



Northwest Territories Canada

COMMERCIAL LEASE

L-2100018T
File No.: 200-SK-023

THIS LEASE made this 31st day of May, 2023.

BETWEEN

THE COMMISSIONER OF THE NORTHWEST TERRITORIES,

hereinafter called "the Commissioner"
OF THE FIRST PART,

AND

FORT SIMPSON METIS DEVELOPMENT CORPORATION, a body corporate under the laws of Canada, registered under the *Business Corporation Act* of the Northwest Territories, having a registered office in the City of Yellowknife in the Northwest Territories,

hereinafter called "the Lessee"
OF THE SECOND PART,

WITNESSETH that in consideration of the rents, covenants and agreements herein reserved and contained on the part of the Lessee to be paid, observed and performed, and subject to the *Commissioner's Land Act* and the *Commissioner's Land Regulations*, the Commissioner demises and Leases unto the Lessee all that certain parcel of land situate, lying and being in the Northwest Territories and being composed of

all that portion of Lot Five dash Two (5-2) in the Village of Fort Simpson in the Northwest Territories, according to a plan of survey filed in the Land Titles Office for the Northwest Territories under number 316, as said portion of Lot is shown outlined in red on the sketch annexed hereto and forming part of this lease,

hereinafter called "the land" subject to the reservations and exceptions contained in the *Commissioner's Land Act* and the *Commissioner's Land Regulations* and to the following reservations:

- a) all mines and all minerals whether solid, liquid or gaseous which may be found to exist within, upon or under the land together with the full powers to work the same and for the purpose to enter upon, use and occupy the land or so much thereof and to such an extent as may be necessary for the effectual working and extracting of the said minerals;
- b) the rights of the recorded holders of mineral claims and any other claims or permits affecting the land;
- c) all timber that may be on the land excepting what must be removed for the purpose of landscaping or the construction of improvements;
- d) the rights to enter upon, work and remove any rock outcrop required for public purposes;
- e) such rights of way and of entry as may be required under regulations in force in connection with construction, maintenance and use of works for the conveyance of water for use in mining operations; and
- f) the right to enter upon the land for the purpose of installing and maintaining any public utility.

and subject to the encumbrances and interests listed below or which apply under the *Land Titles Act*

TO HAVE AND TO HOLD for and during the term of THIRTY (30) years, commencing on the 1st day of April, 2023.

YIELDING AND PAYING THEREFOR yearly and every year in advance a rental of Five Thousand Four Hundred and Ten (\$5,410.00) Dollars or such rental as may be fixed by the Deputy Minister pursuant to Clause #17 below.

INITIALS.....

THE PARTIES COVENANT AND AGREE AS FOLLOWS:

DEFINITION

1. In this Lease "**Deputy Minister**" means the **Deputy Minister of the Department of Lands** and any person authorized in writing by the **Commissioner** to act on behalf of the **Deputy Minister**.
2. In this Lease, "**Authorized Agent**" means a person recommended and designated under Section 3 of the *Commissioner's Land Regulations*.
3. In this Lease "**Environmental Protection Statutes**" means all Federal and Territorial Environmental Statutes, regulations, guidelines and codes of practice, thereto and appropriate Municipal or local environmental protection by-laws applicable to the Lands and **Lessee's** use and occupation of the Lands.
4. In this Lease "**Contaminants**" includes:
 - I. "Contaminant(s)" as defined in the Territorial *Environmental Protection Act*,
 - II. "Toxic Substances" as listed in a Schedule to the *Canadian Environmental Protection Act, 1999*, and
 - III. Any other "substance" (as defined in the *Canadian Environmental Protection Act, 1999*) that is deleterious or hazardous to persons, animals, fish, plants, soil, water, property or the environment that arise from, or are associated with, the Lessee's use or occupation of the Land.
5. In this Lease "**Environmental Site Assessment**" means a study where the Land is inspected to assess the environmental condition of the Land, and may include a Phase I Environmental Site Assessment that shall include at a minimum a historical land use review of the Land, and a physical inspection of the Land. Where required, an Environmental Site Assessment may include a Phase II Environmental Site Assessment that shall include at a minimum, an intrusive inspection to include soil, air, surface and groundwater sampling that results in the delineation of contaminant plumes and its characteristics. Where required, an Environmental Site Assessment may include a Phase III Environmental Site Assessment that shall include at a minimum the development of site remediation plans or options to restore the Land to the condition it was in prior to the construction of improvements.

