

HEAD LEASE

THIS LEASE made this _____ day of September, 2021.

BETWEEN:

K CAMPGROUND LTD.,

(hereinafter called the “**Landlord**” or “**K**”)

- and –

RBCG K1 CAMPGROUND INC.

(hereinafter called the “**Tenant**” or “**K1**”)

WHEREAS the Landlord is the registered owner of the land hereinafter described and has agreed to lease the land to the Tenant.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH as follows:

1. (a) In consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part of the Tenant, to be paid, kept, observed and performed, the Landlord has, subject to the remaining term of any leases of this property, demised and leased and by these presents do demise and lease unto the Tenant, to be used solely for the purpose of a campground in accordance with the articles and bylaws of the Tenant, the following property:

Surface Parcel # 110334642; Reference Land Description, Block K, Plan No. 88R32750, Extension 0, as described on Certificate of Title 88R32750A (A diagram of this Parcel (herein called the “Land”) is hereto attached as Schedule “A”);

- (b) The Parties acknowledge and agree that K is currently surveying additional property which is to be consolidated with the foregoing Parcel as follows:

K1 Proposed subdivision of Parcels A and C, Plan No. 101405483, and Part of S.W. ¼ & S.E. ¼ Sec. 15, Twp. 21 Rge 22 W2 Mer.,

(A diagram of the proposed subdivision is hereto attached as Schedule “B”) or such final parcel as agreed to when the plan is approved (herein called the “Land 2”).

(c) It is acknowledged and agreed that if any consents are required from K1 to such subdivision and consolidation, K1 will provide the required consents and that when the transform is registered the Land and Land 2 shall, without the execution of any further agreement, all be part of and subject to the terms of this Lease and after the date of such registration shall all be the “Land” for purposes of this Lease.

(d) The parties acknowledge and it is expressly agreed as follows:

(i) There are existing leases of the campground sites on the Land (the “Sites”), which Sites are described in Schedule “A” and Schedule “B”, that K has in place with campground occupants, which leases are in the form as attached as Schedule “C”, and which form does not comply with Provincial Legislation and as a result the leases are likely not valid and enforceable;

(ii) It is the intention of K to either arrange to amend these leases or terminate these leases and enter new legally binding leases, at which time K will sublease all of the Sites under a Class C Lease as described in the Articles of K1 and will hold the Sites as a Class C Member of K1 as described in the Articles of K1, and sublease the Sites to the existing occupants with the intention of selling all or most of subleases over time;

(iii) K has the right to sell a long-term sublease of any particular Site at such price as K may determine and K1 agrees that if K advises K1 that K has been paid in full for the Site, K1 will issue a long-term sublease to the purchaser presented by K in the form of a Class A Lease as defined in the Articles of K1 which shall make the Purchaser a Class A Member of K1 as provided in the Articles of the K1 and no longer a sublessee of Class C Member;

(iv) If K sells a long-term sublease of any particular Site under an agreement for sale that provides K is to be paid for the sublease over time, K1 agrees that if K advises K1 that K has sold the sublease of a Site under an agreement for sale,

K1 will issue a long-term sublease to the purchaser presented by K in the form of a Class B Lease as defined in the Articles of K1 which shall make the Purchaser a Class B Member of K1 as provided in the Articles of the K1. K1 agrees that if K advises K1 that K has been paid in full for the Site under the agreement for sale, K1 will replace the Class B Lease with a long-term sublease to the purchaser presented by K in the form of a Class A Lease as defined in the Articles of K1 which shall make the Purchaser a Class A Member of K1 as provided in the Articles of the K1;

(v) K will also sublease the Undivided Parcels, as described in Schedule "B", from K1 under the Class C Lease and shall have the right to subdivide the Undivided Parcels into Sites from time to time and to sell Long-term subleases of these Sites in accordance with the foregoing provisions;

(vi) Until such time as K sells the sublease of the Sites in accordance with the foregoing, K shall be entitled to sublease the Sites to any interested party at such annual rent as K may determine and K shall be responsible to collect, in addition to the rent, the fees assessed by K1 for the Site from such subtenant.

Notwithstanding the foregoing, the parties may work out an administrative arrangement whereby K1 collects the fees directly from the subtenant and K collects its rent directly from the subtenants;

(vii) K1 shall operate on a breakeven basis and shall not charge annual rent for profit on any of the Sites or for the Undivided Parcels, but may levy fees on the Sites to defray all expenses of managing, operating and maintaining the campground during the then current year, including, without limiting the generality of the foregoing, taxes of all kinds, insurance, repair and maintenance including capital cost allowance on depreciable assets, plus the amount of any deficit or less the amount of any surplus from the preceding year and to maintain a Capital Reserve Account to pay for replacements, improvements or additions to the common area and facilities including the utility services supplied to every site to which the Campground Company shall appropriate, out of the Annual Fees, an amount sufficient to make such improvements and replacements and to cover the

capital cost allowance on depreciable assets, together with Special Assessments to provide for capital expenditures and any extraordinary expenditures not covered by Annual Fees including a Capital Reserve Account.

