

FARM LEASE

Having an effective date of April 1, 2018

BETWEEN:

CITY OF KELOWNA
1435 Water Street
Kelowna, British Columbia V1Y 1J4

(the "Landlord")

AND:

INDERDEEP SINGH SAMRA
878 Kuipers Cres.
Kelowna, British Columbia V1W 5B1

(the "Tenant")

WHEREAS:

- A. The Landlord is the owner of certain lands and premises located in the City of Kelowna, in the Province of British Columbia, more particularly known and described on Schedule "A" attached hereto (the "Land").
- B. The Tenant is desirous of leasing those portions of the Land shown as 500 Valley Road, Kelowna, British Columbia outlined in blue on Schedule "A" attached hereto for the purpose of farming.
- C. In consideration of the rents, covenants, conditions and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord hereby demises and leases unto the Tenant the Land, all on the terms, conditions and covenants as set forth in this Lease.

1. TERM OF THE LEASE

- 1.1 To have and to hold the Land from April 1, 2018 to March 31, 2023 (the "First Term").

2. RENT

- 2.1 The Tenant shall pay rent for the Land in the amount of One Thousand Five Hundred Dollars (\$1,500.00) plus GST to the Landlord on the 1st day of April in each year of the term, without deduction, set-off or abatement, at the address of the Landlord noted above, or at such other place as the Landlord may direct in writing. The first rental payment is due April 1, 2019.
- 2.2 The Tenant shall pay additional rent of 5% of Gross Profits on the 1st day of April in each year of the Term. The first additional rent payment is due December 1, 2019 and will be submitted with the audited financial statements.

3. FINANCIAL STATEMENTS

- 3.1 The Tenant shall submit complete audited financial reports to the City, within 45 days of the end of the season and no later than December 1st of each contract year. The statements will reflect the entire operating season.

4. USE OF THE LAND

- 4.1 The Tenant shall use the Land for farming purposes and for no other purpose whatsoever without the prior written consent of the Landlord.

5. RENEWAL TERMS

5.1 The lease may be renewed for three (3) consecutive terms of five (5) years each for a total term of twenty (20) years including this Term.

6. RENT REVIEW

6.1 The lease will undergo a rent review at the beginning of the third and fourth renewals. The Landlord and Tenant will negotiate rent based upon a formal appraisal of the farming operation less consideration of the Tenant's investment in equipment, materials and labour.

7. TENANT'S COVENANTS: The Tenant covenants with the Landlord:

7.1 **Rent.** To pay rent as aforesaid.

7.2 **Horticultural Standards.** To till, spray, fertilize, irrigate and generally cultivate the crops grown upon the Land and to farm the Land in a good and husbandlike manner according to modern horticulture standards recognized in the Okanagan Valley in the Province of British Columbia. In the event the Landlord does not feel the Tenant is meeting the obligations as set forth in this paragraph, then the Landlord shall give the Tenant written notification of those concerns and the Tenant shall rectify the problem within 10 days of receiving such notification.

7.3 **Pesticides.** To handle all pesticides as required by law and to save harmless and indemnify the Landlord for any costs, charges, expenses or damages suffered or incurred by the Landlord as a result of any pesticide spill caused by the Tenant.

7.4 **Operating Costs.** To be fully responsible for all the operating costs incurred in the cultivating of the fruit crops on the Land during the Term and to indemnify the Landlord for any costs, charges, or expenses incurred by the Landlord as a result of the Tenant's failure to pay all such operating costs.

7.5 **Assignment and Subletting.** Not to sublet all or any part of the Land or assign this Lease in whole or in part or permit the occupation or use of all or any part of the Land by any person.

7.6 **Irrigation.** To repair, clean out and keep clean and in a state of repair all irrigation pipes, and other irrigation equipment on the Lands.

7.7 **Rules and Regulations.** To comply with all the laws, rules, regulations and ordinances and by-laws of any governmental authority or other body having jurisdiction over the Land or its use and to indemnify and save harmless the Landlord from all liability, loss or damage to which the Landlord may be put or suffer by reason of any breach by the Tenant thereof.

