

LEASE AGREEMENT

between

The Rural Municipality of Mountain (Lessor)

-and-

(Lessee)

This Lease Agreement allows _____ to lease the following parcels of land from the Rural Municipality of Mountain:

Legal Description	Acres	Roll Number

LEASE TERM/PAYMENT:

1. THAT the Lessee shall have and hold the leased lands indefinitely beginning , 20 unless earlier terminated in accordance with the termination provisions hereinafter set out in this Lease Agreement. According to Municipal Policy each lease agreement shall be subject to annual review by Council.
2. THAT the Lessee shall be responsible for paying annual rent in full unto the Lessor on or before September 30 in each and every year included within the Lease Term. The annual rent shall be calculated based on yearly municipal taxes.
3. THAT any rent outstanding after September 30 will result in penalty of 1.25% per month.

USE OF THE LEASED LANDS:

4. The lessee shall not:
 - a. Remove or permit the removal of any mines, minerals, timber, soil, peat, or sod from the Leased Lands;
 - b. Sublet or underlet the leased lands or any part thereof, nor assign this Lease Agreement without the prior written consent of the Lessor; or
 - c. Allow or permit any other person's livestock to graze, pasture or feed on the Leased Lands or any part thereof.
5. 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 Rural Municipality of Mountain determines to be an undesirable structure;

and the Lessee shall forthwith remove any such waste material, debris, refuse or garbage and forthwith repair any such undesirable structure on written notice from the Lessor.

6. The Lessee shall:
 - a. Keep all fences situated (now or at any time during the Lease Term) on the Leased Lands in good repair;
 - b. Fences shall be as per the following setbacks:
 - a. Minimum Setback: 50 feet
 - b. Maximum Setback: 100 feet

7. The Lessee shall comply with all municipal, provincial or federal laws, including but not limited to animal control, building & development and fire prevention.

8. The Lessee shall not construct or develop any structure or buildings on Leased Lands without prior written approval. All development must conform to all Municipal and Provincial building and zoning by-laws.

9. The Lessee acknowledges and agrees that all mines and minerals on the Leased Lands, including sand and gravel, and the right to enter, locate, prospect, mine for and remove such 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, 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.

10. The Lessee acknowledges and agrees that the following shall be reserved from or out of the Leased Lands:

- a. 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;
- b. 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;
- c. Such lands as may be withdrawn or required for a public work;
- d. Such lands as may be required for alternate land use; and
- e. Such lands as are not being used by the Lessee for the purpose granted under this Lease Agreement.

11. 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 Lessor, available for passage to any lands, whether Crown owned or privately owned, adjacent to Leased Lands.

12. The Lessee acknowledges and agrees that no compensation whatsoever, for either 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 9, 10 & 11 of this Lease Agreement.

13. The Lessee shall:

- a. Permit access to, in, over or upon the Leased Lands to any designated officer of the Rural Municipality of Mountain or under any Act of the Legislature of the Province of Manitoba; and
- b. 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.

14. The Lessee may, with the prior written authorization of the Lessor, erect on the Leased Lands structures such as 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 improvements shall be kept in good repair by the Lessee and shall, subject to Section 18 of this lease agreement, remain the Lessee's property during the currency of this Lease Agreement. Upon expiration or termination of the Lease Agreement any land improvements (fencing, ditching etc.) shall remain with the Leased Lands.

15. The Lessee understands and acknowledges that the Lessor is not obligated, express or implied, to provide any access or drainage on the Leased Lands for the Lessee's use of the Leased Lands under this Lease Agreement.

16. The Lessee shall indemnify and save harmless the Lessor from and against any and all claims, demands, actions, suits, proceedings and costs of every kind whatsoever for any loss or damage to property 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 improvements located thereon.

17. 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 of any body of water.

18. The Lessee, if an individual, may request the Lessor, in writing, to approve an individual or individuals to whom the rights and obligations of the Lessee under this Lease Agreement may be assigned or transferred in the event of the Lessee's death or permanent disability, provided that such an individual is a direct descendant of the Lessee (spouse, partner, or child).

19. In the event the Lessee is offering for sale privately owned lands (which may or may not include the farm headquarters) the Lessee may apply in writing to transfer any or all leased properties with the purchaser of the privately owned lands. The purchaser shall be responsible for all rights and obligations of this Lease Agreement which may include, but not limited to, any outstanding rent or fees.

