

LEASING TIMES

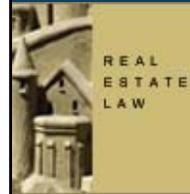
Key leasing phrases and topics to think about.

Dead Cows (and other environmental claims)

A recent Ontario court case serves as an unusual reminder to landlords and tenants of their potential exposure to large damage claims for environmental problems. A dairy farmer alleged that the Ontario Ministry of Transportation had deposited asphalt road waste on his farm many years ago. He claimed this caused contamination to a creek that supplied drinking water to his cows making them sick and unproductive. Although the water was fit for human consumption, it was not good for his cows. After a thorough assessment of the scientific evidence, the court awarded the farmer \$36,000 in special damages, \$150,000 in general damages, \$385,000 for loss of land value and \$1,161,400 for business losses. Environmental cases usually focus on loss of land value and clean up costs. However, in this case, business loss was by far the largest item for which the farmer received compensation. Landlords and tenants can be particularly vulnerable to claims for loss of use resulting from the broad reach of environmental legislation. Make sure your lease addresses these issues to minimize the risk of such a large loss. Think about it.

Bryan Buttigieg, C.S.
Toronto
bbuttigieg@millerthomson.com

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