

**Draft Agreement**

***“To be completed by the Municipality after tender closing”***

**This Agreement effective as of the first of January, 2021**

**Between:**

**The Corporation of the Municipality of South Huron**

**Hereinafter called the “Lessor”**

**Of the first part**

**and**

***“Insert Lessee’s name”*  
(of the Municipality of South Huron, in the County of Huron)**

**Hereinafter called the “Lessee”**

**Of the second part**

**This is to confirm the Agreement between The Corporation of the Municipality of South Huron and *“Insert Lessee’s name”* regarding the terms and conditions on which the Lessor agrees to permit the Lessee to rent municipal lands within the site located at *“Insert Location(s)”***

the lease of \_\_\_\_ acres, more or less, of land at *“insert property description”*

**Lessee’s Covenants:**

- 1.1 The Lessee agrees to Lease from the Municipality of South Huron those lands of the Municipality, in the County of Huron, containing approximately \_\_\_\_ acres, more or less, and being composed of:  
  
*“insert property description”*
- 1.2 The Lessee agrees to Lease the land for the term of five (5) years to commence on January 1, 2022 until December 31, 2026.
- 1.3 The Lessee agrees to pay the Lessor on an annual basis, every year, during the said term and hereby agrees to pay \_\_\_\_\_”insert amount” \_\_\_\_\_ Dollars per acre for the \_\_\_\_ acres of land, for a total of \_\_\_\_\_”Insert amount” \_\_\_\_\_ Dollars (\$\_\_\_\_\_) plus H.S.T., of lawful money of Canada, without any deduction, defalcation or abatement whatsoever to be payable annually on the following days and times, that is to say:

The sum of \$\_\_\_\_\_ plus H.S.T. on April 1<sup>st</sup> of each year during the term herein.

- 1.4 Late payment under this Agreement is subject to a 1.25% per month interest penalty in accordance with Municipal policy, as amended from time to time. In accordance with the Municipal collection policy the defaulted account shall be referred to a collection agency thirty (30) days after the third collection letter is sent and the debtor has not responded. The debtor will be notified by letter that the account is being referred to a collection agency and that future correspondence should be with that agency.

If the annual lease payment is not paid in full to the Municipality after 120 days from the due date of April 1<sup>st</sup> of each year, the Lease Agreement shall be terminated immediately. No compensation will be paid for any cost incurred by the Lessee to maintain the property, prepare the land and plant a crop prior to the time of termination. The defaulted annual lease payment for the year the Agreement is terminated shall remain the debt of the Lessee.

- 1.5 The Lessee agrees not to cut down timber or trees of any kind whatsoever on said lands.
- 1.6 The Lessee agrees to employ good agricultural practices to minimize soil loss and removal of soil from the leased property is prohibited.
- 1.7 The Lessee agrees to repair according to notice in writing, reasonable wear and tear, and damage by fire, lightening and tempest only excepted.
- 1.8 The Lessee agrees not to assign or or sub-let without leave, nor will during the said term, assign, transfer or set over or otherwise by any act or deed procure the said premises or any of them to be assigned, transferred, set over or sub-let unto any person or persons whomsoever without the consent in writing of the lessor first had and obtained.
- 1.9 The Lessee agrees that the property will be used for agricultural purposes and shall not carry on any business that contravenes the Zoning By-law or deemed a nuisance on said premises.
- 2.0 The Lessee agrees to leave the premises in good repair (reasonable wear and tear and damage by fire, lightening and tempest only excepted).
- 2.1 The Lessee agrees during the said term: cultivate, till and employ such parts of the said premises as are now or shall hereafter be brought under cultivation in a accordance with good agricultural practices, and will in like manner crop the same in a regular rotation of crops so as not to impoverish, depreciate or injure the soil.
- 2.2 i. The Lessee agrees during the said term: mow the grass along the fences and in the fence corners on the said lands, keep down all noxious weeds and grasses, which shall grow upon the said premises or on the side of the roads or highways adjacent thereto, and will not sow or permit to be sown any grain infected by smut or containing any foul seeds or noxious weeds, and will not suffer or permit any such foul seeds or noxious weeds to go to seed on the said premises.

- ii. If at any time during the said term, the Lessee neglects to pull up or otherwise destroy or prevent from going to seed on the said lands any noxious weeds or grasses growing thereon, and which are reasonably within the power and duty of the Lessee so to pull up or otherwise destroy, or prevent from going to seed, the Lessor may, by notice in writing, require the Lessee within 48 hours after the service of such notice, to pull up or otherwise destroy or prevent them from going to seed, and on default of the Lessee so doing, the Lessor may enter upon the said lands with laborers and workmen and do the work by the said notice required to be done by the Lessee, and all costs, charges and expenses of or incidental thereto shall be added to the rents hereby reserved, and shall be recoverable in like manner as rent reserved, but this provision shall not in any way impair or abridge the right of re-entry by the Lessor on non-performance of covenants.
- iii. Clause ii shall not supersede the provisions contained in the Weed Control Act, as amended from time to time.

