

ST. CLAIR REGION CONSERVATION AUTHORITY
FARM LEASE AGREEMENT (2021 – 2025)

THIS LEASE made this 1st day of January, 2021.

BETWEEN: HEREINAFTER CALLED THE
"Tenant"

AND: THE ST. CLAIR REGION HEREINAFTER CALLED THE
CONSERVATION AUTHORITY "Landlord"

IN CONSIDERATION of the rents, covenants and agreements contained in this Lease, and in the spirit of mutual understanding and security, the parties to this agreement (this "**Lease**") agree as follows:

1. LEASED PROPERTY

1.1 The Landlord hereby leases to the Tenant the workable acreage of the property at _____ (the "**Leased Property**") and more fully described in Schedule "**A**" attached hereto.

2. TERM OF THE LEASE

2.1 This Lease will be in force for a term of (5) years beginning on the 1st day of January, 2021.

2.2 This lease will end on the 31st day of December 2025, or when the final crop has been harvested in 2025, or unless terminated in accordance with the provisions of this Lease.

3. RENT

3.1 The Tenant shall pay to the Landlord, during each year of the term, rent for the Leased Property in accordance with the Rental Formula, as set out in Schedule "**C**".

3.2 The Rent shall be exclusive of property taxes, which shall be the responsibility of and paid by the Landlord.

3.3 As well, the Tenant will provide annually, proof of insurance to the Landlord regarding liability insurance and crop insurance.

4. LANDLORD'S REPRESENTATIONS AND WARRANTIES

4.1 The Landlord makes no representations or warranties regarding the Leased Property, nor does the Landlord represent or make any warranties that any of the land which is the subject of this Lease is cultivated and/or suitable for farming. The Tenant acknowledges that it relies upon its own estimate and judgment.

5. COVENANTS

5.1 The Landlord and the Tenant covenant and agree as set out in Schedule "**B**" as attached hereto.

6. ALTERATIONS BY TENANT

6.1 The Tenant may from time to time at its own expense make changes, additions and improvements to the Leased Property to better adapt the same to its business, provided that any change, addition or improvement shall be made only after obtaining written consent of the Landlord, and shall be carried out in a good and workmanlike manner. The Tenant shall pay promptly when due all costs for work done or caused to be done by the Tenant to the Leased Property which could result in any lien or encumbrance on the Landlord's interest in the property and shall keep the title to the property and every part thereof free and clear of any lien or encumbrance.

7. TERMINATION

7.1 Termination by the Tenant

- (a) The Tenant may terminate this Lease by giving notice in writing to the other party at least 120 days (4) months prior to the expiry of the Term.
- (b) The Tenant will be pro-rated and invoiced for the outstanding amount of the lease to the affective termination day.

7.2 Termination by the Landlord

Upon the occurrence of any of the following events:

- (a) the Tenant fails to pay any Rent or other sums due hereunder when due, and such Rent or other sums are not paid within thirty (30) days after notice is given by the Landlord of such non-payment;
- (b) the Tenant fails to observe, perform and keep each and every of the covenants, agreements and conditions herein contained to be observed, performed and kept by the Tenant and persists in the failure after fifteen (15) days' notice by the Landlord requiring the Tenant to remedy, correct, desist or comply (or such longer period as may be reasonably required to cure the breach given the nature of same);

The Landlord may, at its option, and in addition to and without prejudice to all rights and remedies of the Landlord available to it either by any other provision of this Lease or by statute or the general law, either

- (c) terminate this Lease by giving the Tenant thirty (30) days prior written notice of the termination, and be entitled to the full amount of the current year's Rent which shall immediately become due and payable; or
- (d) without notice or any form of legal process, forthwith re-enter upon and take possession of the Leased Property or any part thereof in the name of the whole and re-let the Leased Property or any part thereof on behalf of the Tenant or otherwise as the Landlord sees fit,

provided that, if the Tenant has planted crops on the Leased Property, the Tenant shall be entitled to, within a reasonable period of time after termination of this Lease, re-enter upon the Leased Property to harvest such crops,

and the Tenant shall pay to the Landlord forthwith upon demand all expenses of the Landlord in re-entering, terminating, re-letting, collecting sums due or payable by the Tenant or realizing upon assets seized including tenant inducements, leasing commissions, legal fees on a solicitor and client basis and all disbursements and the expense of keeping the Leased Property in good order, and preparing the same for re-letting.

