

# Farm Lease Agreement



**Disclaimer:** This Agreement has been prepared for general information purposes only and is intended to provide a starting point for farmers, as they develop Agreements for use in their business. Persons relying on such information do so entirely at their own risk. Since it is impossible to cover all legal contingencies and provisions in every situation, please consult with a legal professional to ensure that the Agreement accurately reflects the arrangements and relationship between the concerned parties.

This is a Farm Lease Agreement ("Agreement"), dated as of [\_\_\_\_\_, 20\_\_], between [insert name of Landlord] ("Landlord"), a [insert nature of party, e.g., an individual, a corporation, a LLC], and [insert name of Tenant] ("Tenant"), a [insert nature of party, e.g., an individual, a corporation, a LLC].

## Background

Landlord is the owner of property located in \_\_\_\_\_ County, California comprising approximately [\_\_\_\_\_] acres (the "Property"), which is described in more detail in **Exhibit A**. Landlord and Tenant desire that Tenant lease the Property for agricultural use on the terms set out in this Agreement.

## Landlord and Tenant agree as follows:

### 1. Lease, Term, and Rent

1.1 **Lease.** Landlord leases to Tenant the Property for the use set forth in Section 2.1.

1.2 **Term.** Tenant has the right to use the Property for one year, starting on [\_\_\_\_\_, 20\_\_] and ending [\_\_\_\_\_, 20\_\_] ("Term").

1.3 **Rent.** Tenant will pay Landlord rent in the amount of \$\_\_\_\_\_ ("Rent") for use of the Property during the Term. Tenant will pay the first half of the Rent upon signing this Agreement and the second half of the Rent on [insert time for second payment]. Tenant may mail the rent or deliver it in person to Landlord. Tenant may pay in cash or by personal check or cashier's check.

### 2. Use and Operations

2.1 **Tenant Use.** Tenant may use the Property only for the purpose of planting, growing, and harvesting [insert type of crops].

2.2 **Farming Practices.** Tenant will cultivate the Property in a timely, diligent, thorough, and farmer-like manner in accordance with good farming practices. Tenant will take care to not cause waste or damage to the Property or create a nuisance. Tenant is responsible for weeding, managing pests, preventing soil degradation, and irrigating responsibly.

2.3 **Maintenance.** Tenant will maintain the Property in a good and organized condition, including, without limitation, free of trash, debris, and unused equipment.

2.4 **Improvements.** Tenant may not place sheds, hoop houses, or otherwise install permanent or moveable structures on the Property without first obtaining Landlord's written approval. Landlord will not unreasonably withhold such approval.

**2.5 Management Responsibility.** Tenant is responsible for the planning, management, and carrying out of Tenant's operations on the Property. Tenant will pay all expenses, fees, and charges Tenant incurs in the process of maintaining and using the Property. Tenant is responsible for procuring necessary tools and equipment, seeds, and fertilizers, and for hiring, monitoring, and paying for any labor Tenant uses on the Property.

**2.6 Storage.** Tenant may store on the Property farming equipment and other personal property used for normal farming operations on the Property. Tenant may not store any materials that may be hazardous or that may cause damage to the Property (other than fuel for equipment), or that are not used for such farming operations. Tenant is responsible for the security of equipment, supplies or any other personal property stored on the Property. Landlord will not be liable for any claims arising from theft, loss, or damage of personal property left or stored on the Property.

**2.7 Compliance with Law.** Tenant will at Tenant's expense comply with all laws, including, without limitation, environmental, labor and employment, and occupational safety laws, applicable to Tenant's operations on the Property.

**2.8 Prohibited Uses.** Tenant may not conduct any non-production activities on the Property, including, without limitation, selling produce from a farm stand, camping, cookouts, renting out for events, or engaging in or hosting other recreational or income-generating activities, or do any burning on the Property, without first obtaining Landlord's written approval. Landlord will not unreasonably withhold such approval.

**2.9 Inspection.** Landlord may enter the Property at any reasonable time to inspect the Property and for the purpose of taking any other action Landlord believes is appropriate to confirm Tenant's compliance with this Agreement or protect Landlord's interest in the Property.

### **3. Water Use and Utilities**

**3.1 Irrigation System.** Landlord will provide and maintain an irrigation hookup on or near the Property. Tenant is responsible for building and maintaining all infrastructure necessary to carry water from the hookup to and throughout the Property, including, without limitation, piping, drip tape, sprinklers, and valves. Tenant is responsible for maintaining Tenant's irrigation infrastructure and using the irrigation hookup in a responsible manner. If Tenant's use of the irrigation hookup results in damage beyond ordinary wear and tear, then Tenant will be responsible for paying any repair or replacement costs. Tenant will use water responsibly and sustainably including taking actions necessary to prevent erosion on the Property and to control the flow of excess irrigation water and runoff.

**3.2 Utilities.** Tenant is responsible for arranging for utilities and paying all utility costs relating to Tenant's use and possession of the Property, including, without limitation, water, electricity, gas, propane, water, sewer, waste removal, recycling, and garbage pickup.

