

Sample License

SECTION I – REQUIRED CLAUSES

THIS AGREEMENT made the _____ day of _____, 20____ (in pursuance of the Land Transfer Form Act - Part 2), and effective the _____ day of _____, 20____ (the “Effective Date”).

BETWEEN:

of _____ (Landlord/Landowner)
of _____ (address)
of _____ (address)

herein after referred to as the “Licensor”.

AND:

of _____ (Tenant)
of _____ (address)
of _____ (address)

herein after referred to as the “Licensee”.

WHEREAS The Licensor is the registered owner of the following property in _____, Province of British Columbia, commonly known as _____ (farm name), and legally described as:

_____ (address)
_____ - _____ - _____ (PID) _____ (Lot #)
_____ (Block range) _____ (Section)
_____ (District) _____ (Plan)

consisting of _____ acres as shown on the map attached to this License in Appendix A. This property is herein after referred to as “the Lands”.

The Licensee wishes to have possession of and use of the Lands, for the purpose of farming legal commercial crops for local food production over and above household self-sufficiency, (the “Permitted Use”).

Grant of License

1. Subject to the terms and conditions set out in this License, the Licensor agrees to grant a non-exclusive license of occupation to the Licensee.

Scope of the Lands Licensed

Enter the date of the Agreement and the date the Agreement will come into effect.

Enter the landlord's name and address here. The landlord will be called the “Licensor” in this Agreement. Name of Licensor or appropriate acronym would also be appropriate.

Enter the tenant's name and address here. The tenant will be called the “Licensee” in this Agreement. Name of Licensee or appropriate acronym would also be appropriate.

Describe the parcel of land in as much detail as possible using its legal description. This includes address, BC Land Titles Parcel Identifier 9 digit Property Identification Number (PID), lot number, block range and any section and district information. Attach an accurate plan or map of the land and label it “Appendix A”. Be sure to note and describe any areas in land not to be covered by this Agreement.

2. The Lands include all:
 - a) buildings on the Lands as of the Effective Date;
 - b) buildings constructed on the Lands during the term of this License;
 - 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.

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

Pre-existing Terms or Easements

3. This grant of license 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;
 - b) any highway, or public right-of-way, watercourse, right of water or other public easement found on the Lands;
 - c) the Licensee does not acquire any interest in the Lands under this Agreement. The Licensor does not grant to the Licensee either by this Agreement, through prescription or otherwise any interest in the Lands other than the right to use the Lands pursuant to the terms of this Agreement. The Licensor's rights, other than those specifically granted under this Agreement, remain in force.
4. The Licensor represents that the Licensor has informed the Licensee of any and all pre-existing terms or public easements described in clause 3.

Any terms already attached to the parcel of land will also attach to this Agreement.

Duration of License

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

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

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

License Fee Payable

6. The Licensee will pay to the Licensor a license fee of \$_____, for use of the Lands payable in monthly installments on the _____ day of each month without invoice or notice from the Licensor ("License Fee").

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

THE LICENSEE

Signature

Witness

Print Name

Print Name

Date

The witness should see both the Licensor and the Licensee sign the Agreement.

THE LICENSOR

Signature

Witness

Print Name

Print Name

Date

SECTION II – RECOMMENDED CLAUSES

Termination

7. Without limiting any of its other rights or remedies, the Licensor may terminate the licence granted under this Agreement:
 - a) by giving the Licensee ____ days advance written notice that the Licensee wishes to terminate this License;
 - b) without giving the Licensee any prior notice if the Licensee breaches any of the Licensee's obligations under this Agreement.

Ownership and Transfer

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

Utilities

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

Taxes

11. The Licensor 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 Licensee in respect thereof.

Liens

12. The Licensee 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

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

Clauses 8-9: "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.

Modify clause 10 according to the responsibilities for paying utilities agreed upon during negotiations.

Modify clause 11 according to the responsibilities for paying taxes agreed upon during negotiations.

Licensee, the Licensee must, within _____ days of being advised of same, take all necessary steps to have the liens or charges discharged or cancelled.

Licensor Access

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

Responsible Use

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

Construction

15. The Licensee must be entitled to construct and install on the Lands such temporary improvements as the Licensee considers necessary or desirable to enable Licensee to use the Lands for the Permitted Use provided that:
 - a) no improvements shall be constructed or installed on the Lands unless Licensee shall have first delivered plans and specifications to the Licensor, and obtained the Licensor's written consent to construct or install these improvements;
 - b) all work associated with the temporary improvements shall be done in a good and workmanlike manner by qualified and experienced contractors, professionals or trades people.

Operations

16. The Licensee 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.

17. The Licensee must ensure that in using the Lands for the Permitted Use, no act whatsoever shall be done or omitted to be done in or upon the Lands, which may result in nuisance, damage or disturbance to the occupiers or owners of any lands or premises adjoining the Lands or to the holders of any easement, right of way or other encumbrance charging the whole or part of the Lands;

Clause 12: 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.

