Grey Sauble Conservation

237897 Inglis Falls Road, R.R.#4, Owen Sound, ON N4K 5N6
Telephone: 519.376.3076 Fax: 519.371.0437
www.greysauble.on.ca

December 5, 2018

RE: Request for Tender for Rental of Agricultural Lands

The Grey Sauble Conservation Authority welcomes your interest in renting agricultural land owned by the Conservation Authority. These lands were typically purchased as part of a larger land acquisition project to conserve wetlands, the Niagara Escarpment, significant forested areas, etc. The agricultural lands acquired in this way are rented to the private sector to continue their agricultural production until needed by the Conservation Authority for a future project.

Please read the attached information. It includes:

a) A list of the properties available to lease;
b) sample version of an agreement that you will be required to sign if you are the successful bidder;
c) A map and air photo of the property that identifies the portion of the property that is available for rent; and,
d) A copy of a tender form for the property for which you have expressed an interest (you are encouraged to make a copy to retain for your records).

Tender applications must be delivered to the Grey Sauble Conservation Authority Administrative Office by 3:30pm on Tuesday, January 22, 2019. In fairness to all applicants, late applications will not be opened or considered.

Application can be dropped off in person or delivered by regular mail to:

Grey Sauble Conservation Authority
237897 Inglis Falls Road
Owen Sound, ON N4K 5N6

If any questions should arise, please contact the undersigned.

Regards,

Tim Lanthier
Lands and Habitats Coordinator

Conservation ONTARIO
Natural Champions

Watershed Municipalities
Arran-Elderslie, Chatsworth, Georgian Bluffs, Grey Highlands
Meaford, Owen Sound, South Bruce Peninsula, Blue Mountains

Grey Sauble Conservation Authority
Agricultural Land Lease Tenders

Tenders close: Tuesday, January 22, 2019 at 3:30 PM

Compartment 66: Part Lot 11, Concession 1, Township of Georgian Bluffs (Derby)
Approximately 6.5-hectares (16-acres) of land is offered to lease.
Approximately 5-year term from March 1, 2019 to October 31, 2023.

Compartment 166: Part Lot 5 & 6, Concession 2, Township of Georgian Bluffs (Derby)
Approximately 23.1-hectares (57-acres) of land is offered to lease.
Approximately 5-year term from March 1, 2019 to October 31, 2023.
This lease may be subject to early termination within the terms of the agreement.

Compartment 127: Part Lot 5 & 6, Half Mile Strip, Part Lot 18, Concession 3; Part Lot 17, Concession 4 Township of Georgian Bluffs (Derby)
Approximately 20.3-hectares (50-acres) of land is offered to lease.
Approximately 5-year term from March 1, 2019 to October 31, 2023.

Compartment 55: Part Lot 30, Concession 5, Municipality of Grey Highlands (Euphrasia)
Approximately 22.7-hectares (56-acres) of land is offered to lease.
Approximately 1-year term from March 1, 2019 to October 31, 2023.

Compartment 135: Part Lot 29, Concession 7, Municipality of Grey Highlands (Euphrasia)
Approximately 17.1-hectares (42-acres) of land is offered to lease.
Approximately 5-year term from March 1, 2019 to October 31, 2023.

Compartment 57(W): West Part Lot 1, Concession 5, Municipality of Meaford (St. Vincent)
Approximately 22.4-hectares (55-acres) of land is offered to lease.
Approximately 5-year term from March 1, 2019 to October 31, 2023.

Compartment 57 (E): East Part Lot 1, Concession 5, Municipality of Meaford (St. Vincent)
Approximately 13.7-hectares (34-acres) of land is offered to lease.
Approximately 5-year term from March 1, 2019 to October 31, 2023

237897 Inglis Falls Road, R.R.4, Owen Sound, ON N4K 5N6
Phone: (519)376-3076 Fax: (519)371-0437

Agricultural Land Lease Tender Bid Form
Rocklyn Creek – Compartment 135

Tender Deadline: Thursday, January 22, 2019 at 3:30 PM.
LATE TENDER APPLICATIONS WILL NOT BE OPENED OR CONSIDERED

