

- a) buildings on the Lands as of the Effective Date;
- b) buildings constructed on the Lands during the term of this Lease;
- c) ways, paths and passages on the Lands;
- d) waters and water courses on the Lands, including access to and use of water; and
- e) privileges, advantages and appurtenances whatsoever related to the Lands.

Pre-existing Terms or Easements

- 3. This grant of lease is subject to:
 - a) existing terms contained in any original grant of the Lands or in any other disposition from the Crown with respect to the Lands; and
 - b) any highway, or public right-of-way, watercourse, right of water or other public easement found on the Lands.
- 4. The Lessor represents that the Lessor has informed the Lessee of any and all pre-existing terms or public easements described in clause 3.

Duration of Lease

- 5. This Lease will be in effect for _____ years / months, starting on the Effective Date and ending on _____ (date).

Rent Payable

- 6. The Lessee will pay to the Lessor the sum of \$_____, payable in monthly installments on the _____ day of each month without invoice or notice from the Lessor (“**Rent**”).

THE LESSEE

Signature

Witness

Print Name

Print Name

Date

The Lands that are being leased include all the listed items. If you do not want one of those items to be included, remove it.

Any terms already attached to the parcel of land will also attach to this lease. Pre-existing terms could be attached to the land through the title to the land or through another form of disposition such as a head lease from the government (which would make this a sub-lease).

The Lessor agrees that he or she has told the Lessee about all of the pre-existing terms that will attach to this lease, if any.

Set out the length of the lease. If you want it to be possible to revise the terms of the lease partway through, or to renew the lease, see the “Roll-Over” and “Renewal” clauses in the Optional Clauses section.

Set out the rent. Note there are alternative forms of rent such as annual rent, gradually increasing rent, or sharecropping. You may also wish to set out how the rent is paid (e.g. by bank transfer).

The witness should see both the Lessor and the Lessee sign the Agreement.

THE LESSOR

Signature

Witness

Print Name

Print Name

Date

SECTION II – RECOMMENDED CLAUSES

Termination

7. This Lease may be terminated in the following ways:
- a) upon written agreement of both Lessor and Lessee to terminate this Lease;
 - b) the Lessee gives the Lessor ____ days advance written notice that the Lessee wishes to terminate this Lease;
 - c) the Lessee does not pay Rent when due and the Lessor gives the Lessee written notice of an intention to terminate this Lease for non-payment of Rent, unless the Lessee pays the outstanding Rent in full within ____ days of receipt of the notice, in which case this Lease remains in force;
 - d) any party to this Lease gives the opposing party written notice of the opposing party's non-performance of one or more of the covenants contained in this Lease, specifying the instance(s) of non-performance, and the opposing party does not
 - i) contest the notice by initiating dispute resolution pursuant to this Lease, or
 - ii) correct the non-performance
 - e) the Lessee becomes insolvent or bankrupt and takes the benefit of any act that may be in force for bankrupt or insolvent debtors;
 - f) any of the Lessee's property on the Lands is seized or taken in execution or attachment by any creditor of the Lessee; or
 - g) the Lessee makes an assignment for the benefit of his creditors.
8. If the Lessor terminates this Lease in accordance to subclause 7 b) or 7 c) then the Lessor must notify the Lessee of the termination, after which the Lessor may immediately:
- a) take possession of the Lands or any part thereof; and
 - b) subject to clause 10, remove all persons and property from the Lands, if the Lessee does not do so.

9. If the Lessor terminates this Lease in accordance to clause 8 and the Lessee has

This clause sets out the different ways the lease can be terminated.

Subclauses (e) to (g) allow the Lease to be terminated in situations where the Lessee becomes bankrupt, has property seized by a creditor, or similar.

planted crops on the Lands that have not been harvested at the time of termination, then:

- a) the Lessee maintains the exclusive right to harvest crops planted by the Lessee on the Lands and to access the Lands for that purpose; or
- b) the Lessor may pay compensation to the Lessee for the Lessee's reasonable expenses and labour in relation to the crops, in which case the Lessee has no further right to harvest or access crops on the Lands.

