

This lease example is provided for educational and general information purposes only. It is not intended to be a final lease agreement and is intended only as a general illustrative overview and a starting point for farmers and farm owners as they develop individualized lease agreements. It is impossible to cover all legal contingencies and provisions in every situation, and the language and content of each lease agreement should vary depending upon the specific facts applicable in each situation. Persons relying on this lease example do so entirely at their own risk. This document is not intended to take the place of legal advice concerning individual situations, and it should not be considered legal advice. Before coming to a final lease agreement, it is strongly recommended that parties consult with qualified legal counsel to ensure that any legal agreement properly reflects the intended arrangements and relationships.

## AGRICULTURAL LEASE AGREEMENT

This **AGRICULTURAL LEASE AGREEMENT** (this "Agreement") is made by and between \_\_\_\_\_ ("Owner") and \_\_\_\_\_ ("Farmer").

**WHEREAS**, Owner desires to lease to Farmer, and Farmer desires to lease from Owner, pursuant to the provisions of this Agreement, the Premises (as hereinafter defined), subject to the terms and conditions set forth below.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and Farmer hereby agree as follows.

1. Premises; Parent Parcel. Owner leases to Farmer, and Farmer leases from Owner for the Term (as hereinafter defined) the property shown or described on **Exhibit "A"** attached hereto and incorporated herein by reference (the "Premises") subject to all of the terms and conditions hereinafter set forth. In the event the Premises is not adjacent to a public right of way, Owner hereby grants reasonable vehicular and pedestrian access to the Premises across the property Owner owns of which the Premises (the "Parent Parcel") via such designated access routes as Owner shall from time-to-time designate to Farmer, provided that Owner shall not prohibit or materially impair access to the Premises and provided that such access shall be limited to the purposes of carrying out the permitted uses under this Agreement. Farmer shall have no other rights in and to the Parent Parcel, unless and except as expressly set forth herein. The Parent Parcel shall be solely controlled by Owner.

2. Term. The term of this Agreement shall be from \_\_\_\_\_ to \_\_\_\_\_ (the "Term"), unless and except as may be earlier terminated in accordance with the terms and conditions of this Agreement; provided that the Term shall automatically extend in the event harvesting is delayed because of weather conditions at any time during the Term, but in no event more than 60 days beyond the Term. This Agreement shall not renew or otherwise extend unless agreed to in writing by Owner and Farmer.

3. Termination. The Owner may terminate this Agreement for cause in the event that the Farmer shall have: (a) failed to pay any amount, including, without limitation, rent, when due under this Agreement, (b) failed to perform or comply with any of the terms of this Agreement, including, without limitation, violating any of the terms and conditions of use set forth on **Exhibit "B"**; or (c) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors. The Owner shall not terminate this Agreement without first giving a written 30 days' notice

citing the cause of termination and an opportunity to correct the default. No termination of this Agreement prior to the normal ending thereof by lapse of time or otherwise shall affect Owner's right to collect rent for the period prior to termination thereof. In the event Owner exercises its right to terminate this Agreement with cause, then Owner shall not owe Farmer any reimbursement for any standing unharvested crops, which shall thereupon become the sole property of Owner and Farmer shall have no further right, title or interest thereto. In the event Owner terminates this Agreement pursuant to the terms of this paragraph, without cause, then Owner shall pay to Farmer the wholesale fair market value of any standing unharvested crops located on the Premises as of the date of such termination.

4. Rent. Farmer shall pay rent as follows:

- Percentage Rent. [\_\_.00%] of the gross sales from the sale of crops produced on the Premises during the Term ("Rent"). Farmer shall pay Rent within 30 days of receipt by Farmer of payment for sale of such crops. Farmer's obligation to pay Owner Rent shall survive the termination of this Agreement.
- Fixed Rent. Fixed rent payable as follows:
  - In one lump sum upon signing of \$ \_\_\_\_\_.
  - In equal monthly installments on the first of each month of \$ \_\_\_\_\_.
  - Describe other arrangement: \_\_\_\_\_.

Any unpaid rent or other obligation owing from Farmer to Owner shall accrue interest at the rate of twelve percent (12%) per annum from the date such amount is past due until paid.