Location: Part Lot 29, Concession 7
Municipality of Grey Highlands (formerly Euphrasia Township), County of Grey
Specific Location of the Premises specifically shown on Schedule 'A' to this Tender Bid Form

If my bid is accepted, I agree to lease the agricultural lands identified above for a period from March 1, 2019 until October 31, 2023 for the described purposes for the following bid:

Purposes: I/We are proposing to utilize the subject property for the following agricultural purpose:

_____

_____

Tender Price Offered:

Year	Tender Price
2019	_____
2020	_____
2021	_____
2022	_____
2023*	_____

*Note that the subject lease will terminate on October 31, 2023

- I agree to comply with the Agricultural Land Lease Agreement that will be signed between myself and Grey Sauble Conservation Authority, a sample of which I have reviewed.
- **Highest or any tender is not necessarily accepted. Grey Sauble Conservation shall choose successful tender, if any, at its sole discretion.**

_____ _____ _____
Date Signature of Bidder Phone Number (Day-time)

_____
Full Mailing Address (including Postal Code)

_____
Email Contact

……

Please complete this form and submit it along with your deposit in a sealed envelope marked:

"Agricultural Land Lease Tender - Compartment 135"

SCHEDULE "A" TO TENDER BID FORM
DESCRIPTION OF THE PREMISES

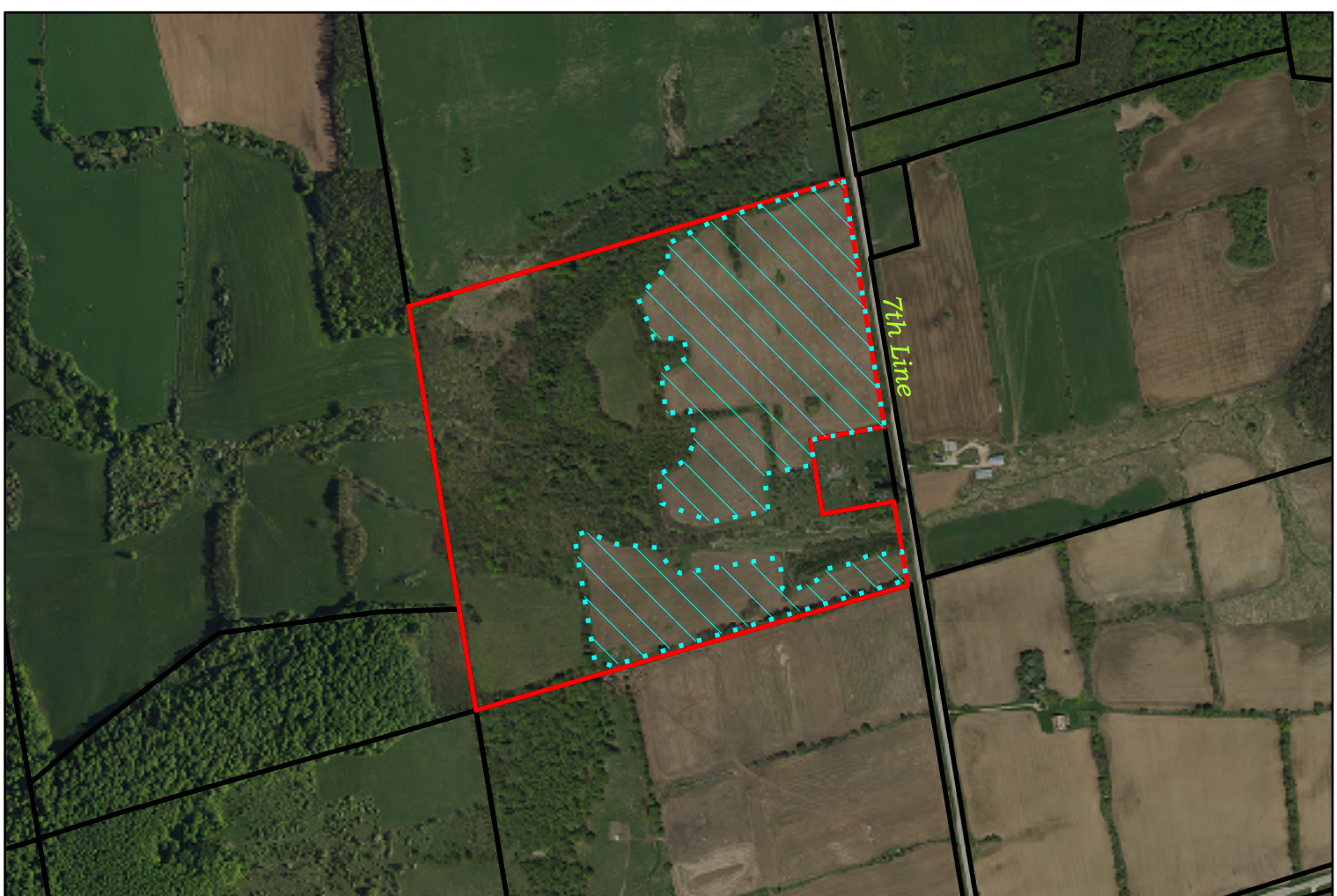
Compartment Number: 135 **Roll Number:** 42-08-390-005-12810-0000