Overholding

10. If, following the expiry of the term of this Lease, the Lessee continues to occupy the Lands and the Lessor continues to accept Rent, the new tenancy created is deemed to be a yearly tenancy subject to all the provisions of this Lease insofar as those provisions apply to a tenancy from year to year.

Ownership and Transfer

11. The Lessee owns all personal property improvements (chattels) brought or made on the Lands at the Lessee's expense or on the Lessee's behalf during the period of time covered by this Lease.
12. All improvements to the real property (fixtures) made on or to the Lands at the Lessee's expense or on the Lessee's behalf during the period of time covered by this Lease remain on the Lands, without any form of compensation to the Lessee at the termination of this Lease.

Subordination and Non-Disturbance

13. This Lease is and will be subject, subordinate, and postponed to all Mortgages to the extent that without execution of any document other than this Lease, the Mortgages will have priority over this Lease notwithstanding the respective dates of execution, delivery, or registration of them. Without limiting the generality of the foregoing, the Lessee agrees to promptly execute any document in confirmation of such subordination and postponement of this Lease to any of the Mortgages, provided however that such subordination or postponement will not be effective with respect to a specific Mortgage unless and until the Lessor's Mortgagee holding such Mortgage confirms in writing to the Lessee that the Lessee has the right, if not in default under this Lease, to remain in possession of the Lands in accordance with the terms of this Lease in the event the Lessor's Mortgagee obtains title to the Lands by way of foreclosure or otherwise.

Clause 9: If the Landlord terminates the lease then the tenant may still harvest crops that he or she has already planted, or alternatively the landlord can pay for the tenant's expenses and labour on the crops up to the termination date and then the tenant has no further right to access the Lands or crops.

Clause 10: If the landlord-tenant relationship continues beyond the expiry of this lease with no additional written agreement, then the terms of this Lease continue to apply on a year-to-year basis.

Clauses 11-12: "Chattels" is a legal word for moveable personal property, such as a shovel or a tractor. "Fixtures" is a legal word for property that is affixed to the land or buildings to such a degree that it is treated as part of the land, such as a stone wall. Sometimes there is a fine line between chattels and fixtures, for example a greenhouse or a chicken coop could potentially be treated as a chattel or a fixture depending on how portable they are. In those cases it may be a good idea to add a clause which explicitly names particular items as "chattels" or "fixtures" if you would like to be clear about whether the tenant keeps those particular items at the end of the Lease.

Clauses 13-14 should be crafted individually for each agreement. Text in this lease is an example. Explanation of clauses: Generally, if a landowner leases out their property after putting a mortgage on the land, the person leasing the property can be asked to vacate the land if the landowner defaults on their loan and the lender takes over the land. If a mortgage is placed on the land after it is leased the lease has priority and the lender cannot ask the lessee to leave. The landowner may insist on a subordination clause in the lease that gives the mortgage priority even if the mortgage is done after the lease. Again, in this situation if the landowner defaults on their loan the person leasing the land can be asked to vacate by the lender taking over the land. If the land is leased or is likely to be leased it is in the lending institutions interest to require landlords to include subordination clauses in their leases before a mortgage will be approved. If the person leasing the land is faced with subordination clauses or knows that there is a mortgage prior to the lease, they should ensure the lease agreement includes a non-disturbance clause. This clause(s) will ensure that the lender foreclosing on the loan will not disturb the possession rights of the lessee as long as the lessee continues to meet the terms of the lease.

Attornment

14. Whenever required by any of the Lessor's Mortgagees under any of the

Mortgages, or in the event of an exercise by any of the Lessor's Mortgagees of the power of sale in any of the Mortgages, the Lessee will attorn to and become, in each case, a tenant of such Lessor's Mortgagees or any purchaser from such Lessor's Mortgagee for the then unexpired residue of the term upon all of the terms and conditions of this Lease.

Utilities

15. The Lessee must promptly pay all charges for heat, water, gas, hydro, sewage and all other utilities supplied to or consumed on the Lands.

Taxes

16. The Lessor must promptly pay all taxes, levies, duties, assessments and license fees whatsoever whether municipal, school, provincial, parliamentary or otherwise levied, imposed or assessed against the Lands or upon the Lessee in respect thereof.

