FOR HIGHER AND BETTER USE AND FOR ALTERNATE LAND USE

14. a) The Lessor may at any time withdraw any part of the Leased Lands for higher and better use, upon providing the Lessee with thirty (30) days' prior written notice of the Lessor's intention to withdraw the part(s) as described in such notice, and upon the expiration of the said thirty (30) days, the withdrawn part(s) shall automatically cease to form part of the Leased Lands.
- b) The Lessor may at any time withdraw any part of the Leased Lands for alternate land use, upon providing the Lessee with two (2) years' prior written notice of the Lessor's intention to withdraw the part(s) as described in such notice, and upon the expiration of the said two (2) years the withdrawn part(s) shall automatically cease to form part of the Leased Lands.
- c) For the purposes of Sections 14 a) and b) of this Lease Agreement, the terms or expressions "higher and better use" and "alternate land use" shall each have the meaning given to them in the Policies.

NO COMPENSATION

15. The Lessee acknowledges and agrees that no compensation whatsoever for loss of use, loss of business opportunity or loss of profitability, financial or otherwise, will be payable or provided by the Lessor where any part of the Leased Lands are withdrawn for any of the purposes or uses mentioned in Sections 12, 13 and 14 of this Lease Agreement.

REPRESENTATIONS, WARRANTIES AND COVENANTS, IF AN INDIVIDUAL LESSEE

16. The Lessee, if an individual (and each of them, if more than one), represents, warrants and covenants that he or she:
- a) is of the full age of eighteen (18) years; and
 - b) is and shall remain, throughout the Lease Term, a Canadian citizen or a permanent resident of Canada within the meaning of the *Immigration and Refugee Protection Act* (Canada).

REPRESENTATIONS, WARRANTIES AND COVENANTS, IF A PARTNERSHIP LESSEE; JOINT AND SEVERAL LIABILITY

17. If the Lessee consists of or includes a partnership or more than one individual, each such partner or individual represents, warrants and covenants that he or she:
- a) is and shall continue to be, throughout the Lease Term, in compliance with the requirements of Section 16 of this Lease Agreement; and
 - b) shall be jointly and severally responsible with all other partners/ individuals in performing or carrying out all covenants and undertakings contained in this Lease Agreement on the part of the Lessee.

REPRESENTATIONS, WARRANTIES AND COVENANTS, IF A CORPORATE LESSEE

18. If the Lessee is a corporation, the Lessee represents, warrants and covenants that:
- a) it is and shall remain, throughout the Lease Term, authorized by law to carry on business in the Province of Manitoba; and
 - b) each of its shareholders is and shall continue to be, throughout the Lease Term, an individual who meets all the requirements of Section 16 of this Lease Agreement.

REPRESENTATIONS, WARRANTIES AND COVENANTS, IF A FORAGE CO-OPERATIVE LESSEE

19. If the Lessee is a forage co-operative, the Lessee represents, warrants and covenants that each of its members is and shall continue to be, throughout the Lease Term, an individual who meets all the requirements of Section 16 of this Lease Agreement.

**ANNUAL REVIEW
OF FORAGE
PRODUCTION
CAPACITY**

20. The Lessee acknowledges and agrees that the forage production capacity of the Leased Lands and the farm management and husbandry practices of the Lessee may be subject to an annual review and reappraisal by the Department of Agriculture, and any and all adjustments to such forage production capacity that may be required pursuant to this Lease Agreement, the Act, any regulation to the Act, or the Policies, shall become effective on January 1st of the next year (included within the Lease Term) immediately following the date of such review and reappraisal.

**RESTORATION OF
LEASED LANDS**

21. Where the Agriculture Director determines that any of the Leased Lands have been abandoned after cultivation or that the native vegetation or peaty overburden thereon has been destroyed in whole or in part by fire, misuse or unauthorized activity, the Lessee shall forthwith seed to grass or otherwise reclaim such abandoned or destroyed land in such manner as may be required by the Agriculture Director.