Legal Description: EUPHRASIA CON 7 E PT LOT 29

Former Municipality: Euphrasia Township **Current Municipality:** Municipality of Grey Highlands

Leased Acreage: 17.1 ha (42-acres) **The Leased Area is Specific to the "Map of Premises" Area**

Map of Premises:



AGRICULTURAL LAND LEASE AGREEMENT

THIS LEASE AGREEMENT (this "**Lease**") is made effective this _____ day of _____, _____

BETWEEN:
The Grey Sauble Conservation Authority
hereinafter call the "**Authority**"
OF THE FIRST PART

and

_____
hereinafter called the "**Lessee**"
OF THE SECOND PART

WHEREAS the Authority is the owner of _____ Management Area

AND WHEREAS _____ intends to undertake farming activities on a portion of this land (the "Premises") more fully described in **Schedule "A"** attached hereto.

NOW THEREFORE 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 Lease agree as follows:

1. PREMISES

1.1. The Authority hereby agrees to lease to the Lessee the Premises.

2. TERM OF THE LEASE

2.1. This Lease will be in force for the term beginning on the _____ day of _____, _____ (the "Commencement Date") and ending on the _____ day of _____, _____ (the Termination Date") unless otherwise terminated in accordance with the provisions of this Lease.

3. RENT

3.1. The Lessee shall pay to the Authority ONE (1) installment(s) of $_____ per year, payable in advance of the 15th day of March in each and every year of the term, commencing on the 15th day of March, _____.

Lease payments shall be made to the authority at:

237897 INGLIS FALLS ROAD
RR4
OWEN SOUND, ON
N4K 5N6

4. AUTHORITY'S REPRESENTATIONS AND WARRANTIES

4.1. The Authority makes no representations or warranties regarding the Premises, nor does the Authority 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 Lessee acknowledges that it relies upon its own estimate and judgment.

5. COVENANTS

5.1. The Authority and the Lessee covenant and agree to discuss and complete the Discussion Checklist as set out in Schedule "B" as attached hereto.

5.2. The Authority and the Lessee covenant and agree as set out in Schedule "C" as attached hereto.

6. ALTERATIONS BY LESSEE

6.1. The Lessee shall not, without the express written approval of the Authority, make any changes additions or improvements to the Premises. If written approval is provided by the Authority for such changes, additions or improvements, the lessee shall undertake these changes, additional or improvements at his/her own expense and such works shall be carried out in a good and workmanlike manner and only by persons selected by the Lessee and reasonably approved in writing by the Authority. The Lessee shall pay promptly when due all costs for work done or caused to be done by the Lessee to the Premises which could result in any lien or encumbrance on the Authority'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. If a dispute arises between the parties, including in respect of the content or interpretation of this Lease, and which has not been resolved within sixty (60) days such dispute may be submitted to a third party mediator, the choice of mediator to be agreed upon by the parties, and failing agreement to choose a mediator within an additional sixty (60) days, the mediator to be appointed by a judge of

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the Superior Court, for resolution via non-binding mediation conducted pursuant to the National Mediation Rules of the ADR.

