TPQ Lease Agreement

THIS LEASE made _______________ day of ________________________, A.D., 20___

BETWEEN: ___________________________________________ DFNS Reg. # ___ ___ ___ 2
hereinafter called the "LESSOR" (Lender of the quota)
- and -

________________________________________ DFNS Reg. # ___ ___ ___ 2
hereinafter called the "LESSEE" (Borrower of the quota)

AGREEMENT

The Lessor and the Lessee agree that:

1. The Lessor shall lease to the Lessee ______ kilograms of daily Total Production Quota (TPQ)

2. The lease term shall commence on the first day and terminate on the last day of ________________________ (month).

3. The Lessee shall pay to the Lessor $____ (plus any applicable HST) per kilogram per day for milk quota leased, payable as described below:

                                          _______________________________________

                                          _______________________________________

4. This lease is not assignable.

5. This lease shall bind the heirs, executors, administrators and successors of each of the parties.

Signature of LESSOR ___________________________ Date ___________________________

Signature of LESSEE ___________________________ Date ___________________________

IMPORTANT NOTES

Leases will be for a one-month duration and will expire at the end of the month, so any adjustments to provincial TPQ do not apply to leases.

Quota may be leased in denominations of tenths of a kilogram.

A producer can lease in or out up to a maximum of 25% of current TPQ holdings.

A producer cannot be both a lessor and a lessee during the same month.

Only leases applying to the current month will be accepted.

DFNS is not responsible for receipt of lease forms mailed or faxed to our office. IT IS THE PRODUCER'S RESPONSIBILITY TO CONFIRM RECEIPT.

DEADLINES

Completed lease forms must be delivered to the DFNS office no later than 4:30 p.m. on the fifth (5th) last business day of the month in which the lease will be effective.

AUTHORIZED BY _______________________________________

on behalf of Dairy Farmers of Nova Scotia this ___ day of ______________, 20__.