

LEASE AGREEMENT

AIRPORT AGRICULTURAL LAND LEASE AGREEMENT

THIS LEASE made this 28th day of April 2025.

BETWEEN:

THE CORPORATION OF THE TOWN OF GODERICH
(the "**Landlord**")

- and -

JOSEPH C. WHITELY, an individual residing in the Province of Ontario
(the "**Tenant**")

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 agreement (this "**Lease**") agree as follows:

1. LEASED PROPERTY

- 1.1 The Landlord hereby leases to the Tenant the property at 33874 Airport Road, Goderich (the "**Leased Property**") and more fully described in Schedule "A" attached hereto and as approximately depicted on the maps located at Schedule "C" hereto.

2. TERM OF THE LEASE

- 2.1 This Lease will be in force for a term of three (3) years beginning on the 28th day of April, 2025 (the "**Commencement Date**") and ending on the 27th day of April, 2028 (the "**Termination Date**") unless terminated in accordance with the provisions of this Lease.

3. RENT

- 3.1 The Tenant shall pay to the Landlord, during each year of the Term, rent for the Leased Property in the amount of \$254.54 per acre (the "**Rent**") payable in two yearly installments. The 1st half rent on or before May 15th of each contract year, and the 2nd half on or before November 15th of each contract year.

Annual Rent shall be calculated as follows:

\$254.54 per acre x 165 acres = \$42,000
plus HST (\$5,460.00 x 13% = \$47,460.00)

Total annual rent \$47,460.00

- 3.2 The Tenant shall also pay to the Landlord all other amounts payable by the Tenant to the Landlord or to be discharged as Rent under this Lease (the "**Additional Rent**") at the

times and in the manner provided in this Lease or, if not so provided, as reasonably required by the Landlord.

- 3.3 The Rent shall be exclusive of property taxes, which shall be the responsibility of and paid by the Landlord.

4. LANDLORD'S REPRESENTATIONS AND WARRANTIES

- 4.1 The Landlord makes no representations or warranties regarding the Leased Property, nor does the Landlord 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 Tenant acknowledges that it relies upon its own estimate and judgment.

5. COVENANTS

- 5.1 The Landlord and the Tenant covenant and agree as set out in Schedule "B" as attached hereto.

6. ALTERATIONS

- 6.1 **Alterations By Tenant.** The Tenant may from time to time at its own expense make changes, additions and improvements to the Leased Property to better adapt the same to its business, provided that any change, addition or improvement shall be made only after obtaining written consent of the Landlord, and shall be carried out in a good and workmanlike manner and only by persons selected by the Tenant and reasonably approved in writing by the Landlord. The Tenant shall pay promptly when due all costs for work done or caused to be done by the Tenant to the Leased Property which could result in any lien or encumbrance on the Landlord'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.
- 6.2 **Alterations by Landlord.** The Town of Goderich reserves the right for itself, its agents, its employees or its assigns to enter the farm upon its sole discretion to consult with the successful Tenant, make repairs, improvements, and inspections, etc.

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 thirty (30) days such dispute may be submitted to a 3rd party mediator, the choice of mediator to be agreed upon by the parties, and failing agreement to choose a mediator within an additional thirty (30) days, the mediator to be appointed by a judge of the Superior Court, for resolution via non-binding mediation conducted pursuant to the National Mediation Rules of the ADR.

8. TERMINATION

- 8.1 Termination by the Landlord or the Tenant

- (a) Either the Landlord or the Tenant may terminate this Lease by giving notice in writing to the other party at least six (6) months prior to the expiry of the Term.

8.2 Termination by the Landlord

Upon the occurrence of any of the following events:

- (a) the Tenant 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 Landlord of such non-payment; and,
- (b) the Tenant 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 Tenant and persists in the failure after fifteen (15) days' notice by the Landlord requiring the Tenant to remedy, correct, desist or comply (or such longer period as may be reasonably required to cure the breach given the nature of same);

then the Landlord may, at its option, and in addition to and without prejudice to all rights and remedies of the Landlord available to it either by any other provision of this Lease or by statute or the general law, either

- (c) terminate this Lease by giving the Tenant 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
- (d) without notice or any form of legal process, forthwith re-enter upon and take possession of the Leased Property or any part thereof in the name of the whole and re-let the Leased Property or any part thereof on behalf of the Tenant or otherwise as the Landlord sees fit, provided that, if the Tenant has planted crops on the Leased Property, the Tenant shall be entitled to, within a reasonable period of time after termination of this Lease, re-enter upon the Leased Property to harvest such crops,

and the Tenant shall pay to the Landlord forthwith upon demand all expenses of the Landlord in re-entering, terminating, re-letting, collecting sums due or payable by the Tenant or realizing upon assets seized including tenant inducements, leasing commissions, legal fees on a substantial indemnity basis and all disbursements and the expense of keeping the Leased Property in good order, and preparing the same for re-letting.