#### 4. Other Property Matters

4.1 **No Representations.** Landlord is not making any representations or warranties to Tenant about the Property including the suitability of the Property for Tenant's farming activities. Tenant is responsible for making Tenant's own inspection of farming conditions on the Property before entering into this Agreement. Tenant accepts the Property on an "as-is" basis as of the date of occupancy, subject to any easements, servitudes, rights of way, or other land rights.

4.2 **Assignment, Subleasing, and Licensing.** Tenant may not assign, sublease, or license all or any part of the Property without first obtaining Landlord's written approval. Landlord will not unreasonably withhold such approval.

4.3 **Liens and Encumbrances.** Tenant will not incur, create, or assume any lien or encumbrance on any portion of the Property, including any mechanic's or materialmen's liens, except any liens or encumbrances created under this Agreement. Nothing in this Section 4.3 will prevent Tenant from entering into customary crop financing and other financing arrangements and granting security interests in Tenant's crops, inventory, equipment, supplies, and other assets.

4.4 **Taxes.** Tenant is responsible for all tax returns and payments arising from Tenant's occupation and use of the Property, including without limitation, income, sales, and personal property taxes. Landlord will pay real property taxes.

4.5 **Sale by Landlord.** If Landlord should sell or otherwise transfer title to the Property, Landlord will require the transferee to recognize and take the Property subject to this Agreement. Tenant will recognize the purchaser as the owner and take such actions to that end as are appropriate, including entering into an agreement in customary form in which the Tenant recognizes and attorns to the purchaser.

#### 5. Indemnification, Release and Insurance

5.1 **Indemnification by Tenant.** Tenant will indemnify and hold Landlord and Landlord's respective directors, officers, partners, shareholders, members, employees, and affiliates (collectively, "Landlord Parties") harmless against all claims, liabilities, losses, damages, expenses, and attorneys' fees that may be suffered or sustained by a Landlord Party arising directly or indirectly from: (a) Tenant's use or occupancy of the Property; (b) any claims by third parties Tenant invites onto the Property; (c) sale and consumption of food grown on the Property; or (d) any breach by Tenant of this Agreement, except to the extent the liability is caused by the gross negligence or willful misconduct of such Landlord Party.

5.2 **Indemnification by Landlord.** Landlord will indemnify and hold Tenant and Tenant's respective directors, officers, partners, shareholders, members, employees, and affiliates (collectively, "Tenant Parties") harmless against all claims, liabilities, losses, damages, expenses, and attorneys' fees that may be suffered or sustained by a Tenant Party arising directly or indirectly from Landlord's use or presence on the Property or any breach by Landlord of this Agreement, except to the extent the liability is caused by the gross negligence or willful misconduct of such Tenant Party.

5.3 **Waiver and Release of Claims by Tenant.** To the fullest extent permitted by law, Tenant waives any and all claims against Landlord and all other Landlord Parties resulting from death of or injury to Tenant or any other person arising directly or indirectly from Tenant's use and occupancy of the Property, regardless of the cause and even if caused by negligence, whether passive or active. Tenant agrees not to sue any Landlord Party on the basis of these waived and released claims. Tenant understands that the releases and waivers in this Agreement extend to claims that Tenant does not know of or does not expect to exist at the time Tenant signs this Agreement. Tenant waives the protections of Section 1542 of the California Civil Code.

5.4 **Insurance.** Throughout the Term, Tenant will maintain in full force and effect a comprehensive general liability insurance policy applicable to Tenant's occupation of the Property with limits of liability of at least [\$\_\_\_\_\_] aggregate combined single limit for bodily injury and property damage liability, and [\$\_\_\_\_\_] combined single limit per occurrence. Tenant's general liability statement will name Landlord as an additional insured. Tenant will also maintain such other insurance as required by law, including, without limitation, workers' compensation insurance.

## 6. Termination

6.1 **Termination by Landlord.** Landlord may terminate this Agreement if: (a) Tenant fails to make a rent payment within \_\_ [three] days of when payment is due; (b) Tenant abandons or vacates the Property for \_\_ [fifteen] consecutive days; or (c) Tenant breach any other provision of this Agreement and the breach continues for more than \_\_ [fifteen] days after Tenant receives written notice of the breach from Landlord, it being understood that if the breach cannot by its nature be cured within such \_\_- day period, then Tenant will have an additional reasonable period (which will not in any case exceed 30 days) to attempt to cure the breach. Such a termination will be effective \_\_ [ten] days after delivery by Landlord to Tenant of a notice of termination. Tenant must then leave, quit, and surrender the Property to Landlord, but Tenant will remain liable for damages to the extent permitted by law. Landlord retains all rights to recover damages to the extent permitted by law and permissible under Section 1951.2 of the California Civil Code including, without limitation, unpaid rent for use of the Property until termination, rent to be paid for the remainder of the Term, and any amount necessary to compensate Landlord for charges incurred by reason of Tenant's failure to perform its obligations under this Agreement. All of Landlord's rights and remedies under this Agreement are cumulative and not alternative and will be in addition to all rights, powers, and remedies given to Landlord at law or in equity.