ACCESS

22. The Lessee shall:

- a) permit access to, in, over or upon the Leased Lands to all duly authorized representatives or agents of the Lessor;
- b) permit access to any licensed hunter or fisher to enter and remain upon the Leased Lands for the purpose of hunting or fishing during any authorized hunting or fishing season;
- c) not interfere in any way with the public right of passage over any portage, road or trail existing on the Leased Lands as at the date of this Lease Agreement, or designated and installed pursuant to Section 23 of this Lease Agreement, and if the lands are fenced, the Lessee must erect gates across such a portage, road or trail if gates do not already exist; and
- d) permit such access to other persons to, in, over or upon the Leased Lands or such use of any area thereof by those persons as may be permitted at any time by the Lessor or under any Act of the Legislature of the Province of Manitoba.

**RIGHT TO
DESIGNATE NEW
ROADS OR TRAILS**

23. The Lessor has the right to, at any time, designate and install or cause to be installed a road or trail through or upon the Leased Lands, or any part thereof, where no alternative road or trail is, in the opinion of the Agriculture Director, available for passage to any lands, whether Crown owned or privately owned, adjacent to the Leased Lands.

**CONFINEMENT
OF LIVESTOCK;
PERIMETER FENCES**

24. The Lessee shall confine his or her livestock to the Leased Lands and shall not permit his or her livestock to stray upon any adjacent lands. For such purposes, the Lessee may, with the prior written authorization of the Agriculture Director, erect perimeter fences, as necessary, on the Leased Lands. Any perimeter fences erected by the Lessee shall take into account the access and other requirements as set out in Section 22 of this Lease Agreement and the Lessor's right to designate new roads or trails as set out in Section 23 of this Lease Agreement.

**STRUCTURES AND
OTHER
IMPROVEMENTS**

25. a) The Lessee may, with the prior written authorization of the Agriculture Director, erect on the Leased Lands structures such as cross fences, shelters and corrals and may make improvements, such as livestock watering and salting facilities, as may be desirable for the better utilization of the Leased Lands. All such authorized structures and other improvements shall be kept in good repair by the Lessee and shall, subject to Sections 2 and 26 of this Lease Agreement, remain the Lessee's property during the currency of this Lease Agreement.

- b) The Lessee acknowledges and agrees any utilities (including hook-ups), such as electrical, natural gas or water, that the Lessee may require for its agricultural operations in or upon the Leased Lands shall be the Lessee's sole responsibility and at its entire cost. The Lessee shall have written approval from the Agriculture Director prior to installing or arranging to install any utilities including hook-ups.
- c) The Lessee shall promptly pay to the relevant utility company the cost of any utilities used or consumed in or upon the Leased Lands and shall provide the Lessor with proof of such payment as and when required at any time by the Lessor.

**REMOVAL OF
STRUCTURES AND
OTHER
IMPROVEMENTS,
ETC.**

26. a) The Lessee may, at the sole cost and expense of the Lessee, prior to the effective date of cancellation or termination if this Lease Agreement is cancelled or terminated early, or within thirty (30) days after the end of the Lease Term or after notice of withdrawal of Leased Lands is given by the Lessor to the Lessee, as the case may be, remove any authorized structures and other improvements made to the Leased Lands (or the withdrawn portion thereof, as the case may be) by or on behalf of the Lessee in accordance with Section 25 of this Lease Agreement and, additionally, shall remove any such structures and other improvements on the Leased Lands that the Lessor determines to be an unacceptable structure in its sole discretion. If removal of any of such structures or other improvements damages any of the Lessor's property, the Lessee must repair the damage

or cause the damage to be repaired to the satisfaction of the Lessor at the Lessee's own cost.

