



## LEASING

# California FarmLink Basic Lease Template

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

## Background

Landlord is the owner of property located at \_\_\_\_\_, 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 out in Section 2.1.
- 1.2 **Term.** Tenant has the right to use the Property for \_\_\_\_\_ year(s), starting on [\_\_\_\_\_, 20\_\_] and ending [\_\_\_\_\_, 20\_\_] ("Term") unless this Agreement is terminated earlier as provided in Section 7.
- 1.3 **Rent.** Tenant will pay Landlord rent of \$\_\_\_\_\_ per acre, for a total rent of \$\_\_\_\_\_, for use of the Property annually during the Term.
- 1.4 **Rent Payments.** Tenant will pay the rent in installments of [\$\_\_\_\_\_ per month, on or before the first day of each month, without demand or offset] OR [Tenant will pay the rent in installments of \$\_\_\_\_\_ per year, with the first such installment due upon signing this Agreement and the remaining installment(s) due on each anniversary of the date of this Agreement, without demand or offset]. Tenant may pay the rent in cash, by personal check or cashier's check, or through digital money transfer.

### 2. Use and Operations

- 2.1 **Tenant Use.** Tenant may use the Property only for the purpose of planting, growing, harvesting, storing, processing, and packing \_\_\_\_\_ [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, create a nuisance, or disturb occupancy or use of the

neighboring properties. Tenant will be 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 equipment not in use.
- 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 will be 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 will be 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 will be 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, business permitting, and occupational safety laws, applicable to Tenant's operations on the Property.
- 2.8 **No Cannabis; No Burning.** Tenant may not cultivate or process cannabis on the Property. Tenant may not do any burning on the Property without first obtaining Landlord's written approval and necessary permits or other governmental authorizations.
- 2.9 **Non-Production Activities.** Tenant may not conduct any non-production activities on the Property, including, without limitation: (a) selling produce from a farm stand or through u-pick operations; (b) carrying out tours, offering work days, hosting dinners or overnight stays, or engaging in any other agritourism or similar activities; (c) hosting cookouts or renting out the Property for weddings or other events; or (d) engaging in or hosting

any other recreational or income-generating activities, without in each case first obtaining Landlord's written approval.

- 2.10 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 Landlord Irrigation Hookup.** Landlord will provide an irrigation hookup on or near the Property. Landlord will be responsible for maintaining irrigation infrastructure, including, without limitation, all wells, bowls, pumps, motors, pipelines and booster pumps located on, under, or serving Property. Tenant will be responsible for using the irrigation hookup in a responsible manner. If Tenant's use of the irrigation hookup results in damage to the irrigation infrastructure beyond ordinary wear and tear, then Tenant will be responsible for paying any repair or replacement costs.
- 3.2 Tenant Infrastructure.** Tenant will be 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 will be responsible for maintaining Tenant's irrigation infrastructure, including paying all repair or replacement costs.
- 3.3 Responsible Use.** Tenant will use water responsibly and sustainably including taking necessary actions to prevent erosion on the Property and to control the flow of excess irrigation water and runoff.
- 3.4 Utilities.** Tenant will be 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, sewer, waste removal, recycling, and garbage pickup.
- 3.5 Notification of Service Interruptions.** Landlord will use reasonable efforts to minimize irrigation and other service interruptions, and will communicate and consult with Tenant regarding such interruptions in order to avoid disrupting farm operations. Landlord may interrupt or suspend any service to the Property to make improvements or repairs or upon the occurrence of an accident or emergency, as Landlord may determine necessary in Landlord's sole discretion. Landlord will use reasonable efforts at such times to minimize interference with Tenant's use of the Property. Tenant understands that Landlord's interruption or suspension of any services in accordance with this Section will not be

treated as a breach of or give rise to a right by Tenant to terminate under this Agreement.

#### 4. Other Property Matters

- 4.1 Zoning.** Landlord confirms to Tenant that the Property is properly zoned for the uses permitted under this Lease.
- 4.2 No Other Representations.** Landlord is not making any other 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.
- 4.3 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. If Tenant wishes to engage in such a transaction, Tenant will provide to Landlord information about the proposed transaction as reasonably requested by Landlord. Such information may include the name, address, and (if an entity) nature and ownership of the proposed assignee, subtenant, or licensee (collectively, "transferee"), and current financial statements and references for the transferee. Such information may also include the material terms of the transaction, including the rent or other consideration to be paid by the transferee, the term of any sublease or license, the portion of the Property to be transferred, and a copy of the proposed transfer agreement. After receipt from Tenant of all such information and documents, Landlord may take up to 30 days to make a decision about approval. Landlord will not unreasonably withhold such approval. A permitted assignment, sublease, or license will in no case relieve Tenant of responsibility for performance of Tenant's obligations under this Agreement.
- 4.4 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 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.
- 4.5 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. Taxes

