

THE CORPORATION OF THE TOWN OF TILLSONBURG

BY-LAW NUMBER 3417

A BY-LAW to authorize the leasing of land to Best Line Farms Ltd.

WHEREAS pursuant to Section 8 of the Municipal Act, 2001, C. 25, a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS The Corporation of the Town of Tillsonburg has agreed to lease certain lands, being:

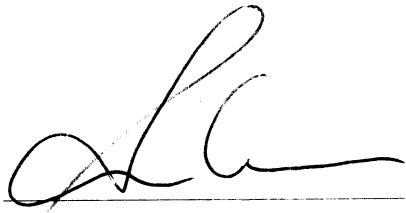
- (a) Lands located on the south side of Hwy 3, legally described as Parts 1, 2, 3, 4, 13 and part of Part 12 and 15, RP 41R-8336, consisting of approximately 43 acres of arable land;
- (b) Lands located on the east side of Clearview Dr, legally described as Part Lot 2-3, Con 5 NTR Middleton, Parts 1 & 2, 41R-3421& Parts 5 & 6, 41R-3691, except Part 2, 41R-5307, except Part 1, 41R-5366, consisting of approximately 8 acres of arable land;
- (c) Lands located on the west side of Rokeby Sideroad, legally described as Lot 1641, Plan 500, MID Con 4 NTR, Pt Lot 10, being part of Parts 1 & 2, Plan 41R-8386 (Oxford Registration #)/37R-10038, consisting of approximately 26.5 acres of arable land.

THEREFORE the Council of the Town of Tillsonburg enacts as follows:

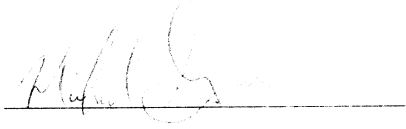
1. THAT the Council of the Town of Tillsonburg does hereby authorize the lease of lands being:
 - (a) Lands located on the south side of Hwy 3, legally described as Parts 1, 2, 3, 4, 13 and part of Part 12 and 15, RP 41R-8336, consisting of approximately 43 acres of arable land;
 - (b) Lands located on the east side of Clearview Dr, legally described as Part Lot 2-3, Con 5 NTR Middleton, Parts 1 & 2, 41R-3421& Parts 5 & 6, 41R-3691, except Part 2, 41R-5307, except Part 1, 41R-5366, consisting of approximately 8 acres of arable land;
 - (c) Lands located on the west side of Rokeby Sideroad, legally described as Lot 1641, Plan 500, MID Con 4 NTR, Pt Lot 10, being part of Parts 1 & 2, Plan 41R-8386 (Oxford Registration #)/37R-10038, consisting of approximately 26.5 acres of arable land.
2. THAT Schedule "A" being the lease dated April 7, 2010 for the said lands form part of this by-law as if written and incorporated herein.
3. AND THAT the Mayor and Clerk be hereby authorized and instructed to perform all acts and take such steps and execute such documents under the seal of the Corporation as may be necessary to affect such a lease of said land.

READ A FIRST AND SECOND TIME THIS 26th DAY OF April, 2010.

READ A THIRD AND FINAL TIME AND PASSED THIS 26th DAY OF April, 2010.

A handwritten signature in black ink, appearing to be 'S. Molnar', written over a horizontal line.

MAYOR-Stephen Molnar

A handwritten signature in black ink, appearing to be 'Michael Graves', written over a horizontal line.

CLERK-Michael Graves

THIS AGREEMENT made in duplicate this 7th day of April, 2010.

BETWEEN:

THE CORPORATION OF THE TOWN OF TILLSONBURG
hereinafter called the Lessor, of the First Part

-and-

Best Line Farms Ltd

hereinafter called the Lessee, of the Second Part

WHEREAS the Lessor is the sole administrator of all those parcels or tracts of land described as:

- (a) Lands located on the south side of Hwy 3, legally described as Parts 1, 2, 3, 4, 13 and part of Part 12 and 15, RP 41R-8336, consisting of approximately 43 acres of arable land to be confirmed via GPS mapping prior to planting;
- (b) Lands located on the east side of Clearview Dr, legally described as Part Lot 2-3, Con 5 NTR Middleton, Parts 1 & 2, 41R-3421& Parts 5 & 6, 41R-3691, except Part 2, 41R-5307, except Part 1, 41R-5366, consisting of approximately 8 acres of arable land to be confirmed via GPS mapping prior to planting;
- (c) Lands located on the west side of Rokeby Sideroad, legally described as Lot 1641, Plan 500, MID Con 4 NTR, Pt Lot 10, being part of Parts 1 & 2, Plan 41R-8386 (Oxford Registration #)/37R-10038, consisting of approximately 26.5 acres of arable land to be confirmed via GPS mapping prior to planting.

AND WHEREAS the Lessee is desirous of renting said lands and premises for agricultural purposes for a term ("the lease period") commencing April 15, 2010 to expiration upon harvesting of crops in the fall of 2010, and no later than December 31, 2010, subject to the conditions hereafter set forth in this Agreement.

AND WHEREAS the Lessor is desirous of renting the said lands and premises as aforesaid to the Lessee for the term aforesaid, subject to the conditions hereinafter set forth.