8. POSSESSION

8.1. The Lessee shall be entitled to possession of the Premises on the Commencement Date of this Lease and shall yield possession to the Authority on the Termination Date of this Lease, unless otherwise agreed by both parties in writing. At the expiration of the term, the Lessee shall remove its goods and effects and peaceably yield up the Premises to the Authority in as good condition as when delivered to the Lessee, ordinary wear and tear excepted.

9. TERMINATION

9.1. Termination by the Authority or the Lessee

9.1.1. Either the Authority or the Lessee may terminate this Lease by giving notice in writing to the other party at least _____ (____) months prior to the expiry of the Term.

9.2. Termination by the Authority
Upon the occurrence of any of the following events:

9.2.1. the Lessee fails to pay any Rent or other sums due hereunder when due, and such Rent or other sums are not paid within fifteen (15) days after notice is given by the Authority of such non-payment; or,

9.2.2. the Lessee 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 Lessee and persists in the failure after fifteen (15) days' notice by the Authority requiring the Lessee to remedy, correct, desist or comply (or such longer period as may be reasonably required to cure the breach given the nature of same);

9.2.3. then the Authority may, at its option, and in addition to and without prejudice to all rights and remedies of the Authority available to it either:

9.2.3.1. by any other provision of this Lease or by statute or the general law, either terminate this Lease by giving the Lessee ten (10) 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

9.2.3.2. without notice or any form of legal process, forthwith re-enter upon and take possession of the Premises or any part thereof in the name of the whole and re-let the Premises or any part thereof on behalf of the Lessee or otherwise as the Authority sees fit, provided that, if the Lessee has planted crops on the Premises, the Lessee shall be entitled to, within a reasonable period of time after termination of this Lease, re-enter upon the Premises to harvest such crops, and the Lessee shall pay to the Authority forthwith upon demand all expenses of the Authority in re-entering, terminating, re-letting, collecting sums due or payable by the Lessee or realizing upon assets seized including Lessee inducements, leasing commissions, legal fees on a solicitor and client basis and all disbursements and the expense of keeping the Premises in good order, and preparing the same for re-letting.

9.3. Compensation by the Authority

9.3.1. In the event of early termination by the Authority pursuant to Section 9.1 of this Lease, the Authority agrees to compensate the Lessee for certain of the Lessee's investments into the Premises as follows:

9.3.1.1. **Manure and dry fertilizer**. To reimburse the Lessee for the cost of fertilizers and their application if written notice of termination was given after application. The Lessee will be reimbursed the full cost in the event that the lease is terminated before a cropping season's use of the investment in fertility, and one third (1/3) of the cost in the case of terminating before a second cropping season's use of the investment if this lease extends beyond one year.

9.3.1.2. Cover crops. To reimburse the Lessee for the full cost of cover crop seed and application if written notice of termination was given after cover crop seeding, and termination is to occur before a cropping season's use of the benefits.

9.3.1.3. Subsurface drainage tiling or other structural improvements. Provided that The Lessee was given written consent by the Authority to complete subsurface drainage tiling or other structural improvements, the Authority agrees to reimburse the Lessee for the cost of said improvements as follows:

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i. In the event that this Lease is terminated during the same twelve (12) month period in which the improvements were completed, the Lessee shall be reimbursed for 100% of the cost; and,

ii. During each subsequent year after the improvements have been completed, the amount for reimbursement shall decrease by 20% until the end of the fifth (5th) year after the improvements have been completed, upon which the Authority shall no longer be required to reimburse the Lessee.

9.4 No compensation by the Authority

9.4.1 In the event of early termination by the Lessee pursuant to Section 9.1 of this Lease, or by the Authority pursuant to Section 9.2, the Authority shall not compensate the Lessee in any way for the Lessee's investments into the Premises. Further, the Lessee waives the right to seek any form of compensation from the Authority for any such investments.

10. INDEMNITY

10.1. The Lessee shall save harmless the Authority, its servants and agents against all loss, damage and expense attributable to or connected with the exercise of this lease by or on behalf of the Lessee, no matter how caused, including any negligence on the part of the Authority, its servants or agents.

