

# Lease Agreement

Between:

The City of Saskatoon

- and -

Saskatoon Prairieland Exhibition Corporation

Prepared by:  
**Office of the City Solicitor**  
City Hall  
222 Third Avenue North  
Saskatoon, Saskatchewan  
S7K 0J5

# Table of Contents

	Page
<b>Background</b> .....	1
<b>Part I      Definitions</b> .....	1
1.01    "Additional Development".....	1
1.02    "Additional Development Plans".....	2
1.03    "Architects or Engineers".....	2
1.04    "Builders' Lien Legislation".....	2
1.05    "City".....	2
1.06    "Completion Date".....	2
1.07    "Development".....	2
1.08    "Exhibition Grounds".....	2
1.09    "Landlord and Tenant Act".....	2
1.10    "Lands".....	2
1.11    "Lease".....	2
1.12    "Percentage Rate".....	3
1.13    "Plans".....	3
1.14    "Prairieland".....	3
1.15    "Rent".....	3
1.16    "Retained Lands".....	3
1.17    "Term".....	3
<b>Part II     Structure and Interpretation of this Document</b> .....	3
2.01    Schedules.....	3
2.02    Headings and Captions.....	3
2.03    Obligations as Covenants.....	3
2.04    Entire Agreement.....	3
2.05    Governing Law.....	4
2.06    Number and Gender.....	4
<b>Part III    Leasing and Term</b> .....	4
3.01    Lease.....	4
3.02    Term.....	4
3.03    Option to Renew.....	4
3.04    Prior Termination of Lease.....	5
3.05    Overholding after Term.....	5
3.06    Surrender of Lease.....	5
<b>Part IV    The Development</b> .....	5
4.01    Construction.....	5
4.02    Approval of Plans and Specifications.....	6
4.03    Cost of Construction.....	6
4.04    Completion Date.....	6
4.05    Extension of Time for Construction.....	6
4.06    Conditions Precedent to Commencement of Construction.....	6
4.07    Duties of Prairieland in Construction.....	7
4.08    Entry During Construction.....	8
<b>Part V     Additional Development</b> .....	9
5.01    Construction of Additional Development.....	9
5.02    Approval of Additional Development Plan.....	9

5.03	Cost of Construction of Additional Development.....	9
5.04	Completion of Additional Development. ....	9
5.05	Construction of the Additional Development. ....	9
<b>Part VI</b>	<b>Payment of Rent.....</b>	<b>9</b>
6.01	Annual Rent. ....	9
6.02	Payment of Rent.....	10
6.03	Rent to be Net. ....	10
6.04	Collection of Other Amounts Due. ....	10
6.05	Interest on Amounts in Arrears.....	10
<b>Part VII</b>	<b>Ownership of the Exhibition Grounds, the Development, the Additional Development and Fixtures. ....</b>	<b>11</b>
7.01	Prairieland's Ownership of the Exhibition Grounds, the Development and Additional Development.....	11
7.02	Ownership of the Tenants' Fixtures. ....	11
7.03	City's Priority over Other Interests.....	11
<b>Part VIII</b>	<b>Use of the Exhibition Grounds, the Development and the Additional Development. ....</b>	<b>12</b>
8.01	Restricted Uses.....	12
8.02	Summer Fair and Exhibition.....	12
8.03	Non-Exclusive Use. ....	12
8.04	Circle Drive Extension. ....	13
8.05	Easements.....	13
8.06	Conduct of Activities.....	13
<b>Part IX</b>	<b>General Covenants of Prairieland.....</b>	<b>14</b>
9.01	Acceptance of the Lease. ....	14
9.02	Payment of Rent.....	14
9.03	Taxes and Other Fees.....	14
9.04	Service Charges. ....	15
9.05	Repairs. ....	15
9.06	Right of Entry.....	16
9.07	Indemnity. ....	16
9.08	Surrender of Exhibition Grounds, Development and Additional Development.....	17
9.09	Maintenance.....	17
9.10	Observance of Laws and Regulations. ....	17
9.11	Distress.....	17
9.12	Payments of Municipal Taxes.....	18
9.13	Waste and Nuisance.....	18

<b>Part X</b>	<b>Covenants of the City.</b> .....	18
10.01	Quiet Enjoyment. ....	18
10.02	Observance of Covenants. ....	18
<b>Part XI</b>	<b>Insurance.</b> .....	18
11.01	Liability Insurance.....	18
11.02	Insurance Against Fire and Other Perils. ....	19
11.03	Premiums and Proof of Insurance.....	19
11.04	Form of Policy.....	20
<b>Part XII</b>	<b>Damage or Destruction of the Exhibition Grounds, the Development or Additional Development.</b> .....	20
12.01	Term and Rent Unaffected. ....	20
12.02	Partial Damage or Destruction. ....	20
12.03	Standard of Repairs and Replacements. ....	21
<b>Part XIII</b>	<b>Repairs and Maintenance.</b> .....	21
13.01	Repair of Exhibition Grounds, Development and Additional Development.....	21
13.02	Maintenance of the Exhibition Grounds, Development and Additional Development. ....	21
13.03	Maintenance of Chattels. ....	21
13.04	City has no Obligation to Repair and Maintain.....	22
13.05	City's Right to Order Repair.....	22
<b>Part XIV</b>	<b>Builders' Liens.</b> .....	22
14.01	Prevention of Registration of Liens.....	22
<b>Part XV</b>	<b>Inspection by the City.</b> .....	23
15.01	Inspection by the City. ....	23
<b>Part XVI</b>	<b>Dealings with the Exhibition Grounds, the Development and Additional Development.</b> .....	23
16.01	Rights of the City.....	23
16.02	Subletting. ....	23
16.03	Other Dispositions.....	24
16.04	Additional Conditions Affecting Assignment by Prairieland .....	24
16.05	Prairieland to Comply with Obligations. ....	24
16.06	Acknowledgments by City. ....	25
<b>Part XVII</b>	<b>Indemnity of the City.</b> .....	25
17.01	Exemption of the City from Liability.....	25
17.02	Indemnity of the City by Prairieland. ....	25
<b>Part XVIII</b>	<b>Default of Prairieland.</b> .....	26
18.01	Bankruptcy or Insolvency of Prairieland.....	26
18.02	Re-Entry on Certain Defaults by Prairieland.....	26
18.03	City May Perform Prairieland's Obligations. ....	27
18.04	Right to Relet.....	27
18.05	Expenses.....	28

18.06	Legal Expenses.....	28
18.07	Distress.....	28
18.08	Notice To and Remedies of Mortgagees and Encumbrancers of Prairieland's Interest. ....	28
18.09	Remedies of the City Are Cumulative.....	29
18.10	Waiver.....	29
<b>Part XIX</b>	<b>Expropriation.....</b>	<b>30</b>
19.01	Rights of the City on Expropriation.....	30
<b>Part XX</b>	<b>Determination of Disputes.....</b>	<b>30</b>
20.01	Determination of Disputes as Provided for in this Lease.....	30
20.02	Determination of Other Disputes.....	30
<b>Part XXI</b>	<b>Miscellaneous.....</b>	<b>31</b>
21.01	Notice.....	31
21.02	No Relationship Except Landlord and Tenant.....	31
21.03	Time of the Essence.....	31
21.04	Amendments must be Equally Formal.....	32
21.05	Successors and Assigns.....	32

# Lease Agreement

This Lease made effective the 1st day of March, 1995.

Between:

The City of Saskatoon, a municipal corporation pursuant to the provisions of *The Urban Municipality Act, 1984*, S.S. 1983-84, Chapter U-11 (the "City");

- and -

Saskatoon Prairieland Exhibition Corporation, a Saskatchewan non-profit corporation carrying on its activities in the City of Saskatoon, in the Province of Saskatchewan ("Prairieland");

Background

In that:

- A. The City is the registered owner of all those lands described in Schedule "A" hereto (the "Lands").
- B. Prairieland has, with the consent of the City, been carrying on its activities upon a portion of the Lands since 1911, and now desires to lease such lands from the City.
- C. The City has agreed to lease to Prairieland all that portion of the Lands as is outlined in red on the Plan attached hereto as Schedule "B" (the "Exhibition Grounds") so that Prairieland may continue to carry out its activities thereon, and proceed with the construction of certain improvements thereto, and use, occupy and enjoy the Exhibition Grounds, and the improvements to be constructed thereon, for the term of this Lease, all upon the terms and conditions, and subject to the provisions herein contained.