8. INDEMNITY

8.1 The Tenant hereby releases, indemnifies, and completely holds harmless the Landlord, its board members, employees, legal counsel, agents, foundation, and contractors from and against:

- (a) Any suits, judgments, claims, demands, expenses, actions, causes of action, duties, assessments, fees, penalties, liabilities, losses and costs;
- (b) Any breach, violation or non-performance of any covenant, condition or agreement in this Contract set forth and contained on the part of the Tenant to be fulfilled, kept, observed, and performed; and
- (c) Any loss, damage or injury to any person or property, and for any and all liability, including direct, indirect, special or consequential damages that are not caused directly by breach of contract or negligence of the Landlord in providing the Leased lands.

8.2 This indemnification by the Tenant shall survive the termination of this Lease.

9. GENERAL

9.1 Relationship of the parties

- (a) The parties hereto expressly disclaim any intention to create, and nothing in this Lease shall be deemed to create, a partnership or joint venture between them and neither of the parties hereto shall have any authority to act for or to assume any obligation or responsibilities on behalf of the other except as otherwise expressly provided herein.

9.2 Incoming Tenant

- (a) An incoming tenant, purchaser, or the Landlord shall have the right to enter upon the Leased Property to examine, inspect and show the Leased Property for the purposes of leasing, sale or financing.

9.3 Landlord's Right of Inspection

- (a) The Landlord or his agent or employee may, enter the Leased Property to inspect or perform works and provide access.
- (b) If repairs or amendments are required, the Tenant shall make the necessary repairs or amendments within one (1) month of receiving written notice from the Landlord.

9.4 Access to the Leased Property

- (a) The Landlord may authorize agents, staff or outside contractors to enter the property, which includes Leased lands and non-leased portions for the purpose of scientific research, observations, or management planning without notice to the Tenant. Anyone accessing the property will be respectful of the lands and the Tenant. Any negative impact to the Leased lands will be resolved through the Landlord.
- (b) The Landlord also authorizes hunting on the properties through a permit process. Only those with a permit may hunt lands owned and operated by the Landlord. The hunters with permission understand and have been given written notification to not impact the Leased lands in a negative manner.

9.5 Assignment and Subletting

- (a) The Tenant shall not assign or sublet his interest in this Lease, or any part of his interest in this Lease, nor grant any license or part with possession of the Leased Property or transfer any other right or interest under this Lease without the Landlord's prior written consent, the Landlord acting reasonably.

9.6 Sale of the Leased Property

- (a) If the Landlord sells or otherwise disposes of all or part of the Leased Property, it will be done so, subject to the provisions of this Lease, unless the Landlord and the Tenant agree otherwise in writing.

9.7 Liens

- (a) The Tenant shall, immediately upon demand by the Landlord, remove or cause to be removed, and thereafter institute and diligently prosecute any action pertinent thereto, any builders' or other lien or claim of lien noted or filed against or otherwise constituting an encumbrance on any title of the Landlord. Without limiting the foregoing obligations of the Tenant, the Landlord may cause the same to be removed, in which case the Tenant shall pay to the Landlord forthwith, the cost thereof, including the Landlord's complete legal costs on a solicitor and his own client full indemnity basis.

9.8 No Transfer on Bankruptcy

- (a) Neither this Lease nor any interest of the Tenant herein nor any estate hereby created will pass or ensure to the benefit of any trustee in bankruptcy or any receiver or any assignee for the benefit of creditors of the Tenant or otherwise by operation of law.

9.9 Renewal

- (a) The term of this Lease may be extended by mutual agreement of the Landlord and the Tenant in writing for a further period upon the same terms and conditions herein, except as otherwise agreed in writing by the parties executing a renewal statement.

9.10 Inurement

- (a) The terms "Landlord" and "Tenant" shall include their heirs, executors, administrators, successors and approved assigns in the singular or plural number, and all the covenants shall be construed as being joint and several.

9.11 Ontario Law Applies

- (a) This Lease shall be governed by and construed in accordance with the laws of the Province of Ontario and the parties hereto hereby submit to the jurisdiction of the Courts in the Province of Ontario.