Liens

17. The Lessee must make best efforts to prevent the filing of any liens, judgments, or other charges against the Lands. In the event of the filing of any liens, judgments or charges against the said lands as a result of the actions of the Lessee, the Lessee must, within _____ days of being advised of same, take all necessary steps to have the liens or charges discharged or cancelled.

Lessor Access

18. The Lessee must permit the Lessor to enter the Lands:
- at any time in the case of an emergency that threatens life or property; and
 - upon at least 24 hour's notice and during regular business hours, where such will not unreasonably disturb or interfere with the Lessee's use of the Lands, to examine and inspect the Lands.

Responsible Use

19. The Lessee must use the Lands in a socially responsible manner, causing no harm and creating no nuisance to neighbours. The Lessee takes responsibility for the use of the Lands by members of the Lessee's families, employees, friends or visitors.

Construction

20. The Lessee must:
- get written approval from the Lessor for construction of any major improvement (over \$_____);
 - not alter, improve, change, remodel, tear down or destroy any buildings erected upon the Lands without written approval from the Lessor; and
 - not construct housing for human habitation on the Lands without written approval from the Lessor. Any housing construction must meet all federal,

Clause 14: An attornment clause means that the lessee is promising to recognize the lender as their landlord when the original landlord defaults on their mortgage obligations. A well written attornment clause will include an obligation by the lessee to become the tenant of any successor in title the lender might put in place.

Modify clause 15 according to the responsibilities for paying utilities agreed upon during negotiations.

Clause 17: A person who is working on an improvement on a piece of land (e.g. a barn) can file a lien against the title to the land if they are not paid for their services, which gives the worker a legal interest in the land until the lien has been discharged. Other charges can be filed against the title to land, including an outstanding judgment from a court to pay money. In this clause the tenant agrees to try to prevent the filing of liens or other charges against the Lands, and to remove any charges that are filed as a result of something the tenant has done.

provincial and local government legislation and bylaws.

Operations

21. The Lessee must:
- a) use the Lands only for the primary purposes of farming legal commercial crops;
 - b) perform all acts required to be done under any Act or by regulation or by-laws with respect to weed and insect control;
 - c) comply with all the laws, rules, regulations and ordinances and by-laws of any government or other body having jurisdiction over the Lands; and
 - d) at the time of expiry or termination leave the Lands in the same or better condition than recorded on the Effective Date.

Repair and Maintenance

22. The Lessee assumes full responsibility for the operation, repair, and maintenance of the Lands and any improvements constructed on the Land (whether or not such improvements were constructed by the Lessee), ensuring all is kept in good working condition (including fixtures and chattels).
23. If the Lessee fails to meet any expense when due or carry out repair or maintenance work on the Lands and improvements that is reasonably necessary and not merely cosmetic, then the Lessor may give the Lessee written notice to pay the said expense or commence the said work. If the Lessee does not abide by the notice or initiate dispute resolution under this Lease within _____ days, then the Lessor may enter the Lands and do the said work or pay the said expenses all at the expense of the Lessee, the cost of which is added to the Rent.

Quiet Enjoyment

24. The Lessor must:
- a) not interfere with the personal lives, associations, expressions or actions of the Lessee, except insofar as permitted under terms and conditions of this Lease;
 - b) expressly recognize the rights of the Lessee to the quiet enjoyment of the Lands and to the Lessee's right of privacy; and
 - c) not enter into agreements with others in regards to use and occupation of the Lands without written approval from the Lessee.

Subletting and Assigning

25. The Lessee may not assign or sublet the Lands in whole or in part without the Lessor's prior consent in writing, such consent not to be unreasonably withheld.

Dispute Resolution

Modify clause 21(a) if you want to have a different set of restrictions on the use of the Lands (e.g. adding livestock), or remove the clause if you want no restrictions at all.

Modify clause 22 if the landlord is to have some or all of these responsibilities.

Clause 23: If the tenant fails to pay expenses or make necessary repairs, then the landlord can issue a notice requiring the tenant to do so. If the tenant does not dispute the notice or do the work, then the landlord can do the work him- or herself and charge the cost to the tenant as additional rent.