5. Use. The Premises shall be used only for the permitted uses described in Section 1 on **Exhibit "B"** attached hereto and incorporated herein by reference and for no other purposes without the prior consent of Owner. The Premises shall be operated in strict accordance with all applicable laws, ordinances and regulations, any matters affecting title to the Premises, including any conservation easements, if and as applicable, and shall not be used for any illegal purposes; nor in any manner to create any nuisance or trespass; nor in any manner to vitiate the insurance or increase the rate of insurance on the Premises. In addition, the use of the Premises shall be subject to all of the terms and conditions on use set forth on **Exhibit "B"** attached hereto and incorporated herein by reference.

6. Taxes. All Ad Valorem Property Taxes assessed against the Premises during the Term shall be the sole responsibility of Owner. All personal property taxes assessed with respect to any personal property owned by Farmer shall be the sole responsibility of Farmer.

7. Assignment. Without Owner's prior written consent, which consent may be withheld in Owner's sole and absolute discretion, Farmer shall not assign this Agreement or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its interest or grant any concession or license within the Premises and any attempt to do any of the foregoing shall be void and of no effect. Owner may freely transfer the Parent Parcel or the Premises. In the event of any transfer of the Premises by Owner, the transferee shall be deemed to have assumed and agreed to observe and perform any and all obligations of Owner hereunder, during its ownership of the Premises.

8. AS-IS; ASSUMPTION OF RISK; WAIVER. Farmer accepts the Premises in its "AS IS" and "WHERE IS" condition. Except as expressly provided otherwise in this Agreement, it is

understood and agreed that Owner is not making and has not at any time made any representations or warranties of any kind or character, express or implied, with respect to the Premises, including, but not limited to, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR THE COMPLIANCE OF THE PREMISES WITH GOVERNMENTAL LAWS. Owner assumes no obligation to make any alterations, restorations, improvements or repairs to, or to provide any security for, the Premises or the Parent Parcel, or to ensure that the Premises complies with applicable zoning ordinances or other laws and regulations. Farmer agrees that all personal property of every kind or description which may at any time be on the Premises shall be on the Premises at Farmer's sole risk or at the risk of those claiming through or under Farmer, and in no event shall Owner be liable for the same. Farmer assumes all risk of injury to or death of persons or damage to property with respect to Farmer's use of the Premises. Farmer and Farmer's agents, employees, contractors, subcontractors, licensee and invitees hereby release Owner of and from every right, claim and demand that Farmer may have against Owner for any accident, damage or injury caused to person or property on or about the Premises during the Term of this Agreement, whether or not due to the negligence of Owner.

9. No Partnership. Nothing in this Agreement creates any relationship between the parties other than that of Owner and lessee and nothing in this Agreement constitutes Owner as a partner of Farmer or a joint venturer or member of a common enterprise with Farmer. Notice is hereby given that Owner shall not be liable for the cost and expense of any labor, services or materials furnished or to be furnished with respect to the Premises at or by the direction of Farmer or anyone holding the Premises by, through or under Farmer and that no laborer's, mechanic's or materialmen's or other lien for any such labor, services or materials shall attach to or affect the interest of Owner in and to the Premises or Parent Parcel. In the event any such lien is filed Farmer shall remove the same within 14 days.

10. Insurance. The Farmer agrees to provide insurance as required by Exhibit "B" and to provide Owner with evidence of such insurance upon request.

11. Right of Owner to Enter Premises. Owner and its agents, employees and contractors may enter the Premises at such times as Owner deems reasonably necessary or desirable to inspect and examine same. Owner may further lease hunting rights over the Premises or otherwise utilize the Premises for any use that does not prohibit the uses permitted under this Agreement.

12. No Estate in Land. This contract shall create the relationship of landlord and tenant between the parties hereto; no estate shall pass out of Owner. Farmer has only a usufruct, not subject to levy and sale, and not assignable by Farmer.

13. Condemnation. If, during the Term, the entire Premises or any material portion of thereof shall be taken by an exercise of the power of eminent domain or by purchase under the threat of such power (the "Eminent Domain Proceeding"), then this Agreement shall terminate as to that portion of the Premises taken as of the date of the vesting of title in the taking authority pursuant to the Eminent Domain Proceeding. Owner shall have the entire interest in any award or other compensation paid in connection with such Eminent Domain Proceeding; provided, however, Owner shall have no interest in any award made to Farmer for loss of business or goodwill or for the taking of Farmer's crops or other improvements, if a separate award is made for such items.