2.3 The Lessee agrees to keep the inlets/outlets of all underdrains on the said premises open and free from obstruction, and in good running order at all times during the said term, and will not suffer or permit such drains, or the water-courses in any open ditches on said premises to become obstructed, but will constantly keep the same free and clear, for the escape of the water flowing therein.

2.4 The Lessee acknowledges the water pipeline easement across the leased farm land at the former Stephen Landfill Site and the rights associated with the easement agreement. This easement is in favor of the Lake Huron Primary Water Supply System (LHPWSS) and contains a 1200mm water pipeline. As such, the LHPWSS enjoys the right of access for scheduled and emergency repairs, subject to compensation.

Compensation paid to the Lessor (ie. Municipality) as a result of the LHPWSS Easement Agreement and associated land damage/crop damage "Compensation Agreement" for access, temporary land use, disturbance or any other damages as a result of the LHPWSS Easement Agreement shall be retained by the Lessor (ie. the Municipality). The Lessee's compensation shall be limited to crop loss only (if applicable).

#### **Municipality's Covenants:**

2.5 The Lessor covenants with the Lessee for quiet enjoyment.

2.6 In the event that the Lessor should desire to sell the said lands and premises during the said term, the said term may be determined at any time upon one (1) month's notice by a notice to such effect, and that the Lessee will, at the expiration of the time limited by the said notice, peaceably and quietly give up possession of the said lands and premises to the Lessor; provided that upon such earlier determination of the said term, and after the Lessee shall have delivered up possession in manner aforesaid, and paid to the Lessor the full proportion of rent and taxes up to the date of such earlier determination, the Lessee shall be entitled to be compensated for the value of the crops sown and then growing, or of the ploughing done on the said lands in preparing for a crop, the amount of such compensation to be determined by arbitration if the parties cannot agree thereon.

#### **Mutual Covenants:**

- 2.7 It is understood by the parties that if the term hereby granted or any of the goods or chattels of the Lessee shall be at any time during said term seized or taken in execution, or attachment by any creditor of the Lessee or if the Lessee shall make any Chattel Mortgage or Bill of Sale of any of his crops or other goods and chattels, or any assignment for the benefit of creditors, or becoming bankrupt and insolvent, shall take the benefit of any Act, that may be in force for bankrupt and insolvent debtors, or shall attempt to abandon said premises, to sell and dispose of his farm stock and implements, so that there would not in the event of such sale or disposal be a sufficient distress on said premises for the then accruing rent, of which the Lessor shall be sole judge, then in every such case, the then current and net ensuing year's rent (to be reckoned upon the rate of the previous year, in case rate shall not have been fixed for current year) shall immediately become due and payable and the term hereby granted shall at the option of the Lessor immediately become forfeited, void and determined, and in every of the above cases such taxes or accrued portion thereof may be recoverable by the Lessor in the same manner as the rent hereby reserved.
- 2.8 It is understood by the parties that in case of removal by the Lessee of goods and chattels in whole or substantial part from off the said premises, the Lessor may distrain for the rents hereby reserved upon the goods and chattels of the Lessee upon any other premises to which they may have been removed.
- 2.9 In the event of any misunderstanding or misinterpretation arising out of the lease, the parties herein agree that the matter shall be then settled forthwith in accordance with the provisions contained in the Arbitrations Act, as amended from time to time to be bound by any such decisions obtained as a result thereof.
- 3.0 This Agreement shall ensure to the benefit of and is binding upon each of the party's respective heirs, executors, administrators, successors and assigns.

**Notice:**

- 3.1 Any notice or other communication mailed or delivered shall be deemed to have been given at the date it was personally delivered or if mailed shall be deemed to have been given on the third business day following the date of which it was mailed. Either the Lessor or the Lessee may change their address for service from time to time by giving notice in accordance with the foregoing.
- 3.2 Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given either by delivering the same to the recipient or mailing the same postage prepaid in a government post box to the recipient at the following address:

For the Lessor:

The Corporation of the Municipality of South Huron  
P.O. Box 759, 322 Main Street South  
Exeter, Ontario N0M 1S6

For the Lessee:

*"Insert name and address"*

In Witness Whereof the said parties of this Agreement have hereto set their hands and seals this \_\_\_\_ day of \_\_\_\_\_, 2021.

*“Insert Lessee’s name”*

Per: \_\_\_\_\_  
Name

\_\_\_\_\_  
Date

I have authority to bind the Corporation.

The Corporation of the Municipality of South Huron

Per: \_\_\_\_\_  
George Finch, Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Rebekah Msuya-Collison, Clerk

\_\_\_\_\_  
Date

We have authority to bind the Corporation.