10.2. The Lessee shall release and discharge the Authority, its servants and agents from all claims which the Lessee has or may have arising out of any loss, damage or expense sustained by it arising directly or indirectly out of or in the course of the exercise of this lease by or on behalf of the Lessee no matter how caused, including any negligence on the part of the Grey Sauble Conservation Authority, its servants or agents.

10.3. The Lessee shall indemnify the Grey Sauble Conservation Authority, its servants and agents against all claims, actions or other proceedings, costs and liability arising out of loss, damage or injury to any person attributable to or connected with the exercise of this lease by or on behalf of the Lessee no matter how caused, including any negligence on the part of the Grey Sauble Conservation Authority or its servants.

10.4. The Lessee agrees to immediately notify the Authority in the event of any suits or claims being brought forward related to the Premises or due to the activities of the Lessee as they relate to the Premises, or any other potentially insurable incident(s) occurring on the Premises.

10.5. This indemnification by the Lessee shall survive the termination of this Lease.

11. GENERAL

11.1. Relationship of the parties

11.1.1. Nothing in this lease shall create a partnership, joint venture, employment, or any other relationship between the Authority and the Lessee, than that of landlord and tenant. Neither party shall be liable, except as otherwise expressly provided herein, for the other party's obligations or liabilities. The Lessee agrees to indemnify and hold harmless the Authority, its servants, agents, or its property, including the Premises, from all obligations and liabilities incurred by the Lessee in conducting farming or other operations on the Premises, whether under this lease or otherwise.

11.2. Incoming Lessee

11.2.1. During the Term of this lease or any extension or overholding period, an incoming Lessee, purchaser, or the Authority shall have the right after providing reasonable notice in writing to enter upon the Premises during daylight hours to examine, inspect and show the Premises for the purposes of leasing, sale or financing.

11.3. Authority's Right of Inspection

11.3.1. The Authority or its agents or employees may, upon the provision of a reasonable notice period, enter the Premises to inspect same.

11.3.2. In the event that the Authority requires access over the Lessee's own property to access the Premises, the Lessee shall not unreasonably deny this access.

11.3.3. If repairs or amendments are required, the Lessee shall make the necessary repairs or amendments within one (1) month of receiving written notice from the Authority.

11.4. Other Agreements on the Premises

11.4.1. It is acknowledged and agreed to by the Lessee that a section or sections of the Bruce Trail may traverse the edges of the Premises at any time of year. The Lessee acknowledges and accepts that the Authority may sign a license agreement with the Bruce Trail Conservancy (BTC) or its subsidiaries, local clubs, etc., for the use of such a trail and the Lessee consents to such use without any further consultation with the Lessee. It is understood and agreed to by the parties that the Lessee shall not be responsible or liable for the actions of the BTC.

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11.4.2. It is acknowledged and agreed to by the Lessee that a section or sections of the Premises may be crossed by a snowmobile trail or trails while the Premises are under sufficient snow cover to allow such crossing. The Lessee acknowledges and accepts that the Authority may sign a license agreement with the Ontario Federation of Snowmobile Clubs (OFSC) or its subsidiaries, local clubs, etc., for the use of such a trail and the Lessee consents to such use without any further consultation with the Lessee. It is understood and agreed to by the parties that the Lessee shall not be responsible or liable for the actions of the OFSC or any such club, etc.

11.5. Assignment and Subletting

11.5.1. The Lessee shall not assign or sublet his/her interest in this Lease, or any part of his/her interest in this Lease, nor grant any license or part with possession of the Premises or transfer any other right or interest under this Lease without the Authority's prior written consent, the Authority acting reasonably.

11.6. Sale of the Premises

11.6.1. If the Authority sells or otherwise disposes of all or part of the Premises, it will do so subject to the provisions of this Lease, unless the Authority and the Lessee agree otherwise in writing.

11.7. Liens

11.7.1. The Lessee shall, immediately upon demand by the Authority, 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 Authority. Without limiting the foregoing obligations of the Lessee, the Authority may cause the same to be removed, in which case the Lessee shall pay to the Authority forthwith the cost thereof, including the Authority's complete legal costs on a solicitor and his own client full indemnity basis.

11.8. No Transfer on Bankruptcy

11.8.1. Neither this Lease nor any interest of the Lessee herein nor any estate hereby created will pass or enure to the benefit of any trustee in bankruptcy or any receiver or any assignee for the benefit of creditors of the Lessee or otherwise by operation of law.

11.9. Ontario Law Applies

11.9.1. 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.

11.10. Registration

11.10.1. The Lessee agrees not to register this Lease without the prior written consent of the Authority, which consent may be unreasonably withheld.

11.11. Notice

11.11.1. 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 email, or sent by registered mail, charges prepaid, addressed as follows:

The Authority:
Grey Sauble Conservation Authority
237897 Inglis Falls Road
RR4, Owen Sound, ON
N4K 5N6

The Lessee:

_____

_____

_____

11.11.2. 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 email, 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 email.

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11.12. Amendments to Lease

11.12.1. 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.

11.13. Grammar

11.13.1. Wherever the singular and/or plural and masculine and/or feminine are used in this Lease they shall be construed as if the appropriate tense and gender had been used, where the context or the party or parties so require, and the rest of the sentence shall be construed as if the grammatical and terminological changes thereby rendered necessary had been made.

11.14. Entirety of Agreement

11.14.1. This Lease embodies the entire agreement of the parties hereto and no understandings or agreements, collateral, verbal or otherwise exist between the parties except as expressly set out herein or as may hereafter be agreed to, in writing, by the parties.

IN WITNESS WHEREOF the said parties hereto have hereunto set their hands and seals.

SIGNED, SEALED AND DELIVERED on this _____ day of _____, 20__ in the presence of Per:

_____ _____

Witness for Lessee - Printed Name Witness for Lessee - Signature

_____ _____

Lessee Printed Name Lessee Signature

_____ _____

Witness for Authority – Printed Name Witness for the Authority – Signature

GREY SAUBLE CONSERVATION AUTHORITY

_____ _____

Authority Representative – Printed Name Authority Representative – Signature

Title:

"I have authority to bind the corporation."

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SCHEDULE "B"

DISCUSSION CHECKLIST

Property: _____; ARN: _____; Lessee: _____

CROPPING PRACTICES (check all that apply or are most accurate)

Tillage:	☐ No-till	☐ Strip-till	☐ Min-till	☐ Plough
Timing:	☐ Spring	☐ Fall		
Crop Rotation:	☐ 2 crops	☐ 3+ crops	Details:	
Cover Crop:	☐ none	☐ after crop	☐ into crop	Species:
Termination:	☐ Fall	☐ Spring		
Spring Residue Cover	☐ <30%	☐ 30-50%	☐ >50%	
Erosion Risks?	☐ Steep slopes	☐ Soil Type	☐ Floodplain	☐ Other:

INPUTS

On advice from accredited professional? ☐ CCA ☐ P.Ag ☐ Agronomist

Fertilizer:

Source: ☐ Commercial ☐ Manure ☐ Biosolids

Rates: ☐ Based on crop removal rates ☐ Based on soil test levels

Placement: ☐ Broadcast ☐ Banded ☐ Side-dressed

Timing: Spring Summer Fall

Manure Placement (never to occur on frozen ground):

Timing: ☐ Spring ☐ Summer ☐ Fall

Pesticides:

☐ Organic
☐ Grower is Pesticide Safety Certified (provide copy of certification)
☐ Hire Licensed Pesticide Applicator (show receipt for work)

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SCHEDULE "C"

COVENANTS

1. AUTHORITY'S COVENANTS

The Authority covenants and agrees with the Lessee:

1.1 General

a) To pay all mortgages that the Authority has against the Premises, if any;

b) For quiet enjoyment of the Premises; and,

c) To observe and perform all the covenants and obligations of the Authority herein.