OWNERSHIP OF CONTAMINANTS

6. If the **Lessee** brings, permits, suffers or creates in or on the Land any Contaminants, or if the conduct of any of the **Lessee's** business on the Land causes there to be any Contaminants upon the Land then, notwithstanding any rule of law to the contrary, the Contaminants shall be and remain the sole and exclusive property and responsibility of the **Lessee**.

ENVIRONMENTAL REQUIREMENTS PRECEDING EXPIRY

7.
 1. At least one (1) year prior to the termination of this Lease, the Lessee shall cause a Phase I, and where required, a Phase II and a Phase III Environmental Site Assessment of the Land to be conducted by a qualified independent consultant, at the sole expense of the Lessee, which Environmental Site Assessment shall:
 - (a) determine the existence and extent of possible damage by **Contaminants** to the Land, of whatever nature, that occurred as a result of the use and occupancy by the Lessee during the term of this Lease;
 - (b) outline the estimated cost, including usual contingencies, to repair and to return the Land to the condition in compliance with all applicable Environmental Protection Statutes affecting the use of the Land; and
 - (c) establish a timetable for the remediation of the Land considering its contemplated future use.
 2. Prior to the termination date of this Lease, the Lessee shall:
 - (a) provide, for the approval of the Authorized Agent, a copy of the Environmental Site Assessment;
 - (b) remediate the land in accordance with the approved Environmental Site Assessment; and
 - (c) provide the Authorized Agent with a report prepared by a qualified independent consultant describing the remediation undertaken.

INITIALS...*DP*.....



COMMERCIAL GENERAL LIABILITY INSURANCE

8. The **Lessee** shall place and at all times maintain during the term of this Lease commercial general liability insurance with limits of not less than **TWO MILLION (\$2,000,000.00) DOLLARS** inclusive per occurrence for bodily injury, death and damage to or loss of use of property arising out of any of the operations of the **Lessee** under this **Lease**, or of any of the acts or omissions of the **Lessee** or any of his agents, employees or servants. The commercial general liability insurance policy shall name the **Commissioner of the Northwest Territories** as additional insured and shall be with a company or companies acceptable to the Authorized Agent. All policies for such insurance shall be in an amount and in a form satisfactory to the Authorized Agent. A copy of the commercial general liability insurance policy must be delivered to the Authorized Agent within seven (7) days of the date of this **Lease** coming into effect.

Any amendment to, or replacement, of the commercial general liability insurance policy will require the prior approval of the Authorized Agent.

PERFORMANCE SECURITY

9. Pursuant to the *Commissioner's Land Act* and the *Commissioner's Land Regulations*, unless the **Lessee** is provided with an exemption from doing so, then prior to execution of this **Lease**, the **Lessee** will have provided the Authorized Agent with security to ensure performance of the **Lessee's** site remediation obligations. Pursuant to the *Commissioner's Land Regulations*, the Authorized Agent may, from time to time, recalculate the amount of security that is required as security. If, following such a recalculation, the Authorized Agent determines that the security provided by the **Lessee** is insufficient, then, within ninety (90) days of receiving a demand from the Authorized Agent for additional security, the **Lessee** will provide same. If the **Lessee** fails to provide the additional security required by the Authorized Agent within the allotted ninety (90) days, then this **Lease** may be terminated.

INDEMNITY

10. The **Lessee**, shall at all times hereafter jointly and severally, indemnify and hold harmless the **Commissioner**, the Government of the Northwest Territories, its officers, employees and agents against all claims, demands, actions or other legal proceedings by whomsoever made or brought against the **Commissioner**, the Government of the Northwest Territories, its officers, employees and agents by reason of anything done or omitted to be done by the **Lessee** or their respective officers, servants, agents or employees connected with or arising out of this **Lease**. This indemnity shall survive the termination of this **Lease**.

COMPLIANCE

11. The **Lessee** agrees in all respects to abide by and comply with all applicable lawful rules, statutes, regulations and by-laws of the Federal Government, Territorial Government, Municipal Government or any other governing body whatsoever that have been or may be enacted and in any manner affect the said Land.