CANCELLATION OR TERMINATION

20. a) Upon the expiration of the Lease Term or the earlier termination of this Lease Agreement, the Lessee shall offer for purchase to the Lessor any and all structures and non-land improvements located on the Leased Lands. If the Lessor does not accept such offer, or if the Lessor makes a counter offer which the Lessee does not accept, within six (6) months of the date that the Lessor received the Lessee's original offer, the Lessee shall remove the said structures and non-land improvements within thirty (30) days following the expiration of such six (6) month period or the date that the Lessor informs the Lessee that the Lessor does not intend to purchase the said structures or non-land improvements, whichever occurs sooner.
- b) Any structures or non-land improvements not removed by the Lessee within the said thirty (30) days referred to in Section a), shall be deemed abandoned by the Lessee and become the property of the Lessor and without any financial compensation therefore to the Lessee.
- c) If, at of the date of the expiration of the Lease Term or the earlier termination of this Lease Agreement, the Lessee owes any rent, taxes (or payment in lieu) or other amount under this Lease Agreement the Lessee acknowledges and agrees that no removal of such structures or non-land improvements shall be made by the Lessee unless and until the Lessee has paid the full amount of such unpaid rent, taxes (or payment in lieu) or other amount to the lessor.
- d) Any structure or non-land improvements that become the Lessor's property in accordance with Section b) 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 structure or improvement against:
- i) any costs incurred by the Lessor in removing or demolishing any other structures or non-land improvements abandoned by the Lessee;
 - ii) any costs incurred by the Lessor in arranging for the sale or disposition of any structures or non-land improvements;
 - iii) any rent, taxes (or payment in lieu) or other amount owing by the Lessee, as referred to in Section c) of this Lease Agreement; or
 - iv) all of the above.
21. 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 giving at least three (3) months' notice to the Lessor. The requested cancellation or termination may be agreed to by the Lessor on such reasonable terms and conditions as the Lessor may impose and specify in writing.
22. The Lessor may cancel or terminate this Lease Agreement for default in payment of rent or any amount payable by the Lessee, for the breach or non-performance by the Lessee of any condition of this lease agreement or for non-use of leased lands. A written notice must be provided to the Lessee stating the intention of the Rural Municipality of Mountain to do so upon the expiration of three (3) months following the date of such written notice.
23. In addition to cancellation or termination under Section 22 of this Lease agreement, the Lessor may cancel or terminate this Lease agreement by giving to the Lessee at least thirty (30) days written notice stating in such notice the reason for the said cancellation or termination, where the Rural Municipality of Mountain 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 therefore;
 - b. The Lessee is in default under any other lease agreement;
 - c. The Lessee is deceased (see provision under Section 18);
 - d. The Leased lands are required for any federal, provincial or municipal government purpose;
 - e. The Lessee is bankrupt, insolvent or takes the benefit of any law pertaining to bankrupt or insolvent debtors;
- 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.
24. 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 amount payable and owing by the Lessee under this Lease Agreement.

25. The Lessee shall, upon the cancellation or termination of this Lease Agreement, peaceably and quietly leave, surrender and yield up all of the Lease Lands unto the Lessor in a condition acceptable to the Lessor. 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 under The Municipal Act or other applicable legislation.
26. In the event of a cancellation or termination of this Lease Agreement, the Lessee may, upon obtaining written permission from the Lessor and provided that there are no amounts owing by the Lessee under this Lease Agreement, remove any forage produced from or that are on the Leased Lands.

NOTICES

Any notice or other communication required to be given to the Lessor under this Lease Agreement shall be in writing and shall be personally delivered or sent to:

Rural Municipality of Mountain
P.O. Box 155
Birch River, MB R0L 0E0
Fax: (204) 236-4773
Email: cao@rmofmountain.com

Any notice or other communication required to be given to the Lessee under this Lease Agreement shall be in writing and shall be personally delivered to sent to:

Any notice or communication sent by regular mail shall be deemed to have been received on the fifth (5th) business day following the date of mailing.

ANNUAL REVIEW

This Lease Agreement is subject to annual review by Council.

I hereby agree all terms and conditions contained within this Lease Agreement.

Date

Reeve

Date

Chief Administrative Officer

Date