9.12 Notice

- (a) Any demand, notice, direction or other communication to be made or given hereunder (in each case, "**Communication**") shall be in writing and shall be made or given by personal delivery, by courier, by facsimile transmission, email, or sent by registered mail, charges prepaid, addressed as follows:

Landlord: St. Clair Region Conservation Authority
205 Mill Pond Crest., Strathroy, ON N7G 3P9
P: 5419-245-3710 ext. 224 F: 519-245-3348
Email: tpayne@scrca.on.ca

Tenant: _____

FBR #: _____

Grower Pesticide Safety Certificate #: _____

or to such other address or facsimile number as any party may, from time to time, designate in accordance with this Section.

- (b) A Communication will be considered to have been given or made on the day that it is delivered in person or by courier, or sent by facsimile or, if mailed, seventy-two (72) hours after the date of mailing. If the postal service is interrupted or substantially delayed, any Communication will only be delivered in person or by courier, email, or sent by facsimile.

9.13 Amendments to the Lease

- (a) No alteration or amendment of this Lease shall take effect unless the same is in writing, duly executed by each of the parties in the same manner as this Lease.

IN WITNESS WHEREOF the parties hereto have hereunto affixed the signatures of their duly authorized officers together with their Corporate Seals.

Signed and Agreed
By:

The St. Clair Region Conservation Authority

Joe Faas, Chair of the Board

Brian McDougall, General Manager

, Tenant

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SCHEDULE "A"
LEASED PROPERTY DESCRIPTION

Address		
Lot	Concession	
Municipality/ Township	Chatham Kent	Geographic Twp.
Municipal Roll No.		
Total Acreage	Acres	
Woodlot Acreage	Acres	
Workable Acreage	Acres	
Leased Acreage	Acres	
MFTIP on Woodlot	No	Acres
Organic Certification	No	
Access		

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Map Location

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SCHEDULE "B"

COVENANTS

1. LANDLORD'S COVENANTS

The Landlord covenants and agrees with the Tenant:

1.1 General

- (a) to pay all mortgages against the Leased Property, if any;
- (b) for quiet enjoyment of the Leased Property; and,
- (c) to observe and perform all the covenants and obligations of the Landlord herein.

2. TENANT'S COVENANTS

The Tenant covenants and agrees with the Landlord:

2.1 Operation and Maintenance of the Leased Property

(a) Use of the Leased Property

- (i) to use the Leased Property only for the purpose of farming legal crops on the Land and any and all uses ancillary thereto,
- (ii) not to allow any public use of the Leased Property without the written consent of the Landlord, which consent may be unreasonably withheld; and,
- (iii) not to build any structure, barn, shed, fuel storage facility, or permanent feed storage facility without the written consent of the Landlord,
- (iv) to not discharge a firearm or archery equipment or to hunt or give permission to hunt on the Leased Property,
- (v) to keep all gates closed and locked if required to prevent unauthorized vehicle access to the Leased Property.

(b) Farming Decisions

- (i) to make all decisions with respect to growing crops on the Leased Property, unless stated otherwise in this Lease, but all decisions made by the Tenant will be in accordance with good farming practices and in accordance with the provisions of this Lease.

(c) Farming Costs

- (i) to be responsible for the payment of all of the costs and expenses associated with the Tenant's obligations hereunder directly to the appropriate party as they come due and shall, at the Landlord's request, provide the Landlord with copies of receipts or other proof acceptable to the Landlord that such costs have been paid.

(d) Resource Protection

- (i) to comply with present and future laws, regulations and orders relating to the occupation or use of the Leased Property which shall include, but not be limited to, all activities related to groundwater contamination, the application of pesticides and commercial fertilizers, the cultivation of crops and the compliance thereof, and the storage and/or disposal of any hazardous waste;
- (ii) to be responsible for maintaining nutrient and pH levels on the Land as

mutually agreed upon with the Landlord;

