

## SAMPLE MULTI-YEAR LEASE AGREEMENT

**This Lease Agreement** is entered into on this \_\_\_\_ day of \_\_\_\_\_, 2009, by and between \_\_\_\_\_ as lessor (“Lessor”), and \_\_\_\_\_, as lessee (“Lessee”), for the Lease of certain land bounded by \_\_\_\_\_ in \_\_\_\_\_, for the purpose of establishing and developing an agricultural enterprise.

### I. Prologue and Statement of Purpose

Whereas both parties share a mutual interest in the long-term health and productivity of the agricultural lands and related features described below; and whereas the Lessor wishes to offer a secure and affordable farming opportunity to the Lessee; and whereas the Lessor wishes the property to be maintained according to high standards of stewardship, the parties agree as follows:

### II. Description of Leased Premises

a) The Premises shall consist of cropland and other land, roads and structures as more particularly described in Attachment A.

b) *If applicable:* So that the Lessee can reside in close proximity to the land and provide for its care and supervision, Lessor and Lessee shall also be parties to a separate residential lease agreement for a term beginning on \_\_\_\_\_ and ending on \_\_\_\_\_ for the farmhouse property located at \_\_\_\_\_ (the “Residential Lease”). If the parties agree to an extension of the term of this Lease, either via an amendment to this Lease or the execution of a new lease between the parties, Lessor shall also offer Lessee an extension of the Residential Lease for a similar term, with the rental amount and other terms of such extension to be mutually agreeable to both parties.

### III. Lease Term

a) The term of this Lease shall be for a period commencing \_\_\_\_\_ and ending \_\_\_\_\_.

b) No later than three 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 \$ \_\_\_\_\_ for the first full calendar year of the Lease term, subject to adjustment as provided in paragraph (b), below. Beginning on January 15, \_\_\_\_\_, and continuing on each subsequent January 15 of the Lease term, the Lessee shall pay the Lessor a Lease fee equal to the prior year’s Lease fee (without

taking into account the adjustment in paragraph (b), below), increased by the greater of: (1) 3% of the prior year's Lease fee, or (2) the annual percentage change during the prior calendar year in the Consumer Price Index prepared by the Bureau of Labor Statistics of the United States Department of Labor for urban consumers in the northeast region.

This fee takes into consideration approximately \_\_\_\_\_ acres of active cropland, \_\_\_\_\_ acres woodland, and approximately \_\_\_\_\_ acres of necessary and related land, including access roads, field edges and land, some suitable for future production.

b) Notwithstanding the foregoing, Lessor recognizes that Lessee may incur start-up costs at the beginning of the Lease term related to improving the agricultural soils on the Premises or making other improvements to the Premises. Toward that end, the first annual Lease fee, due on \_\_\_\_\_, will be reduced by \$\_\_\_\_\_.

c) All Lease fees shall be due according to the schedule described in paragraph (a). A penalty of 1.5% per month will be assessed on late payments for each 30-day period that such payments are past due. This equates to an annual rate of approximately 18% on past due payments.

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

e) Farm utilities are not included and such costs are to be borne by the Lessee.

V. Permitted Uses and Use Restrictions

a) Lessee is hereby permitted all normal activities associated with agricultural purposes including but not limited to: 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; keeping of bees for farm pollination; management of brush, field edges and roads; conversion of necessary and related land to agricultural production including but not limited to row crops and perennial plantings; and on-site sales of goods produced on the Premises as permitted by local regulations. Lessee may conduct educational and other public programming on the Premises related to, and in furtherance of, farm stewardship.

b) Lessee agrees to prepare and comply with a Conservation Plan under the guidance of the USDA Natural Resources Conservation Service or comparable agricultural technical service provider. Such plan shall include applicable conservation practices including but not limited to crop rotation, drainage management, soil fertility, waste management, etc. The plan shall be periodically reviewed and updated by the provider, Lessee and Lessor. Lessee shall complete annual soil tests and amend the soil as indicated at his/her own expense. In

addition, Lessee shall provide Lessor with a copy of Lessee's annual crop plan for informational purposes only.