PAYMENT

12. The **Lessee** shall during the said term, pay the said rental and all taxes, rates and assessments levied against the Land or upon the **Lessee** in respect thereof.

LATE PAYMENT FEE

13. Where any of the rent, or any other amount owed by the Lessee to the Commissioner is in arrears for more than ninety (90) days, the Lessee shall pay interest on the arrears at the rate prescribed in the *Interest Rate Regulations* made pursuant to the *Financial Administration Act*.

INITIALS...DP.....



NON-COMPLIANCE

- 14. Without limiting any other rights and remedies of the **Commissioner** hereunder, if the **Lessee** is found to be in breach of any of the covenants and agreements contained herein, the Authorized Agent may upon notice in writing, require that the breach of any covenants and agreements contained herein be remedied within sixty (60) days. Should the **Lessee** fail to remedy the breach within sixty (60) days the Authorized Agent may upon further notice in writing to the **Lessee**, terminate this **Lease**, and on the day following the mailing of the notice this **Lease** is terminated.
- 15. Where Pursuant to the *Commissioner's Land Act* and the *Commissioner's Land Regulations*, where the **Lessee** fails to correct a breach of the terms and conditions of this **Lease**, the Authorized Agent may order the restoration of all or any part of the Land and any expenses incurred by the **Commissioner** shall be recoverable from the **Lessee**, and/or the **Lessee's** security and/or as a debt due to the **Commissioner**.
- 16. Where any portion of the rental herein reserved is unpaid for more than thirty (30) days after it is due, whether formally demanded or not, the Authorized Agent by notice in writing to the **Lessee**, may terminate this **Lease**, and on the day following the mailing of the notice this **Lease** is terminated.

TERMINATION

- 17. Termination of this **Lease** shall not prejudice the **Commissioner's** right to unpaid rental or any other right with respect to a breach of any covenant or agreement herein contained.
- 18. Upon the termination or expiration of this **Lease**, the **Lessee** shall deliver up possession of the Land in as good a condition and state of repair as when the **Lessee** took possession of it under this **Lease**. For greater certainty, the **Lessee** shall ensure that the condition of the Land meets or exceeds the condition as when the **Lessee** took possession and that remediation and restoration of the Land is conducted pursuant to the requirements of Clause #7, above.

SURRENDER

- 19. 1. Subject to the rights and interests of any third parties of which notice has been provided to the Authorized Agent, the **Lessee** may surrender the **Lessee's** interest under this **Lease** upon giving sixty (60) days' notice in writing to the Authorized Agent. To be eligible for surrender, the **Lessee** must:
 - (a) Pay all rental due under this **Lease** to the effective date of the surrender;
 - (b) Pay all property taxes, rates and assessments, including interest and penalties thereon, charged upon the Land or to the **Lessee** to the effective date of the surrender;
 - (c) Restore the Land to the condition and state of repair as when the **Lessee** took possession of the Land or where the **Lessee** intends to transfer ownership of improvements situated on the Land, obtain the agreement of the proposed successive lessee to accept all responsibility for remediating the land to the condition as when the Lessee took possession, said agreement to be to the satisfaction of the Authorized Agent;
 - (d) Provide the Authorized Agent with an executed surrender of lease in a form approved by the **Deputy Minister**.
 - (e) Provide the Authorized Agent with a Phase I, a Phase II, and a Phase III Environmental Site Assessment of the Land, unless the **Lessee** has not yet built upon, or made commercial or industrial use of the Land.
- 2. The **Lessee** or any successive lessee, as the case may be, is responsible for the remediation of the Land to the condition as when the **Lessee** took possession and for ensuring that remediation and restoration of the Land is conducted pursuant to the requirements of Clause #7, above, at its sole expense.
- 3. The effective date of the surrender of the **Lessee's** interest under this **Lease** is the date the Authorized Agent accepts such surrender by executing the surrender of lease form.

INITIALS..DP.....



AMENDED RENTAL

- 20. The **Authorized Agent** may at any time, not less than ninety (90) before the expiration of the first five (5) year period of the said term, or of any subsequent five (5) year period, notify the **Lessee** in writing of an amended rental payable for the following five (5) year period and/or for the remainder of the said term of this **Lease**. The said amended rental is to be based upon the Pricing Policy in effect at the time of such notification.
- 21. In the event the rental as determined by the Authorized Agent is not acceptable to the **Lessee**, the **Supreme Court of the Northwest Territories** shall determine the amount of the amended rental. All costs and fees charged by the Supreme Court of the Northwest Territories in determining the amount of the amended rental shall be the responsibility of the **Lessee**.

