

AGRICULTURAL LEASE AGREEMENT

THIS LEASE made this ____ day of _____, 2023.

BETWEEN

The Township of Douro-Dummer, *a body corporate incorporated pursuant to the laws of the Province of Ontario.*

(the “**Landlord**”)

- and -

XXXXX, a body corporate incorporated pursuant to the laws of the Province of Ontario or individuals if applicable.

(the “**Tenant**”)

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 property at XXXXXX (the “**Leased Property**”) and more fully described in Schedule “A” attached hereto.

2. TERMS OF THE LEASE

2.1 This Lease will be in force for a term of XXXXX years beginning on the 1st day of May, 2023 (the “**Commencement Date**”) and ending on the 31st day of October, XXXX with t (the “**Termination Date**”) 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 the amount of XXXXX for 2023, XXXXX for 2024, XXXXX for 2025 and XXXXX for 2026 plus HST if applicable (the “**Rent**”) payable in two yearly installments set out in Schedule “C”.

3.2 The Tenant shall also pay to the Landlord all other amounts payable by the Tenant to the Landlord or to be discharged as Rent under this Lease, described in Schedule “C” (the “**Additional Rent**”) at the times and in the manner provided in this Lease or, if not so provided, as reasonably required by the Landlord.

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

4. LANDLORD'S REPRESENTATIONS AND WARRANTIES

4.1 The Landlord makes no representations or warranties regarding any aspect of 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 judgement.

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 changes, additions or improvements shall be made only after obtaining written consent of the Landlord, and shall be carried out in a good and workmanlike manner and only by persons selected by the Tenant and reasonably approved in writing by the Landlord. 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. DISPUTE RESOLUTION

7.1 Both Parties shall make all reasonable efforts to resolve disputes by amicable negotiations and agree to provide, without prejudice, open and timely disclosure of relevant facts, information, and documents to facilitate these negotiations. When a settlement cannot be reached by this means within a reasonable time, the Parties shall proceed with Arbitration.

7.2 Failing a negotiated resolution of any dispute the Landlord and Tenant agree to submit any arbitration to a single arbitrator agreed upon by the Parties. If the Landlord and Tenant cannot agree upon a single arbitrator within ten Business Days after the dispute is referred to arbitration, each Party shall within ten more Business Days choose one individual who shall sit on a three-member arbitration panel. The third arbitrator shall be selected by the two arbitrators chosen by the Parties. The arbitrator or arbitration panel shall provide each of the Parties an opportunity to be heard and shall conduct the arbitration hearing in accordance with the provisions of the Arbitration Act, 1991 (Ontario). The Arbitrator's fee and associated arbitration costs shall be equally shared by

the Landlord and Tenant and the Parties agree to be bound by the decision of the Arbitrator.

8. TERMINATION

8.1 Termination by the Tenant

- (a) The Tenant may terminate the Lease by giving notice in writing to the Landlord at least three (3) months prior to the expiry of the Term.

8.2 Termination by the Landlord

- (a) The Landlord may terminate the Lease at any time in its sole and unfettered discretion upon giving the Tenant at least three (3) months written notice. If the Lease Agreement is terminated by the Landlord in accordance with this section, the Landlord shall reimburse the Tenant any overpayment of rent pro-rated to the date of termination.

The Landlord may also terminate the Lease upon the occurrence of any of the following events:

- (b) The Tenant to pay any Rent or other sum due hereunder when due, and such Rent or other sum are not paid within fifteen (15) day's after notice is given by the Landlord of such non-payment; or,
- (c) 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 reasonable required to cure the breach given the nature of the same);

Then 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

- (d) Terminate this Lease by giving the Tenant ten (10) days prior written notice of the termination, and be entitled to the full amount of the current years' Rent which shall immediately become due and payable; or
- (e) 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.

- (f) 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.

9. INDEMNITY

9.1 The Tenant shall indemnify and save harmless the Landlord and its agents and employees from any and all liabilities, damages, costs, claims, suits, actions or other proceedings by whomsoever made growing or arising out of:

- (a) Any breach, violation or non-performance of any covenant, condition or agreement in this Lease set forth and contained on the part of the Tenant to be fulfilled, kept, observed and performed;
- (b) Any injury to person or persons, including death, resulting at any time from anything occurring in or about the Leased Property;
- (c) Any damage to any property or equipment brought upon the Leased Property.

