MULTI-YEAR LEASE TEMPLATE

NOTE: This template is an educational tool. Please consult with your advisors and attorney.

This Lease Agreement is entered into on this ___ day of _____, 2015, between __________________ (“Lessor”), and_______________ (“Lessee”), for the Lease of certain land to establish and develop an agricultural enterprise.

I. Prologue and Statement of Purpose

Whereas:

(The whereas clause sets the tone and lays out any overall shared goals and agreements between the parties, e.g., both parties share a commitment to caring for the property, the Lessor desires to provide an affordable farming opportunity, the parties agree to work together to provide food for the local community, etc.)

The parties agree as follows:

II. Description of Leased Premises

The Premises shall consist of lands, roads and structures, more particularly described in Attachment A to include the following:

III. Lease Term and Renewal

a) The term of this Lease shall be for a period commencing __________ and ending ________________.

b) No later than ___ months prior to the termination of this Lease, the parties have the option to negotiate a new Lease.

IV. Lease Fee

a) Lessee, on or before the first day of the Lease term, shall pay Lessor an annual Lease fee of $_______. This fee is calculated as follows:

b) On each anniversary of the start date, the lease fee shall increase by ___________ or according to the following:

(e.g., 3% of the prior year’s Lease fee; annual percentage change during the prior calendar year in the Consumer Price Index)
c) [Optional] Notwithstanding the foregoing, Lessor agrees to reduce the first annual lease fee/all lease fees as follows and for the reasons described here:

d) The Lease fee may be renegotiated for any Lease renewal or extension.

e) Lessee is responsible for the following costs and charges:

*(e.g., utilities, taxes, other fees)*

V. Permitted Uses and Use Restrictions

a) Lessee is hereby permitted all normal activities associated with agricultural purposes including but not limited to the following:

*(e.g., planting, cultivating and harvesting of crops, including perennial crops; application of soil amendments; pest and weed management, erection and management of temporary structures such as greenhouses, hoop houses, temporary fencing, irrigation systems, livestock sheds etc.; use, routine maintenance and storage of tools and equipment; post-harvest washing, cooling, sorting, and packing; management of brush, field edges and roads; on-site sales of goods produced on the Premises; and related educational and other public programming on the Premises.)*

In addition, Lessee is permitted the following agricultural activities:

b) Lessee agrees to prepare and comply with the following farm plans and/or practices:

*(e.g., NRCS Conservation Plan, organic certification, Holistic Management Plan, waste/nutrient management plan; crop rotation, habitat management, intensive grazing, etc.)*
c) Lessee shall not, unless by mutual agreement and prior approval to the contrary, engage in any of the following activities on the Premises:

(e.g., cutting trees; erection of permanent fencing or structures; storing vehicles or farm equipment not essential to the farm operation; retail operations, except as provided herein; public events.)

d) Lessee agrees to abide by all local, state and federal laws and regulations.

e) Lessor reserves the following rights:

(e.g., enter the property for inspection (how, when); use the barn, host events, access water, etc.)

VI. Maintenance, Repairs and Improvements

a) Lessee is responsible for normal maintenance of the Premises including, without limitation, performing all minor repairs and:

b) At the commencement of this Lease and annually, the Parties shall agree on major repairs, additions, alterations, replacements and improvements. Such specification shall be in written form and signed by both parties. In each case, both parties shall agree in writing as to how the costs and ownership of such major repairs, additions, alterations, replacements and improvements shall be allocated. Considerations shall include:

c) Lessee may place and maintain improvements such as structures, wells, fencing, and perennial plantings upon the Premises according to the following procedure:

(e.g., Lessor approves design, location and materials of activities and structures; how requests and approvals are handled)

d) Lessee shall be responsible for maintenance of all improvements so constructed or installed.
e) At the termination of the Lease, Lessor and Lessee will adhere to the following procedure regarding disposition of said improvements:

(e.g., permissions or requirements to remove; compensation process and calculation if applicable)

VII. Insurance

a) Lessee is responsible for maintaining general liability insurance with coverage of $2 million aggregate/$1 million per occurrence and naming Lessor as additional insured. Lessee shall provide Lessor with evidence of the above insurance coverage at the commencement of the Lease term and annually thereafter on the renewal date of such policies. b) Lessor shall maintain fire and extended casualty insurance coverage on the premises.

VIII. Transfer, Sale, Assignment and Sublease

a) Lessee may/may not sublease or assign the Lease without written permission from Lessor, according to the following conditions and procedures:

b) The terms of this Lease shall remain with the land; sale of the Premises or portions thereof shall not invalidate lease terms. Lessee agrees to abide by terms of any conservation or agricultural easement placed upon the Premises or portions thereof.

IX. Termination and Default

a) Either party may terminate this Lease upon default of any term of the Lease and failure of the other party to remedy such default according to these procedures:

b) Lessor may terminate this Lease additionally under the following condition(s) and procedures:

c) Lessee may terminate this lease without penalty under the following conditions and procedures:
d) At the end of the Lease term or other termination, Lessee must vacate the property and remove all personal possessions and any improvements per above. Property must be left in the same condition as at the commencement of this Lease, or better, normal wear and tear notwithstanding.

e) Default by Lessor shall include failure to make the Premises fully available to Lessee, or comply with the terms of this lease such as failure to execute major repairs, and:

XI. Dispute Resolution

Should the parties be unable to settle any disputes, they agree to the following process to resolve such disputes:

IN WITNESS THEREOF, the parties have executed this Lease effective as of the date first set forth above.

SIGNATURES OF BOTH PARTIES.

DATED AND NOTARIZED.

REGISTERED AT THE REGISTRY OF DEEDS.