(viii) K1 will not levy fees against the Undivided Parcels;

2. To have and to hold the Land for and during the term of ninety-nine (99) years, to be computed from the ____ day of _____, 2021, and to be fully and completely ended on the ____ day of _____, 2120.
3. Yielding and paying therefor unto the Landlord a onetime lump sum payment of Ten (\$10.00) Dollars, plus Goods and Services Tax, to be payable on the date of execution hereof.
4. The Tenant hereby covenants with the Landlord as follows:
 - (a) That the Tenant will pay the rent hereby reserved as aforesaid on the days and times and in the manner set forth in lawful money of Canada, without defalcation or abatement whatsoever;
 - (b) That the Tenant will pay all the charges against the said lands including, but not limited to, charges for the public utilities used during the said term, electrical, natural gas, water and sewer, telephone, real property taxes, the cost of services to the demised premises and including all public utility hook-ups, costs and deposits;
 - (c) That the Tenant shall use the land as a campground only;
 - (d) That the Tenant shall maintain all buildings, roadways, fences, lights and other improvements on the premises in good order and conditions (reasonable wear and tear expected) and promptly make all needed repairs and replacements and to keep the premises clean and in such condition as a careful owner would do;

(e) That the Tenant will not change the access point to the campground from the current access point or open a new access point without the express agreement of the Landlord in writing;

(f) That the Tenant will comply with the requirements of every applicable bylaw, statute, law or ordinance and with every applicable order arising during the terms of this Lease with respect to the condition, equipment, maintenance, use or occupation of or construction of improvements on the premises;

(g) That the Tenant will promptly and duly pay all business, sales, or other taxes, charges, license fees, or other charges levied or imposed by any competent authority with respect to the personnel, business, sale, or income of the Tenant;

(h) That the Tenant shall use the premises solely for the purpose of a campground and for no other purpose whatsoever. The Tenant will not compete or carry on any business that is in direct competition to the Landlord, including but not limited to golf course or mini-golf course, driving range, swimming pool(s), club house, restaurant or food or beverage sales;

(i) That the Tenant will not, at any time during the said term, use, exercise, carry on, or permit or suffer to be used or exercised or carried on, in or about the said premises, or any part thereof, any noxious or offensive act, trade, business, occupation, or calling, and that no act, matter or thing whatsoever shall, at any time during the said term, be done in or upon the said premises or any part thereof, which shall or may be, or grow to be, an annoyance, nuisance, grievance, damage, or any disturbance to any other tenant or occupiers or owners of any of the adjoining lands or properties and that nothing will be done or permitted, in or upon the said demises premises which is, or might be, deemed a nuisance or improper, noisy or contrary to the law, or any bylaw or regulations for the time being in force and affecting the said demises premises, or any part thereof, shall or may be increased, or whereby any policy of insurance may become

void or voidable. If the premises are not used as a campground, the Landlord may terminate this lease at the Landlord's option on one years' notice;

(j) That for the purpose of the Tenant's occupancy, the Tenant will, at its own expense, make all repairs, alterations improvements or decorations as it considers necessary or advisable and that the Landlord will be under no obligation to make the said premises ready for the use and occupancy by the Tenant;

(k) That the Tenant shall supply and maintain at all times in good standing public liability insurance with coverage of not less than two million (\$2,000,000.00) dollars, or such other reasonable amount as shall be required by the Landlord from time to time in respect of its business operations on the demised lands and will indemnify and save harmless the Landlord from any and all liabilities in respect of any damage or injuries of any kind occurring on the demised lands during the term hereof. In addition, the Tenant shall insure all its assets situate in the demised premises;

(l) That the Tenant will at all times during the said term keep, and at the termination of the said term yield up, the said premises in good condition and repair, damage by fire, lightning, or tempest, or by ordinary wear and tear only excepted, and will keep in good repair any improvements made on the demised premises;

(m) That the Tenant will immediately disclose to the Landlord and the appropriate governmental authorities any spill, discharge, release or use of any hazardous substances now or in the future occurring on, under or from the premises. The Tenant shall promptly advise the Landlord of any notice from, proceeding before or order, or any governmental body requiring the Tenant to comply with or take action under any environmental law and the Tenant shall also provide the Landlord with the details of any action taken in response.

(n) That the Tenant shall indemnify the Landlord from any and all liabilities, damage, costs, claims, suits, or actions growing out of:

- (i) any breach, violation or non-performance of any covenant or proviso hereof on the part of the Tenant;
- (ii) any damage to property occasioned by the use and occupation of the premises; or
- (iii) any injury to person or persons, including death resulting at any time therefore, occurring in or about the premises and on the roads or sidewalks adjacent thereto.

(o) Such indemnification in respect of any breach, violation, or non-performance, damage to property, injury or death occurring during the Term of the Lease shall survive any termination of the Lease, anything in this Lease to the contrary notwithstanding; PROVIDED, however, that such indemnification shall in no event extend to the direct, primary, or proximate results of the negligent, reckless or willful conduct of the Landlord, it's agent, employees or representatives.