Accordingly, and in consideration of the rents hereby reserved and the mutual covenants and agreements herein contained, the City and Prairieland agree as follows:

## Part I Definitions

- 1.01 "Additional Development" means any and all subsequent phases of the Development.
- 1.02 "Additional Development Plans" means the concept plans and drawings related to the Additional Development which have been prepared by Architects.

- 1.03 "Architects or Engineers" means such architects or engineers as are duly qualified and licensed to practice, and are carrying on business, in the Province of Saskatchewan, as Prairieland may appoint.
- 1.04 "Builders' Lien Legislation" means *The Builders' Lien Act*, S.S. 1984-85-86, Chapter B-7.1, of the Province of Saskatchewan and any statutory modifications thereto or re-enactments thereof.
- 1.05 "City" means The City of Saskatoon, a municipal corporation pursuant to the provisions of *The Urban Municipality Act, 1984*, S.S. 1983-84, Chapter U-11, and its successors and assigns.
- 1.06 "Completion Date" means the date designated in 4.04 hereof.
- 1.07 "Development" means the construction and provision upon the Exhibition Grounds of:
- (a) an 80,000 square foot Class "A" trade space facility; and,
  - (b) a 100,000 square foot livestock facility; and,
  - (c) a 20,000 square foot maintenance and storage facility,
- together with the upgrading and renovation of the Administration Building, Grandstand and Race Horse Barns situate upon the Exhibition Grounds, and the general improvement and upgrading of the landscaping of the Exhibition Grounds, all of which constituting the first phase of the redevelopment and improvement of the Exhibition Grounds.
- 1.08 "Exhibition Grounds" means all that portion of the Lands as is outlined in red on the plan attached as Schedule "B" to this Lease and consisting of approximately 135 acres, more or less, and includes all structures, improvements and fixtures situate thereon.
- 1.09 "Landlord and Tenant Act" means *The Landlord and Tenant Act*, R.S.S. 1978, Chapter L-6, and any statutory modifications thereto or re-enactments thereof.
- 1.10 "Lands" means the lands described in Schedule "A" attached hereto.
- 1.11 "Lease" means this Lease, including the Schedules attached hereto and any amendments made hereto from time to time.
- 1.12 "Percentage Rate" means Royal Bank of Canada prime rate plus One percent per annum.
- 1.13 "Plans" means the concept plans and drawings related to the Development which have been prepared by Architects.

- 1.14 "Prairieland" means the Saskatoon Prairieland Exhibition Corporation, a Saskatchewan non-profit corporation, and its successors and permitted assigns.
- 1.15 "Rent" means the rent payable by Prairieland to the City pursuant to this Lease and set out in Part VI hereof.
- 1.16 "Retained Lands" means that portion of the Lands retained by the City as outlined in green on the Plan attached as Schedule "B" to this Lease.
- 1.17 "Term" means the term of this Lease as stipulated in 3.02 hereof; and any renewal granted in accordance with 3.03 hereof.

Part II  
Structure and Interpretation of this Document

2.01 **Schedules**

Schedules "A" and "B" to this document are a part of this Lease.

2.02 **Headings and Captions**

The table of contents, part numbers, part headings, paragraph numbers and paragraph headings are inserted for convenience of reference only and are not to be considered when interpreting this Lease.

2.03 **Obligations as Covenants**

Each obligation of the City or Prairieland expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.

2.04 **Entire Agreement**

With the exception of a certain license agreement made between the City and Prairieland dated December 15, 1980, and all amendments thereto, and pertaining to that structure commonly known as the "Wheatland 'B' Building", this Lease contains all of the representations, warranties, covenants, agreements, conditions and understandings between the City and Prairieland concerning the Lands, the Retained Lands, the Exhibition Grounds, the Development, the Additional Development and the subject matter of this Lease.

2.05 **Governing Law**

This Lease will be interpreted and governed by the laws of the Province of Saskatchewan.

2.06 **Number and Gender**



The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where necessary, and to corporations, associations, partnerships or individuals, males or females, in all cases will be assumed as though in each case fully expressed.

Part III  
Leasing and Term

**3.01 Lease**

In consideration of the Rent reserved and the covenants and agreements on the part of Prairieland contained in this Lease, the City leases to Prairieland, its successors and permitted assigns, the Exhibition Grounds for the Term, at the Rent and on the terms and conditions stated in this Lease, subject to all those charges, liens and other interests as are registered in the Land Titles Office for the Saskatoon Land Registration District respecting the Exhibition Grounds.

**3.02 Term**

The term of this Lease is a period of fifty (50) years commencing on the 1st day of May, 1995 and ending on the 30th day of April, 2045.

**3.03 Option to Renew**

Provided that Prairieland shall pay the Rent when due under this Lease and perform and observe each and every of the terms, conditions and covenants on its part to be performed and observed hereunder, the City hereby grants unto Prairieland an option to renew this Lease for a further period of twenty (20) years commencing on the 1st day of May, 2045, and ending on the 30th day of April, 2065, upon the same terms, conditions and covenants as are contained and set forth in this Lease.

**3.04 Prior Termination of Lease**

Notwithstanding 3.02 and 3.03 hereof, this Lease may be terminated as further described herein.

**3.05 Overholding after Term**

If the City permits Prairieland to remain in occupation of the Exhibition Grounds, the Development, or the Additional Development, without objection by the City after the expiration of the Term, the tenancy shall be deemed to be a tenancy from year to year and the Rent payable by Prairieland hereunder shall continue unabated and be payable annually, in advance, on each anniversary of the effective date of this Lease, and shall otherwise be subject to all the covenants and provisos of this Lease applicable to a yearly tenancy. Such yearly tenancy may be terminated by either the City or Prairieland at any time by 180 days' prior written notice given to the other party.

### 3.06 **Surrender of Lease**

Upon the expiration of the Term, or any permitted period of overholding, or if this Lease is terminated as hereinafter provided, Prairieland shall surrender to the City possession of the Exhibition Grounds, the Development and the Additional Development, and all additions, alterations and improvements made thereon and therein and all of the rights of Prairieland under this Lease shall be terminated; but Prairieland shall, notwithstanding such termination, be liable to the City for any loss or damage suffered by the City by reason of any default of Prairieland. Upon expiration, termination or surrender of this Lease, Prairieland shall assign to the City the benefit of any and all rights and other privileges accruing to the Exhibition Grounds, the Development or Additional Development or Prairieland's interest therein.

## Part IV The Development

### 4.01 **Construction**

Prairieland shall commence construction of the Development just so soon as is reasonably practicable and economically feasible, utilizing due diligence, and shall construct and complete the Development on the Exhibition Grounds expeditiously and in a workmanlike manner by the Completion Date in accordance with the Plans.

### 4.02 **Approval of Plans and Specifications**

All Plans for the Development, and any addition, alteration or improvement thereto, are subject to the prior written approval of the Council of the City. Provided the Plans comply with paragraph 8.01 hereof, the City agrees that such approval shall not be arbitrarily or unreasonably withheld. In the event that Prairieland disputes any decision of the City pursuant to this paragraph, it is expressly agreed that such dispute shall be settled through arbitration pursuant to the provisions of *The Arbitration Act* of the Province of Saskatchewan, and that settlement in such fashion shall be final and binding upon the City and Prairieland.

### 4.03 **Cost of Construction**

All construction costs and other expenses related to the Development, of whatsoever nature or kind, shall be borne solely by Prairieland.

### 4.04 **Completion Date**

Prairieland shall cause the Development to be substantially completed no later than the 1st day of March, 2000.

### 4.05 **Extension of Time for Construction**

If Prairieland:

- (a) is not in default of payment of Rent or the performance of the obligations of this Lease; and,
- (b) has been delayed in constructing the Development by reason of strike, lockout, governmental restriction, act of God, or similar causes, or any other cause beyond the control of Prairieland, including economic causes, and the delay is such as to render it unlikely or uncertain that the Development will be substantially completed in accordance with 4.04 hereof; and,
- (c) has used all reasonable diligence to overcome such delays,

then Prairieland may at any time apply to the City for an extension of the time for compliance with 4.04 hereof.

#### **4.06 Conditions Precedent to Commencement of Construction**

Before commencing any work on the Exhibition Grounds for the construction of the Development, the following conditions precedent shall have been satisfied:

- (a) Prairieland shall prepare and submit the Plans to the City and the City shall have approved the same; and,
- (b) Prairieland shall have submitted to the City proof of the insurance referred to in 11.01 hereof; and,
- (c) Prairieland shall have submitted to the City satisfactory evidence that all arrangements and approvals necessary for and associated with any severance or division of the Exhibition Grounds have been secured; and,
- (d) Prairieland shall have paid and shall have submitted to the City satisfactory evidence of the payment of all costs required to be made by Prairieland in accordance with 6.03 and 9.01 hereof, and associated with any severance of the Exhibition Grounds, or the preparation and servicing of the Exhibition Grounds.

#### **4.07 Duties of Prairieland in Construction**

Prairieland shall perform and comply with the following covenants and requirements in construction of the Development:

- (a) the Development shall be constructed in all respects in accordance with the Plans, except to the extent that any requirements of this Lease shall have been waived or varied by the City in writing; and,

- (b) all necessary building permits shall be obtained and all municipal bylaws and legal requirements pertaining to the conduct of the work shall be complied with; and,
- (c) the construction work shall be conducted expeditiously in a good and workmanlike manner and otherwise in accordance with the provisions of this Lease; and,
- (d) Prairieland, through Architects or Engineers, shall properly supervise the work; and,
- (e) any contractor engaged on the work shall be required to observe all provisions of his contract and to furnish and maintain all security, indemnity, insurance and performance bonds required by the contract; and,
- (f) the City and the City's agents and engineers shall at all times have the right to inspect the work and to protest to Prairieland or to Architects or Prairieland's Engineer any default or non-compliance with this Lease, and Prairieland shall forthwith deal with such protest and remedy any default or non-compliance; and,
- (g) the City may require Prairieland to submit at reasonable intervals and at Prairieland's own expense certificates of Architects or Engineers of the standing of the work, the existence and extent of any faults or defects, the value of the work then done and to be done under any contract, the amount owing to any contractor and the amounts paid or retained by Prairieland on any contract, and Prairieland shall also, whenever requested by the City, furnish copies of certificates furnished to Prairieland by contractors or by Architects or Engineers in connection with construction; and,
- (h) Prairieland shall promptly pay all proper accounts for work done or materials furnished under all contracts which Prairieland has entered into relating to the construction of the Development, but this shall not prevent Prairieland from retaining any amounts claimed due which Architects have not certified to be due, or which are properly and reasonably retained to secure the performance of any work or the correction of any defect or which in the opinion of Architects are reasonably retained in anticipation of damages arising from any contractor's default, or which are required to be retained under provisions of the Builders' Lien Legislation of the Province of Saskatchewan; and,
- (i) the Development shall be substantially completed on or before the expiration of the date stipulated in 4.04 hereof, or as such date may be extended pursuant to 4.05 hereof.

**4.08 Entry During Construction**

The City, its architects, agents and employees may, upon giving reasonable notice to Prairieland of its intention to do so, enter the Exhibition Grounds and the Development at all reasonable times during the course of construction and during construction of all replacements, major structural alterations, additions, changes, substitutions or improvements for the purpose of inspection and ascertaining whether the work conforms with the Plans approved by the City from time to time. Upon giving reasonable notice to Prairieland, the City at all reasonable times may enter the Exhibition Grounds and the Development for the purpose of inspecting the Development and for such other purposes as the City, at its sole discretion, may consider necessary for the protection of its interest under this Lease.

Part V  
Additional Development

**5.01 Construction of Additional Development**

Prairieland may elect to proceed with construction of the Additional Development upon the Exhibition Grounds at such time or times as it considers appropriate, if at all, and any and all such construction of the Additional Development shall be undertaken and performed in a workmanlike manner and in accordance with the Additional Development Plans.

**5.02 Approval of Additional Development Plan**

All Additional Development Plans for the Additional Development, and any addition, alteration or improvement thereto, are subject to the prior written approval of the Council of the City, and the provisions of paragraph 4.02 respecting the approval of Plans shall be applicable hereto *mutatis mutandis*.

**5.03 Cost of Construction of Additional Development**

All construction costs and other expenses related to the Additional Development, of whatsoever nature or kind, shall be borne solely by Prairieland.

**5.04 Completion of Additional Development**

Prairieland, having opted to proceed with construction of the Additional Development, shall proceed expeditiously and continuously with any and all such construction, so that the Additional Development shall be completed just so soon as is reasonably practicable following the commencement of any such construction.

**5.05 Construction of the Additional Development**

Paragraphs 4.05 to 4.08, inclusive, of Part IV of this Lease shall apply, *mutatis mutandis*, to the completion and construction of the Additional Development.

Part VI  
Payment of Rent

**6.01 Annual Rent**

Prairieland, in each year during the Term of this Lease, shall pay to the City an annual Rent, in advance, in the amount of One Hundred (\$100.00) Dollars.

**6.02 Payment of Rent**

The annual Rent payable under paragraph 6.01 hereof shall be paid to the City in advance on each anniversary of the effective date of this Lease. The first such payment shall be made on the 1st day of March, 1995, and so on for the Term of this Lease. All payments of Rent shall be made to the City at the office of the Land Manager of The City of Saskatoon, City Hall, Saskatoon, or as the City may otherwise direct by notice.

**6.03 Rent to be Net**

All Rent required to be paid by Prairieland hereunder shall be paid without any deduction, abatement or set-off whatsoever, it being the intention of the parties to this Lease that all expenses, costs, payments and outgoings incurred in respect of the Exhibition Grounds, or the Development, or the Additional Development, or any improvements on the Exhibition Grounds, the Development, or the Additional Development, or for any other matter affecting the Exhibition Grounds, the Development, or the Additional Development shall, unless otherwise expressly stipulated herein to the contrary, be borne by Prairieland. Accordingly, the Rent herein provided shall be absolutely net to the City and free of all abatement, set-off or deduction for realty taxes, charges, rents, assessments, expenses, costs, payments or outgoings of every nature arising from or related to the Exhibition Grounds, the Development, or the Additional Development, and Prairieland shall pay all such taxes, charges, rates, assessments, expenses, costs, payments and outgoings, including, without limiting the generality of the foregoing, all costs in relation to any severance or division of the Exhibition Grounds, the surveying of the Exhibition Grounds, and the preparation and servicing of the Exhibition Grounds, as may be required by law.

**6.04 Collection of Other Amounts Due**

Any sum, cost, expense or other amount from time to time due and payable by Prairieland to the City under the provisions of this Lease, including sums payable by way of indemnity, and whether expressed to be Rent or not, may, at the option of the City, be treated as and deemed

to be Rent, in which event the City shall have all remedies for the collection of such sums, when in arrears, as are available to the City for the collection of Rent in arrears.

**6.05 Interest on Amounts in Arrears**

When Rent or any other amount payable hereunder by Prairieland to the City is in arrears, such Rent or amount shall bear interest at the Percentage Rate until paid, and the City shall have all remedies for the collection of such interest, if unpaid after demand, as in the case of Rent in arrears, but this stipulation for interest shall not prejudice or affect any other remedy of the City under this Lease.

Part VII  
Ownership of the Exhibition Grounds,  
the Development, the Additional Development  
and Fixtures

**7.01 Prairieland's Ownership of the Exhibition Grounds, the Development and Additional Development**

Subject to 7.02 hereof, the Exhibition Grounds, the Development, the Additional Development and all other fixed improvements which Prairieland may construct, or cause to be constructed, upon the Exhibition Grounds from time to time are and shall be fixtures to the Exhibition Grounds and are intended to be and become the absolute property of the City upon the expiration or termination of this Lease for any reason, but shall be deemed, as between the City and Prairieland during this Lease, to be the separate property of Prairieland and not of the City but subject to and governed by all the provisions of this Lease applicable thereto notwithstanding such rights of Prairieland.

**7.02 Ownership of the Tenants' Fixtures**

7.01 hereof shall not be construed to prevent Prairieland from retaining the right of property in, or the right to remove fixtures or improvements which are of the nature of usual tenants' fixtures and normally removable by tenants and which are not part of the structure or any essential part of the Exhibition Grounds, the Development, the Additional Development or any building services. Prairieland shall make good any damage to the Exhibition Grounds, the Development, the Additional Development or building services caused by any such removal of tenants' fixtures.

**7.03 City's Priority over Other Interests**

The City's absolute right of property in the Exhibition Grounds, the Development, the Additional Development and other fixed improvements upon the Exhibition Grounds that will arise upon the termination of this Lease shall take priority over any other interest in the Exhibition Grounds, the Development, the Additional Development and fixed

improvements that may now or hereafter be created by Prairieland except as shall be agreed to by the City in writing from time to time, and all dealings by Prairieland with the Exhibition Grounds, the Development, the Additional Development or such fixed improvements which in any way affect title thereto shall be made expressly subject to this right of the City, unless the City has agreed otherwise in writing, and Prairieland shall not assign, encumber or otherwise deal with the Exhibition Grounds, the Development, the Additional Development or such fixed improvements separately from any permitted dealing with the leasehold interest under this Lease, to the intent that no person shall hold or enjoy any interest in this Lease acquired from Prairieland who does not at the same time hold a like interest in the Exhibition Grounds, the Development, the Additional Development and the fixed improvements, unless the City agrees otherwise in writing.

Part VIII  
Use of the Exhibition Grounds,  
the Development and the Additional Development

**8.01 Restricted Uses**

The Exhibition Grounds shall not be used for any purpose other than the facilitation and promotion in the City of Saskatoon, and North-Central Saskatchewan, of agriculture, industry, education, culture, entertainment and sporting activities, and all things necessary and incidental thereto, including all those activities which a society within the meaning of *The Agricultural Societies Act* of the Province of Saskatchewan is authorized to undertake, and, in further consideration of this Lease, Prairieland agrees that it shall so facilitate and promote all such activities. Except as is expressly provided in this Agreement, Prairieland shall not use the Exhibition Grounds or permit them to be used for any other purpose, and, without limitation, Prairieland shall not permit or suffer any industrial or residential use of the Exhibition Grounds.

**8.02 Summer Fair and Exhibition**

Prairieland agrees that it shall annually, throughout the Term, conduct and stage upon the Exhibition Grounds an agricultural and industrial "Summer Fair" and exhibition, including all such exhibitions, demonstrations, competitions, performances, entertainments and other activities as are traditionally associated with a "Summer Fair".

**8.03 Non-Exclusive Use**

Prairieland acknowledges that a portion of the Exhibition Grounds is currently being utilized, with the knowledge and consent of the City, by The Saskatoon Golf and Country Club Limited (the "Club"), and agrees to grant unto the Club, and its employees, servants, agents, members, invitees, licensees, successors and assigns, without charge, a license to use all that portion of the Exhibition Grounds as is shown outlined in



blue on Schedule "B" hereto (the "Licensed Area"), for the purpose of operating and maintaining a golf practice facility thereon. In the first instance, such license shall subsist and continue until:

- (a) the Club advises Prairieland by way of 30 days' written notice that it no longer requires the use of the Licensed Area; or,
- (b) the 31st day of December, 1999;

whichever shall first occur. In the event that the Club desires to extend its use of the Licensed Area beyond December 31, 1999, Prairieland agrees that it shall reasonably negotiate the terms of such an extension with the Club, with a view to accommodating the Club's needs. Should Prairieland and the Club be unable to reach agreement on the terms of any such extension, it is expressly agreed that the terms in dispute shall be settled through arbitration pursuant to the provisions of *The Arbitration Act* of the Province of Saskatchewan, and that settlement in such fashion shall be final and binding upon the parties.

#### **8.04 Circle Drive Extension**

Prairieland further acknowledges that the City proposes to extend the Circle Drive right-of-way throughout all that portion of the Exhibition Grounds as is shown cross-hatched in black on Schedule "B" hereto (the "Right-of-Way"), and, accordingly, agrees that no portion of the Development or Additional Development, or other structure, improvement or fixture shall be constructed or erected upon such Right-of-Way. At such time as the Right-of-Way is required by the City for the construction of the Circle Drive roadway, Prairieland shall peaceably yield-up and surrender possession of the Right-of-Way to the City without charge or compensation of any kind whatsoever, and Prairieland shall have no claim upon the City for the value of the Right-of-Way or the unexpired Term of this Lease pertaining thereto.

#### **8.05 Easements**

Throughout the term of this Lease, Prairieland agrees that it shall grant unto the City, without charge, all such utility and other service easements as may be required by the City or other utility agency or service. The City agrees that any and all such service easements shall be located in such a fashion as will minimize the effect upon the Exhibition Grounds, the Development or the Additional Development, and, in any event, agrees to restore the Exhibition Grounds, the Development or the Additional Development to their former condition upon completion of any such service installation.

#### **8.06 Conduct of Activities**

Prairieland shall ensure and cause all activities carried on upon the Exhibition Grounds to be conducted throughout the Term in an up-to-date, first-class, reputable and lawful manner.

Part IX  
General Covenants of Prairieland

Prairieland covenants with the City as follows:

**9.01 Acceptance of the Lease**

Upon the commencement of this Lease, Prairieland accepts the Exhibition Grounds "as is" knowing its condition, and agreeing that the City has made no representation, warranty or agreements affecting same, and Prairieland agrees that the City is not obliged to furnish any services or facilities (excepting all those public utility services made available by the City for a charge pursuant to separate agreement concluded between the City and the consumer of such services) or to make repairs or alterations in or to the Exhibition Grounds or the Development or Additional Development, Prairieland hereby assuming full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Exhibition Grounds and the Development and Additional Development; Prairieland acknowledges that upon it having taken possession of the Exhibition Grounds that Prairieland will be considered for all purposes to have accepted the Exhibition Grounds in its existing condition and that Prairieland shall then, at the exclusive cost of Prairieland:

- (a) enter into all arrangements and pay all costs associated with any severance or subdivision of the Exhibition Grounds from the Retained Lands; and,
- (b) do or cause to be done and pay for any necessary site preparation or servicing of the Exhibition Grounds; and,
- (c) pay all approval fees and other costs associated with any severance or subdivision of the Exhibition Grounds, as may be required by law.

**9.02 Payment of Rent**

To pay the Rent hereby reserved on the days and in the manner herein provided.

**9.03 Taxes and Other Fees**

Where required by law, to pay all taxes, rates (including local improvement rates), special, municipal and other levies, duties, assessments and license fees that may be levied, rated, charged or assessed against the Exhibition Grounds, the Development or Additional Development, including all equipment thereon, and improvements thereto, and against any property on the Exhibition Grounds or the Development or Additional Development brought thereon by Prairieland or by anyone acting under the authority of Prairieland, whether such

rates, levies, duties, charges, assessments and license fees are charged by municipal, parliamentary or other authority during the Term hereof. All municipal taxes and local improvement rates shall be apportioned between the parties hereto for the first and last years of the Term. Prairieland shall have the right, at its own expense and without cost to the City, to contest by appropriate legal proceedings the validity of any tax, levy, rate (whether local improvement rate or otherwise), assessment or other charge referred to in this paragraph, and if such tax, levy, rate, assessment or other charge may legally be postponed without subjecting the City to any liability of any nature whatsoever for failing to make payment, Prairieland may postpone such payment until the determination of such proceedings, provided that such proceedings shall be conducted with all due diligence and dispatch.

#### 9.04 **Service Charges**

To pay all charges for electric current, water, sewer, gas, light, heat, power, telephone or other similar service used in connection with the Exhibition Grounds or the Development or Additional Development or the activities carried on there by Prairieland.

#### 9.05 **Repairs**

At its own expense to keep in good order and condition throughout the Term the Exhibition Grounds and the Development and Additional Development both inside and outside, including but not limited to fixtures, walls, foundations, roof, vaults, elevators and similar devices, heating and cooling equipment, sidewalks, yards and other like areas, water and sewer mains and connections, water, steam, gas and electric pipes and conduits, and all other fixtures in and appurtenances to the Exhibition Grounds and the Development and Additional Development and all machinery and equipment used or required in their operation, whether or not enumerated herein, and, in the same manner and to the same extent as a prudent owner, to make all necessary repairs, replacements, alterations, additions, changes, substitutions and improvements, ordinary or extraordinary, foreseen or unforeseen, structural or otherwise, and to keep the Exhibition Grounds, the Development and Additional Development usable for all the purposes for which the Exhibition Grounds, the Development and Additional Development were erected and the appurtenances and equipment were supplied and installed. The repairs will be in all respects to a standard equal in quality of material and workmanship to the original work and material in the Exhibition Grounds, the Development and Additional Development and will meet the requirements of municipal and government authorities and any fire insurance underwriter. Prairieland will not commit or allow waste or injury to the Exhibition Grounds or the Development or Additional Development and will not use or occupy or permit to be used or occupied the Exhibition Grounds or the Development or Additional Development for any unlawful purpose, or in a manner that results in the cancellation of insurance, or in the refusal of an insurer to issue insurances requested. Prairieland, at all times at its

own expense, shall keep the Exhibition Grounds and the Development and Additional Development in good condition and repair, and will not injure or disfigure the Exhibition Grounds or the Development or Additional Development or allow them to be injured or disfigured in any way, and at the expiration or termination of this Lease Prairieland, except as otherwise expressly provided in this Lease, will surrender and deliver up the Exhibition Grounds and the Development and Additional Development or any replacement thereof or substitution therefore in good order and condition. Prairieland will not call upon the City at any time to make repairs to or replacements of any part of the Exhibition Grounds or the Development or Additional Development, or any alteration, addition, change, substitution or improvement, whether structural or otherwise, this being a net lease. The intention of this Lease is that the Rent received by the City is free and clear of all expenses in connection with the construction, care, maintenance, operation, repair, replacement, alteration, addition, change, substitution and improvement of or to the Exhibition Grounds or the Development or Additional Development.

**9.06 Right of Entry**

To permit the City, upon reasonable notice given by the City, to enter and view the state of repair of the Exhibition Grounds and the Development and Additional Development, and Prairieland shall with due diligence repair the Exhibition Grounds and the Development and Additional Development in accordance with any notice given to Prairieland by the City, failing which, the City or its agent, may, but shall not be obliged to do so, undertake such repair, and all costs incurred in connection therewith shall be due and payable forthwith by Prairieland as additional Rent.

**9.07 Indemnity**

To indemnify and save harmless the City against all actions, suits, claims, damages, costs and liability, and loss of every nature arising during the Term out of:

- (a) any breach of or non-compliance with a covenant, agreement or condition on the part of Prairieland contained in this Lease; and,
- (b) any injury to a person, occurring in or upon the Exhibition Grounds or the Development or Additional Development, including death resulting from the injury; and,
- (c) any damage to or loss of property arising out of the use and occupation of the Exhibition Grounds or the Development or Additional Development.

The obligations of Prairieland to indemnify the City under this paragraph are to survive the termination of this Lease in respect of every event during the Term.

**9.08 Surrender of Exhibition Grounds, Development and Additional Development**

At the expiration of the Term, peaceably to surrender and yield up to the City the Exhibition Grounds and the Development and Additional Development and all fixtures and equipment thereon in good and substantial repair and condition, save as provided elsewhere in this Lease.

**9.09 Maintenance**

At all times during the Term to keep and maintain the Exhibition Grounds and the Development and Additional Development in a neat, clean, sanitary, orderly and attractive condition and not to permit refuse, garbage, waste or other loose or objectionable material to accumulate in or upon the Exhibition Grounds or the Development or Additional Development.

**9.10 Observance of Laws and Regulations**

Not to violate, or permit any employee, officer, invitee, licensee or other person visiting or doing business on the Exhibition Grounds or the Development or Additional Development to violate any law or ordinance or any order, rule, regulation or requirement of any federal, provincial or municipal government or department, commission, board or officer thereof, and promptly to comply with all such laws, ordinances, orders, rules, regulations or requirements when required by law to do so, and to apply for, obtain and maintain in good standing such licenses and certificates as are necessary for the carrying on of Prairieland's activities.

**9.11 Distress**

None of the goods or chattels of Prairieland at any time during the continuance of the Term hereby created on the Exhibition Grounds or the Development or Additional Development shall be exempt from levy by distress for Rent in arrears or for any other sums that may become payable under this Lease, and upon any claim being made for such exemption by Prairieland on distress being made by the City, this covenant may be pleaded as an estoppel against Prairieland in any action brought to test the right to levy upon such goods and chattels as are exempted in any legislation of the Province of Saskatchewan, Prairieland waiving every benefit that might have accrued to it by virtue of the provision of any Act but for the above covenant.

**9.12 Payments of Municipal Taxes**

To pay, where required by law, all municipal taxes levied during the Term.

**9.13 Waste and Nuisance**

Not to do, suffer or permit any waste, damage, disfiguration or injury to the Exhibition Grounds or the Development or Additional Development or the fixtures and equipment thereon or therein, or to do, suffer or allow any overloading of the floors thereof, and not to use or permit the use of any part of the Exhibition Grounds or the Development or Additional Development for any dangerous, noxious or offensive trade or activity and not to cause, maintain or permit any waste or nuisance on the Exhibition Grounds or the Development or Additional Development.

Part X  
Covenants of the City

**10.01 Quiet Enjoyment**

The City covenants with Prairieland that if Prairieland pays the Rent hereby reserved and observes and performs all the covenants and provisos of this Lease on the part of Prairieland to be observed and performed, Prairieland shall and may peaceably possess and enjoy the Exhibition Grounds and the Development and Additional Development for the Term hereby granted, without any interruption or disturbance from the City, or any other persons lawfully claiming by, from or under the City.

**10.02 Observance of Covenants**

The City covenants to observe all of the covenants, terms and provisions of this Lease on the part of the City to be observed and performed.

Part XI  
Insurance

**11.01 Liability Insurance**

Prairieland shall place, maintain and keep in force during the Term of this Lease general liability insurance in the joint names of the City and Prairieland protecting both the City and Prairieland (without any rights of cross claim or subrogation against the City) against claims for personal injury, death or property damage or other third party or public liability claims arising from any accident or occurrence upon, in or about the Exhibition Grounds, the Development or Additional Development and from any cause, including the risks occasioned by the construction of the Development or Additional Development, to an amount of not less than \$5,000,000.00 for any personal injury, death, property or other claims in respect of any one accident or other occurrence.

**11.02 Insurance Against Fire and Other Perils**

Prairieland shall effect and continuously maintain in force throughout the Term of this Lease, insurance upon the Exhibition Grounds, the Development, the Additional Development and all fixtures and

improvements erected upon the Exhibition Grounds and the Development and Additional Development in the joint names of the City and Prairieland protecting both the City and Prairieland (without any rights of cross claim or subrogation against the City) from loss or damage caused by:

- (a) fire; and,
- (b) risks normally insured against in the Province of Saskatchewan for buildings of construction, location and use similar to those situate upon the Exhibition Grounds or comprising the Development or Additional Development; and,
- (c) risks which are normally covered by prudent owners of similar property in the Province of Saskatchewan.

The insurance shall be for the full insurable value of such buildings and property and the replacement value of fixtures and improvements (exclusive of the cost of foundations) and shall in any case be for an amount sufficient to prevent the City being considered a co-insurer. The policies of insurance effected under this paragraph shall, if the City directs, include the interest of any mortgagees or encumbrancers of Prairieland's leasehold interest.

#### **11.03 Premiums and Proof of Insurance**

Prairieland shall pay all premiums and costs of all insurance required to be effected by Prairieland under the provisions of this Lease, and shall from time to time, as may be required, keep on file with the City certified copies of insurance policies, renewal contracts and other documents, sufficient to show and establish accurately at all times the current state of policies in force, and, in particular, shall submit to the City before the expiration of every current policy, evidence of the renewal of such policy or the issuance of a replacement policy and of the payment of all premiums due for such renewal or replacement, and shall promptly notify the City of any cancellation or intended cancellation by any insurer of any policy or any circumstances known to Prairieland materially affecting its insurance coverage. Prairieland shall not cancel any policy of insurance without the prior written consent of the City. Each policy shall provide that no cancellation shall be effected without prior notice by the insurer to the City.

#### **11.04 Form of Policy**

All policies of insurance required to be taken out by Prairieland in accordance with the terms of this Lease shall be taken out with insurers acceptable to the City and on policies in form satisfactory from time to time to the City. Prairieland agrees that certificates of insurance or, if required by the City, certified copies of each such insurance policy will be delivered to the City as soon as practicable after placing of the required insurance. All policies shall contain an undertaking by the

insurers to notify the City in writing not less than 30 days prior to any material change in terms, cancellation or other termination thereof.

Part XII

Damage or Destruction of the Exhibition Grounds,  
the Development or Additional Development

**12.01 Term and Rent Unaffected**

The Term and Prairieland's obligations to pay Rent, and all other sums payable by Prairieland under the provisions of this Lease, shall not be affected, nor shall such Rent abate or be diminished, in the event of damage to or destruction of the Exhibition Grounds, the Development or Additional Development, or any fixtures or improvements upon the Exhibition Grounds or the Development or Additional Development, regardless of the cause or extent thereof and Prairieland hereby waives the provisions of any statute or rule of law to the contrary now or hereafter in effect, it being the intent of the parties to this Lease that the Exhibition Grounds, the Development and Additional Development and all fixtures and improvements on the Exhibition Grounds and the Development and Additional Development shall be at the risk of Prairieland.

**12.02 Partial Damage or Destruction**

If the Exhibition Grounds, the Development or Additional Development is destroyed or damaged, but in the opinion of Architects (as certified by them to the City), it is practicable and economic to rebuild or restore the Exhibition Grounds, the Development or Additional Development with changes or alterations, and if Prairieland desires to make such changes or alterations, then all such proposed changes or alterations shall be submitted to the Council of the City for written approval, and no such changes or alterations shall be made without the approval of the City in writing. The provisions of paragraph 4.02 hereof pertaining to the approval of Plans shall be applicable to this paragraph *mutatis mutandis*.

**12.03 Standard of Repairs and Replacements**

Should the Exhibition Grounds or the Development or any Additional Development be destroyed, Prairieland shall expeditiously reconstruct such Exhibition Grounds, Development and/or Additional Development, or any part thereof, with a new structure(s), and any replacement, repair or reconstruction of such Exhibition Grounds, Development and/or Additional Development, or any part of the Exhibition Grounds, Development and/or Additional Development, shall be done in compliance with Part XIII hereof.

Part XIII

Repairs and Maintenance



**13.01 Repair of Exhibition Grounds, Development and Additional Development**

Prairieland shall throughout the Term of this Lease, at Prairieland's own expense, keep in good and tenant-like repair the Exhibition Grounds, the Development, the Additional Development and all structures, improvements and fixtures at any time erected thereon (including all building equipment, fixtures, elevators, heating, air-conditioning and plumbing apparatus, and the sidewalks, parking areas and electric lighting fixtures and equipment) whether such repairs are interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen, excepting from such standard of repair reasonable wear and tear to the extent only that such reasonable wear and tear is not inconsistent with the maintenance in good order and condition of the Exhibition Grounds generally. The word "repairs" shall include replacements and renewals when necessary. All repairs made by Prairieland shall be equal in quality to the original work.

**13.02 Maintenance of the Exhibition Grounds, Development and Additional Development**

Prairieland shall, throughout the Term of this Lease, maintain the Exhibition Grounds, Development and Additional Development and all fixtures and improvements from time to time upon the Exhibition Grounds in a clean and orderly condition, free from any accumulation of dirt, rubbish or water; and, specifically agrees that it shall provide, construct and install, and thereafter maintain, a storm water drainage system upon the Exhibition Grounds which satisfactorily meets the requirements of the site, determined in accordance with generally accepted engineering practices.

**13.03 Maintenance of Chattels**

Prairieland shall, throughout the Term of this Lease, keep or cause to be kept in good order and condition, reasonable wear and tear excepted, all chattels located in or about the Exhibition Grounds and the Development and Additional Development.

**13.04 City has no Obligation to Repair and Maintain**

The City is not obliged to furnish any services or facilities (excepting all those public utility services made available by the City for a charge pursuant to separate agreement concluded between the City and the consumer of such services) or to make repairs or alterations, or to maintain the Exhibition Grounds or the Development or Additional Development, and Prairieland hereby assumes full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Exhibition Grounds and the Development and Additional Development.

**13.05 City's Right to Order Repair**

Prairieland shall promptly, upon notice from the City, make and do all repairs and maintenance which Prairieland has hereunder covenanted to perform.

Part XIV  
Builders' Liens

**14.01 Prevention of Registration of Liens**

Prairieland shall not suffer or permit any lien under the Builders' Lien Legislation or any like legislation to be filed or registered against the Exhibition Grounds or the Development or Additional Development, by reason of work, labour, services or materials supplied or claimed to have been supplied to Prairieland, or anyone holding any interest in any part thereof, through or under Prairieland. If any such lien is filed or registered at any time, Prairieland shall procure registration of its discharge within 30 days after the lien has come to the notice or knowledge of Prairieland; but, if Prairieland desires to contest in good faith the amount or validity of any lien and so notifies the City, and if Prairieland deposits with the City, or pays into court to the credit of any lien action, the amount of the lien claimed, then Prairieland may defer payment of such lien claimed for a period of time sufficient to enable Prairieland to contest the claim with due diligence, provided always that neither the Exhibition Grounds nor the Development, nor the Additional Development, nor any part thereof, nor Prairieland's leasehold interest therein, shall thereby become liable to forfeiture or sale. The City may, but shall not be obliged to, discharge any lien filed or registered at any time if in the City's judgment the Exhibition Grounds or the Development or the Additional Development or any part thereof, or Prairieland's interest therein, becomes liable to any forfeiture or sale or is otherwise in jeopardy, and any amount paid by the City in so doing, together with all reasonable costs and expenses of the City shall be reimbursed to the City by Prairieland on demand, together with interest at the Percentage Rate from the date incurred until paid, and may be recovered as Rent in arrears. Nothing herein contained shall authorize Prairieland, or imply any consent or agreement on the part of the City, to subject the City's estate and interest in the Exhibition Grounds, the Development or Additional Development to any lien.

Part XV  
Inspection by the City

**15.01 Inspection by the City**

The City, its employees and agents shall, upon giving reasonable notice to Prairieland, be entitled to inspect the Exhibition Grounds and the Development and Additional Development at any time during usual business hours for the purpose of ascertaining the condition or state of repair thereof, or verifying that the provisions of this Lease are being

complied with, and Prairieland shall, upon reasonable notice, permit access for this purpose.

Part XVI  
Dealings with the Exhibition Grounds,  
the Development and Additional Development

**16.01 Rights of the City**

Nothing contained in this Lease prohibits or restricts the City or implies any prohibition or restriction from assigning, encumbering or otherwise dealing with its reversionary interest in the Exhibition Grounds and the Development and Additional Development, but subject always to this Lease and the rights of Prairieland hereunder.

**16.02 Subletting**

Prairieland may, from time to time, with the prior written consent of the City in each case, but only for the purposes described in 8.01 hereof, enter into subleases of a portion or portions of the Exhibition Grounds, the Development or Additional Development, provided that:

- (a) no such sublease shall be for a term (taking into account any renewals and extensions) which shall extend beyond the expiration of the Term of this Lease;
- (b) nothing herein contained shall authorize Prairieland, or imply any consent or agreement on the part of the City, to subject the City's estate or interest in the Exhibition Grounds or the Development or Additional Development to any sublease;
- (c) no sublease shall release or impair the continuing obligations of Prairieland hereunder.

**16.03 Other Dispositions**

Neither Prairieland nor any lessee, assignee or encumbrancer of Prairieland may assign or mortgage or encumber the Exhibition Grounds and the Development or Additional Development, or any part thereof, without the prior written consent of the City in each case, which consent, despite any statutory provision to the contrary, may be arbitrarily withheld. Notwithstanding the foregoing, should Prairieland desire to encumber the Exhibition Grounds by way of mortgage so as to facilitate the construction and provision of the Development or the Additional Development, the City agrees that the consent required with respect to any such mortgage shall not be unreasonably withheld. The consent by the City to an assignment, mortgage or encumbrance will not constitute a waiver of its consent to any subsequent assignment, mortgage or encumbrance. This prohibition against assignment, mortgage or encumbrance includes a prohibition against an assignment, mortgage or

encumbrance by operation of law. If this Lease is assigned in any case without the consent of the City when required, the City may collect rent from the assignee and apply the net amount collected to the Rent herein reserved, but no such assignment or collection shall be considered a waiver of this covenant, or an acceptance of any such assignment. Despite an assignment, Prairieland remains fully liable under this Lease. An assignment of this Lease, if consented to by the City, will be prepared by Prairieland and all legal costs of its preparation will be paid by Prairieland.

