

Outline of a Lease Agreement between a 501(C)(25) Farmland Commons local entity ("BOARD") and a leaseholder ("FARMER") for the purpose of agricultural activities on farm and land ("LAND").



The lease is designed to be both legally sound and understandable, with plain language interpretations provided alongside legal language. In case of disagreement, both interpretations will be considered equally.

Key Parties:

- **BOARD of 501(C)(25)** - appointed by 501(C)(3) organizations involved
- **FARMER** - holding seat on board / lessee in agreement

Foundational Documents:

- **Equity and Land-Based Practices** is a common ground agreement on shared Equity and Land-Based Practices that guides the Farmland Commons:
 - [DOWNLOAD EQUITY AND LAND-BASED PRACTICES TEMPLATE](#)
- **Bylaws** frame and structure the values and vision into a nonprofit, collaborative, community-centered land-holding structure, i.e., "Farmland Commons." and incorporate at the state and then federal level:
 - [DOWNLOAD 501\(c\)\(25\) BYLAWS TEMPLATE](#)
- **Lease** frames expectations, agreements, rights and responsibilities between the Farmer, the Farmland Common and Land:
 - [DOWNLOAD LEASE TEMPLATE](#)
- **Farm Management Plan** is a living, annually reviewed and updated plan and aggregation of documents on farm and agriculture, stewardship, management practices, infrastructure and improvements, and equity considerations:
 - [DOWNLOAD FARM MANAGEMENT PLAN TEMPLATE](#)

General Terms:

- **Lease Term:** 99 years / actual term aligns with state law upper limit
 - **Stages of Lease** / actual stages aligns with FARMLAND COMMONS, FARMERS and LAND guidance:

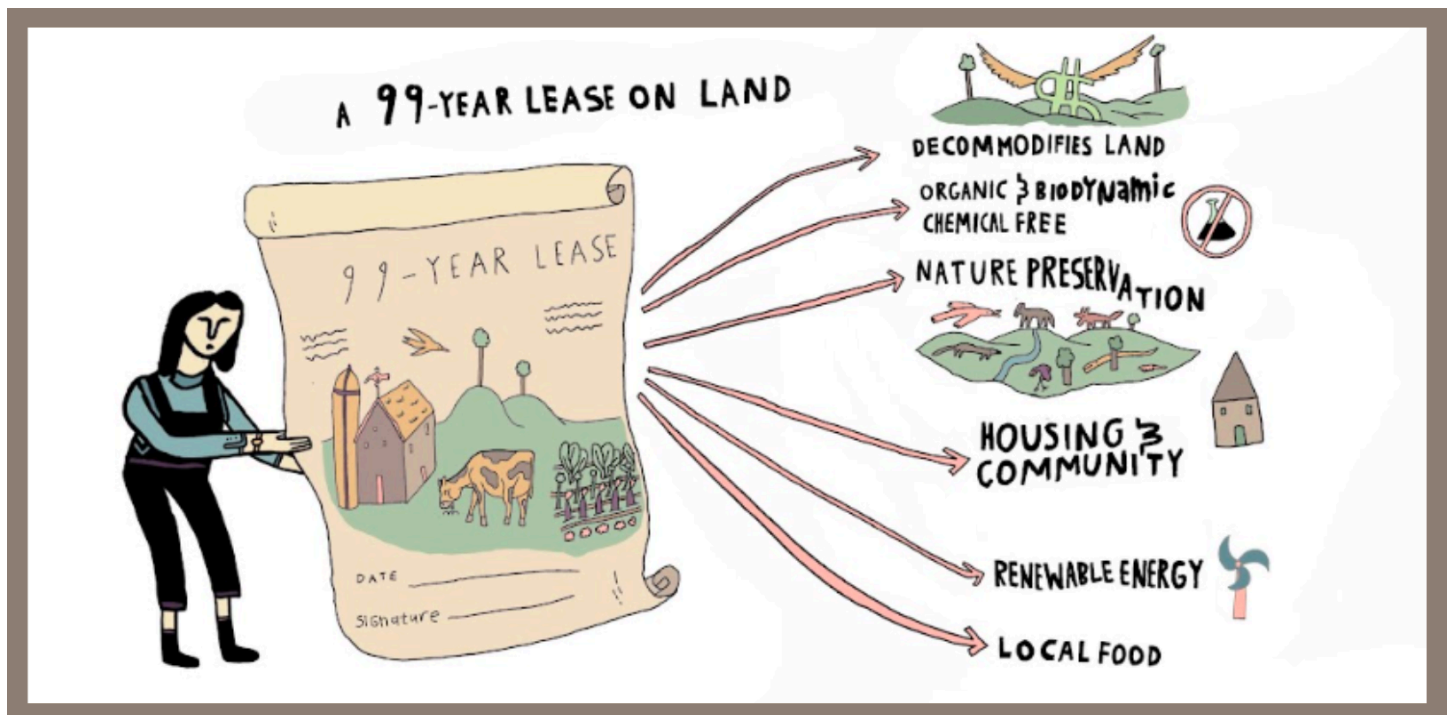
- Initial Stage (Year 0 - Year 2): Allows the FARMER to establish a relationship with the land and the BOARD. The FARMER's experiences will inform the Management Plan. Concerns raised by the FARMER will be addressed and potentially lead to amendments to the Lease. The BOARD will share all information and knowledge and support learning about and connecting with the LAND
- Stage 2 (Year 2 to 3): Base Rent evaluation and determination as defined in the Management Plan. The Management Plan and Stewardship Contribution are agreed upon.
- Stage 3 (Year 3 to 99): Parties meet every 3 years (or as dictated by the Management Plan) to review the Lease, Base Rent, Stewardship Contribution, and Management Plan. Reviews can address Lease changes, LAND conditions, planned improvements, and other concerns.
- Leased Farm Premises (LAND): Described in Lease Exhibit and MAP OF LAND.
- Approved Uses: Chemical-free Agricultural activities, including investing in soil health, biodiversity, sustainable grazing, ecosystem health, and water quality protection.
- Base Rent is based on the Management Plan, farm business viability, Stewardship Contribution, and capital investments and includes property taxes, insurance and fees related to their use of the LAND.
- Improvements made by the FARMER belong to and are owned by the FARMER in a Ground Lease agreement and can be removed at the end of the Lease, with conditions.
- Insurance and Liability: Both parties must name each other as additionally insured, maintain general liability insurance (\$1 million minimum) and worker's compensation insurance as required by law. These Insurance requirements will change over the Lease Term.
 - The BOARD is generally not liable for damages arising from the FARMER's use of the LAND and FARMER will indemnify the BOARD against claims arising from the FARMER's operations.
- Default includes failure to pay Base Rent, failure to perform Lease obligations, failure to farm or complete stewardship practices, bankruptcy, dissolution, environmental harm, or failure to comply with laws.
 - The BOARD may take action to recover the LAND in case of Default.
- FARMER is responsible for repairs up to a "Repair Cap" defined in the Management Plan and must maintain the LAND in good condition. FARMER is not obligated to make improvements above the Repair Cap but needs advance permission from the BOARD for changes greater than \$5,000 or 500 sq ft and/or requiring government approval.
 - Equity Practices are incorporated.
 - There is a process to make improvements.

Occupancy and Stewardship:

- FARMER has the right to undisturbed possession of the LAND as long as they fulfill their obligations of the Lease
- FARMER may extract groundwater, timber and other natural resources as is necessary for management for permitted uses and compliant with laws.
- The Lease is flexible and can be changed with mutual agreement.
- If the BOARD transfers ownership of the LAND, the Lease remains binding.

General Provisions:

- Notices must be in writing and sent to specified representatives and Both parties must keep accurate records.
- FARMER acknowledges the BOARD's representations are limited to what is written in the Lease.
- The Lease can be amended with mutual agreement and is binding on successors and assigns.
- The Lease is governed by the laws of the state where the LAND is located.
- Disputes will be resolved through direct discussions, mediation, and potentially arbitration or court action



This summary provides an overview of the key aspects of the Lease Agreement. Always refer to the full document for legal accuracy and complete details.