7.8 **Insurance.** To apply for and maintain Tenant public liability insurance in the form attached as Schedule "B" in an amount reasonably satisfactory from time to time to the Landlord and to deliver promptly to the Landlord a copy of such policy of insurance if so required by the Landlord. Such insurance shall be obtained at the Tenant's expense.

7.9 **Additional Items.** To be included as a component of the Lease, Schedule "C", Request for Proposals to Lease, and Schedule "D", Land Lease Proposal dated April 4, 2017, attached hereto.

7.10 **Peaceful Surrender.** To peacefully surrender the Land to the Landlord at the end of the Term and to leave the Land in good condition.

7.11 **Right of Inspection.** To allow the Landlord or an agent or representative of the Landlord the right at all reasonable times to attend and inspect the Land.

8. EARLY TERMINATION

8.1 The Landlord and Tenant agree that the Landlord may require a portion of the Land, less than one (1) acre, be removed from the farming operation at any time during the Term. In this event, the Landlord will reduce the Rent by the amount of land removed as a percentage of the total Land for the remainder of the Term, and compensate the Tenant for proportional investment and income lost.

9. INDEMNITY, WARRANTY, ETC

9.1 Damage to Property. The Landlord shall not be liable for any injury or damage to the Tenant, any agent or employee of the Tenant, any person visiting or doing business with the Tenant or any other person or to property belonging to the Tenant or to any agent or employee of the Tenant, or to any person visiting or doing business with the Tenant or to any other person while such property is on the Land whether such property has been entrusted to any employee or agent of the Landlord or not.

9.2 Tenant's Indemnity. The Tenant agrees to reimburse the Landlord for all expense, damages, loss or fines incurred or suffered by the Landlord by reason of any breach, violation or non-performance by the Tenant of any covenant or provision of this Lease or by reason of damage to persons or property caused by the Tenant, employees or agents or persons visiting or doing business with the Tenant.

10. RIGHT TO FARM

10.1 The Landlord acknowledges and accepts that farming involves the use of machinery, pesticides, and hired labour, among other practices and confirms and agrees that the Tenant shall be free to use any farming practices deemed necessary to produce fruit crops on the Land provided that the Tenant complies with all government regulations and operates same in a good and husbandlike manner.

11. NO ADDITIONAL DWELLINGS

10.1 The Tenant acknowledges that temporary farm worker housing may not be constructed on the Land as the size of crop does not fall under the City of Kelowna Guidelines for Approval of an Additional Dwelling for Farm Employee.

12. NOTICE

12.1 Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if mailed by prepaid registered mail, or delivered at, the address of the other party set out on page 1 hereof, or at such other address as the other party may from time to time direct in writing, and any such notice shall be deemed to have been received, if mailed, 48 hours after the time of mailing.

13. INTERPRETATION

13.1 Severability. If any one or more of the provisions contained in this Lease should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.


13.2 Governing Law. This Lease shall in all respects be governed by and construed in accordance with the laws of the Province of British Columbia, including all matters of construction.

13.3 Counterparts/Electronic. This Lease may be executed in counterparts, each of which when delivered shall be deemed to be an original and all of which together shall constitute one and the same document. A copy of this Lease delivered by facsimile or other electronic means and bearing a copy of the signature of a party hereto shall for all purposes be treated and accepted as an original copy thereof.

14. SUCCESSORS

14.1 This Lease and everything herein contained shall enure for 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.

SIGNED, SEALED & DELIVERED in the presence of:




Signature
T. ABRAHAMSON

Print Name
1435 Water. St. Kelowna

Address
Property Officer

Occupation



INDERDEEP SINGH SAMRA

CITY OF KELOWNA by its authorized signatory:

Name

Print Name

Title

Premises

The premises are those lands legally described as that portion of land, located at 500 Valley Road, Kelowna, British Columbia, below as Schedule "A" consisting of +/- 7.2 acres (2.9 hectares).

