February 14, 2014

ISSUED BY: Craig Rhoads
Program Manager II
302-739-9912

SUBJECT: **LAND LEASE AWARD NOTICE**
NAT-14-005_AGLEASE
C&D Canal Conservation Area – Route 1 Tract

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KEY LEASE INFORMATION

1. LEASE PERIOD

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Each Tenant's lease shall be valid for a 3 year period from March 15, 2014 through December 31, 2016. Each lease may be renewed for 1 additional three (3) year period through negotiation between the contractor and Division of Fish and Wildlife. Negotiation may be initiated no later than ninety (90) days prior to the termination of the current agreement.

2. Tenants and Parcels

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Warihay Farms and Harvesting of 580 N. Colebrook Road, Manheim, PA 17545 is hereby awarded agricultural lease rights to the C&D Canal Conservation Area – Route 1 Tract

3. RENTAL FEE

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Rental fees will remain firm for the initial term of the lease.

$8,819.99 Annually

ADDITIONAL TERMS AND CONDITIONS

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4. PAYMENT

The Tenant shall pay the Department a rental fee on an annual basis as described in the lease agreement.

5. USE OF LEASED LAND

The leased land may be used for producing agricultural commodities limited to corn, soybeans, and wheat. Planting of any other crop must be pre-approved by the Department. Tenant agrees to follow good farm management practices and to farm the land in a good and reasonable manner to avoid degradation of the environment.

6. ENVIRONMENTALLY PREFERABLE PRODUCTS

Wherever practical, and as may be specified in the lease, Tenants are to use Products and/or Services that are provided by Agricultural Businesses which are certified for Best Management Practices (BMP), Good Food Handling Practices (GHP) and Good Agricultural Practices (GAP) through the Delaware Department of Agriculture or surrounding State's equivalent program.

7. HOLD HARMLESS

The Tenant agrees that it shall indemnify and hold the State of Delaware and all its agencies harmless from and against any and all claims for injury, loss of life, or damage to or loss of use of property caused or alleged to be caused, by acts or omissions of the successful bidder, its employees, and invitees on or

about the premises and which arise out of the Tenant's performance, or failure to perform as specified in the Agreement.

8. TERMINATION OF LEASE

Tenant agrees that if it fails to observe or perform any of the conditions or covenants on its part to be observed or performed, or if Tenant knowingly permits any unlawful acts to be carried out upon the leased land, then Department shall have the right to terminate the lease and to re-enter and repossess the leased land in the manner provided for by the laws of the State of Delaware. Tenant may terminate this lease by giving Department ninety (90) days notice in writing. Tenant shall yield peaceable possession of the leased land at the termination of the lease.

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9. DEPARTMENT'S RESPONSIBILITIES

The Department shall:

a. Examine and review in detail all letters, reports, drawings and other documents presented by the Tenant to the Department and render to the Tenant in writing, findings and decisions pertaining thereto within a reasonable time so as not to delay the operations of Tenant.

b. Give prompt written notice to the Tenant whenever the Department observes or otherwise becomes aware of any development that affects the terms, conditions, or requirements of the Tenant's lease.

c. When the Department first experiences or becomes aware of a relatively minor problem or difficulty with a Tenant, the Department will contact the Tenant directly and attempt to informally resolve the problem. The Department should stress to tenants that they should expedite correction of the differences because failure to reply may result in an unfavorable rating in the future execution of a lease.

d. The State has several remedies available to resolve non-performance issues with the Tenant. The Department should refer to the Lease Terms and Conditions to view these remedies. When a default occurs, the Department should first review the lease to confirm that the issue is a part of the lease. If the issue is not covered by the lease, the State cannot expect the contractor to perform outside the agreement. If the issue is a part of the lease, the Department must then formally contact the Tenant, discuss the reasons surrounding the default and establish a date when the Tenant will resolve the non-performance issue.