18. If deemed prudent or necessary by the Licensor the Licensee will:

- designate the boundaries of the Lands by notices, posted signs, fences or otherwise, as approved by the Licensor;
- control, regulate and direct the movement, activities and the access and entry of all Licensee employees, agents, contractors, consultants, licensees or any other persons for whom Licensee is responsible to or on the Lands;
- regulate the use and movement of vehicles of all Licensee employees, contractors, consultants, or any other persons for whom Licensee is responsible to or for on the Lands.

Repair and Maintenance

19. The Licensee assumes full responsibility to keep, at all times and at the Licensee's expense, the Lands and any improvements constructed on the Lands (whether or not such improvements were constructed by the Licensee) in good repair, including without limitation, the fences, gates, and roads.

Modify clause 19 if the licensor is to have some or all of these responsibilities.

Quiet Enjoyment

20. The Licensor must:

- not interfere with the personal lives, associations, expressions or actions of the Licensee, except insofar as permitted under terms and conditions of this License;
- not use the property in a manner that would derogate from the Licensee's rights under this Agreement.

Dispute Resolution

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

- either the Licensee or the Licensor may give notice to the other parties requiring a meeting of all parties for dispute resolution within _____ business days of receipt of the notice;
- all activities giving rise to an alleged breach, or threatening a breach of this License, or giving rise to a disagreement as to the meaning of this License, must immediately cease upon receipt of the notice;
- the parties must meet and attempt to resolve the dispute, acting reasonably and in good faith, within _____ Business Days of receipt of the notice;
- 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

Clause 21: There are two potential stages to the process for resolution of a dispute under the Agreement. 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 Agreement. 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.

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 License adjudicated in Court until the dispute resolution process set out in this clause has concluded, unless both parties agree to forego mediation.

Non-Waiver

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

Clause 22: The second part of this non-waiver clause means that, if a third party pays the licensee's License Fee or performs some other obligation of the licensee (e.g. repairs), the licensor can accept the License Fee or allow the performance of the obligation without agreeing that the third party is then a licensee as a result.

Independent Contractor

- 23. The Licensee enters into this License as an independent contractor and in no sense is the Licensor or the Licensor's employees, invitees or agents to be considered an agent of or under the control of the Licensor.
- 24. No inspection undertaken by the Licensor, granting of a consent by the Licensor, delivery of plans, specifications or other information to the Licensor nor Licensee's compliance with any orders or directions given by the Licensor shall relieve Licensee from complying with, or derogate from Licensee's obligations to comply with, the Licensee's obligations under this Agreement. The Licensor is under no obligation to review any plans or specifications conveyed by Licensee to the Licensor to inspect, repair or maintain the Lands or any improvements nor insure any improvements made or installed by or on behalf of Licensee.

Modify clause 24 if the both parties agree on different terms.

Insurance

- 25. The Licensor represents that the Lands are insured by the Licensor to the extent set out in the insurance documents attached to this License as Appendix "A". The Licensor 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 License.
- 26. The Licensee 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 Licensor's insurance in respect of the Lands to increase at anytime during the License; or
 - b) the Licensor's insurance in respect of the Lands to be subject to cancellation.

Clause 25 would require the licensor to have insured the property and to attach the insurance papers as an appendix to this License. It may be desirable to negotiate special insurance provisions (e.g. the licensor or licensee takes out additional personal injury liability insurance) and to specify those requirements in detail in this section.

Notice

27. Wherever any notice is required to be given to either party under the terms of this License, 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 License.

Clause 27 states that for a notice to be automatically treated as sufficient under the License 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.

General

28. Where there is more than one Licensee, the provisions herein shall be read with all grammatical changes thereby rendered necessary and all the covenants shall be deemed joint and several.

29. Amendments and alterations to this License must be in writing, must be signed by both the Licensee and the Licensor and must be appended to this License.

30. Time is of the essence of this License.

31. This License 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 30: "Time is of the essence" means that failure to do something within a time required by the License constitutes a breach of the License.

Clause 31 states that this License replaces or trumps any prior agreements between the parties about the Lands.

SECTION III - OPTIONAL CLAUSES

Roll-Over

32. Every _____ year(s) at:

_____ (date)

_____ (date)

_____ (date)

Clauses 36-38 can be used to add additional clarity to the License. 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.

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

Renewal

33. If the Licensee duly pays the License Fee and performs all of the Licensee's obligations under the License, the Licensor will, upon the request of the Licensee made at least _____ months prior to the expiration of the term of this License, grant to the Licensee a renewal License 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 the License Fee, which shall be mutually agreed upon by the parties. If the parties are not able to come to a mutual agreement on License Fee for the renewal term, the

parties may use the Dispute Resolution process outlined in this Agreement. If the parties are not able to come to a mutual agreement on License Fee for the renewal term within _____ days of the commencement of the Dispute Resolution process, then the renewal of the Agreement will not take effect.

Interest

34. If the Licensee does not pay License Fee on or before the due dates in this License, the Licensee agrees to pay interest on the amount of unpaid License Fee 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.