

GRAZING LEASE

DISPOSITION NUMBER: GRL39556

EFFECTIVE DATE: July 01, 2022

EXPIRY DATE: June 30, 2032

TERM: 10 years

PROVINCE OF ALBERTA

This grazing lease, made under the authority of the *Public Lands Act*, R.S.A. 2000, c. P-40, as amended, and its regulations, is held by the following Lessee(s):

SMOKY RIVER RANCHING LTD.

8004152-001

The Lessee(s) may apply for renewal of this grazing lease in accordance with the legislation.

Pursuant to the *Public Lands Act*, R.S.A. 2000, c. P-40 and its regulations, the Director issues to the Lessee this disposition, a grazing lease, which is issued subject to the attached definitions, terms and conditions.



Designated Director under the Act

The public land referenced in this disposition may be subject to other regulatory authorizations. See Crown Land Data (Crownlanddatasupport@gov.ab.ca) for further information.

The *Public Lands Act*, the *Public Lands Administration Regulation* and other regulations applicable to the disposition can be viewed at http://www.qp.alberta.ca/Laws_Online.cfm

Definitions

1 All definitions in the *Public Lands Act*, RSA 2000, c P-40, and regulations apply except where expressly stated in this Disposition.

2 In this Disposition,

"Act" means the *Public Lands Act*, RSA 2000, c. P-40 and its regulations; as amended, or repealed and replaced from time to time;

"Activity" means the Stewardship and use of the Lands for the active grazing of livestock owned by the Lessee and includes the construction, operation, use and reclamation associated with this use;

"Department" means the Department administered by the Minister responsible for this Act;

"Director" means the "director" duly designated under the Act;

"Disposition" means this grazing lease, issued pursuant to the Act, which includes this document in its entirety, including all recitals and appendices;

"Effective Date" means the date referred to as such on the first page of this Disposition;

"Expiry Date" means the date referred to as such on the first page of this Disposition;

"Lands" means that portion of public lands described in Appendix A and further identified in the approved sketch which forms part of this Disposition;

"Lessee" means the person, organization or entity identified as the holder on the first page of this Disposition;

"Province" means Her Majesty the Queen in right of Alberta;

"Stewardship" means the active, adaptive management of the Lands, supported by the appropriate approved infrastructure, grazing disturbance and capacity of the land to ensure effective water, nutrient, and energy cycles driving a functioning rangeland ecosystem.

"Term" means the period of time commencing on the Effective Date and ending on the Expiry Date unless otherwise changed in accordance with the Act, subject to any dates specified in writing by the Department to the Lessee, which dates limit the Term in each calendar year.

Recitals

THIS INDENTURE made

BETWEEN: The Province, as represented here by the Department of Environment and Parks, by the Director duly designated under the Public Lands Act

AND: the Lessee(s) as identified on the first page of this document.

WHEREAS the lands hereinafter are described are 'Public Lands' within the meaning of the Public Lands Act
and

WHEREAS the lessee has made application for a lease of the lands here by demised and the director has granted such application.

NOW THEREFORE THIS INDENTURE WITNESSETH, THAT In consideration of the rents covenants and agreements hereinafter reserved and contained and on the part of the Lessee to be paid, kept, observed and performed, the Province by these presents doth demise and lease unto the lessee, as tenant all that certain parcel or tract of land situated in the Province of Alberta, and being more particularly described in the attached appendix 'A'.

EXCEPTING AND RESERVING unto the Province any and all reservations and exceptions required to be made pursuant to the *Public Lands Act*.

TO HAVE AND TO HOLD the said lands unto the Lessee, subject to the rents, hereby reserved and the agreements, conditions, covenants, exceptions, stipulations and reservations herein contained for the said term.

RENEWABLE for a further term as provided for in the *Public Lands Act*, YIELDING AND PAYING therefore yearly and every year during the said term unto the Province the clear yearly rent of lawful money of Canada as determined in accordance with the *Public Lands Act*, such yearly rent to be paid to the Department at Edmonton, or to such person and at such place as the Department may authorize in writing to receive the same, in advance of the first day of April in each year, the first annual payment to be made on or before the execution and delivery of these presents.

