

PLEASE READ: This form offers a starting point for a fixed cash farm lease and does not replace the need for legal advice. This lease does not include provisions for a flexible cash rent; parties desiring a flexible rent should consult with an attorney for specific flexible rent language. Be aware that state laws vary and can have specific legal requirements for farmland leases. Also note that individual factors can raise unique legal and economic issues in a leasing situation. Some terms in this lease offer different options that require the parties to choose the preferred option. **Each party should refer to an agricultural attorney and accountant in the applicable state** to review the lease agreement and its options. Also refer to an attorney to confirm that the lease follows state law and that the parties meet state legal requirements for signing the lease.

For economic information on leases and an explanation of terms in this sample lease, refer to *Fixed and Flexible Cash Rental Agreements for Your Farm*, NCFMEC-01 at aglease101.org.

FIXED CASH FARM LEASE

I. Parties

This lease agreement (“Lease”) is entered into this _____ day of _____ 20____
between the following parties:

“Landowner”

Landowner’s address:

Exact legal name(s) of individual(s) or entity who owns the Property

Exact legal name(s) of individual(s) or entity who owns the Property

“Operator”

Operator’s address:

Exact legal name(s) of individual(s) or entity who owns the Operation

Exact legal name(s) of individual(s) or entity who owns the Operation

II. Lease Property

Landowner leases to Operator, to occupy and use only for purposes consistent with this agreement, the following "Property" located in _____ County, State of _____, and containing approximately _____ gross acres and described as follows:

(Enter parcel numbers, legal description, or similar identifying information)

Check this box if the legal description is attached to this lease.

with the exception of the following property:

The Operator may also use the following structures, improvements and housing located on the Property for the stated purposes:

Structure, improvement or housing

Purpose of use

III. Lease Term

The initial term of this Lease is for _____ year(s), beginning on the _____ day of _____ 20____ and ending on the _____ day of _____ 20_____.

IV. Rental Amount and Payment

A. Rental acres and rates. Operator agrees to pay the total annual cash rent below for the following rental acres:

		<i>Total</i>
Cropland	_____ acres x \$ _____ /acre	\$ _____
Other land: _____	_____ acres x \$ _____ /acre	\$ _____
Other land: _____	_____ acres x \$ _____ /acre	\$ _____
Structures and improvements	_____	\$ _____
Other	_____	\$ _____
Total annual cash rent		\$ _____

B. Payment due dates. The total annual cash rent shall be paid as follows:

- \$ _____ on or before the _____ day of _____ 20_____
- \$ _____ on or before the _____ day of _____ 20_____
- \$ _____ on or before the _____ day of _____ 20_____
- \$ _____ on or before the _____ day of _____ 20_____

C. Late payments. If Operator does not pay rent when due, Operator agrees to pay interest on the amount of unpaid rent at the rate of _____ percent per annum from the due date until paid.

D. Payment address. Operator shall send payments to Landowner at the address listed in Part I, unless Landowner indicates an alternative payment address as follows:

E. Liens. (If authorized by applicable state law). Operator acknowledges that pursuant to state law, Landowner may file and perfect a lien upon crops grown under this Lease to secure amounts due under this Lease, and that Operator may execute against such crops in accordance with state law.

V. Lease Termination and Renewal

Termination and renewal (choose only one option by checking the box):

- This lease shall terminate on its ending date, with no option for renewal.
- This Lease shall terminate on its ending date unless, at least _____ days prior to the ending date, Landowner and Operator agree in writing to renew the Lease.
- This Lease shall continue from year-to-year unless either party provides a written notice of termination to the other party at least _____ days prior to the end of the applicable lease term.

VI. Land Use

- A. Use of Property.** Except as otherwise provided in this Lease, Operator shall use the Property exclusively for farming and agricultural production purposes, including related activities necessary to conducting such operations on the Property.
- B. Crops.** Operator shall determine the crops to be grown on the Property, with the following exceptions:

VII. Operation and Maintenance

A. Operator agrees as follows:

1. **Operation inputs.** To pay for or furnish all labor, machinery, inputs and other costs of the farming operation.
2. **General maintenance of Property:** To maintain the Property and its improvements in as good a condition as it was at the beginning of this Lease, except for normal wear and damage from causes beyond Operator's control.
3. **Soil health.** To control soil erosion and maintain soil health and fertility on the Property. Operator agrees to implement Natural Resource Conservation Service best management practices to the extent practicable.
4. **Pesticides, herbicides and fertilizers.** To comply with all licensing and certification requirements for pesticides, herbicides, fertilizers and similar chemicals or materials used on the Property and to transport, store, handle and apply such materials in accordance with applicable laws, permits and labels. Operator shall not exceed a manufacturer's recommended application levels for such materials and shall not dispose of any wastes or packaging on the Property. Upon request, Operator shall provide Landowner with a written list of the names and amounts of pesticides, herbicides, fertilizers, other chemicals or seeds used on the Property.
5. **Manure application.** *Choose one option.* Operator may not apply manure on the Property. Operator may apply manure on the Property in accordance with an approved Nutrient Management Plan and applicable laws and regulations.
6. **Environmental compliance and cleanup.** To conduct all operations on the Property consistent with local, state, and federal environmental laws and regulations and to bear sole responsibility for any violations of such laws. Operator shall indemnify Landowner for any costs of environmental cleanup and restoration as well as any penalties, fines, judgments or other amounts incurred by Landowner as a result of a release or discharge.
7. **Noxious weeds.** To control noxious weeds and use diligence to prevent noxious weeds from going to seed on the Property, including along roadways, fence rows, on waterways and on

wheat stubble. During the Lease term, all treatments and costs for noxious weed management on the Property shall be the Operator's responsibility.

8. **Crop residues.** Not to burn or remove straw, cornstalks or other residues on the Property.
9. **Trees.** To remove fallen trees and branches on the Property and not to remove live trees for personal use or sale without the written agreement of Landowner.
10. **Drainage improvements.** To keep in good repair all open ditches, subsurface drainage tiles and inlets and outlets of drains and waterways; preserve established watercourses including grassed waterways, ditches, and field borders; and refrain from any practices that will injure such structures or violate applicable laws, regulations or government program requirements.
11. **Capital improvements.** Not to make capital improvements on the Property such as installing new drainage improvements, irrigation systems, fencing, conservation structures, seeding hay or pasture, unless agreed to by Landowner in a separate written agreement.
12. **Additional structures.** Not to construct or permit to be constructed any non-removable structure or building on the Property.
13. **Livestock.** Not to allow any livestock to be on any tillable land on the Property unless agreed to in writing by Landowner.
14. **Damages.** Upon termination of this Lease, to pay Landowner reasonable compensation for damages to the Property for which Operator is responsible, other than ordinary wear and tear.

B. Landowner agrees as follows:

1. **Necessary repairs.** To pay for labor and materials for necessary repairs to capital improvements on the Property.
2. **Loss replacement.** To replace or repair as promptly as possible any building or structure included in this Lease that is destroyed or damaged by fire, flood, or other cause beyond the control of Operator, or to make rental adjustments in lieu of replacements and repairs.
3. **Removable improvements.** To allow Operator to make, at Operator's expense, minor improvements of a temporary or removable nature that do not harm the condition or appearance of the Property. Landowner shall allow Operator to remove such improvements during the Lease period and within _____ days thereafter, provided Operator leaves that part of the Property from which improvements are removed in good condition. Operator shall have no right to compensation for improvements that are not timely removed.
4. **Taxes.** To pay the real property taxes for the Property.

C. Landowner and Operator both agree as follows:

1. **Insurance.** Landowner agrees to carry general liability insurance on the Property. Operator agrees to maintain applicable workers' compensation insurance and to carry liability insurance at a minimum level of \$_____ to reasonably insure the operation for general liability and property damage, and an additional level of \$_____ for chemical and environmental liability.
2. **Government programs.** Operator shall determine the extent of participation in government programs for commodity support. Landowner shall execute any necessary government program documents for Operator's participation and Operator shall receive all payments from program

participation. Participation in a government or private programs for conservation enhancement or similar purposes shall be agreed to in writing by both parties.