- b) Unless otherwise agreed in writing by the Lessor, the Lessee must, at the sole cost and expense of the Lessee, prior to the effective date of cancellation or termination if this Lease Agreement is cancelled or terminated early, or within thirty (30) days after the end of the Lease Term or after notice of the withdrawal of Leased Lands is given by the Lessor to the Lessee, as the case may be, cause the Leased Lands (or the withdrawn portion thereof, as the case may be) to be returned to the condition they were in at the beginning of the Lease Term or to such improved condition as may be acceptable to the Lessor (the "Acceptable Condition"), removing all of the Lessee's personal property and all unauthorized structures and other improvements made to the Leased Lands (or withdrawn portion thereof) by or on behalf of the Lessee with the exception of any personal property or unauthorized structures and other improvements acceptable to the Lessor in its sole discretion. If removal of such personal property, structures or other improvements damages any of the Lessor's property, the Lessee must repair the damage or cause the damage to be repaired to the satisfaction of the Lessor at the Lessee's own cost.
- c) Any personal property belonging to the Lessee, as well as any structures and other improvements not removed by the Lessee within the time specified in Section 26 a) and b) of this Lease Agreement shall be deemed abandoned by the Lessee, shall revert to and be forfeited to the Crown and shall become the property of the Lessor without any financial compensation therefor to the Lessee. In such case, the Lessor may, without notice to the Lessee, retain the personal property, structures or other improvements as its own property, dispose of the personal property, structures or other improvements in such manner as it may choose, and retain and apply any proceeds as set out in this Section 26.
- d) If the Lessee fails to remove any waste material, debris, refuse or garbage from the Leased Lands or fails to return the Leased Lands (or such portion thereof as are withdrawn) to an Acceptable Condition within the time specified in Section 26 b) of this Lease Agreement, the Lessee shall be liable to the Lessor for all costs relating to the removal of any waste material, debris, refuse and garbage from the Leased Lands and the remediation of the Leased Lands to bring them to an Acceptable Condition.
- e) If, as of the date of the expiration of the Lease Term or the earlier termination of this Lease Agreement or withdrawal of Leased Lands by the Lessor, the Lessee owes any rent, taxes (or payment in lieu) or other amount under this Lease Agreement, any other lease agreement that the Lessee has entered into with the Lessor or any licence or permit granted by the Lessor to the Lessee, whether solely or jointly with or to any other person, relating to the leasing, licensing or permitting of agricultural Crown lands under the Act, the Lessee acknowledges and agrees that none of its personal property, structures or other improvements shall be removed from the Leased Lands unless and until all rent, taxes (or payment in lieu) and other amounts owing by the Lessee to the Lessor have been paid in full.
- f) Any personal property, structures or other improvements that become the Lessor's property in accordance with Section 26 c) of this Lease Agreement may be removed, demolished, sold or disposed of by the Lessor at the Lessee's entire cost and, for the purposes hereof, the Lessor may apply any financial proceeds realized from the sale or disposition of such personal property, structures and other improvements against any one or more of the following:
- i) any costs incurred by the Lessor in removing or demolishing any personal property or any structures and other improvements;
 - ii) any costs incurred by the Lessor in arranging for the sale or disposition of any personal property or any structures and other improvements;
 - iii) any other costs incurred by the Lessor that are payable by the Lessee as set out in this Section 26; and
 - iv) any rent, taxes (or payment in lieu) and other amounts owing by the Lessee.
- The Lessee agrees that, notwithstanding any law or rule to the contrary, the Lessor shall have the right to pursue such remedies as it may have at law or in equity, or both, to recover any additional amounts due and owing by the Lessee to the Lessor.
- g) Compensation from the Lessee for any remaining improvements made by the the "former holder" (as defined by section 19 of the *Agricultural Crown Lands Leases and Permits Regulation*) to the Leased Lands shall be governed by section 19 of the *Agricultural Crown Lands Leases and Permits Regulation*.

**LESSEE
RESPONSIBLE FOR**

27. The Lessee understands, acknowledges and agrees that:

- a) the Lessor is not obligated, express or implied, to provide any access to the

ACCESS

Leased Lands for the Lessee's use of the Leased Lands under this Lease Agreement; and

- b) the Lessee is solely responsible to ensure the Lessee, during the entire Lease Term, maintains the lawful right to physically access the Leased Lands.

LESSEE TO PROVIDE INFORMATION

28. a) The Lessee shall provide, upon the request of the RESB Director or the Agriculture Director, any information relating to the Lessee's compliance with the terms and conditions of this Lease Agreement, the Act, the Regulations and the Policies.
- b) Without limiting the generality of Section 28 a) above, on the request of either the RESB Director or the Agriculture Director, at any time and from time to time, the Lessee shall furnish and provide the requesting Director the following information:
- i) the number and species of animal units grazed and maintained on the Leased Lands;
 - ii) the number of tonnes of hay cut on the Leased Lands;
 - iii) the acreage cultivated on the Leased Lands including the kinds of annual crops, if any, grown on the cultivated area thereof; and
 - iv) such other information as either Director may require.