26. If a breach of this Lease occurs or is threatened, or if there is disagreement as to the meaning of this Lease:

- a) either the Lessee or the Lessor may give notice to the other parties requiring a meeting of all parties for dispute resolution within ____ business days of receipt of the notice;
- b) all activities giving rise to an alleged breach, or threatening a breach of this Lease, or giving rise to a disagreement as to the meaning of this Lease, must immediately cease upon receipt of the notice;
- c) the parties must meet and attempt to resolve the dispute, acting reasonably and in good faith, within ____ Business Days of receipt of the notice;
- d) if the parties are not able to resolve the matter within that time, the parties may appoint a mutually acceptable person to mediate the matter. If the parties are unable to agree on the appointment of a mediator within _____ days after the mediation process is invoked, any party may apply to the British Columbia Mediator Roster Society, or its successor, or such other organization or person agreed to by the parties in writing, for appointment of a mediator. The parties must act reasonably and in good faith and cooperate with the mediator and with each other in an attempt to resolve the matter within ____ days of the appointment of the mediator;
- e) the cost of the mediation will be borne equally between the parties, which costs will not include costs incurred by a party for representation by counsel at the mediation; and
- f) a party may not seek to have an alleged breach of this Lease adjudicated in Court until the dispute resolution process set out in this clause has concluded, unless both parties agree to forego mediation.

Clause 26: There are two potential stages to the process for resolution of a dispute under the Lease. First, once one party begins the dispute resolution process by sending a notice to the other party, the two parties must sit down together within a given time to try to resolve the dispute. Second, if that is unsuccessful, either party may initiate mediation. If mediation is unsuccessful, the parties may bring the matter to Court, but they cannot do so before that time (unless both parties agree).

Note: it is also possible to include an arbitration clause in the Lease. With an arbitration clause, instead of going to Court the parties agree to be bound by the decision of a neutral and impartial arbitrator that they select. The potential advantage of arbitration is that it is often cheaper and simpler than Court.

Non-Waiver

27. If the Lessor does not insist upon strict performance of any of the conditions in this Lease this is not a waiver or relinquishment for the future of any such condition unless the Lessor gives a waiver in writing. The acceptance of any rent or performance of any Lease condition by a person other than the Lessee shall not be construed as an admission by the Lessor of any right, title or interest of any such persons as a sub-tenant, assignee, transferee or otherwise in place and stead of the Lessee.

Clause 27: The second part of this non-waiver clause means that, if a third party pays the tenant's rent or performs some other obligation of the tenant (e.g. repairs), the landlord can accept the rent or allow the performance of the obligation without agreeing that the third party is then a tenant as a result.

Independent Contractor

28. The Lessor enters into this Lease as an independent contractor and in no sense is the Lessee or the Lessee's employees, invitees or agents to be considered an agent of or under the control of the Lessor.

Insurance

29. The Lessor represents that the Lands are insured by the Lessor to the extent set out in the insurance documents attached to this Lease as Appendix “A”. The Lessor agrees to maintain a level of insurance for the Lands that is equal to or better than that set out in Appendix “A” for the duration of the Lease.
30. The Lessee shall not do or omit to do or permit to be done anything that will cause or have the effect of causing:
- a) the cost of the Lessor’s insurance in respect of the Lands to increase at anytime during the Lease; or
 - b) the Lessor’s insurance in respect of the Lands to be subject to cancellation.

Clause 29 would require the landlord to have insured the property and to attach the insurance papers as an appendix to this Lease. It may be desirable to negotiate special insurance provisions (e.g. the landlord or the tenant takes out additional personal injury liability insurance) and to specify those requirements in detail in this section.

Notice

31. Wherever any notice is required to be given to either party under the terms of this Lease, the notice must be in writing and will be deemed to be sufficiently given if it is forwarded by registered mail to the address of the party set out on the first page of this Lease.

Clause 31 states that for a notice to be automatically treated as sufficient under the Lease it must be sent by registered mail to a party’s address. Depending on the circumstances, it may be preferable to modify this clause to include personal delivery.

Registration of Lease

32. This Lease shall be registered with the BC Land Title and Survey Authority.

Clause 32 states that if the parties do not intend to register the Lease through the Land Title Office, delete this clause.