- (iii) to do what is reasonably necessary to control soil erosion and to abstain from any practice which will cause damage to the Land;
 - (iv) to not remove sand, gravel, topsoil or minerals from the Leased Property;
 - (v) to not remove any naturally growing plants, trees or shrubs from the leased lands;
 - (vi) to not cut, trim or remove trees from the leased property or burn crop residue without written permission from the Landlord. Any injury or destruction of trees without written permission will be compensated for by the Tenant at a rate of \$200.00 per tree;
 - (vii) to not permit or allow the accumulation of any waste material, debris, refuse or garbage on the Leased Property;
 - (viii) to not allow any site contamination such as, but not limited to, chemicals, oil spills, hydrocarbons, or any other waste materials on the Leased Property or adjacent water bodies;
 - (ix) to not apply Bio Solids to any lands rented,
 - (x) to not apply manure to frozen ground or to land where, prior to incorporation, it may flow overland into a watercourse; and,
 - (xi) to maintain a ten (10) meter buffer strip of grasses and clover alongside any municipal drain.
- (e) Pesticides and Herbicides
- (i) to perform all acts required to be done under any Act or by regulations or by-laws with respect to weed control, and the Tenant will not sow, or permit to be sown any grain infected by smut or containing any foul seeds or noxious weed, and will not suffer or permit any such foul seeds or noxious weeds to go to seed; and,
 - (ii) to store, use, and dispose of agricultural chemicals, including pesticides, herbicides, and fertilizer, in accordance with label directions and federal, provincial and municipal legislation and recommendations.
- (f) Fences, Buffers, Windbreak Improvements
- (i) to not negatively impact any fences, windbreaks, buffers, erosion control structures, and earth berms, without written consent from the Landlord. Any damage or negative impact by the tenant will be repaired by the Landlord and expensed to the Tenant over and above the Lease price of the lands and,
 - (ii) to keep the mouths of all underdrains on the Leased Property open and free from obstruction and in good running order at all times during the Term and will not suffer or permit such drains or the water-courses in any open ditches on the Leased Property, to become obstructed, but will keep them free and clear for the escape of the water flowing therein.

2.2 Insurance

- (a) Property Loss and Liability Insurance
- (i) to maintain comprehensive general liability insurance applying to all operations of the Tenant and against claims for bodily injury, including death, and property damage or loss arising out of the use or occupation of the Leased Property and against any liability to third parties arising from or in relation to the Tenant's use or occupancy of the Leased Property, in at least the amount of Two Million (\$2,000,000.00) Dollars combined single limit. This policy of insurance shall contain the

provision that it shall not be cancelled without the insurer providing the Landlord thirty (30) days' written notice stating when such cancellation shall be effective. Evidence satisfactory to the Landlord of such policy of insurance shall be provided to the Landlord upon request.

2.3 General

- (a) to pay all of the costs and expenses associated with the Tenant's obligations hereunder directly to the appropriate party as they come due and shall, at the Landlord's request, provide the Landlord with copies of receipts or other proof acceptable to the Landlord that such costs have been paid. If the Tenant fails to perform any obligation under this Lease or to pay any costs and expenses as set out herein, the Landlord may at its sole option and discretion, on seven (7) days written notice to the Tenant, perform such obligation or pay such amounts on behalf of the Tenant and the Tenant shall forthwith upon receipt of an invoice therefor reimburse the Landlord for the cost of such action or the amount of such payment;
- (b) not to do, omit to do or permit to be done anything which will cause or shall have the effect of causing the cost of the Landlord's insurance in respect of the Leased Property to be increased at any time during the Term or any policy of insurance on or relating to the Leased Property to be subject to cancellation;
- (c) to agree that the Landlord shall not be responsible for personal injury or property damage that the Tenant or the Tenant's invitees, agents, or guests may suffer or sustain by reason of the use of the Leased Property whether arising by reasons of negligence or otherwise;
- (d) it is understood that some or all of the leased lands are in the flood plain. The Landlord is not responsible for any damages or loss to crops as a result of flooding in these areas. Flooding may occur as a result of natural high water, precipitation, snow melt or the activation of the Darcy McKeough Dam under the Provincial guidelines for operation; and,
- (e) to observe and perform all the covenants and obligations of the Tenant herein.

SCHEDULE "C"

RENTAL FORMULA AND SCHEDULE

Unit Price: \$000.00 per acre x 000 acres = \$00,000.00

Hst = \$0,00.00

Annual payment of \$00,000.00

Payment Schedule:

Payment 1. Invoice issued June 1st of every year of the agreement in the amount of \$00,000.00

Payment 2. Invoice issued November 2nd of every year of the agreement in the amount of \$00,000.00

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