- c) Lessee agrees to abide by stewardship standards and practices as specified in Attachment B.
- d) Lessor and Lessee shall conduct joint inspections of the Premises on an annual basis at minimum. In the interests of fostering frequent communication and a positive working relationship between the parties, Lessor may, at any time and from time to time, designate one or more individuals to act as Lessor's representative to the Lessee on all issues related to this Lease, including, without limitation, property management, stewardship standards and planning issues.
- e) The Lessee shall not, unless by mutual agreement and prior approval to the contrary, engage in any of the following activities on the Premises: 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.
- f) Lessor reserves the right to approve plans as to design, location and materials of approved activities and structures.
- g) Lessee agrees to abide by all local, state and federal laws and regulations.
- h) Lessee agrees to apply for all applicable permits at Lessee's expense, subject to any advance agreement between the parties to share such expenses.
- i) Lessor reserves the right to enter the property for the purposes of inspection with 24 hours prior notification to the Lessee.

VI. Maintenance, Repairs and Improvements

- a) Lessee is responsible for normal maintenance of the Premises including, without limitation, performing all minor repairs and \_\_\_\_\_. The Lessee will also keep the Premises free of trash to the greatest extent feasible.
- b) At the commencement of this Lease and annually (in January of each calendar year or in such other month as may be mutually agreed to by the parties) or upon extension, Lessor and Lessee shall agree on major repairs, additions, alterations, replacements and improvements. Such specification shall be in written form and signed by both parties. (See Attachment E.)

c) With prior written approval from the Lessor (pursuant to the process described in Section VI (b), above, or at such other times mutually agreed to by the parties), the Lessee may place and maintain improvements including but not limited to any structures, wells, fencing, and perennial plantings upon the Premises.

d) In each case, both parties shall agree in writing as to how the costs of such major repairs, additions, alterations, replacements and improvements shall be allocated and whether the Lessee will have the right to remove such improvement at the conclusion of the Lease term in accordance with Section VI(f), below.

e) The Lessee shall be responsible for maintenance of all improvements constructed or installed after the date of this Lease.

f) Subject to the provisions of any specific agreements between the parties made in accordance with the provisions of Section VI(d), above, at the termination of the Lease, the Lessee may have the right to remove certain improvements constructed or installed after the date of this Lease, or may be required by the Lessor to do so, and return the property to its prior condition. Alternatively, the improvement may remain and become the property of the Lessor. The Lessor shall not be obligated to compensate the Lessee for the remaining improvements; however, the Lessor and the Lessee may establish alternative agreements set forth in writing and signed by both parties.

## 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 during the period of the Lease.

b) Lessor shall maintain fire and extended casualty insurance coverage on the premises; such coverage shall be adequate to replace or repair farm buildings, if any, or equipment regularly used by the Lessee that may be destroyed by fire, flood or other casualty loss and to replace or repair such structure as soon as practicable.

c) 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.

## VIII. Transfer, Sale, Assignment and Sublease

a) Lessee may not sublease or assign the Lease without written permission from the Lessor. Lessor may, in Lessor's sole discretion, refuse to grant such permission or may stipulate conditions for such assignment or sublease.

b) The terms of this Lease shall remain with the land; sale of the Premises or portions thereof shall not invalidate lease terms. However, Lessee agrees to abide

by terms of any conservation or agricultural easement placed upon the Premises or portions thereof. Such terms shall not unduly restrict normal agricultural activities.

IX. Termination and Default

a) Either party may terminate this Lease only upon default by the other as specified in (b) below. Upon termination at the end of the Lease term or for any other reason, Lessee must vacate the property and remove all personal possession and any improvements that Lessee is required or permitted to remove per Section VI above. Property must be left in the same condition as at the commencement of this Lease, or better, normal wear and tear notwithstanding. If either party shall default in the performance of any of its obligations, covenants or agreements under this Lease and such default shall not be cured within sixty (60) days after written notice to the defaulting party, then the non-defaulting party may declare the Lease terminated.

b) Events of default by Lessee shall include, without limitation, the failure to: (i) pay the Lease fee when due, (ii) comply with the stewardship standards described in Attachment C, (iii) comply with repair and maintenance standards under Section VI, and (iv) maintain the insurance coverage required under Section VII.