(hereinafter called the "Premises")





CERTIFICATE OF INSURANCE

City staff to complete prior to circulation

City Dept.: _____

Dept. Contact: _____

Project/Contract/Event: _____

Insured

Name:
Address:

Broker

Name:
Address:

Location and nature of operation and/or contract reference to which this Certificate applies:

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Type of Insurance	Company & Policy Number	Policy Dates		Limits of Liability/Amounts
		Effective	Expiry	
Section 1 Comprehensive General Liability including: <ul style="list-style-type: none"> • Products/Completed Operations; • Blanket Contractual; • Contractor's Protective; • Personal Injury; • Contingent Employer's Liability; • Broad Form Property Damage; • Non-Owned Automobile; • Cross Liability Clause. 				Bodily Injury and Property Damage \$ <u>5,000,000</u> Inclusive \$ _____ Aggregate \$ _____ Deductible
Section 2 Automobile Liability				Bodily Injury and Property Damage \$ <u>5,000,000</u> Inclusive

It is understood and agreed that the policy/policies noted above shall contain amendments to reflect the following:

1. Any Deductible or Reimbursement Clause contained in the policy shall not apply to the City of Kelowna and shall be the sole responsibility of the Insured named above.
2. The City of Kelowna is named as an Additional Insured.
3. 30 days prior written notice of material change and/or cancellation will be given to the City of Kelowna.

Print Name

Title

Company (Insurer or Broker)

Signature of Authorized Signatory

Date

City of Kelowna
Request for Proposals to Lease
500 Valley Road

Informational Package

Overview

The City of Kelowna (the "City") wishes to lease approximately 7 acres of playing fields at 500 Glenmore Road (the "Property") to a successful proponent (the "Lessee") for a term of five (5) years, from October 1, 2017 to September 30, 2022 (the "First Lease Term") with an option to renew for three (3) additional five (5) year terms, together known as the "Lease Term" at the City's sole discretion. The lease will be subject to an early termination provision of 12 months.

The lands are to be used for farming purposes with all current land furnishings, irrigation heads and trees removed by the City. Underground irrigation will remain and the City will fully fence the Property. The Lessee will be responsible for returning the Property to an agricultural standard.

Bids will be accepted until 3:00 pm, Wednesday, April 5, 2017 at the office of the Property Manager, 4th floor of City Hall, 1435 Water Street, Kelowna, BC.

General Scope of Services & Expectations

The successful proponent will fully operate, repair and maintain the land on the Property through the Lease term as follows:

1. The Lessee shall be responsible for all maintenance and repairs on the Property.
2. The Lessee shall be responsible for payment of all expenses related to the Property, including, without limitation, taxes, permits, licenses and utilities.
3. The Lessee shall obtain general liability insurance as set out in Appendix B, and will commit to obtaining sufficient liability insurance with terms and amounts acceptable to the City.
4. A \$1,000.00 deposit must be part of the proponent response. Only the successful proponent's deposit will be held in trust by the City.
5. The proponent response must show sufficient detail to assess how the Lease Agreement would benefit the City, and outline the proposal to generate sufficient income to cover the Lessee's financial, maintenance and liability responsibilities for the duration of the Lease.
6. The proponent response shall detail the proponent's past and present experience in farm operations.
7. The Lessee shall acquire all necessary permits and shall comply with all Federal, Provincial and Municipal regulations including but not limited to the use of pesticides and fertilizers.

8. Rent shall be received in annual instalments due and payable on September 30th of each year of the Term.
9. The Lessee may not sublet or assign the lease to another party.
10. The Lessee shall provide complete audited financial reports to the City, within 45 days of the end of the season and no later than December 1st of each contract year. The statements will reflect the entire operating season.
11. The City will not assume any responsibility or liability for any costs incurred by the proponent in the preparation of their proposal.

Submission Requirements

1. The Proponent must submit a business plan.
2. The Lessee and the Lessee's employees will be required to submit proof of a City of Kelowna Business License, Work Safe BC Coverage, and shall obtain the appropriate insurance coverage as listed in Appendix B by providing the City a Certificate of Insurance proving the coverage is in place within 10 days of the City awarding the contract.
3. The proponent's Work Safe BC registration number and current letter of clearance must be included with the proposal.
4. Proposals must identify any potential conflict of interest or relationship between proponent's principals and employees and the City's employees.
5. Proposals will not be accepted after the final date and time for receipt of proposals, nor will they be accepted by facsimile or email. Bids will be accepted in person or by courier only.
6. Proponents may not make alterations to their proposals after the closing date and time, except as may be allowed by the City during the negotiation process.
7. The City reserves the right to reject any or all proposals or to accept any proposal considered to be in the best interests of the City.
8. Proposals are irrevocable upon closing and will remain open for consideration for a minimum of 30 days for acceptance.
9. All proponents must certify that their response has met all of the requirements contained in this document and any others that may be added prior to closing date and time.