AND the Lessee doth hereby covenant and agree with the Province as follows, namely:

Terms and Conditions

- 1) That the Lessee will at all times during the subsistence of the term hereby created, perform, observe and comply with all the provisions, obligations and requirements which the Lessee is required to perform, observe and comply with by the *Public Lands Act* or by any act hereafter enacted for the amendment thereof or in substitution therefore by any regulations made under the authority of any such Act as aforesaid and the terms, conditions and provisions of all such Acts and regulations shall be deemed to form part of this lease, which shall be read and construed as if the same had been set out and incorporated herein.
- 2) That the Lessee shall and will, well and truly yield and pay or cause to be yielded and paid to the Department at Edmonton, or other person duly authorized by the Department in that behalf, the fees, rents, charges, security and other amounts payable as prescribed or calculated in accordance with the Act and any applicable Ministerial Order as amended or replaced from time to time.
- 3)
 - a) The Lessee must pay as they become due and payable any tax, rate, or other assessment that is assessed and charged against the Lessee, including but not limited to property taxes and local improvement charges, with respect to the municipality in which the Lands are located.
 - b) The Lessee remains liable for amounts charged or accrued in accordance with clause 3(a) including under overholding tenancy, up to the date that this disposition has been cancelled, surrendered, abandoned or terminated.
- 4) That no waiver on behalf of the Province of any breach of any or either of the provisos, conditions, restrictions and stipulations herein contained, whether negative or positive in form, shall take effect or be binding unless the same be expressed in writing under the authority of the Director, and any waiver so expressed shall not limit or affect the Province's rights with respect to any other or future breach.
- 5) That this lease shall be so construed as to enure to the benefit of the Lessee as is entitled or permitted to benefit thereunder pursuant to the *Public Lands Act* and to no other persons.
- 6) The Lessee must only enter, occupy and use the Lands for the Activity.
- 7) That the Lessee must have prior written approval to conduct any activity not specifically authorized in the terms of the disposition including but not limited to: clearing new fencelines, erecting any structures, or carry out any range improvements or modifications to the land related to this disposition.
- 8) The Lessee must submit accurate reports of yearly livestock utilization of the land in the approved stock return form.
- 9) That the Lessee must manage the Lands under disposition in accordance with any approved range improvement, management plan, signed agreement or other written direction by the Department.

- 10) The Lessee must not mortgage, assign, transfer, or sublet the land contained in the Disposition, in whole or in part, without the written consent of the Director.
- 11) The Lessee must pay all costs charged by the appropriate service provider or the Department with respect to the supply and consumption of any utility service and the disposal of garbage.
- 12) The Lessee must obtain federal, provincial, municipal, and other permits and approvals, as applicable, with respect to the Activity.
- 13) The Lands and any authorized buildings, structures, equipment and improvements erected on the Lands must only be used by the Lessee for the Activity as authorized by this Disposition.
- 14) The Lessee must not enter, or permit livestock to enter, the designated area of any research or sample plot or any Range Reference Area Site established on the Lands unless authorized in writing in advance by the Department.
- 15) The Lessee must not affix new fencing to standing trees unless authorized in writing by the Department.
- 16) The Lessee must not conduct any supplemental feeding (excluding salt and minerals), provide bedding or set up a calving area on the Lands unless:
 - a) authorized in an approved management plan;
 - b) authorized in writing in advance by the Department; or
 - c) necessary for animal welfare in emergency circumstances.

The Lessee must notify the Department in writing within 7 calendar days of any measures taken as a result of (c).

- 17) The Lessee must not conduct aerial pesticide spraying unless authorized in writing in advance by the Department.
- 18) That all clay, silt, sand, gravel, topsoil, subsoil, and peat (surface materials) on the said land are expressly excepted from this disposition.
- 19) That the Province, its employees, agents and contractors shall have the right to enter upon the said lands with departmental approval, without compensation to the Lessee, to explore for surface materials
- 20) The Lessee must allow access to persons conducting wildlife or wildlife habitat studies and surveys on behalf of the Province, its agencies, or the federal government or its agencies.
- 21) The Lessee must:
 - a) allow persons holding timber authorizations access to the Lands for the purpose of removing timber or other related timber activities; and
 - b) follow the Operating Standards - Grazing & Timber Integration, as specified in

the *Grazing and Timber Integration Manual*, 2011 as amended or replaced.

- 22)** The Lessee is hereby notified that:
- a) the Department, or other regulatory bodies, may issue additional dispositions to any person authorizing that person to enter onto, use and occupy the Lands for various purposes including, but not limited to, the extraction and removal of merchantable resources, or to conduct development, including, but not limited to mineral resource development;
 - b) the Province will retain revenue payable to the Province from such additional dispositions; and
 - c) the Lessee is not entitled to any reduction in its fees, rents, charges or other amounts payable to the Province solely on the basis that additional dispositions relating to the Lands have been issued.

Nothing in this condition is intended to modify compensation or requirement for consent the Lessee may be entitled to under the *Public Lands Act or Surface Rights Act*.