LESSEE'S LIABILITY FOR LOSS, DAMAGE OR INJURY

29. The Lessee shall indemnify and save harmless the Lessor and its Ministers, employees, agents and representatives, including (without limitation) the RESB Director and the Agriculture Director, from and against any and all claims, demands, actions, suits, proceedings and costs of every kind whatsoever for any loss or damage to property, loss of life or injury to persons arising out of the occupancy or use by the Lessee, or by any person for whom the Lessee is responsible for in law, of the Leased Lands and any buildings, structures or other improvements located thereon.

NO LIABILITY FOR FLOOD DAMAGE

30. Notwithstanding anything contained in this Lease Agreement, the Lessor shall not be liable for any loss, injury or damage of any kind whatsoever caused or purported to be caused by the raising or lowering, by natural or artificial means, of the level of any body of water.

LEASE TRANSFER TO IMMEDIATE FAMILY MEMBERS

31. The Lessee, or the executor or administrator of his or her estate, as the case may be, may submit a request to the Lessor, in writing at the address specified in Section 38 a) of this Lease Agreement, to approve one or more of the Lessee's "immediate family members" (as defined by the *Agricultural Crown Lands Leases and Permits Regulation*) to take an assignment of this Lease and assume the rights and obligations of the Lessee under this Lease Agreement. In order to be an "eligible immediate family member" entitled to an assignment or transfer of this Lease Agreement, the Lessor must be satisfied:
- a) that the Lessee:
 - i) meets the requirements under section 8 of the *Agricultural Crown Lands Leases and Permits Regulation*;
 - ii) meets the requirements and otherwise qualifies to transfer this Lease Agreement under the Policies; and
 - b) that the immediate family member (or each of them, if more than one):
 - i) meets the requirements for individual Lessees as set out in Section 16 of this Lease Agreement;
 - ii) is not bankrupt or insolvent and has not taken the benefit of any law pertaining to bankrupt or insolvent debtors;
 - iii) meets the requirements under section 8 of the *Agricultural Crown Lands Leases and Permits Regulation*;
 - iv) meets the requirements and otherwise qualifies to hold a lease agreement under the Policies;
 - v) demonstrates the ability to comply with the provisions of this Lease Agreement, including the provisions regarding active involvement as set out in Section 5.

CANCELLATION OR TERMINATION AT REQUEST OF LESSEE

32. a) The Lessee may request that this Lease Agreement be cancelled or terminated effective as of January 1st of any year during the Lease Term, by the Lessee giving written notice to the Lessor, at the address specified in Section 38 a) of this Lease Agreement, prior to January 1st of the year in which the Lessee requests that this Lease Agreement be cancelled or terminated or such later date as may be agreed to by the Lessor, in its sole discretion.
- b) Any requested cancellation or termination as set out in clause a) above may be agreed to by the Lessor on such reasonable terms and conditions as the Lessor may impose and specify in writing.
- c) The Lessee acknowledges and agrees that no compensation whatsoever for loss of use, loss of business opportunity or loss of profitability, financial or otherwise, will be payable or provided by the Lessor if the annual rent is increased as a result of any amendments to the Act or any Regulation.

**CANCELLATION
OR TERMINATION
BY RESB DIRECTOR**

33. In addition to cancellation or termination under Section 3 of this Lease Agreement, the RESB Director may immediately cancel or terminate this Lease Agreement by providing to the Lessee or, if the Lessee is deceased, to his or her executor(s) or administrator(s) or to any known family member(s) of the Lessee if there is no known executor or administrator, a written notice stating the intention of the RESB Director to do so and stating in such notice the reason for the said cancellation or termination, if at any time the RESB Director determines or is informed that:
- a) the Lessee obtained this Lease Agreement by means of fraud, misrepresentation or failure to disclose a material fact in his or her application or registration form;
 - b) the Lessee is in default under any other lease agreement that the Lessee has entered into with the Lessor or under any licence or permit granted by the Lessor to the Lessee, whether solely or jointly with or to any other person, with respect to the leasing, licensing or permitting of agricultural Crown lands under the Act;
 - c) there is no remaining Lessee or there is no "eligible immediate family member" (as defined above) of the Lessee acceptable to the Lessor who is willing to take an assignment of the rights and obligations of the Lessee under this Lease Agreement;
 - d) the Lessee, or any of its partners, shareholders or members as applicable, is not a Canadian citizen or a permanent resident of Canada within the meaning of the *Immigration and Refugee Protection Act* (Canada);
 - e) the Lessee, or any of its partners, shareholders or members as applicable, is not actively involved in the grazing or haying on the Leased Lands as required by Section 5 of this Lease Agreement;
 - f) all of the Leased Lands are required for any federal, provincial or municipal government purpose in the sole opinion of the RESB Director,
 - g) any Lessee is bankrupt or insolvent or takes the benefit of any law pertaining to bankrupt or insolvent debtors;
 - h) any Lessee that is a corporation is not authorized by law to carry on business in Manitoba; or
 - i) the Lessee does not have the lawful right to physically access the Leased Lands,
- and, upon such termination becoming effective, the Lessor shall have the right to re-enter and recover possession of the Leased Lands without hindrance or obstruction by or on the part of the Lessee.