6.2 **Termination by Tenant.** Tenant may terminate this Agreement at any time. Such termination will be effective \_\_ [60] days after delivery by Tenant to Landlord of a notice of termination. Tenant may also terminate this Agreement upon (a) a failure of the water supply, whether in terms of quantity, reliability or quality, or occurrence of fire, flood or other similar physical event, that materially interferes with Tenant's ability to farm the Property, or (b) a material breach of this Agreement by Landlord. Such a termination will be effective \_\_ [15] days after delivery by Tenant to Landlord of a notice of termination.

6.3 **Holdover.** This Agreement terminates without further notice at the expiration of the Term. Any continued occupancy by Tenant of all or a portion of the Property after the expiration of the Term will be construed by the parties to be a tenancy from month-to-month on the terms set out in this Agreement, cancellable by either party upon 30 days' written notice. Any holding over is not a renewal or extension of the Term.

6.4 **Surrender of the Property.** Upon termination of this Agreement, Tenant will at Tenant's expense surrender the Property in good order and condition, reasonable wear and tear excepted, and will remove all of Tenant's personal property. Except as may otherwise be agreed in writing by Landlord and Tenant at the time of installation, all permanent improvements and alterations to the Property other than trade fixtures will belong to Landlord. Tenant may retain ownership of, and will remove, all sheds, mobile greenhouses, signs, and other non-permanent improvements Tenant may have made to the Property.

6.5 **Personal Property.** If Tenant leaves any of Tenant's personal property on the Property after the termination of this Agreement, Landlord may store it at a warehouse or any other location for Tenant's account and at Tenant's risk and expense. Landlord will release the property only when Tenant pays all charges relating to storage and all other amounts Tenant

owes Landlord under this Agreement. If Tenant does not reclaim the property within the period permitted by law, Landlord may sell it in accordance with law and apply the proceeds of the sale to any amounts Tenant owes to Landlord under this Agreement, or retain Tenant's property, granting Tenant credit for the reasonable value of the property against any amounts Tenant owes to Landlord.

6.6 **Survival.** Sections 4.4, 5, 6, and 7 of this Agreement will survive termination of this Agreement.

## 7. General Provisions

7.1 **Entire Agreement.** This Agreement, together with its exhibits, is the entire agreement between Tenant and Landlord and supersedes all prior or contemporaneous written and oral agreements. This Agreement may be amended only by a document signed by both Tenant and Landlord and reciting that it is an amendment to this Agreement. If there are any inconsistencies between this Agreement and its exhibits, this Agreement will control.

7.2 **Severability; Waiver.** If any provision in this Agreement is held invalid or unenforceable, the other provisions will remain enforceable, and the invalid or unenforceable provision will be considered modified so that it is valid and enforceable to the maximum extent permitted by law. Any waiver under this Agreement must be in writing and signed by the party granting the waiver. Waiver of any breach or provision of this Agreement will not be considered a waiver of any later breach or of the right to enforce any provision of this Agreement.

7.3 **Relationship.** Tenant and Landlord are independent contracting parties. Nothing contained in this Agreement will create a partnership, joint venture, fiduciary, or employment relationship between Tenant and Landlord. Neither Tenant nor Landlord have the power or authority to act on behalf of the other or in the other's name directly or indirectly in any manner. Landlord will not be responsible for any debts, liabilities, or obligations Tenant contracts or incurs in carrying out Tenant's farming operations on the Property or otherwise.

7.4 **No Third Party Beneficiaries.** Except as provided in Section 5.1 and 5.2, this Agreement is for the exclusive benefit of Tenant and Landlord and not for the benefit of any third party.

7.5 **Binding on Heirs.** This Agreement will be binding upon the heirs, executors, administrators, and permitted assignees or successors in interest of Landlord and Tenant.

7.6 **Notices.** Notices and consents under this Agreement must be in writing and delivered by mail, hand, fax, or e-mail to the addresses set out on the signature page of this Agreement or other addresses given by one party to the other in writing. Notices given in the manner will be considered given two business days after deposit in the mail, or the first business day after delivery to a courier, delivery by fax or transmission by e-mail.

7.7 **Governing Law; Jurisdiction.** This Agreement will be governed by California law. Tenant and Landlord consent to the exclusive jurisdiction of the state and federal courts for **[insert county where Property located]**, California.

\* \* \* \* \*

**This Agreement was signed by Landlord and Tenant as of the date stated in its first paragraph.**

**[insert name of Landlord]**

**[insert name of Tenant]**

**[insert appropriate signature blocks]**

**[insert appropriate signature blocks]**

**Landlord address:**

**Tenant address:**

**Exhibits:**

A: Description and Map of Property and Access Routes

**Description and Map of Property and Access Routes**