- 23)** The Lessee shall be responsible for damage caused by its Activity, including damage caused by its Activity to improvements or to the Lands where other uses have been authorized. Without first obtaining the prior written consent of the Department, which may be arbitrarily withheld, the Lessee must not:
- a) permit any builder's liens or other liens for labour or material relating to work to remain filed against the Lands; or
 - b) register, cause or allow to be registered, or permit to remain registered, any caveat or encumbrance against the title or non-patent sheet to the Lands.
- 24)** The Department may consider the Lessee to have abandoned this Disposition if:
- a) a creditor lawfully seizes any of the Lessee's property on the Land; or
 - b) the Lessee is adjudged bankrupt or makes a general assignment for the benefit of creditors.
- 25)** If this Disposition is cancelled, surrendered, or abandoned the Director may cancel any dispositions or authorizations associated with the Disposition.
- 26)** The Lessee indemnifies and holds harmless the Province, the Department, its employees, and agents, against and from all actions, claims, demands, or costs (including legal costs on a solicitor-client basis) to the extent arising from:
- a) the Lessee's breach of this Disposition, or
 - b) any actions or omissions, negligence, other tortious act, or willful misconduct of the Lessee, or of those for whom the Lessee is legally responsible, in relation to the exercise of the rights, powers, privileges or the performance of obligations under this Disposition.

- 27)** The Lessee is not entitled to any damages, costs, losses, disbursements, or compensation whatsoever from the Province or the Department, regardless of the cause or reason therefore, on account of:
- a) partial or total failure of, damage caused by, lessening of the supply of, or stoppage of utility services or any other service;
 - b) the relocation of improvements or any loss or damage resulting from flooding or water management activities;
 - c) the relocation of improvements or any loss or damage resulting from wildfire or wildfire management activities;
 - d) any damage or annoyance arising from any acts, omissions, or negligence of owners, occupants, or tenants of adjacent or contiguous property; or
 - e) the making of alterations, repairs, improvements or structural changes to the utility services, if any, anywhere on or about the Lands provided the same must be made with reasonable expedition.
- 28)** The Lessee must at all times during the Term, at its own expense and without limiting the Lessee's liabilities, insure its Activity conducted on the Land as follows:
- a) general liability in an amount not less than \$2,000,000 inclusive per occurrence, insuring against bodily injury and property damage; and
 - b) automobile liability on all vehicles owned or licensed in the name of the Lessee and used on or taken onto the Lands or used in carrying out the Activity authorized under this Disposition in an amount not less than \$2,000,000.
- 29)** The Lessee must, on the request of the Department, promptly provide the Department evidence of all required insurance in the form of a detailed certificate of insurance acceptable to the Department.
- 30)** The Lessee must have the insurance policy in Condition 28(a) endorsed to provide the Department with at least 30 days advance written notice of cancellation.
- 31)** The Lessee must maintain current contact information with the Department.
- 32)** The Lessee accepts the Lands on an "as is" basis.
- 33)** The conditions of this Disposition are severable. Should any term or condition of the Disposition be found invalid or not enforceable, the remaining terms of the Disposition remain in full force and effect.

Appendix A
 Legal Description
 for
 GRL 39556

Affected Lands (Meridian-Range-Township-Section-1/4Section-Legal Subdivision-Quadrant-Quarter-Quadrant)

LAND	HECTARES	ACRES	DETAILS
W5-22-067-12-NE	3.642	9.00	PT NE/RIVER
W5-22-067-13-NE	54.106	133.70	PT BOTH SIDES/RIVER; NOT CVRD BY LAKE 'B' & NOT CVRD BY UNNAMED LAKE
W5-22-067-13-NW	52.043	128.60	PT BOTH SIDES/RIVER; NOT COVERED BY LAKE 'B'
W5-22-067-13-SE	53.985	133.40	PT BOTH SIDES/RIVER; NOT COVERED BY UNNAMED LAKE
W5-22-067-13-SW	57.061	141.00	PT BOTH SIDES/RIVER
W5-22-067-14-NE	62.848	155.30	PT BOTH SIDES/RIVER
W5-22-067-14-NW	65.154	161.00	
W5-22-067-14-SE	63.455	156.80	PT BOTH SIDES/RIVER
W5-22-067-23-NE	53.459	132.10	PT NOT COVERED BY LAKE 'C'
W5-22-067-23-SE	60.905	150.50	PT NOT COVERED BY UNNAMED LAKE
W5-22-067-24-NE	64.669	159.80	PT E/RIVER
W5-22-067-24-NW	47.186	116.60	PT BOTH SIDES/RIVER; NOT COVERED BY LAKE 'C'
W5-22-067-24-SE	64.750	160.00	
W5-22-067-24-SW	59.003	145.80	PT BOTH SIDES/RIVER
W5-22-067-25-NW	0.202	0.50	PT SW/RIVER
W5-22-067-25-SW	34.155	84.40	PT SW/RIVER; NOT COVERED BY LAKE 'C'
W5-22-067-26-NE	40.630	100.40	PT S&W RIVER
W5-22-067-26-SE	60.136	148.60	PT NOT COVERED BY LAKE 'C'
W5-22-067-35-SE	3.925	9.70	PT S&W RIVER

AREA SUMMARY

The total lands herein described contain 901.316 HA (2,227.20 ACRES) more or less.