- 5.1 Taxes Payable by Tenant.** Tenant will pay on a timely basis all personal property and other taxes, assessments, license fees, and other charges that are levied and assessed against Tenant's personal property located on the Property and that become payable during the term. Tenant will upon Landlord's reasonable request provide Landlord with evidence of such payments.
- 5.2 Taxes Payable by Landlord.** Landlord will pay on timely basis all property and other taxes, assessments, license fees, and other charges that are levied and assessed against the Property and that become payable during the term. Tenant in no case will be responsible for payment of property taxes or Landlord's failure to pay such taxes.

## 6. Indemnification, Release and Insurance

- 6.1 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.
- 6.2 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.
- 6.3 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. 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.

- 6.4 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.

## **7. Expiration, Holdover, and Termination**

- 7.1 Termination at End of Term.** This Agreement terminates without further notice at the expiration of the Term.
- 7.2 Holdover.** 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, it being understood that, if such occupancy continues for 60 days or more after the expiration of the Term without any demand of possession or notice to quit by Landlord or Landlord's successor, then, as provided by Section 1661 of the California Code of Civil Procedure, the tenancy will change to a fixed term ending one year after the expiration of the Term.
- 7.3 Termination by Landlord.** Landlord may terminate this Agreement if: (a) Tenant fails to make a rent payment within \_\_ days of when payment is due; (b) Tenant abandons or vacates the Property for \_\_ consecutive days; or (c) Tenant breaches any other provision of this Agreement and the breach continues for more than \_\_ 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 \_\_ days) to attempt to cure the breach. Such a termination will be effective \_\_ days after delivery by Landlord to Tenant of a notice of termination.
- 7.4 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 breach of this Agreement by Landlord and the breach continues for more than \_\_ days after Landlord receives written notice of the breach from Tenant, it being understood that if the breach cannot by its nature be cured within such \_\_-day period, then Landlord will have an additional reasonable period (which will not in any case exceed \_\_ days) to attempt to cure the breach. Such a termination will be effective \_\_ days after delivery by Tenant to Landlord of a notice of termination.

- 7.5 Consequences of Termination by Landlord.** If Landlord terminates the Agreement under Section 7.3, 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.
- 7.6 Surrender of the Property.** Upon termination of this Agreement, Tenant and Landlord will cooperate in transition activities in recognition of the practical aspects of Tenant's move off the Property. 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. Tenant will repair at its expense any damage to the Property resulting from the removal of Tenant's trade fixtures, equipment, or other 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.
- 7.7 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.

- 7.8 Survival.** Sections 2.5, 5, 6, 7, and 8 of this Agreement will survive termination of this Agreement.

## **8. General Provisions**

- 8.1 Entire Agreement.** This Agreement, together with its exhibits, expresses the final, complete, and exclusive agreement between Tenant and Landlord and supersedes all prior or contemporaneous written and oral agreements, understandings, course of dealing, or communications. This Agreement may be amended only by a document signed by both Tenant and Landlord that recites that it is an amendment to this Agreement. If there are any inconsistencies between this Agreement and its exhibits, this Agreement will control.
- 8.2 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.
- 8.3 Dispute Resolution.** If there is any dispute between Landlord and Tenant relating to the interpretation and application of this Agreement, they will meet to discuss the dispute and will make good faith efforts to resolve the dispute through discussion. If the dispute cannot be resolved within 45 days after such meeting, Landlord and Tenant will submit the dispute by arbitration before one arbitrator. The arbitration will be administered by the American Arbitration Association. Landlord and Tenant will share equally the cost of such arbitration. Judgment on the arbitration award may be entered in any court having jurisdiction.
- 8.4 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.

- 8.5 No Third Party Beneficiaries.** Except as provided in Section 6, this Agreement is for the exclusive benefit of Tenant and Landlord and not for the benefit of any third party.
- 8.6 Binding on Heirs.** This Agreement will be binding upon the heirs, executors, administrators, and permitted assignees or successors in interest of Landlord and Tenant.
- 8.7 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.
- 8.8 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] County, California.

\* \* \* \* \*

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

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**[Insert name of Landlord]**

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**[Insert name of Tenant]**

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**Landlord address:**

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**Tenant address:**

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**Landlord phone:**

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**Tenant phone:**

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**Landlord email:**

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**Landlord email:**

**Exhibits:**

A: Description, Address and Map of Property and Access Routes

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

APN\_\_\_\_ ; Address \_\_\_\_\_

\_\_\_ Acres on \_\_\_\_\_

TEMPLATE