**16.04 Additional Conditions Affecting Assignment by Prairieland**

No assignment of this Lease, except an assignment by way of mortgage and to which 16.03 applies, shall be made by Prairieland unless the assignee expressly covenants and agrees with the City to perform and observe all Prairieland's covenants under this Lease and unless the assignee of the interest of Prairieland under this Lease receives an assignment of all of Prairieland's rights relating to the Exhibition Grounds and to the Development and Additional Development.

**16.05 Prairieland to Comply with Obligations**

Prairieland shall observe and perform all Prairieland's obligations incurred in respect of assignments, subleases, mortgages and encumbrances of Prairieland's leasehold interest and Prairieland's interest in the Exhibition Grounds and the Development and Additional Development, and shall not suffer or allow any such obligations to be in default, and if any such default occurs the City may, but shall not be obliged to, rectify such default for the account of Prairieland, and any amount paid by the City in so doing, together with all reasonable costs and expenses of the City, shall be reimbursed to the City by Prairieland on demand together with interest at the Percentage Rate from the date incurred until paid, and may be recovered as if it were Rent in arrears.

**16.06 Acknowledgments by City**

The City shall promptly, and whenever requested by Prairieland, execute an acknowledgement or certificate in favour of any actual or prospective assignee, sublessee, mortgagee or encumbrancer of Prairieland's interest permitted by this Lease, acknowledging or certifying the status of this Lease, any modifications of this Lease, any breaches of covenant known to the City, and the state of the Rent account, with the intent that any such knowledge or certificate may be relied upon by any person to whom it is addressed.

Part XVII  
Indemnity of the City

**17.01 Exemption of the City from Liability**

The City shall not be liable or responsible in any way for personal or consequential injury of any kind whatsoever that may be suffered or sustained by Prairieland, or any employee, agent, lessee, assignee, invitee or licensee of Prairieland, or any other person who may be upon the Exhibition Grounds or the Development or Additional Development, or for any loss, theft, damage or injury to any property upon the Exhibition Grounds or the Development or Additional Development howsoever caused.

**17.02 Indemnity of the City by Prairieland**

Prairieland shall indemnify the City against all claims by any person arising from the operation of or any defect or want of repair in the Exhibition Grounds or the Development or Additional Development, or any want of maintenance thereof, or anything done or omitted on or in the Exhibition Grounds or the Development or Additional Development, or any other thing whatsoever, arising from any breach or default or from any negligence by Prairieland, Prairieland's agents, contractors, employees, invitees, lessees, assignees or licensees or from any accident, injury or damage or any other cause whatsoever, and such indemnity shall extend to all costs, counsel fees, expenses and liabilities which the City may incur with respect to any such claims.

Part XVIII  
Default of Prairieland

**18.01 Bankruptcy or Insolvency of Prairieland**

If during the Term of this Lease Prairieland makes an assignment for the benefit of creditors, or assigns in bankruptcy, or takes advantage in respect of Prairieland's own affairs of any statute for relief in bankruptcy, moratorium, settlement with creditors, or similar relief of a bankrupt or insolvent debtor, or if a receiving order is made against Prairieland, or if Prairieland is adjudged bankrupt or insolvent, or if a liquidator or receiver of any property of Prairieland is appointed by reason of any actual or alleged insolvency or any default of Prairieland under any mortgage or other obligation, or if the interest of Prairieland in the Exhibition Grounds or the Development or Additional Development becomes liable to be taken or sold under any writ of execution or other like process and remains undischarged for 30 days, then the occurrence of any such contingency shall be deemed to be a breach of this Lease, and at the option of the City, this Lease may be terminated and shall expire as fully and completely as if the date of the happening of such default was the date herein fixed for the expiration of the Term of this Lease, and Prairieland shall quit and surrender the Exhibition Grounds and the Development and Additional Development to the City, but shall, notwithstanding, remain liable for any loss or damage suffered by the City.

**18.02 Re-Entry on Certain Defaults by Prairieland**

If:

- (a) Prairieland defaults in the payment of Rent or any other sums required to be paid to the City by any provision of this Lease, and such default continues for 15 days after notice thereof is given by the City to Prairieland; or
- (b) Prairieland defaults in performing or observing any of its other covenants or obligations under this Lease, or any contingency occurs which by the terms of this Lease constitutes a breach hereof or confers upon the City the right to re-enter or require the forfeiture or termination of this Lease, and the City gives Prairieland notice of such default or the happening of such contingency, and at the expiration of 30 days after the giving of such notice the default or contingency continues to exist; or
- (c) this Lease expires or is forfeited or is terminated by any other provision in it contained,

then the City or the City's agents or employees may immediately or at any time thereafter:

- (a) re-enter the Exhibition Grounds and the Development and Additional Development; and,
- (b) remove all persons and their property therefrom either by summary eviction proceedings or by any other suitable action or proceedings at law, equity or otherwise, without being liable to any prosecution or damages therefore; and,
- (c) repossess and enjoy the Exhibition Grounds and the Development and Additional Development and all fixtures and improvements thereon,

without such re-entry and repossession working a forfeiture or waiver of the Rents to be paid and the covenants to be performed by Prairieland up to the date of such re-entry and repossession.

### **18.03 City May Perform Prairieland's Obligations**

Without limiting any other remedy which the City may have, the City shall have the right at all times to enter the Exhibition Grounds and the Development and Additional Development for the purpose of curing any defaults of Prairieland, and no such entry for such purpose shall be deemed to work a forfeiture or termination of this Lease, and Prairieland shall permit such entry. The City shall give not less than seven days' notice to Prairieland of its intention to enter for such purpose but may enter upon a shorter period of notice or without notice where, in the City's reasonable judgment, there is a real or apprehended emergency or danger to persons or property, or where any delay in remedying such default would or might materially prejudice the City. Prairieland shall

reimburse the City upon demand for all expenses incurred by the City in remedying any default, together with interest thereon at the Percentage Rate from the date incurred until paid. The City shall be under no obligation to remedy any default of Prairieland, and shall not incur any liability to Prairieland for any action or omission in the course of its remedying or attempting to remedy any such default.

**18.04 Right to Relet**

If the City re-enters as herein provided, it may either terminate this Lease or it may from time to time without terminating Prairieland's obligations under this Lease, make alterations and repairs considered by the City necessary to facilitate reletting, and relet the Exhibition Grounds or the Development and/or Additional Development or any part thereof as agent of Prairieland for such term or terms and at such rental or rentals and upon such other terms and conditions as the City, in its reasonable discretion, considers advisable. Despite a reletting without termination, the City may elect at any time to terminate this Lease for a previous breach.

**18.05 Expenses**

If the City terminates this Lease for any breach, in addition to any other remedies it may have, it may recover from Prairieland all damages it incurs by reason of the breach including the cost of recovering the Exhibition Grounds and the Development and Additional Development, together with all reasonable legal fees.

**18.06 Legal Expenses**

If the City brings an action against Prairieland arising from an alleged breach of a covenant or condition of this Lease to be complied with by Prairieland, and the Court establishes that Prairieland is in breach of the covenant or condition, Prairieland will pay to the City all expenses incurred by the City in the action including reasonable legal fees.

**18.07 Distress**

Prairieland covenants with the City in consideration of the making of this Lease that despite anything contained in *The Landlord and Tenant Act* of the Province of Saskatchewan and other applicable legislation, none of the goods and chattels of Prairieland on the Exhibition Grounds or the Development or Additional Development is exempt from levy by distress for Rent in arrears, and that upon a claim being made for exemption by Prairieland or on distress being made by the City, this section may be pleaded as an estoppel against Prairieland in an action brought to test the right to levy upon goods named as exempted.