MANDATORY CRITERIA

The following are mandatory requirements. Proposals not clearly demonstrating that they meet them will receive no further consideration during the evaluation process.

Mandatory Criteria
a) Proposal received by 3:00 pm, April 5, 2017
b) CERTIFIED CHEQUE made to the City of Kelowna in the amount of \$1,000.00
c) Value of Proposal (Bid Price \$)
d) Three (3) hard copies of the bid proposal must be submitted (including name, address, telephone and email contact information)

DESIRABLE CRITERIA

Proposals meeting the mandatory requirements will be further assessed against the following criteria.

Criteria
Relevant experience, qualifications and successes
Compliance with RFP terms and overall proposal for operating a high quality, service oriented venture
Financial capability and stability
Value of proposal (Bid Price \$) & overall benefit to the City

NEGOTIATION

Negotiation sessions may be held with the lead proponent(s) to work out contract details and other expectations of the parties applicable to the lease. Negotiated contract details, if any, may form part of the lease.

DISCLOSURE

All documents submitted by proponents shall become the property of the City. Proposal information is proprietary and will be treated as confidential within the parameters of the Freedom of Information and Protection of Privacy Act of British Columbia.

The City is not obligated to accept the highest or any proposal offered. The proposals will not be opened publicly.

Schedule A Premises

The premises are those lands legally described as that portion of land, located at 500 Valley Road, Kelowna, British Columbia, below as Schedule "A".

(hereinafter called the "Premises")



2. paid _____ and 2.

and _____ and _____.

3. I have not taken the time to do _____.

4. I have not taken the time to do _____.

5. I have not taken the time to do _____.

6. I have not taken the time to do _____.

7. I have not taken the time to do _____.

8. I have not taken the time to do _____.

9. I have not taken the time to do _____.

10. I have not taken the time to do _____.

Sincerely,



Jyoti Singh Samra

Land Lease Proposal

Proposed Land Address: 500 Valley Rd Kelowna BC

Lessee Contact:

Inderdeep Singh Samra

878 Kuipers Cres Kelowna BC V1W5B1

Ph: 250681557 Email: inderdeepsamra@yahoo.com

Rent: \$2100 yearly Paid in advance each year

Term: 20 years(renewed every 5 years)

Land Use:

Land would be used as an orchard based upon the suitability of the soil and the land topography which would be undertaken by lessee at his own cost.

Business Plan:

Land would be prepared for the agricultural purposes (namely tilling, removing any left over debris from previous land use eg rocks etc A bioassay would be carried out at the lessee's cost to determine the viability of kind of fruit trees to be planted)

Next spring (2018) the land would be ready for the plantation of fruit trees either apple or cherry depending upon the outcome of the test results and horticultural recommendations.

The orchard will be in production by 2020 for the first crop

Lessee Experience:

Lessee is currently extensively (running about 40 acres of orchards) involved in tree fruit industry and successfully exports his fruit through the BC Trees coop and has been in the business for the last 15 years.

Lessee also have good knowledge of growing his own fruit trees and is currently have a nursery of about 25,000 trees being grown.

Lessee also have adequate machinery and equipment to run the operation (6 tractors , 4 sprayers and numerous other farm related equipment).

Benefit to the City:

The first and foremost direct benefit would be bringing in revenue in term of lease payment, property taxes and water bills.

Secondary benefit would come from increased job opportunities for the local people as the lessee always prefer local labor over foreign workers.

Thirdly city would not only save money maintainness of the property but turning into a revenue producing entity would greatly increase its market value.

Last but not the least it would increase our overall contribution to our province and country's GDP with services and products produced.