Supplementary Information

(LTO) - Land Titles Office

(AE) - Alberta Environment/Land Administration Division

(ATS) - Alberta Township System

(HA) - Hectares

1 Hectare = 2.471054 Acres

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Submitted by: JBUDNICK

DISCLAIMER

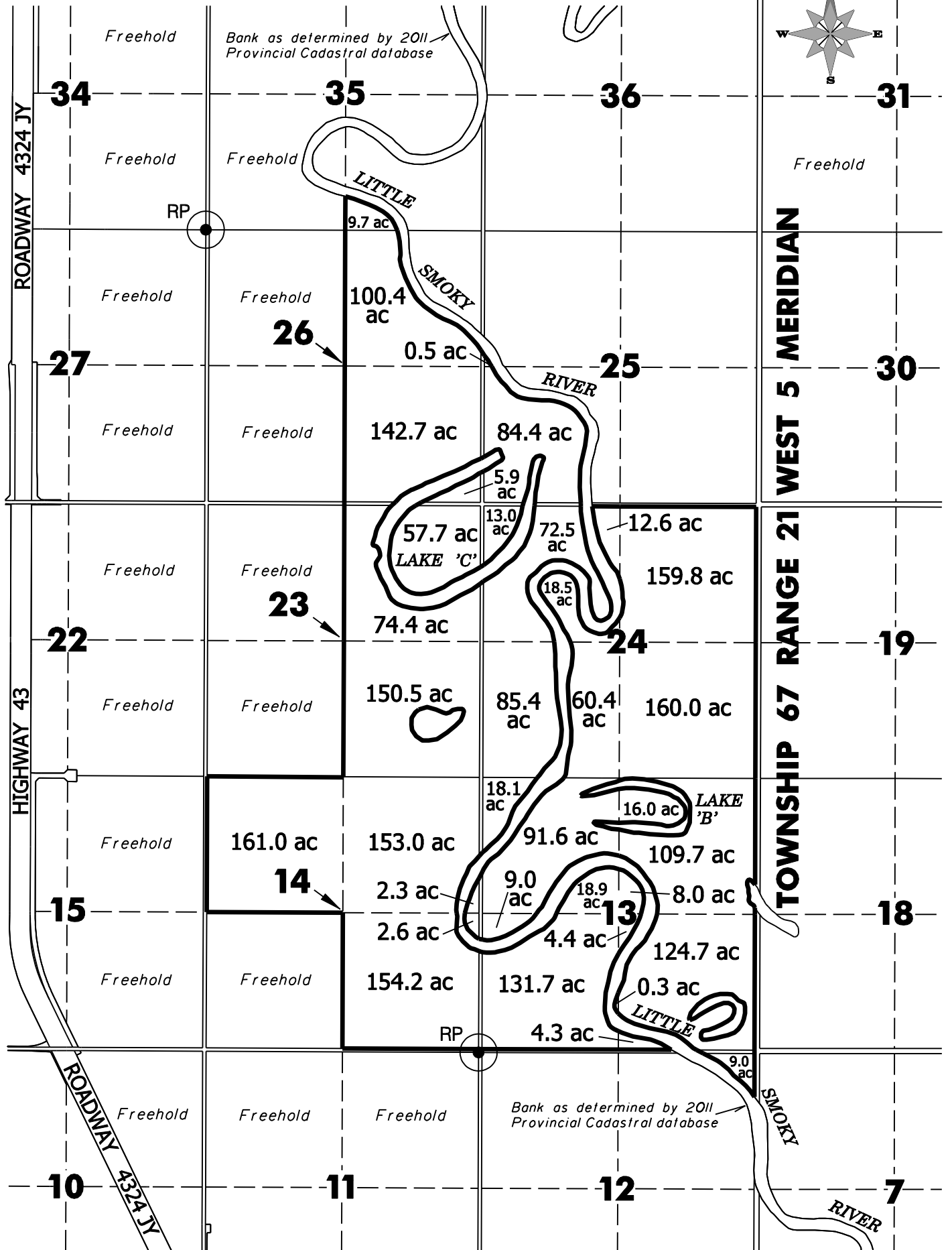
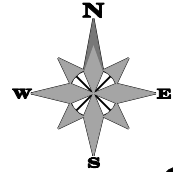
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*** END OF REPORT ***

TOWNSHIP 67 RANGE 22 WEST 5 MERIDIAN



**Grazing Lease Area =
2227.20 acres (901.316 ha), more or less**

- * Refer to Appendix "A" for detailed Legal Description
- * Surveyed Road Allowances not included in Lease Area



*Unnamed permanent waterbodies as derived from 2010 SPOT5 2.5m Satellite Imagery

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Government of Alberta ■
Sustainable Resource Development
Lands Division
Surveys and Technical Services Section

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