3. **Notice of environmental hazards.** Both parties shall immediately notify one another upon discovering or receiving notice of a discharge or violation of a federal, state, or local environmental law relating to hazardous or toxic materials on the Property.
4. **Landowner improvements.** Landowner may make any improvements to the Property that do not prohibit Operator's rights under this Lease.
5. **Right of entry.** Landowner, its agents, employees and assigns may enter the Property at any reasonable time to: a) consult with Operator; b) make repairs, improvements, and inspections; or c) work ground, plant, fertilize or engage in other customary seasonal work prior to the termination of the Lease, but such work shall not interfere with Operator's ability to conduct farming activities. Authorized entry by Landowner, its agents, employees and assigns shall not constitute an eviction or termination of the Lease.
6. **Hunting and recreational uses.** *Choose one option:* Landowner reserves all hunting, fishing and recreational rights on the Property and in exercising such rights, Landowner shall not interfere with Operator's farming activities. Landowner grants the following hunting and recreational rights to Operator:

7. **Minerals, oil and gas, and renewable energy development.** Landowner reserves the right to all minerals, oil and gas, and renewable energy resources on the Property. Landowner and authorized third parties may enter the Property to develop such resources and install pipelines, improvements, power lines and structures necessary to access and develop the resources. Landowner agrees to reimburse Operator for all actual damages to Operator's crops that occur and where applicable, to adjust the gross rental acres stated in Part II of this Lease for all acreage no longer available for Operator's production as a result of such activities.

VIII. General Terms of Lease

- A. **Amendments and alterations.** Amendments and alterations to this Lease shall be in writing and signed by the Landowner and Operator.
- B. **Indemnification.** Both parties agree to defend, hold harmless, and indemnify one another from all claims, demands, or causes of action, including all reasonable expenses incident to any proceedings, for any injury to or death of any person or loss of or damage to any property arising from the activities of the other, unless such claims or harms resulted from the negligence, omission, intentional act or breach of contract by the other party, its agents, employees and assigns.
- C. **No partnership intended.** Nothing in this Lease shall be construed to create a partnership, joint venture or any relationship between the parties other than Landowner and Operator.
- D. **Not to obligate other party.** Neither party shall pledge the credit of the other party for any purpose without the consent of the other party. Neither party shall be responsible for debts or liabilities incurred, or for damages caused by the other party.

- E. Transfer of property.** If Landowner should sell or otherwise transfer title to the Property, such transfer will be subject to the provisions of this Lease.
- F. No right to sublease.** Operator shall not lease or sublet any part of the Property or assign the Lease to any persons or entities without Landowner’s written consent.
- G. Binding on heirs.** This Lease shall be binding upon the heirs, executors, administrators, and successors of both parties, except as provided by mutual written and signed agreement.
- H. Severability.** This Lease documents the entire agreement between the parties. If any term of this Lease or its application is determined to be invalid or unenforceable, the remainder of this Lease shall remain valid and enforceable.
- I. Memorandum of Lease.** *(If authorized by applicable state law). Check this box if the parties agree to this provision.* At the time of signing this Lease, Landowner and Operator agree to execute and record a Memorandum of Lease according to state statutory requirements, and to share equally in the cost of preparing and recording the Memorandum of Lease.
- J. Default and cure.** If either party breaches the terms of this Lease, the non-breaching party may send a written notice of default to the breaching party. If the breaching party does not take reasonable action to cure the default within ____ days of receiving the notice, the non-breaching party may terminate the Lease and the parties shall be subject to all reimbursements due under this Lease or any amendments or additions to the Lease. In lieu of terminating the Lease, Operator may remedy the default by providing necessary materials and performing or hiring labor to correct the default and may deduct the costs of a default cure from rental amounts due to the Landowner.
- K. Mediation.** Any differences between the parties as to their rights or obligations under this Lease that are not settled after making a good faith effort to reach a mutual agreement shall be submitted for mediation to an agreed upon mediator knowledgeable in the subject matter of the dispute, with costs to be shared equally between the parties. If mediation does not resolve the dispute, the parties may pursue their claims in a court of law.

IX. ADDITIONAL LEASE TERMS

Landowner and Operator also agree to the following additional terms for this Lease. For a discussion of additional lease terms, refer to the section on “What terms should be in a lease agreement?” in *Fixed and Flexible Cash Rental Arrangements for Your Farm*, NCFMEC–01 at aglease101.org. If there are no additional lease terms, write “none.”

Additional lease terms, continued.

Signed this _____ day of _____ 20_____ by:

NOTE: REFER TO AN ATTORNEY TO CONFIRM LEGAL REQUIREMENTS FOR SIGNING A LEASE, AS STATE LAW MIGHT REQUIRE WITNESSES OR NOTARIZATION.

Landowner

Landowner

By: _____
Name of Landowner's authorized agent

Its: _____
Title of Landowner's authorized agent

Operator

Operator

By: _____
Name of Operator's authorized agent

Its: _____
Title of Operator's authorized agent