8.3 Compensation by the Landlord

- (a) In the event of early termination pursuant to Section 8.1 of this Lease, the Landlord agrees to compensate the Tenant at a rate of \$425.00 per acre leased.

9. INDEMNIFICATION AND HOLD-HARMLESS CLAUSE

9.1 The Tenant shall defend, indemnify and save harmless The Corporation of the Town of Goderich, its elected officials, officers, employees and agents from and against any and all claims of any nature, actions, causes of action, losses, expenses, fines, costs (including legal costs), interest or damages of every nature and kind whatsoever, including but not limited to bodily injury, sickness, disease or death or to damage to or destruction of tangible property including loss of revenue or incurred expense resulting from disruption of service, arising out of or allegedly attributable to the negligence, acts, errors, omissions, misfeasance, nonfeasance, fraud or willful misconduct of the Tenant, its directors, officers, employees, agents, contractors and subcontractors, or any of them, in connection with or in any way related to the delivery or performance of this Agreement. This indemnity shall be in addition to and not in lieu of any insurance to be provided by the Tenant in accordance with this Agreement and shall survive this Agreement.

9.1 This indemnification and Hold-Harmless Clause by the Tenant shall survive the termination of this Lease.

11. GENERAL

11.1 **Relationship of the parties.** The parties hereto expressly disclaim any intention to create, and nothing in this Lease shall be deemed to create, a partnership or joint venture between them and neither of the parties hereto shall have any authority to act for or to assume any obligation or responsibilities on behalf of the other except as otherwise expressly provided herein.

11.2 **Incoming Tenant.** An incoming tenant, purchaser, or the Landlord shall have the right to enter upon the Leased Property to examine, inspect and show the Leased Property for the purposes of leasing, sale or financing.

11.3 Landlord's Right of Inspection

(a) The Landlord or his agent or employee may, upon the provision of a reasonable notice period, enter the Leased Property to inspect same.

(b) If repairs or amendments are required, the Tenant shall make the necessary repairs or amendments within one (1) month [NTD: or, choose some other period of time] of receiving written notice from the Landlord.

11.4 **Assignment and Subletting.** The Tenant shall not assign or sublet his interest in this Lease, or any part of his interest in this Lease, nor grant any licence or part with possession of the Leased Property or transfer any other right or interest under this Lease without the Landlord's prior written consent, the Landlord acting reasonably.

- 11.5 Sale of the Leased Property.** If the Landlord sells or otherwise disposes of all or part of the Leased Property, he will do so subject to the provisions of this Lease, unless the Landlord and the Tenant agree otherwise in writing.
- 11.6 Liens.** The Tenant shall, immediately upon demand by the Landlord, 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 Landlord. Without limiting the foregoing obligations of the Tenant, the Landlord may cause the same to be removed, in which case the Tenant shall pay to the Landlord forthwith, the cost thereof, including the Landlord's complete legal costs on a solicitor and his own client full indemnity basis.
- 11.7 No Transfer on Bankruptcy.** Neither this Lease nor any interest of the Tenant 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 Tenant or otherwise by operation of law.
- 11.8 Renewal.** The term of this Lease may be extended by mutual agreement of the Landlord and the Tenant in writing for a further period upon the same terms and conditions herein, except as otherwise agreed in writing by the parties executing a renewal statement.
- 11.9 Enurement.** The terms "Landlord" and "Tenant" shall include their heirs, executors, administrators, successors and approved assigns in the singular or plural number, and all the covenants shall be construed as being joint and several.
- 11.10 Ontario Law Applies.** 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.
- 11.11 Registration.** The Tenant agrees not to register this Lease without the prior written consent of the Landlord, which consent may be unreasonably withheld.
- 11.12 Notice.** 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 facsimile transmission, email, or sent by registered mail, charges prepaid, addressed as follows:

Landlord: The Corporation of the Town of Goderich
Attention: Andrea Fisher, Director of Legislative Services/Clerk
57 West Street
Goderich, ON N7A 2K5
Email: afisher@goderich.ca
Fax: 519-524-7209

Tenant: Name: Joseph C. Whitely
 Address: 36885 Blyth Road, Goderich, Ontario, N7A 3Y2
 Email: joewhitely05@gmail.com
 Telephone: 519-525-0359

or to such other address or facsimile number as any party may, from time to time, designate in accordance with this Section.

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 facsimile 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 facsimile.

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11.13 Amendments to the Lease. 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.

THE CORPORATION OF THE TOWN OF GODERICH

Per: _____
Mayor, Trevor Bazinet

Per: _____
Clerk, Andrea Fisher

We have the authority to bind the Corporation.