SURVEY

- 22. The boundaries of the Land are subject to such adjustment and alteration as may be shown to be necessary by survey.

SURVEY COSTS

- 23. The If the Land is not surveyed, the **Lessee** agrees to have the Land surveyed by a Canada Land Surveyor, if directed to do so by the Authorized Agent, and shall pay the full cost of the survey. The Lessee further agrees the survey shall be completed within one (1) year of receiving notice from the Authorized Agent to undertake such survey. It is further understood and agreed that no such survey shall be carried out without the prior written approval of the **Deputy Minister**.

ACCESS

- 24. It shall be lawful for the Authorized Agent at all reasonable times to enter upon the Land for the purposes of examining the condition of the Land.
- 25. The Authorized Agent may enter upon the Land for the purpose of conducting tests or other investigative measures to ensure compliance with the terms and conditions of this **Lease**. If the **Lessee** is found to be in breach of the terms and conditions of this **Lease**, the **Lessee** shall pay all costs associated with correcting the breach, as well as the costs of any testing or investigative measures undertaken to identify these deficiencies.

ENVIRONMENT

- 26. The **Lessee** shall accede to and comply with all **Environmental Protection Statutes**.
- 27. Compliance with **Environmental Protection Statutes** by the **Lessee** shall be at the **Lessee's** cost and expense and any adverse environmental condition to the land caused by **Contaminants** brought onto the land in relation to the **Lessee's** occupation, or arising as a result of the **Lessee's** use and occupation of the land shall be rectified at the cost and expense of the **Lessee** to return the land to a state that complies with all **Environmental Protection Statutes**.

LAND USE

- 28. The **Lessee** shall use the land for **Commercial** purposes only.

CONSTRUCTION

- 29. The **Lessee** shall construct the following improvements on the land; **2-story office building with living space**, which shall have a market value of not less than **Four Hundred Thousand (\$400,000.00) Dollars**. Construction of the said improvements shall commence within six (6) months of the effective date of this **Lease** and shall be completed within twenty-four (24) months of the effective date of this **Lease**.

NON-CONSTRUCTION

- 30. The **Deputy Minister** may terminate this **Lease** for failure to commence or complete construction of the improvements within the time required by Clause #29 of this **Lease** or for failure to conform to local bylaws, construction standards or regulations.

REMOVAL OF IMPROVEMENTS

- 31. If, prior to the expiry of this **Lease**, the **Lessee** removes 50% or more of any improvements placed on the land by the **Lessee** or the **Lessee's** predecessor, the **Deputy Minister** may, upon sixty (60) days written notice, terminate this **Lease** without compensation or refund of any equity to the **Lessee**.

INITIALS..DP.....



BUILDING SET-BACKS

- 32. Except where otherwise permitted by zoning or building laws applicable to the land the **Lessee** shall not erect on the land any building or structure nearer than a distance of six (6) metres from any boundary of the land.

SEWAGE TANKS

- 33. The **Lessee** shall provide, at the **Lessee's** own expense, a tank adequate for the storage and pump-out of sewage.

LAND FILL

- 34. On the expiry of this **Lease**, and subject to the environmental remediation requirements set out in this **Lease** and at law, the **Lessee** shall ensure that all and any land fill, (which includes, without restricting the generality of the foregoing, all soil, topsoil, sod, clay, sand, gravel, rock, crushed rock, glacial till, concrete, grout, asphalt, or any combination thereof), which during the term of this **Lease** was affixed or placed on the Land at the **Lessee's** expense, remain on the land.

For greater certainty, the **Lessee** will replace any contaminated land fill that must be removed to effect environmental remediation with clean land fill of a similar type and quality

EASEMENTS

- 35. The **Commissioner** may, where the Authorized Agent deems it necessary in the public interest, establish easements through, under or over any portion of the land for any public utility purpose, but said easements shall not unreasonably interfere with the rights granted to the **Lessee** hereunder or with any improvements made by the **Lessee** on the land.