General

33. This Lease and everything herein contained shall ensure to the benefit of and be binding upon the heirs, executors, administrators, successors, assigns and other legal representatives, as the case may be, of each of the parties hereto, subject to the granting of consent by the Lessor to any assignment or sub-lease, and every reference herein to any party hereto shall include the heirs, executors, administrators, successors, assigns and other legal representatives of such party.
34. Where there is more than one Lessee, the provisions herein shall be read with all grammatical changes thereby rendered necessary and all the covenants shall be deemed joint and several.
35. Amendments and alterations to this Lease must be in writing, must be signed by both the Lessee and the Lessor and must be appended to this Lease.
36. In the event of an emergency situation the Lessee may use their best judgment to respond to the emergency and must notify the Lessor as soon as possible of the actions taken.
37. The parties agree that this Lease does not give rise to a partnership relationship.
38. The parties agree that this Lease will be construed in accordance with, and be governed by, the laws of the Province of British Columbia and the laws of

Clause 33 means that the Lease continues to be binding on other persons who may gain a legal interest in the lands. For example, if the landlord were to pass away, this clause means that the Lease continues to bind the administrator of the landlord’s estate and any person who may inherit the property.

Canada applicable thereto.

- 39. Notwithstanding the termination or expiry of this Lease:
 - a) the Lessee shall continue to be liable to the Lessor for all outstanding Rent due at the time of termination or expiry of this Lease; and
 - b) the provisions in this Lease under the headings “Overholding”, “Ownership and Transfer” and “Dispute Resolution” will continue in effect.
- 40. Time is of the essence of this Lease.
- 41. This Lease is the complete and exclusive agreement between the parties and it supersedes all other agreements between the parties with respect to the Lands, whether oral or written, including any renewals and extensions and restatements.

Clause 39 ensures that provisions in the Lease which are meant to have an effect beyond the time that the Lease terminates remain in force (e.g. the tenant’s obligation to pay outstanding rent, or the provisions governing who owns what property when the Lease is over).

Clause 40: “Time is of the essence” means that failure to do something within a time required by the Lease constitutes a breach of the Lease.

Clause 41 states that this Lease replaces or trumps any prior agreements between the parties about the Lands

Clauses 42-44 can be used to add additional clarity to the Lease. Modify examples as necessary. Additional clauses e.g. requirement to follow Certified Organic Production Operation Policies and Management Standards or access to firewood, could also be included in this section.

SECTION III - OPTIONAL CLAUSES

Roll-Over

- 42. Every ____ year(s) at:
 - _____ (date)
 - _____ (date)
 - _____ (date)

The contents of this Lease, including Rent, may be modified as mutually agreed upon by the Lessee and Lessor. If the parties are not able to come to a mutual agreement on changes to the Lease, the parties may use the Dispute Resolution process outlined in this Lease. If the parties are not able to come to a mutual agreement through the Dispute Resolution process then the terms of the Lease will continue in force without modification.

Renewal

- 43. If the Lessee duly pays the Rent and performs all of the Lessee’s obligations under the Lease, the Lessor will, upon the request of the Lessee made at least _____ months prior to the expiration of the term of this Lease, grant to the Lessee a renewal lease of the Lands for a further term of _____ years, subject to the same covenants, provisos and agreements as herein contained with the exception of this clause and with the exception of Rent, which shall be mutually agreed upon by the parties. If the parties are not able to come to a mutual agreement on Rent for the renewal term, the parties may use the Dispute Resolution process outlined in this Lease. If the parties are not able to come to a mutual agreement on Rent for the renewal term within _____ days of the commencement of the Dispute Resolution process, then the renewal of the Lease will not take effect.

Interest

44. If the Lessee does not pay Rent on or before the due dates in this Lease, the Lessee agrees to pay interest on the amount of unpaid Rent at the rate of the prime business interest rate set by the Bank of Canada, plus _____%.

Definitions and Interpretations

Use this section to define specific words or clauses used in the Lease that you feel are important e.g. "Farm House" means the primary residence on the Lands, "Farm Business" means the business operated by the Lessee for the commercial production and sale of local food, including related operations such as, but not limited to agri-tourism and production and sale of value-added products.