

Farmland Lease Agreement

Between:

The City of Saskatoon, a municipal corporation pursuant to the provisions of *The Cities Act*, S.S. 2002, Chapter C-11.1 (the "City")

- and -

_____, of the City of Saskatoon, in the Province of Saskatchewan (hereinafter called the "Tenant")

The parties agree as follows:

The City shall lease to the Tenant approximately 200 acres of arable farmland located on NE 29-37-05 W3 Ext 0 and SE 29-37-05 W3 Plan 102061695 Ext 0, as shown in Schedule "A" to this Agreement (hereinafter referred to as the "Land"):

Purpose

1. The City shall lease the Land to the Tenant for the sole purpose of arable farming.

Term

2. The term of this Agreement shall be 5 growing years, commencing May 1, 2019, to December 31, 2023 (the "Term").

Renewal

3. Upon expiration of the Term, at the discretion of the City, the Tenant shall be granted the option to renew this Agreement subject to mutual agreement as to Rent and the term.

Rent

4. The rent payable by the Tenant for use of the Land during each growing season shall be as follows:

2019 - _____ per seeded acre
2020 - _____ per seeded acre
2021 - _____ per seeded acre
2022 - _____ per seeded acre
2023 - _____ per seeded acre

The yearly rent shall be calculated by multiplying the above yearly per seeded acre rent by the total number of seeded acres on the Land, plus Goods and Services Tax (the "Rent"). The total number of seeded acres is to be determined by the amount shown in the Saskatchewan Crop Insurance Seeded Acreage Report. In the event the Seeded

Acreage Report is unavailable, the total number of seeded acres will be determined by mutual agreement.

The annual Rent is to be paid as follows:

- (1) First payment being 50% of the Rent will be paid June 1st of each growing season.
- (2) Second payment being the remainder of the Rent owing for the growing season will be paid November 1st of each growing season.

Farming Costs

3. The Tenant shall be responsible for all input or other costs of farming the Land, unless otherwise stated in this Agreement.

Land Preparation Costs

4. The Tenant shall be responsible for all costs associated with improving the Land to a state suitable for crop production.

Use of Land

5. (1) The Tenant shall, in each year of the Term of this Agreement, perform the following:
 - (a) cultivate, seed and harvest the Land in a proper manner and shall not impoverish or waste the same;
 - (b) apply proper fertilizers, herbicides, pesticides, and other chemicals in accordance with approved methods of husbandry and manufacturers' instructions; and
 - (c) perform all other reasonable tasks incidental to the foregoing and consistent with farming the Land.
- (2) The Tenant shall not at any time during the Term of this Agreement, use, exercise or carry on, or permit or suffer to be used, exercised, or carried on in or upon the Land, any noxious, noisome or offensive art, trade, business, occupation or calling.
- (4) At no time during the Term of this Agreement shall the Tenant produce or allow on the Land any toxic or hazardous substance or any substance which, if it were to remain or escape from the Land, would contaminate the Land or any other property in which it came in contact with except those fertilizers, pesticides, herbicides and other chemicals used in accordance with acceptable methods of husbandry and manufacturers' instructions.

Reduction of Land

6. The City may, at its option, remove acreage from the Land that is the subject of this Agreement if the same is required for development, and if it does so, the Rent to be paid shall be rateably adjusted. If the City intends to do so, it shall advise the Tenant of its intention to do so by written notice prior to the commencement of any spring seeding

or preparation of the Land for seeding. If the written notice is sent after the Land that is required has already been seeded, the City shall compensate the Tenant for any input costs attributable to the acreage that is now required for development. For clarity, the parties agree that input costs means the cost for the application of agricultural chemicals, fertilizers and seed and does not include costs attributed to agricultural machinery, such as fuel, maintenance or depreciation, or labour costs.

Right of Entry

7. The Tenant agrees that the City, and Agents acting on the City's behalf, shall have the right to enter upon the Land by providing the Tenant with 24 hours prior notice.

Indemnification

8. The Tenant shall be solely liable for and indemnify the City against all losses, damages, claims or demands which may be made against the City and which may in any way arise out of, or be occasioned, either directly or indirectly, by the Tenant's use of the Land or its actions.