ROAD CONSTRUCTION

- 36. The **Commissioner** may re-enter and occupy any portion of the land for construction of roads or other public works, but such construction shall not unreasonably interfere with the rights granted to the **Lessee** hereunder, or with any improvements made by the **Lessee** on the land.

ACCESS ROADS

- 37. The **Lessee** shall construct no more than one access road to the Land. If any access road to the Land intersects or adjoins a highway as designated under the *Public Highways Act*, then such access road must meet the construction standards of the Government of the Northwest Territories' Department of Infrastructure and otherwise comply with the *Public Highways Act*. All access roads are to be constructed and maintained at the **Lessee's** expense.

FLOODING

- 38. The **Lessee** shall not be entitled to compensation, from the **Commissioner**, by reason of the land or any portion thereof being submerged, damaged by erosion or otherwise affected by flooding.

FLOODING LIABILITY

- 39. The **Lessee** hereby acknowledges that the subject parcel of land is located within a zone which is subject to periodic flooding. In consideration of the **Commissioner** and the **Government of the Northwest Territories** issuing permission to occupy in respect of the subject parcel of land the **Lessee** hereby releases and forever discharges the **Commissioner** and the **Government of the Northwest Territories** its employees, officers and agents of and from all claims, demands, damages, actions or causes of action arising or to arise by reason of the said parcel of land being subjected to floods or flooding.

SUBLEASE REQUIREMENT

- 40. The **Lessee** shall not sublet the land without the consent of the **Deputy Minister** in writing.

ASSIGNMENT REQUIREMENT

- 41. The **Lessee** shall not assign this **Lease** without the consent of the **Deputy Minister** in writing.

TIME

- 42. Time shall be of the essence in this **Lease**.

INITIALS...DP.....



WAIVER

43. Unless a waiver is given in writing by the Authorized Agent, the **Commissioner** shall not be deemed to have waived any breach by the **Lessee** of any of the covenants or terms and conditions of this **Lease**, and a waiver relates only to the specific breach to which it refers.

IMPLICATION

44. No implied covenant or implied liability on the part of the **Commissioner** is created by the use of words, "demise and Lease" contained herein.

SURVIVORSHIP

45. This **Lease** enures to the benefit of and is binding upon the **Commissioner** and the **Commissioner's** successors, and upon the **Lessee**, the **Lessee's** heirs, executors, administrators and assigns.

ADDRESS FOR NOTICES

46. Wherever in this **Lease** it is required or permitted that notice or demand be given or served by any party to this **Lease** to or on the other, such notice or demand shall be given or served in writing and forwarded by registered mail, addressed as follows:

To the **Deputy Minister**:

Deputy Minister
Department of Lands
Government of the Northwest Territories
PO Box 1320
Yellowknife, NT X1A 2L9

To the **Lessee** at:

Fort Simpson Metis Development Corporation
PO Box 408
Fort Simpson, NT X0E 0N0

or to such other address as either of the parties may from time to time notify the other in writing in the manner hereinbefore provided.

IN WITNESS WHEREOF the parties have executed this agreement as of the date and year first above written.

SIGNED, SEALED AND DELIVERED
by

) **THE COMMISSIONER OF THE NORTHWEST**
) **TERRITORIES**
)
)
)
)
)



) Per: Director, Land Administration (seal)

SIGNED, SEALED AND DELIVERED
by

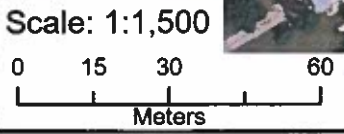
) **FORT SIMPSON METIS DEVELOPMENT**
) **CORPORATION**
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) Per: Daniel Peterson, President (seal)

INITIALS... *DP*





	Point Easting (X)	Point Northing (Y)
1	586753	6859856
2	586785	6859874
3	586806	6859837
4	586774	6859819



Government of Northwest Territories / Gouvernement des Territoires du Nord-Ouest

LEASE SKETCH

Parcel Size: 1,560 m ²	Drawn By: Logan_Rudkevitch Date: August 23, 2021	<h3>Fort Simpson</h3>
Coordinate System: NAD 1983 UTM Zone 10N Projection: Transverse Mercator Datum: North American 1983	Image Date: July 10, 2018	File Number: <h3>200-SK-023</h3>