

## Land Lease Considerations for Viable and Stewardship Driven Livestock Operations, Working document, RMAC September 2016

\*Hi RMAC comrades. This is a brief summarizing of the elements to a 'good lease' that I've found in my research. I'm interested in hearing feed-back pertaining to the proposed elements. What's missing and what needs adjusting.

-Cole

### ISSUES TO DISCUSS IN NEGOTIATING A GOOD LEASE (Ben Waterman)

When negotiating the lease, both parties should discuss the following items to make sure that each understands the new working relationship and feels the lease agreement will serve his or her needs:

- Nature of the farming business.
- Anticipated so-called nuisances such as noises and smells.
- Best times and ways to contact each other, such as cell phone or email.
- What happens in case of an emergency such as the cows getting out.
- Where the farmer will access the parcel.
- Potential hazards (e.g. electric fences, chemicals and animals).
- Liability and other insurance requirements.
- Expected working hours.
- Plan for needed improvements.
- How can the parties terminate the lease.
- How will maintenance, repairs and improvements be handled.
- What conservation practices will be required or permitted.

### ELEMENTS OF A GOOD LEASE (Land for Good, A Landowners Guide to Leasing Land manual, USDA )

1. Identification of the parties.
2. Description of the property.
  1. Duration of the lease.
  2. Rent or payment.
  3. Taxes.
  4. Utilities.
  5. Uses of the property.
  6. Entry.
  7. Maintenance and repairs.
  8. Stewardship guidelines.
  9. Additional limits or restrictions on farm practices.
  10. Subletting.
  11. Termination.
  12. Default provisions.
  13. Security deposit.
  14. Monitoring and reporting.

15. Insurance and liability.
16. Condemnation and casualty loss.
17. Dispute resolution.
18. Recording of a lease.

#### STEWARDSHIP ELEMENTS THAT ARE QUANTIFIABLE

1. Monitoring for working towards specific goals
2. Respecting local, state and federal environmental laws
3. Education on water quality assessments & monitoring
4. Conservation Plan working with region RCD's?
5. Collaborative efforts with educational institutions, public agencies and organizations with interest and directives towards both liability and stewardship goals
6. ?

<b>Agricultural Lease Checklist</b>			
<p>1. Who are the parties? Is there evidence of ownership and authority to act if the landowner is an entity such as a Partnership, LLC or Corporation rather than an individual? Is the tenant an individual or an entity? Will the lease also bind the heirs or future purchasers of the property?</p>	<p>option to renew or not renew? What is the procedure for renewing the lease?</p>	<p>prohibited uses of the property under the lease? Does it allow interns to be housed on site or a farm stand operation?</p>	<p>10. Who will be responsible for obtaining and maintaining insurance – liability, casualty, and crop?</p>
<p>2. What is the lease term? Will it terminate on a specific date or will it end at the will of one or either party? If terminable "at will," how much notice will be given to the other party?</p>	<p>4. Does the lease include an adequate description of the property – land, farm structures, residence, equipment, and livestock – that is to be leased?</p>	<p>8. How will the landowner and the land user allocate responsibility for repairs and maintenance of the property?</p>	<p>11. What actions by either party will constitute a default under the lease? Will the non-defaulting party have the right to terminate the lease or withhold rent until the default is cured? Will the lease include an alternative dispute resolution procedure such as mediation or arbitration?</p>
<p>3. Is the lease renewable? Is renewal automatic? Do both parties have the</p>	<p>5. How much and what type of rent will be paid and how and when must it be paid?</p>	<p>9. How will the landowner and farmer allocate responsibility for capital improvements? If the land user invests in capital improvements, how will he or she be compensated at the end of the lease? Or, does the rent reflect those capital investments?</p>	
	<p>6. If the agreement includes a residence, is there a separate residential lease?</p>		
	<p>7. What are the allowable and</p>		

From the Farmland and Tenure Leasing chapter by Annette Higby from the Legal Guide to farming in Vermont. [Click to see full size.](#)

#### Example Leases:

- Jenner Headlands with Sonoma Land Trust
- Joe Morris has worked within a number of land leases that held stewardship values high in priority

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