APPEAL TRIBUNAL

34. The Lessee acknowledges and agrees that his or her only recourse in the event of cancellation or termination of this Lease Agreement in accordance with Section 33 of this Lease Agreement shall be to appeal such termination to the appeal tribunal referred to in the Act and in accordance with the appeal provisions as set out in the Act. The Lessee further acknowledges and agrees that there shall be no appeal to the said appeal tribunal where cancellation or termination results from the Lessee's failure to pay rent, taxes (or payment in lieu) or other amount(s) payable under this Lease Agreement or under any other lease agreement, licence or permit as referred to in Section 33 b) of this Lease Agreement.

**RIGHT OF LESSOR
TO COLLECT
MONIES DUE UPON
CANCELLATION OR
TERMINATION**

35. The cancellation or termination of this Lease Agreement shall not deprive the Lessor of any lawful means available to it of recovering from the Lessee any amounts payable or due and owing by the Lessee under this Lease Agreement or under any other lease agreement, licence or permit as referred to in Section 33 b) of this Lease Agreement as at the termination date, and such amounts shall include all expenses and costs, including all legal fees and expenses, incurred by the Lessor in recovering any of the amounts payable, due and owing hereunder.

**SURRENDER
OF LAND
UPON LEASE
TERMINATION**

36. a) The Lessee shall, upon the cancellation or termination of this Lease Agreement, peaceably and quietly leave, surrender and yield up all of the Leased Lands unto the Lessor in a condition acceptable to the Lessor and any costs incurred by the Lessor in returning the Leased Lands to a condition acceptable to the Lessor shall be paid by the Lessee upon written demand and may be recovered by the Lessor in any manner provided herein or in any other manner provided by law, including (but not limited) to by way of set off in accordance with the provisions of *The Financial Administration Act* (Manitoba).
- b) In the event of a cancellation or termination of this Lease Agreement, the Lessee shall not remove, nor cause or allow to be removed, any forage produced from or that is on the Leased Lands without obtaining written permission from the Lessor and provided that there are no outstanding rents or other amounts owing by the Lessee under this Lease Agreement, any other lease agreement that the Lessee has entered into with the Lessor or any licence or permit granted by the Lessor to the Lessee, whether solely or jointly with or to any other person, with respect to the leasing, licensing or permitting of agricultural Crown lands under the Act.

LEASE AGREEMENT

37. This Lease Agreement is made under and is subject to the applicable provisions of

**SUBJECT TO THE
CROWN LANDS ACT
AND POLICIES**

the Act, the Regulations and the Policies, all as amended from time to time and any successor provisions of any of them, and all such provisions form part of this Lease Agreement as if they were actually incorporated herein, whether or not they or any of them are explicitly mentioned or referred to in this Lease Agreement.

NOTICES

38. a) Any notice or other communication required or permitted to be given under this Lease Agreement by the Lessee to the Lessor, the RESB Director or the Agriculture Director shall be in writing and shall be delivered personally or sent by registered mail, postage prepaid, or sent by way of electronic mail or facsimile transmission, to:

Real Estate Services Branch
308-25 Tupper St N
Portage la Prairie MB R1N 3K1
Fax No. (204) 239-3560
E-mail: RESInfo@gov.mb.ca
Attention: Director of Agricultural Crown Lands

or

Manitoba Department of Agriculture
Crown Lands Branch
36 Armitage Avenue
P.O. Box 1286
Minnedosa MB R0J 1E0
Fax No. 204-867-6578
E-mail: agcrownlands@gov.mb.ca
Attention: Director of Agricultural Crown Lands