5. The Tenant covenants and agrees with the Landlord that in case of the Tenant becoming bankrupt or insolvent, or should it make any arrangement for the benefit of creditors, or take the benefit of any Act which may be in force respecting bankrupt or insolvent debtors, or in case any writ of execution or attachment issue against the goods and chattel of the Tenant, in the case of the said premises become and remain unoccupied for a period of six months then, in any such case, this Lease shall, at the option of the Landlord, cease and be void and the term hereby granted expire and be at an end, anything herein contained to the contrary notwithstanding, and the Landlord may forthwith re-enter and take possession of the said premises as though the Tenant, his servants or other occupant or occupants of the said premises, was or were holding over after the expiration of the said term, and therefrom eject and remove any person, goods, chattels, and upon such re-entry and taking possession, this Lease shall cease and be void and the term hereby granted expire. The Tenant further covenants that on non-performance or non-observance of any covenant, term, agreement or stipulation in this Lease contained or implied, or seizure or forfeiture of the said term, the Landlord may forthwith re-enter into possession of the said demised premises and shall have such right of re-entry whether the non-performance or non-observance be of a positive or negative

covenant, and upon such re-entry, the term hereby granted shall immediately become forfeited and void.

6. The Tenant covenants and agrees with the Landlord that if the Land should cease to be used as a campground, this lease shall terminate and any interest the Tenant has in this lease shall revert to the Landlord.
7. The Tenant covenants and agrees that if Tenant should fail to grant K a Class "C" Lease of any Site as provided for in clause 1 (d) (ii) or upon the expiry of a Class "C" Lease, fails to grant K a new Class "C" Lease of the Undivided Parcels and the Sites not subject to a Class "A" Sublease or Class "B" Sublease, Landlord shall have the right to terminate this Lease on 60 days' notice to Tenant, but Landlord agrees if such lease is terminated, Landlord will honour the Class "A" Subleases and Class "B" Subleases existing at the time of such termination.
8. The Parties agree that if during the first 85 years of this lease, the Tenant should reach an agreement with the town of Regina Beach to subdivide the Campsites as defined by the articles and bylaws of the Tenant and the subleases, into individual lots or condo units, and the Tenant pays the cost of such subdivision, the Landlord will transfer the lot or condo unit that corresponds to the Class A Membership Sublease or the Class B Membership Sublease to the respective subtenant of the sublease at no cost to the Landlord.
9. Subject to the Class A Member Subleases and the Class B Member Subleases, as provided for in the Articles of the Tenant, the Tenant covenants and agrees with the Landlord that the Tenant will not sublet the whole of the said demised premises, or assign the term herein demised, without the consent in writing of the Landlord first obtained, but the Landlord shall not unreasonably withhold its consent.
10. Waiver by the Landlord if any right or benefit hereunder, or arising by reason of any breach on the part of the Tenant, or any covenant, term, or condition hereof in any

To the Tenant: Box 9
 Regina Beach, Saskatchewan
 S0G 4C0

or at such other address as either Party may notify the other in writing during the term hereof, and any such notice shall be effective as of the day of such personal delivery or as of the day following the date of such posting, as the case may be.

15. Wherever the singular and masculine are used throughout this Agreement, the same shall be construed as meaning the plural or feminine or a body corporate where the context or the Parties hereto so require, and where there are two or more Landlords or Tenants the covenants by them herein contained shall be joint and several covenants.
16. This Lease shall enure the benefit of and be binding upon the Landlord, its successors and assigns, and upon the Tenant, its heirs, executors, administrators, successors and assigns.
17. Any disputes arising between the Landlord and the Tenant regarding this Lease or relating to the formation of this Lease will be decided by binding arbitration in accordance with *The Arbitration Act* for the Province of Saskatchewan, unless otherwise agreed to by the Landlord and the Tenant. Either the Landlord or the Tenant may commence the arbitration before giving the other party a written notice describing the dispute and stating that the dispute is being referred to arbitration.
18. If the Landlord decides to sell the Land, the Landlord may enter into an Offer to Purchase for the purchase of Land with a third party, but the Tenant shall have the first right of refusal for the purchase of the Land provided that the Tenant wishes to purchase the land on the same basis as the third party. The Landlord shall provide the Tenant with 60 days' notice of such sale and a copy of the Offer to Purchase. The Tenant shall advise the Landlord in writing prior to the expiry of the 60 days' notice if the Tenant wishes to purchase the Land. The Tenant shall then have 30 days after the 60 days' notice has expired to pay the purchase price and close on the sale. It is expressly

understood and agreed that any purchaser of the Land shall acquire the Land subject to this Lease and the purchaser shall be bound by this Lease.

IN WITNESS WHEREOF the Parties have executed this Lease on the day and year first above written.

K CAMPGROUND LTD.

(c/s)

Per: _____

RBCG K1 CAMPGROUND INC.

(c/s)

Per: _____