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

10. LIMITATION OF LANDLORD'S LIABILITY

10.1 The Landlord and its agents and employees shall not be liable for any damage to the Leased Property, or any property located thereon caused by any latent defect or by steam, water, rain, or snow which may leak into, issue or flow from any part of the Leased Property or for damage however caused to property, crops, livestock or other valuables of the Tenant

10.2 The provisions of this section shall survive the termination of this Lease.

11. OVERHOLDING ("ROLLING LEASE")

- (a) If the Tenant continues to occupy the Leased Property with the written consent of the Landlord after the expiration or other termination of this Lease, then, without any further written agreement, the Tenant shall be a tenant from year to year and subject always to all of the other provisions in this Lease; provided that if the Tenant continues to occupy the Leased Property without the written consent of the Landlord at the expiration or other termination of this Lease, then the Tenant shall be a tenant at will and shall pay to the Landlord, as liquidated damages and not as rent, an amount equal to the amount the Tenant would otherwise be liable to pay under the terms of the Lease if it had not expired or otherwise been terminated, accruing from day to day and adjusted pro rata accordingly and subject always to all of the other

provisions of this Lease insofar as they are applicable to a tenancy at sufferance, and a tenancy from year to year shall not be created by implication of law; provided that nothing herein contained shall preclude the Landlord from taking action for recovery of possession of the Leased Property.

12. GENERAL

12.1 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.

12.2 Incoming Tenants

- (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.

12.3 Landlord's Right of Inspection

- (a) The Landlord or his agent or employee may, upon the provision of a reasonable notice period, enter the Leased Property to inspect same.
- (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.

12.4 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.

12.5 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 liens of claim of lien noted or filed against or otherwise constituting an encumbrance on any title of the Landlord. Without limiting the foregoing obligation 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.

12.6 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.

12.7 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.

12.8 Enurement

- (a) The term “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 constructed as being joint and several.

12.9 Ontario Law Applies

- (a) This Lease shall be governed by and constructed 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.

12.10 Registration

- (a) The Tenant agrees not to register this Lease without the prior written consent of the Landlord, which consent may be unreasonably withheld.

12.11 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 followed:

Landlord: Township of Douro-Dummer
894 South St., P.O. Box 92,
Warsaw, Ontario
K0L 3A0

Tenant: XXXXX
XXXXX

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, or sent by facsimile.

12.12 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.

Township of Douro-Dummer

Per: _____
Mayor, Heather Watson

Acting Clerk, Martina Chait-
Hartwig

We have authority to bind the Township.

Tenant, XXXXX

SCHEDULE "A"

LEASED PROPERTY DESCRIPTION

Address: XXXXX

Concession: XXXXX

(Part) Lot: XXXXX

Municipality: Douro-Dummer

Roll Number: XXXXX

Total Acreage: XXXXX

Workable / Acreage:

Woodlot Acres:

Managed woodlot? Y/N

Tenant rights to harvest according to management plan? Y/N

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 save and except that the Tenant shall be entitled to keep any livestock on the Leased Property.
- ii. Not to allow any public use of the Leased Property without the written consent of the Landlord, which consent may be unreasonable withheld; and
- iii. Not to build any structure, barn, shed, fuel, storage, facility, or permanent feed storage facilities without the written consent of the Landlord.

(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 the costs and expenses associated with the Tenant's obligation 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 reasonable 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 permit or allow the accumulation of any waste material, debris, refuse or garbage on the Leased Property;
- vi. 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'
- vii. To not grow the same type of crop for more than four (4) years in succession;
- viii. To not apply manure to frozen ground or to land where, prior to incorporation, it may flow overland into a watercourse; and,
- ix. 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 regulation or by-law 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 direction and federal, provincial and municipal legislation and recommendations.

(f) Repairs of Fences and Improvements

- i. To be responsible for the maintenance and upkeep of the fences and windbreaks, and to keep same in good order and condition to ensure livestock are kept confined; 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-course 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 of 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 with the Township as named insured. 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 starting 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 the costs and expenses associated with the Tenant's obligation 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 as its sole option and discretion, on seven (7) days written notice to the Tenant, perform such obligation or pay such amount 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 used of the Leased Property whether arising by reasons of negligence or otherwise; and,
- (d) To observe and perform all the covenants and obligations of the Tenant herein.

SCHEDULE “C”

Payment Schedule:

Fifty percent (50%) of base: Due May 1st

Fifty percent (50%) of base: Due July 31st