2. LESSEE'S COVENANTS

The Lessee covenants and agrees with the Authority:

2.1 Operation and Maintenance of the Premises

a) Use of the Premises

i. To use the Premises only for the purpose of farming legal crops on the Land and any and all uses ancillary thereto save and except that the Lessee shall not be entitled to keep any livestock on the Premises or to operate a farm market on or adjacent to the Premises without the written consent of the Authority, which consent may be unreasonably withheld;

ii. Not to allow any public use of the Premises without the written consent of the Authority, which consent may be unreasonably withheld;

iii. Not to construct, re-construct, erect or place or permit another person to construct, re-construct, erect or place a building or structure of any kind without the written consent of the Authority, which consent may be unreasonably withheld;

iv. Not to alter the grade of the land or allow another person to alter the grade of the land without the written consent of the Authority, which consent may be unreasonably withheld; and,

v. Not to install any tile drainage, ditching, or other drainage system or allow another person to install any tile drainage, ditching, or other drainage system without the written consent of the Authority, which consent may be unreasonably withheld.

vi. Not to remove any tree growing outside of the currently cleared and farmable area of the Premises or to seek expansion of the farmable area of the land without the written consent of the Authority, which consent may be unreasonably withheld.

b) Farming Decisions

i. To make all decisions with respect to growing crops on the Premises, unless stated

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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 Lessee's obligations hereunder directly to the appropriate party as they come due and shall, at the Authority's request, provide the Authority with copies of receipts or other proof acceptable to the Authority 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 Premises 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 generally maintaining nutrient and pH levels on the Premises to the satisfaction and the standards of the Authority, acting reasonably;

iii. To do what is reasonably necessary to control soil erosion and to abstain from any practice which will cause damage to the Premises;

iv. To not remove sand, gravel, topsoil, rocks or minerals from the Premises, except with the written permission of the Authority, which consent may be unreasonably withheld;

v. To not permit or allow the accumulation of any waste material, debris, refuse or garbage on the Premises;

vi. To not allow any site contamination such as, but not limited to, chemicals, oil spills, hydrocarbons, or any other waste materials on the Premises or adjacent water bodies;

vii. To not grow the same type of crop for two (2) years in succession save and except hay;

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 minimum fifteen (15) metre buffer strip of grass or native vegetation alongside any watercourse feature or the top of bank of such a watercourse feature, regardless of whether the watercourse is permanent or seasonal.

e) Pesticides and Herbicides

i. To perform all acts required to be done under any Act or by Regulation or By-Laws with respect to weed control, and the Lessee 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.

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2.2 Insurance

a) Property Loss and Liability Insurance

i. To maintain comprehensive general liability insurance applying to all operations of the Lessee and against claims for bodily injury, including death, and property damage or loss arising out of the use or occupation of the Premises and against any liability to third parties arising from or in relation to the Lessee's use or occupancy of the Premises, in at least the amount of Two Million ($2,000,000) Dollars (CAD) combined single limit. This policy of insurance shall contain the provision that it shall not be cancelled without the insurer providing the Authority thirty (30) days' written notice stating when such cancellation shall be effective. Evidence satisfactory to the Authority of such policy of insurance shall be provided to the Authority at the commencement of the Lease, and annually thereafter.

ii. The Lessee shall provide the Authority on an annual basis contemporaneously with the payment of Rent, with a Certificate of Insurance naming Grey Sauble Conservation Authority as additionally insured with respect to the activities of the Lessee.

2.3 General

The Lessee shall be responsible at all times during the currency of this lease:

a) To pay all of the costs and expenses associated with the Lessee's obligations hereunder directly to the appropriate party as they come due and shall, at the Authority's request, provide the Authority with copies of receipts or other proof acceptable to the Authority that such costs have been paid. If the Lessee fails to perform any obligation under this Lease or to pay any costs and expenses as set out herein, the Authority may at its sole option and discretion, on seven (7) days written notice to the Lessee, perform such obligation or pay such amounts on behalf of the Lessee and the Lessee shall forthwith upon receipt of an invoice therefor reimburse the Authority for the costs 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 costs of the Authority's own insurance in respect of the Premises to be increased at any time during the Term or any policy of insurance on or relating to the Premises to be subject to cancellation;

c) To agree that the Authority shall not be responsible for personal injury or property damage that the Lessee or the Lessee's invitees, agents, or guests may suffer or sustain by reason of the use of the Premises whether arising by reasons of negligence or otherwise; and,

d) To observe and perform all the covenants and obligations of the Lessee herein.

Lessee's Initials

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