TENANT (if an individual
or sole proprietorship)



Witness Signature



Name of Witness



Signature of Tenant

Joseph C. Whitely

Name of Tenant

SCHEDULE "A" LEASED PROPERTY DESCRIPTION

Address:	33874 Airport Road, Goderich, Ontario
(Part) Lot:	Plan 564 PT LOTS 3, 4, 5, 6; 7 PLAN 569 LOTS 7, 8, 9, 10; 11 PT LOT 12
Municipality:	Township of Ashfield-Colborne-Wawanosh
Roll Number:	407031001801700
Total Acreage:	321 acres
Workable Acreage:	165 acres
Woodlot Acres:	0 acres
Organic Certification Y / N	No

SCHEDULE "B" COVENANTS

1. LANDLORD'S COVENANTS

The Landlord covenants and agrees with the Tenant:

1.1 General

- (a) to pay all mortgages against the Leased Property, if any;
- (b) to observe and perform all the covenants and obligations of the Landlord herein.

2. TENANT'S COVENANTS

The Tenant covenants and agrees with the Landlord:

2.1 Operation and Maintenance of the Leased Property

(a) Use of the Leased Property

- (i) to use the Leased Property only for the purpose of farming legal crops on the Land and any and all uses ancillary thereto save and except that the Tenant shall not be entitled to keep any livestock on the Leased Property;
- (ii) not to allow any public use of the Leased Property; and,
- (iii) not to build any structure, barn, shed, fuel storage facility, or permanent feed storage facility without the written consent of the Landlord.

(b) Farming Decisions

- (i) to make all decisions with respect to growing crops on the Leased Property, unless stated 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 Tenant's obligations hereunder directly to the appropriate party as they come due and shall, at the Landlord's request, provide the Landlord with copies of receipts or other proof acceptable to the Landlord 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 Leased Property 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 maintaining nutrient and pH levels on the Land as mutually agreed upon with the Landlord;

(iii) to do what is reasonably necessary to control soil erosion and to abstain from any practice which will cause damage to the Land;

(iv) to not remove sand, gravel, topsoil or minerals from the Leased Property;

(v) to not permit or allow the accumulation of any waste material, debris, refuse or garbage on the Leased Property;

(vi) to not allow any site contamination such as, but not limited to, chemicals, oil spills, hydrocarbons, or any other waste materials on the Leased Property or adjacent water bodies;

(vii) to not grow the same type of crop for two (2) years in succession;

(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 ten (10) metre buffer strip of grasses and clover alongside the runways and any other areas indicated by the Landlord.

(e) Pesticides and Herbicides

(i) to perform all acts required to be done under any Act or by regulations or bylaws with respect to weed control, and the Tenant 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.

(f) Repair of Fences and Improvements

(i) to be responsible for the maintenance and upkeep of the fences and windbreaks, and to keep same in good order and condition; and,

(ii) to keep the mouths of all underdrains on the Leased Property open and free from obstruction and in good running order at all times during the Term and will not suffer or permit such drains or the water-courses in any open ditches on the Leased Property, to become obstructed, but will keep them free and clear for the escape of the water flowing therein.

2.2 Shall maintain and pay for Comprehensive General Liability Insurance with an insurer acceptable to the Town of Goderich (and add the Town as additional insured) covering farm operations with:

(a) limit of liability not less than \$5,000,000 inclusive for any one insurance which includes environmental pollution liability for injury or damage arising from farming operations on or off the lands;

(b) insurance not less than \$2,000,000 against liability for bodily injury and property damage caused by vehicles or equipment owned by the successful bidder;

(c) Shall provide a Certificate of Insurance evidencing coverage in force at least 10 days prior to contract commencement.

2.3 General

(a) to pay all of the costs and expenses associated with the Tenant's obligations hereunder directly to the appropriate party as they come due and shall, at the Landlord's request, provide the Landlord with copies of receipts or other proof acceptable to the Landlord that such costs have been paid. If the Tenant fails to perform any obligation under this Lease or to pay any costs and expenses as set out herein, the Landlord may at its sole option and discretion, on seven (7) days written notice to the Tenant, perform such obligation or pay such amounts on behalf of the Tenant and the Tenant shall forthwith upon receipt of an invoice therefor reimburse the Landlord for the cost of such action or the amount of such payments which are to constitute rent;

(b) not to do, omit to do or permit to be done anything which will cause or shall have the effect of causing the cost of the Landlord's insurance in respect of the Leased Property to be increased at any time during the Term or any policy of insurance on or relating to the Leased Property to be subject to cancellation;

(c) to agree that the Landlord shall not be responsible for personal injury or property damage that the Tenant or the Tenant's invitees, agents, or guests may suffer or sustain by reason of the use of the Leased Property whether arising by reasons of negligence or otherwise; and,

(d) to observe and perform all the covenants and obligations of the Tenant herein.

APPENDIX C – MAPS OF AIRPORT AGRICULTURAL LAND FOR LEASE

Total Workable Area: 165.22 ac