**18.08 Notice To and Remedies of Mortgagees and Encumbrancers of Prairieland's Interest**

The City covenants that:

- (a) no re-entry, forfeiture or termination of this Lease by the City shall be valid against a mortgagee or encumbrancer of Prairieland's interest permitted by the terms of this Lease who has filed with the City written notice of his encumbrance and specified an address for notice unless the City shall first have given the encumbrancer notice of the default or contingency entitling the City to re-enter, terminate or forfeit this Lease and of the City's intention to take such proceedings, and requiring the encumbrancer to cure the default. The encumbrancer shall thereafter have a specified period, which shall be the shortest period necessary to cure the default with the application of due diligence, but which shall not be less than three months, and shall be permitted access to the lands and the Development and Additional Development for that purpose. If the default is cured within the period specified the encumbrancer shall be entitled to continue as tenant for the balance of the Term remaining at the dates of the notice of default, but only if the encumbrancer attorns as tenant to the City and undertakes to be bound by and to perform all of the covenants of this Lease; and,
- (b) if this Lease is subject to termination or forfeiture pursuant to paragraph 18.01 hereof by reason of the bankruptcy or insolvency of Prairieland, Prairieland's default shall be deemed to have been sufficiently cured if, as against Prairieland, the mortgagee or encumbrancer takes possession and control of the Exhibition Grounds and the Development and Additional Development, assumes this Lease, covenants with the City to perform all the obligations of Prairieland under this Lease, and cures any default by Prairieland within the period specified by this Lease; and,
- (c) any re-entry, termination or forfeiture of this Lease made in accordance with the provisions hereof as against Prairieland shall be valid and effectual against Prairieland even though made subject to the rights of any mortgagee or encumbrancer of Prairieland's interest to cure any default of Prairieland hereunder.

#### **18.09 Remedies of the City Are Cumulative**

The remedies of the City specified in this Lease are cumulative and are in addition to any remedies of the City at law or equity. No remedy shall be exclusive, and the City may from time to time have recourse to one or more or all of the available remedies specified herein or at law or equity. In addition to any other remedies provided in this Lease, the City shall be entitled to restrain by injunction any violation or attempted or threatened violation by Prairieland of any of the covenants hereof.

#### **18.10 Waiver**

Failure of the City to insist upon the strict performance of any covenant of this Lease shall not waive such covenant, and the waiver by the City



of a breach of term, covenant or condition of this Lease will not be considered to be a waiver of a subsequent breach of the term, covenant or condition or another term, covenant or condition. The acceptance of Rent or other monies due hereunder by the City with knowledge of any breach of any term, covenant or condition by Prairieland shall not be considered to be a waiver of any preceding breach by Prairieland of the term, covenant or condition of this Lease, regardless of the City's knowledge of the preceding breach at the time of acceptance of the Rent or other monies. No covenant, term or condition of this Lease will be considered to have been waived by the City unless the waiver is in writing signed by the City.

Part XIX  
Expropriation

**19.01 Rights of the City on Expropriation**

If at any time during the Term of this Lease, the whole or any part of the Exhibition Grounds or the Development or Additional Development shall be taken by any lawful power or authority by the right of expropriation, the City may, at its option, give notice to Prairieland terminating this Lease in its entirety or, only insofar as it affects the part of the Exhibition Grounds or Development or Additional Development taken by the lawful power or authority by right of expropriation, on the date when Prairieland or the City is required to yield up possession thereof to the expropriating authority. Upon such termination, or upon termination by operation of law, as the case may be, Prairieland shall immediately surrender the Exhibition Grounds and the Development and Additional Development or any part thereof taken by the expropriating authority as the case may be, and all its interests therein, and the Rent shall abate and be apportioned to the date of termination and Prairieland shall forthwith pay to the City the apportioned Rent and all other amounts which may be due to the City up to the date of termination. Prairieland shall have no claim upon the City for the value of its property or the unexpired Term of this Lease, but the parties shall each be entitled separately to advance their claims for compensation for the loss of their respective interest in the leased premises taken. The parties shall be entitled to receive and retain such compensation as may be awarded to each respectively.

Part XX  
Determination of Disputes

**20.01 Determination of Disputes as Provided for in this Lease**

Where in this Lease it is specifically provided that any computation, fact, value, amount or other matter or any dispute concerning the same is to be determined in a particular way, such provision shall govern, and any determination made in accordance therewith shall be binding upon the parties hereto.

**20.02 Determination of Other Disputes**

Except where this Lease provides for the manner of determining a dispute and that the determination so made shall be binding upon the parties, the parties shall have all their normal remedies at law or equity and, in particular, nothing herein shall deprive the City of all its legal and equitable remedies for the enforcement of any breach of covenant by Prairieland under this Lease.

Part XXI  
Miscellaneous

**21.01 Notice**

Each notice, demand and request that may or must be given pursuant to this Lease must be in writing and is sufficiently given if sent by registered mail, and in the case of the City, addressed to it as follows:

The City of Saskatoon  
c/o City Clerk  
222 Third Avenue North  
Saskatoon, Saskatchewan  
S7K 0J5

and in the case of Prairieland, addressed to it as follows:

Saskatoon Prairieland Exhibition Corporation  
c/o General Manager  
Administration Building, Exhibition Grounds  
P. O. Box 6010  
Saskatoon, Saskatchewan  
S7K 4E4

or at such other addresses as the parties may advise from time to time by notice. Assignees and mortgagees permitted under 16.03 hereof must supply their respective mailing addresses to the City. The date of receipt of the notice, demand or request shall be considered to be the second business day following the date of the mailing.

**21.02 No Relationship Except Landlord and Tenant**

This Lease is not intended to create a relationship other than that of landlord and tenant as to the Exhibition Grounds or the Development or Additional Development. The City does not in any way or for any purpose become a partner of or a member of a joint venture or joint enterprise with Prairieland.

**21.03 Time of the Essence**

Time is of the essence of this Lease.

**21.04 Amendments must be Equally Formal**

This Lease may not be amended except by instrument in writing of equal formality signed by the parties to this Lease or their successors or assigns as limited in this Lease.

**21.05 Successors and Assigns**

This Lease binds and benefits the parties and their respective successors and assigns as limited in this Lease.

In Witness Whereof the parties have hereunto affixed their corporate seals attested to by the hands of their proper signing officers in that behalf, as of the effective date first above written.

The City of Saskatoon

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

Saskatoon Prairieland Exhibition Corporation

\_\_\_\_\_  
\_\_\_\_\_

c/s

## Schedule "A"

### Legal Descriptions of the "Lands"

All that portion of the North East Quarter of Section 17, Township 36, Range 5, West of the Third Meridian, Saskatchewan, shown as Parcel "A" on Plan 68-S-14855. Mines and Minerals Excepted by 88-S-38858-1.

All that portion of the North East Quarter of Section 17, Township 36, Range 5, West of the Third Meridian, Saskatchewan, shown as Parcel "C" on Plan 72-S-03709. Mines and Minerals Excepted by 88-S-38858-1.

All that portion of the North East Quarter of Section 17, Township 36, Range 5, West of the Third Meridian, Saskatchewan, shown as Parcel "D" on Plan 88-S-38862. Mines and Minerals Excepted by 88-S-38858-1.

Legal Subdivisions Nine (9) and Ten (10) of Section Seventeen (17), in Township Thirty-six (36), in Range Five (5), West of the Third Meridian, in the Province of Saskatchewan, in the Dominion of Canada, Except: Out of Legal Subdivision Ten (10), the most Westerly Thirty-three (33) feet in width throughout. Minerals Included.

Legal Subdivision 15 and 16 of Section 17, Township 36, Range 5, West of the Third Meridian, Saskatchewan, 80 acres, Except:

- Firstly: All that portion taken for Right of Way of the Qu'Appelle Long Lake and Saskatchewan Railway, containing .416 of an acre, Plan CS 2640,
- Secondly: The Most Westerly 33 feet in depth throughout,
- Thirdly: 0.11 of an acre, Parcel A, for Roadway, Plan 63-S-16287,
- Fourthly: All that portion shown on Plan 69-S-14829,
- Fifthly: All that portion shown as Parcel D, Plan 88-S-38862.

Mines and Minerals Excepted by 88-S-38858-1.