City Not Liable for Injury

9. The City shall not be liable for any injury or damage to the Tenant, its agents, employees, invitees, or their property while on the Land, regardless of the cause of such injury or damage, except such injury or damage which may be caused by the negligence of the City, its agents, servants or employees.

Insurance

10. The Tenant shall maintain and keep in force during the Term of this Agreement general liability insurance in an amount not less than Two Million (\$2,000,000.00) Dollars in a form satisfactory to the City which shall name the City as an additional insured. The Tenant shall annually provide proof of such insurance to the City.

Taxes

11. The Tenant shall be responsible for the payment of all taxes which may be applicable to the farm operations on the Land except the property tax, which shall be the responsibility of the City.

Rights Upon Default

12. If and when the Rent is not paid in full when due or in case of breach or non-observance or non-performance by the Tenant of any of the provisions of this Agreement, and if the default continues for ten (10) days after written notice of the default to the Tenant, or if the term shall be taken in execution or attachment for any cause whatever, then, in every case, the City, in addition to any other remedy provided by law may, at its option, cancel this Agreement and re-enter and take possession of the Land, by force if necessary, without any previous notice of intention to re-enter and may remove all persons and property from the Land and may use such force and assistance in making such removal as the City may deem advisable and such re-entry shall not operate as satisfaction or waiver in whole or in part of any right, claim, or demand, arising out of or connected with any breach or violation by the Tenant of this Agreement.

No Waiver

13. The failure of the City to insist upon strict performance of this Agreement or to exercise any right or option under this Agreement shall not be construed or operate as a waiver or relinquishment for the future of any such right or option, and no waiver shall be inferred from or implied by anything done or omitted by the City save only express waiver in writing. The acceptance of any rent or the performance of any obligation under this Agreement by a person other than the Tenant shall not be construed as an admission by the City of any right, title or interest of such person as a subtenant, assignee, transferee, or otherwise in the place of the Tenant.

Environmental Contamination

14. (1) The Tenant shall not contaminate the Land during the Term or any extended Term. The Tenant's actions respecting the Lands shall be in accordance with all environmental laws and the Tenant shall obtain all City and environmental approvals that may be required for its use of the Lands. In the event that the Land is environmentally contaminated during the Term or any extended Term of this Agreement due to the errors, acts or omissions of the Tenant, its employees or agents, the Tenant shall be responsible for remediation of the Lands to:

(a) standards identified by the Canadian Council of Ministers of the Environment (CCME) Canadian Environmental Quality Criteria for Contaminated Sites; and

(b) any and all applicable Provincial standards.

(2) The Tenant shall be responsible for any environmental damage to the Land or any other property as a result of the Tenant's use of the Land.

Drainage

15. The Tenant shall not negatively impact or change the drainage on or around the Land.

Nuisance

16. The Tenant shall not permit anything to be done on the Land which may be or become a nuisance or cause damage to the City, the Land, or to the owners or occupiers of neighbouring lands and buildings.

No Representation

17. The Tenant agrees that it has leased the Land after examining the same and that no representations, warranties or conditions have been made other than those expressed in this Agreement, and that no other agreement shall be binding on the City unless it is made in writing and signed on behalf of the City.

Non-Assignment

18. The Tenant shall not sublet the Land or any portion thereof, or assign this Agreement, or part with the possession of the Land during the Term or any extended Term of this Agreement without the prior written consent of the City.

Applicable Law

19. The laws of the Province of Saskatchewan shall apply and bind the parties in any and all questions pertaining to this Agreement.

Enurement

20. This Agreement shall enure to the benefit of and be binding upon the parties and their heirs, executors, administrators, successors and permitted assigns.

Notice

21. Any notice or other communication to be given under this Agreement shall be validly given if delivered personally, by regular mail, or by email:

To the City at:
Saskatoon Land
Asset & Financial Management
201 3rd Avenue North
Saskatoon, SK S7K 2H7
Attention: Property Coordinator
land@saskatoon.ca

To the Tenant at:

Expanded Meanings

22. Wherever the singular or masculine is used, the same shall be construed as meaning the plural or feminine or body corporate or politic as the context may require.

Signed by The City of Saskatoon this ____ day of _____, 2019.

The City of Saskatoon

City Manager

The Tenant

Signed by this ____ day of _____, 2019.

Signature