- b) Any notice or other communication required or permitted to be given under this Lease Agreement by the Lessor, the RESB Director or the Agriculture Director to the Lessee shall be in writing and shall be delivered personally or sent by registered mail, postage prepaid, or sent by way of electronic mail or facsimile transmission, to:

LESSEE(LastNameCAPSthenfirstnamelower)
ADDRESS1(POBOXinCAPS)
ADDRESS2(TowninLowerCase)
Fax No.: _____
E-mail: _____

- c) Any notice or other communication sent by registered mail shall be deemed to have been received on the fifth (5th) business day following the date of mailing. If mail service is disrupted by labour controversy, notice shall be delivered personally or sent by electronic mail or facsimile transmission. Any notice or other communication sent by electronic mail or facsimile transmission shall be deemed to have been received on the date of actual receipt of the transmission; provided that in the event such transmission is made on a weekend day or a public holiday, or after 4:30 p.m. (Manitoba time) on a business day, delivery shall be deemed to have been made on the next business day. The term "business day" means a day other than a Saturday, Sunday or any other day that the Lessor recognizes as a holiday as set out in *The Interpretation Act* (Manitoba).
- d) The Lessor and the Lessee may each designate, in writing, to the other, a different address or representative for purposes of receiving notices or communications under this Lease Agreement.
39. a) No amendment or change to, or modification of, this Lease Agreement shall be valid unless it is in writing and signed by all signatories to this Lease Agreement.
- b) None of the Lessor, the RESB Director or the Agriculture Director shall be considered to have waived the exercise of any right, power or remedy of the Lessor under this Lease Agreement, unless such waiver is made in writing. Any forbearance or indulgence by the Lessor, the RESB Director or the Agriculture Director in any respect shall not constitute a waiver of the covenant, obligation or undertaking to be performed by the Lessee.
- c) If any provision of this Lease Agreement is for any reason declared invalid, that provision shall be considered separate and severable from this Lease Agreement, and the other provisions of this Lease Agreement shall remain in force and continue to be binding upon the parties as though the invalid provision had never been included in this Lease Agreement.
- d) Wherever the singular or masculine are used herein, the same shall be interpreted as meaning the plural, feminine or neuter where the context or reference to the parties hereto so requires. Where the Lessee consists of more than one, all covenants on the part of the Lessee set out in this Lease Agreement are joint and several.

**GENERAL
PROVISIONS**

- e) All references in this Lease Agreement to the Act, the Regulations, the Policies and any other Acts of the Legislature of the Province of Manitoba shall be read to include any amendments, substitutions or revisions enacted or made from time to time to the said Act, Regulations, Policies or other Acts.
- f) If there is any conflict or inconsistency between the main body of this Lease Agreement and any of the Schedules identified herein; between this Lease Agreement, including the Schedules hereto, and the Act or any Regulations, including the *Agricultural Crown Lands Leases and Permits Regulation*; or between this Lease Agreement, including the Schedules hereto, and the Policies, such conflict or inconsistency shall be resolved in the following order of priority:
 - i) first: the Act or the Regulations;
 - ii) second: the Policies;
 - iii) third: the main body of this Lease Agreement; and
 - iv) fourth: the Schedules identified herein.
- g) This document and the attached Schedules A and B, and Schedule C (if applicable), contain the entire agreement between the parties. There are no undertakings, representations or promises, express or implied, other than those contained in this Lease Agreement.
- h) This Lease Agreement shall be interpreted, performed and enforced in accordance with the laws of the Province of Manitoba;
- i) The preamble hereto forms an integral part of this Lease Agreement;
- j) The headings and division of this Lease Agreement into parts, sections, subsections, clauses and any lower divisions are for convenience of reference only and shall not affect the construction or interpretation of this Lease Agreement;
- k) This Lease Agreement may be executed in counterparts and such counterparts together shall constitute a single instrument; and
- l) The signature of the RESB Director on this Lease Agreement has been electronically reproduced and shall have the same force and effect as if it was manually affixed to this Lease Agreement. The Lessor is bound accordingly.

[Rest of page intentionally left blank.]