1. **NOW THEREFORE THIS INDENTURE WITNESSETH** that the Lessee covenants with said Lessor that the Lessee shall pay rent as set out below, to the Lessor by two payments each year during the term of this agreement. The first payment of which will constitute 50% of annual rental fee and shall be due and payable on or before the start of cultivation and the remaining 50% of the annual rental fee not later than December 31st of each year that this indenture remains in force.

- (d) Lands located on the south side of Hwy 3, legally described as Parts 1, 2, 3, 4, 13 and part of Part 12 and 15, RP 41R-8336, consisting of approximately 43 acres of arable land to be confirmed via GPS mapping prior to planting, at a rental rate \$176.00 per acre;
- (e) Lands located on the east side of Clearview Dr, legally described as Part Lot 2-3, Con 5 NTR Middleton, Parts 1 & 2, 41R-3421& Parts 5 & 6, 41R-3691, except Part 2, 41R-5307, except Part 1, 41R-5366, consisting of approximately 8 acres of arable land to be confirmed via GPS mapping prior to planting, at a rental rate \$176.00 per acre;

Lands located on the west side of Rokeby Sideroad, legally described as Lot 1641, Plan 500, MID Con 4 NTR, Pt Lot 10, being part of Parts 1 & 2, Plan 41R-8386 (Oxford Registration #)/37R-10038, consisting of approximately 26.5 acres of arable land to be confirmed via GPS mapping prior to planting, at a rental rate \$166.00 per acre.

2. **PROVISO** for re-entry by the Lessor on non-payment or non-performance of covenants.
3. **IT IS** further agreed that the crop to be grown on the said lands shall be agreed upon prior to planting.
4. **IT IS** further specifically agreed by and between the Parties hereto that the Lessor shall have the right to sell, or lease for purposes other than agriculture, any part of parts of the subject lands and given immediate possession thereof, subject to the condition that if the Lessor sells, or leases for purposes other than agriculture, and requires possession of any of the subject lands on which an agricultural crop is growing, the Lessee shall be compensated for any and all expenses incidental to growing such corn or bean crop, and the acreage leased pursuant to paragraph 1 hereof, shall be adjusted to take into account such share or lease throughout the balance of the term of the Lease.
5. **IT IS** further specifically agreed by and between the Parties hereto that the Lessor retains the right to sell or lease for purposes other than agriculture any lands except those on which the crop is being grown without notice or compensation to the Lessee.
6. **IT IS** further specifically agreed by and between the Parties hereto that the Lessor covenants with the Lessee for quiet enjoyment of the lands leased. Notwithstanding the foregoing, the Lessor shall be permitted to access the property for their purposes with the costs of any minor crop damage being born by the Lessee.
7. **IT IS** further specifically agreed by and between the Parties hereto that the Lessee will not assign or sublet without leave and not to carry on upon the said premises any business other than that of growing of corn or beans.
8. **IT IS** further specifically agreed by and between the Parties hereto that the Lessee shall provide to the Lessor proof of liability insurance in an amount not less than \$2,000,000, to protect both the Lessor and the Lessee with the Town of Tillsonburg named as an additional insured, from any claims or demands whatsoever which might result from the aforementioned use of the lands.
9. **IT IS** further specifically agreed by and between the Parties hereto that the Lessee covenants to maintain all of the lands rented under this Agreement in good condition during the lease period.
10. **IT IS** further hereby agreed between the Parties hereto that if the term hereby granted, or any of the goods or chattels of the Lessee shall at any time during the said term be seized or taken in execution or in attachment by any creditor of the Lessee, or if the Lessee shall make any assignment for the benefit of creditors, or becoming bankrupt or insolvent debtors, the then current and next ensuing balance of rent shall immediately become due and payable and the said term shall, at the option of the Lessor, immediately become forfeited and determined and in such case, the Lessor may re-enter and take possession of the said lands as though the said lands was holding over after the expiration of the said term.
11. **IT IS** further hereby agreed between the Parties hereto that this lease agreement may be terminated, in whole or in part, by either party in their sole and absolute discretion upon thirty (30) days notice, in writing, delivered to the below addresses. In the case where the Lessor terminates the lease, the provisions of Paragraph 5 above shall be in effect. In the case where the Lessee terminates the lease, he/she shall be responsible to pay a pro-rated payment to the date of termination for the lands leased.

If to the Town of Tillsonburg:

Cephas Panschow, Development Commissioner
The Corporation of the Town of Tillsonburg
200 Broadway Suite 204
Tillsonburg, ON N4G 5A7
Fax: 519.842.9431


If to Best Line Farms Ltd

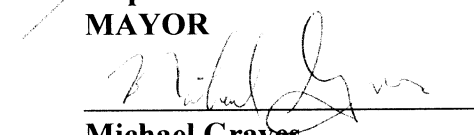
Gary Van Leeuwen
RR # 4, 54681 Best Line
Aylmer, ON N5H 2R3
F: 519.866.5273

IT IS HEREBY declared and agreed that the expressions “Lessor” and “Lessee” wherever used in this indenture shall, when the context allows, include, be binding on and enure to the the benefit of not only the Parties hereto, but also their respective executors, administrators and assigns.

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

**SIGNED, SEALED AND)
DELIVERED in the)
Presence of)**

**THE CORPORATION OF THE
TOWN OF TILLSONBURG**


Stephen Molnar
MAYOR **DATE**


Michael Graves
CLERK **DATE**

THE LESSEE

Gary Van Leeuwen **DATE**
PRESIDENT
I have the authority to bind the corporation