14. Waiver of Rights. No failure of Owner to exercise any power given Owner hereunder, or to insist upon strict compliance by Farmer with the obligations hereunder, and no custom or practice

of the parties at variance with the terms hereof shall constitute a waiver of Owner's right to demand exact compliance with the terms hereof.

15. Time of Essence. Time is of the essence of this Agreement.

16. Entire Agreement; Amendment. This Agreement, together with any addendums or exhibits attached hereto and forming a part hereof, shall set forth all the agreements, conditions and understanding of the parties with respect to the subject matter hereof. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon Owner or Farmer unless reduced to writing and signed by them.

17. Counterpart. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Parties; it being understood that all Parties need not sign the same counterparts. The exchange of copies of this Agreement and of signature pages by facsimile transmission, by electronic mail in "portable document format" (".pdf") form, or by any other electronic means, shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by such means shall be deemed to be their original signatures for all purposes. If this Agreement is signed electronically, including, without limitation, by docusign or other electronic signature method, the Parties agree that the electronic signatures of the Parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures.

18. Other Benefits Relating to the Premises. Owner shall exclusively be entitled to any and all income from the Premises, excluding the income on the sale of crops grown by Farmer (but subject to any Rent payable in connection with such sales), and the Parent Parcel, including, without limitation, any compensation, income, savings or other benefit from federal, state or local farming, conservation or other similar programs. Farmer shall not take any action that would prohibit Owner from enjoying such benefits.

19. Improvements. Farmer shall perform no alterations, improvements or other work without the prior written approval of Owner, which approval may be given or withheld in Owner's sole, but reasonable discretion. Farmer shall have the right to remove any alterations or improvements from the Premises on or prior to the expiration or termination of this Agreement, provided that Farmer repairs any and all damage to the Premises resulting from such removal and the Premises is placed back in equal or better condition than existed when Farmer first began occupying the Premises. Any property of Farmer not removed prior to the expiration or earlier termination of this Agreement shall be deemed abandoned by Farmer.

20. Notice. All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by hand or by certified mail, postage prepaid, and return receipt requested, to the party to be notified at the address set forth herein or at such other address as either party may from time to time designate in writing. Any notices to the Owner may be sent to notice address of such party listed on the signature page. Every notice shall be deemed to have been given on the third day after it is deposited in the United States Mail in the manner described herein or upon receipt when delivered by hand. Nothing contained herein shall be construed to preclude personal service of any notice in the manner prescribed for personal service of a summons or other legal process.

21. Joint and Several. If and when included within the term “Owner” or “Farmer” as used in this instrument, there is more than one person or entity, each shall be jointly and severally liable for the obligations thereof.

22. Special Stipulations. Owner and Farmer hereby agree to the Special Stipulations on **Exhibit “C”** attached hereto and incorporated herein by reference.

*[Signatures appear on the following page]*

SAMPLE

**IN WITNESS WHEREOF**, the parties have hereunto set their hands and seals to this Farm Agricultural Lease Agreement as of the day and year first above written.

OWNER:

\_\_\_\_\_ (Seal)  
Print Name: \_\_\_\_\_

Notice Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FARMER :

\_\_\_\_\_ (Seal)  
Print Name: \_\_\_\_\_

\_\_\_\_\_ (Seal)  
Print Name: \_\_\_\_\_

Notice Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT "A"**

**PREMISES**

SAMPLE

IN NO EVENT SHALL A LACK OF A LEGAL DESCRIPTION OF THE PREMISES NEGATE THE EFFECTIVENESS OF THIS AGREEMENT, AND OWNER AND FARMER FURTHER ACKNOWLEDGE AND AGREE THAT THE DESCRIPTION OF THE PREMISES SET FORTH IN THIS AGREEMENT SHALL, FOR ALL PURPOSES, BE DEEMED SUFFICIENT TO ADEQUATELY IDENTIFY THE PREMISES.