c) Events of default by Lessor shall include, without limitation, (i) failure to make the Premises fully available to Lessee for the establishment and development of an agricultural enterprise, and \_\_\_\_\_.

d) The parties recognize that weather, "acts of God" or similar unforeseen events may, in extreme circumstances, interfere with the Lessee's farming practices and could prevent the Lessee's timely compliance with the terms of the Lease. The Lessor shall take such circumstances into account before declaring an event of default. If the Lessor fails to remedy any default within the above-described 60-day period, the Lessee has the right to withhold rent and to pursue other remedies. A default under the Residential Lease entered into between the parties shall constitute a default under this Lease, and vice versa.

XI. Dispute Resolution

Both parties agree to the best of their abilities to resolve any disputes regarding the interpretation and performance of this Lease through mutual good faith effort. All disputes that cannot be resolved through such efforts shall be determined and settled by arbitration in Boston, Massachusetts in accordance with the rules and procedures of the American Arbitration Association then in effect, and judgment upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, except that each party shall pay for the cost of its own experts, evidence, and legal counsel.

XII. Severability

If any part of this Lease is invalid or unenforceable, the balance of this Lease shall remain effective, absent such provision.

XIII. Amendments

No change in this Lease shall be effective unless it is in writing and signed by both parties.

XIV. Joint and Several Liability

All persons comprising the Lessee shall be jointly and severally liable for the Lessee's obligations hereunder.

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

LESSOR:

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

LESSEE:

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

Attachments

Attachment A. Description of Leased Premises

Attachment B. Lease fee schedule

Attachment C Stewardship Standards

Attachment D. NRCS Farm Conservation Plan or equivalent

Attachment E. New Improvements

## **Attachment A. Description of Leased Premises**

See Attached Base Map

[Video base line to be provided by Lessor detailing field edges, potential farm stand location, condition of existing walls and fences]

## **Attachment B. Lease fee schedule**

*Insert detailed spreadsheet*

## **Attachment C. Stewardship Standards**

### **[FOR DISCUSSION PURPOSES]**

The purpose of these stewardship standards is to embody Lessor's and Lessee's mutual commitment to protecting and enhancing the natural resources of the Premises. Both parties prioritize the long-term health and sustainability of the natural resources of the site.

1. Lessee will prepare within 9 months of the Commencement Date, and comply with a conservation plan prepared by a qualified consultant or agency (Attachment D to this Lease). The plan may use a Holistic Management framework. Such plan will address, at minimum, the following:
  - a. Agricultural soils management and enhancement
  - b. Non-productive land, including field edges, wetland, scrub and shrub areas, land under and around structures, access roads
  - c. Weed and pest management
  - d. Water resources including irrigation water management, drainage management and improvement
  - e. Wildlife habitat
  - f. Cultural resources, including stone walls, historic and archeological features
  - g. Crop placement and rotation
2. Comply with all current and future woodlot management plans. Lessee may be granted permission, in consultation with Lessor and Lessor's forester, to harvest firewood for use by Lessee in Lessee's farming enterprise or for heating the house on the farm.
3. Both parties agree to review and discuss these standards annually, with the understanding that their observance is a condition of this Lease.



4. With exceptions for fruit tree cultivation, Lessee shall use Lessee's best efforts to bring and maintain the property to be certifiable under any organic certification program.
5. The Lessee agrees to manage the Premises to maintain a visually pleasing environment, free of debris, junk and trash.
6. The Lessee is permitted to create and maintain new cropland by clearing brush and saplings; removal of trees greater than 6 inches in diameter shall require prior consent of Lessor and shall be in accordance with any woodlot management plans. The Lessee is permitted to manage field edges to prevent encroachment, improve air circulation and manage pests.
7. In recognition of the parties' shared interest in fostering bird populations, Lessee shall, to the greatest extent practicable, protect and enhance bird habitat, in balance with normal agricultural activities permitted in this Lease and Lessor's woodlot management plan (e.g., clearing field edges, removing brush and trees).

**Attachment D. NRCS Farm Conservation Plan or equivalent**

To be completed within nine months of lease Commencement Date.

**Attachment E. New Improvements**

Capital improvements completed post Commencement Date to be listed here: