

TOWN OF RENFREW

Crop Agreement

127 Raglan St. South, Renfrew, Ontario, K7V 1P8
Tel. (613) 432-4848 Fax. (613) 432-7245

This Agreement is an Option to Renew as per Schedule 'A' to By-law No. 45-2012

THIS AGREEMENT made in duplicate this _____ day of _____, 2024
BETWEEN:

THE CORPORATION OF THE TOWN OF RENFREW

Hereinafter called the Town
Of the first Part

And

SCHOUTEN FARMS (1230381 ONTARIO INC.)

Hereinafter called the "Tenant"
Of the Second Part

WHEREAS the lands and premises more particularly described in Schedule 'B' attached hereto are situated in the Town of Renfrew;

AND WHEREAS those lands subject to this agreement owned by the Town of Renfrew are to be leased to the Tenant for the purpose of agricultural farming of crops;

AND WHEREAS the two parties listed above wish to enter into an agreement with respect to the provision of such services to the subject property.

NOW THEREFORE WITNESSETH that in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set out, the parties hereto agree as follows:

Grant of License

1. The Town hereby grants to the Tenant the non-exclusive right and license to enter into and use the portion of the land shown outlined in the explanatory map attached hereto as Schedule "B" (the "License Area") for the purposes and terms provided in this agreement.

No Interest in Land

2. The license granted by this agreement is not to be construed as being granted for all times and it grants no interest in the Town Land to the Tenant.

Right of Access

3. The Tenant shall have the right to access the License Area from public areas of the Town of Renfrew, provided that the Tenant complies with all of their obligations under this agreement.

Term

4. The term of this License shall be from January 1st, 2024 to and including December 31st 2028. The term is subject to earlier termination as provided herein at section 25.

Use of License Area

5. The Tenant will use the License Area solely for the following permitted uses:
 - a) The farming of hay or other forage crop in accordance with good farming practices;
 - b) Any ancillary uses that are approved in writing by the Town.

License Fee

6. In 2024, the tenant shall pay to the Town an annual license fee in the amount of \$6,800.00, exclusive of applicable taxes, to be paid in advance of the first day of each year of the Term. In 2025 and each subsequent year throughout the Term, the annual license fee amount shall be increased by the Ontario Consumer Price Index ("CPI"), based on Ontario-January rates.,
7. If the License Fee should be payable for less than a full year, the amounts will be adjusted accordingly.

Reduction of License Area

8. If, at the end of the second year of the Term, the Tenant and the Town agree, each acting reasonably, that one or more acres of the License Area is unsuitable for the farming of hay or any other forage crop:
 - a) The License Area shall be reduced to exclude that acre or those acres;
 - b) The explanatory map attached as Schedule "B" shall be amended;
 - c) The License Fee payable pursuant to section 6 shall be adjusted on a pro rata basis for the remaining years of the Term.
- 8.1. If, at any time during the Term, the Town, in its sole and absolute discretion, requires the use of a portion of the lands reference at Schedule "B":
 - a) The Town will provide the Tenant with no less than three (3) months' notice of the requirement of the use of those lands;
 - b) The License Area shall be reduced to exclude that area. However, in no event shall the License Area be reduced by more than 50% of the original License Area;
 - c) The explanatory map attached as Schedule "B" shall be amended;
 - d) The License Fee payable pursuant to section 6 shall be adjusted on a pro rata basis for the remaining years of the Term.

TAXES

9. The Tenant shall pay to the Town all taxes, charges, levies and other fees, including Harmonized Sales Tax or any replacement tax, which may be payable in respect to this agreement.
10. The Tenant shall be responsible (whether by direct payment or by reimbursement to the Town) for all property taxes levied against the lands and premises more particularly described in Schedule "B" herein. It is explicitly understood and agreed by the Tenant that the lands described in Schedule "B" are not exempt from property taxes.

Obligations of the Tenant

11. The Tenant Covenants and agrees to, at its sole cost:
 - a) Prepare the soil and plant, grow and harvest a forage hay crop within the License Area in each farming season during the Term;
 - b) Maintain the License Area in a clean, tidy and safe manner as befits agricultural land adjacent to a Town as a prudent owner would do.
 - c) Take all possible precautions to ensure the safety of persons using the License Area; and
 - d) Not commit, suffer or permit any willful or voluntary waste, spoil or destruction of the License Area

Right to Inspect

12. The Tenant shall give the Town unobstructed access to the License Area at all times to determine if the Tenant is complying with all of its promises and obligations under this agreement.

Liability Insurance

13. Without limiting the Tenants obligations and liabilities under this Agreement the Tenant shall obtain, at their own expense, and keep in force throughout the Term a policy of comprehensive/commercial general liability insurance providing coverage for deaths, bodily injury, property loss, property damage and consequential loss and damage arising out of the Tenant's use of the License Area in an amount no less than (2 Million dollars) inclusive per occurrence.
14. On the Commencement Date and at other times upon demand by the Town, the Tenant shall deliver to the Town certified copies of policies of insurance required to be maintained by the Tenant under this agreement.
15. The Tenant shall ensure that all policies of insurance pursuant to this Agreement;
 - a) Are written in the name of the Tenant and with the Town as an additional insured, with loss payable to parties as their respective interests may appear;
 - b) Are endorsed to provide the Town with 30 days' advance notice in writing of cancellation or material change.

Release

16. The Tenant hereby Releases the Town and its elected officials, officers, employees, agents and others (the "Town Representatives") from and against all demands and claims that the Tenant may have, now or in the future, in relation to this Agreement, the License Area or the Tenant's use of the License Area, excluding demands or claims for gross negligence or breach of contract.

Indemnity

17. Save and except for the exclusions provided for at section 15 of the Town and the Town's Representatives, the Tenant will and hereby does indemnify and save harmless the Town and the Town's Representatives from any and all suits, actions, causes of action, liabilities, damages, costs, claims, expenses (including actual fees of professional advisors) and harm, of any nature or kind whatsoever, whether related to death, bodily injury, property loss, property damage or consequential loss or damage, which may be connected with or arise from:
 - a) Any breach of any obligation set forth in this Agreement to be observed or performed by the Tenant;
 - b) Any act, omission, or negligence of the Tenant, its members, officers, directors, employees, agents, contractors, subcontractors, subtenants, licensees, invitees or others for whom it is responsible;
 - c) Any damage to property occasioned by the Tenant's use of the License Area or any injury to person or persons, including death, resulting at any time from the Tenant's use of the License Area; or
 - d) The granting of this Agreement.

Environmental Clause

18. The Tenant may use herbicides and pesticides on the License Area if the Tenant complies with all federal, provincial, municipal and local laws, statutes, ordinances relating to environmental matters and all rules, regulations, policies, guidelines, and criteria and all authorizations, permits and licenses ordered or issued pursuant to such laws.

License Area Accepted “As Is”

19. The Tenant accepts the License Area “as is” and acknowledges that they have had the opportunity to undertake inspection of the License Area as they consider necessary and that the Town has made no representations or warranties respecting the License Area and that by entering into this Agreement, they are satisfied that the License Area is suitable for their purposes.

Survival of Indemnities

20. All of the releases and indemnities contained in this agreement will survive the expiration date or earlier termination of the Term.

Notice of Default

21. If the Tenant fails to observe, comply with or perform any of its covenants, agreements or obligations under this Agreement, the Town may deliver to the Tenant a notice of default (in a manner required herein for giving notices) stipulating that the default must be rectified or cured within 15 days of the notice if the default is non-payment of the Fee and within 30 days of the notice for other defaults, but less or no notice is required to be given by the Town in emergency or urgent circumstances, as determined by the Town in its sole discretion, acting reasonably, or where the Tenant has failed to keep the License Area insured.

Distress

22. If the Fee payable by the Tenant is in arrears, the Town or a person by the Town may enter upon the License Area and seize any goods or chattels and may sell the same.

Permanent Improvements

23. Prior to making permanent improvements the Tenant shall seek written permission from the Town. It should clearly outline what improvements are to be made, who will pay the associated costs and how compensation may be made in the event of the early termination of this agreement by the Tenant or the Town.

Option to Renew

24. If the Tenant has duly and punctually observed and performed their covenants, agreements, conditions and obligations in this Agreement, this Agreement may be renewed for another five (5) years if such renewal is mutually agreed upon between the Town and the Tenant.

25. This option must be exercised by the Tenant giving notice in writing to the Town not less than 90 days prior to the expiry of the Term, and terms of any such extension agreed to in writing by not less than 30 days prior to the expiry of the Term.

Termination Upon Default

26. It is hereby agreed that the Town may, without further notice to the Tenant, terminate this Agreement and enter and take possession of the License Area if:

- a) The Fee is unpaid for 15 days after the notice pursuant to Section 20; or
- b) The Tenant fails to observe, comply with or perform any of its covenants, agreements or obligations herein and the failure is not rectified or cured by the Tenant within the time specified in Section 20.

27. The Tenant will make no claim for compensation, in damages or otherwise, upon the lawful termination of this Agreement under this section. If the Town terminates this Agreement the Town retains the right to proceed in law against the Tenant for all of the Fee and other loss or damage and costs, including all prospective losses or prospective damages suffered or to be suffered by the Town arising from the default of the Tenant under this Agreement.

State of License Area at Termination

28. At the expiry or early termination of this Agreement, the Tenant shall deliver to the Town the License Area in good repair or it shall be reinstated at the Tenant's sole expense.

No Assigning or Sublicensing

29. The Tenant shall not assign or sublicense the Tenant's interest in or rights under this Agreement in whole or in part, nor permit the License Area to be used or occupied by any other person, without the expressed written permission of the Town.

Termination by Tenant

30. The Tenant may terminate this Agreement by delivering to the Town a written notice on or before March 1st of any year of the Term.

Termination by the Town

31. The Town may terminate this Agreement by delivering to the Tenant a 6-month written notice of termination.

Own Cost

32. The Tenant shall perform all of its obligations, covenants and agreements under this Agreement solely at their own cost.

Severance

33. If any portion of this Agreement is held invalid by a court or competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of this Agreement.

Amendment

34. This Agreement may not be modified or amended except in writing signed by the Town and the Tenant.

Interest

35. If the Tenant fails to pay any money due to the Town under this Agreement, interest shall be payable as per current Town Policy for overdue accounts.

IN WITNESS WHEREOF the parties have executed this agreement.

**THE CORPORATION OF
THE TOWN OF RENFREW**)
)

**SCHOUTEN FARMS
(1230381 ONTARIO INC.)**

_____)
Mayor)

....)

)

....)

)

_____)
Clerk)

Signature
(I have authority to bind the Corporation)