**EXHIBIT "B"**

**TERMS AND CONDITIONS ON USE**

1) Permitted Activities: Farmer is hereby permitted to (check as applicable):

- Plant, cultivate, and harvest: \_\_\_\_\_.
- Animals/Livestock: Breed, raise, finish \_\_\_\_\_.
- Erection of a storage shed for use and seasonal storage of equipment on said parcels
- Application of soil amendments including manures, compost, fertilizers, and lime
- Pest management; including the application of pesticides
- Installation of an irrigation system and washing / post-harvest cleaning facilities
- Erection of a seasonal hoophouse structure for early and late-season extension
- On-farm composting/management of crop/farm waste
- Hosting meetings / educational workshops / public events on farm
- Other: \_\_\_\_\_

Farmer shall only be permitted to conduct those uses for which the box is checked above and no other uses without Owner's prior written consent.

2) Best Management Practices. The Farmer agrees to employ standard best management practices. The Farmer agrees to prepare a Conservation Plan under the guidance of the National Resource Conservation Services or other agricultural technical assistance providers, to complete annual soil testing and apply fertilizer and lime as indicated at his/her own expense. The Farmer shall properly dispose of trash and waste. The Farmer further agrees to:

- Minimize the use of toxic pesticides
- Leave the Premises in cover crop at the end of the term
- Rotate crops
- Practice appropriate weed control
- Other: \_\_\_\_\_

3) Covenants. The Premises may currently be subject to a conservation or agricultural covenants ("Covenants"). Farmer acknowledges having been advised of any Covenants and agrees to comply with the terms thereof. In the event Farmer causes a breach of any Covenant by reason of Farmer's use of the Premises, Farmer agrees to pay or reimburse Owner for all penalties for breaching the Covenants as a result of the breach when due, and Farmer shall indemnify and hold Owner harmless against all damages, expenses and liabilities resulting from such breach. The foregoing indemnity provision shall survive the expiration or termination of this Agreement.

4) Environmental Law Compliance. Under no circumstances whatsoever will any controlled, toxic or hazardous substance or material, or a container presently holding or formerly holding such substance, be permitted to drain, or percolate on or into, or be stored, dumped, buried or otherwise contaminate, the Premises or any other land adjacent to or in the vicinity of the Premises. Farmer shall comply with pollution control and environmental protection requirements as required by local, state, and federal agencies, as well as to implement soil erosion control practices to comply with the soil loss



standards mandated by local, state, and federal agencies. Farmer agrees to provide to the Owner, annually, if requested by Owner, a written report indicating the product name, amount, date of application and location of application of all fertilizers, seed and other product used on the farm. No chemicals or chemical containers will be disposed of on the Premises. Farmer shall generally follow Natural Resource Conservation Service and Farm Service Agency recommendations.

5) Prohibited Uses: The Farmer shall not, unless by mutual agreement to the contrary, engage in any of the following activities on said parcel(s): \_\_\_\_\_

\_\_\_\_\_.

SAMPLE

**EXHIBIT "C"**

**SPECIAL STIPULATIONS**

1. **Utilities.** Owner and Farmer acknowledge and agree that each shall be responsible for the establishment, maintenance, performance or payment of the following utilities and services under this Agreement. In the event any boxes are not checked for either Owner or Farmer, Farmer shall be responsible for such utilities or services if and as available. If any utilities are not separately metered for the Premises, Owner may: (i) require that Farmer make reasonable arrangements to share such utilities with the other parties whose premises are on such shared utility, or (ii) require that Farmer pay Owner a share of such utilities based on consumption estimates performed by Owner.

**Owner**

- Water
- Electricity
- Gas

**Farmer**

- Water
- Electricity
- Gas

2. **Equipment.** Owner and Farmer acknowledge that Farmer may use the following equipment of Owner, which Equipment is provided without representation or warranty and at Farmer's sole risk. Owner may at any time terminate Farmer's right to utilize any such equipment in its sole and unlimited discretion. Equipment: \_\_\_\_\_.

3. **Insurance.** Farmer shall carry the following insurance, in addition to any worker's compensation or other insurance if and as required by law:

- commercial general liability insurance with limits of \$1,000,000 per occurrence and \$2,000,000 aggregate;
- Describe other: \_\_\_\_\_

4. **Other.** Describe any other special stipulations: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.