LESSEE'S PERSONAL INFORMATION

40. The Lessee acknowledges that:

- a) personal information pertaining to the Lessee will be collected and used by the Department of Agriculture, the Real Estate Services Branch, and the RESB Director and Agriculture Director for purposes of their administering this Lease Agreement;
 - b) the collection and use of such personal information is under the authority of *The Crown Lands Act (Manitoba)* and the Government of Manitoba's Agricultural Crown Lands Program; and
 - c) the Department of Agriculture, the Real Estate Services Branch, the RESB Director and the Agriculture Director may each disclose such personal information between their organizations in order for them to carry out their respective roles and responsibilities under *The Crown Lands Act (Manitoba)* and the Agricultural Crown Lands Program.
- Such personal information will be protected by the protection of privacy provisions of *The Freedom of Information and Protection of Privacy Act (Manitoba)*.

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

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF MANITOBA, as represented by:

_____(seal)
Director of Agricultural Crown Lands appointed by the Minister responsible for the Department of Agriculture

Date: _____

THE LESSEE

Signature of Witness

Name:
Title (if applicable):

Date: _____

Name, Address and Telephone Number of Witness

Signature of Witness

Name:
Title (if applicable):

Date: _____

Name, Address and Telephone Number of Witness

I/We have authority to bind the Lessee.

Between

**HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF MANITOBA,
as represented by the Director of Agricultural Crown Lands
appointed by the Minister responsible for the Department of Agriculture,**

-and-

LESSEE(LastNameCAPSThenFirstNameinLower)

LEGAL DESCRIPTION(S) OF THE LEASED LANDS

The following agricultural Crown lands shall be used by the Lessee for forage production, unless otherwise restricted below.

LEGAL DESCRIPTION:

ACRES

HECTARES

1.

RESTRICTIONS:

1. PARCEL RESTRICTIONS

NIL

2. OTHER RESTRICTIONS

NIL

This is Schedule B to Forage Lease Agreement LEASENO dated as of the 1st day of January, 2023.

Between

**HIS MAJESTY THE KING IN
RIGHT OF THE PROVINCE OF MANITOBA,
as represented by the Director of Agricultural Crown Lands
appointed by the Minister responsible for the Department of Agriculture,**

-and-

Lessee(LastNameCAPSThenFirstNameinLower)

FORMULA FOR DETERMINING LEASE RENT

Unless otherwise expressly stated herein, all capitalized words and phrases set out in this Schedule shall have the meaning ascribed to them in the main body of the Lease Agreement of which this Schedule forms a part.

The annual rent payable under this Lease Agreement shall be calculated as follows:

DEFINITIONS

- 1** In this Schedule B, the following terms and expressions shall have the following meanings:

“Animal Unit Month” or **“A.U.M.”** means the amount of forage required to feed one mature 454 kg (1,000 pound) cow, with or without calf at foot, for one month while maintaining the vegetative stand on all of the Leased Lands in good condition;

“Department” means the Manitoba Department of Agriculture;

“Forage Production Capacity” is the number of Animal Unit Months that the Leased Lands are capable of producing in an average year, as determined by employees of the Department;

“this Lease Agreement” means the main body of the Lease Agreement to which this Schedule B is attached and of which it forms a part; and

“Leased Lands” means the parcel or parcels of land, as identified in Schedule A to this Lease Agreement.

**CALCULATING
TOTAL ANNUAL
RENT**

- 2 The annual rent payable for the Leased Lands shall be determined using the following formula:

$$\text{rent} = A \times B \times 3.5\%$$

In this formula,

- A is the average price of beef, determined by the average sale price per hundred pound weight for the previous 36 months, ending September 30 for 500 to 600 pound heifers and steers in the province as published by Canfax (an operating division of the Canadian Cattlemen's Association);
- B is the Forage Production Capacity of the Leased Lands.

This is Schedule C to Forage Lease Agreement LEASENO dated as of the 1st day of January, 2023.

Between

**HIS MAJESTY THE KING IN
RIGHT OF THE PROVINCE OF MANITOBA,
as represented by the Director of Agricultural Crown Lands
appointed by the Minister responsible for the Department of Agriculture,**

-and-

Lessee(LastNameCAPSThenFirstNameinLower)

WINNING BID AMOUNT

[Insert "The winning bid amount determined by auction: \$ _____" OR "Not Applicable"]

EXAMPLE