

(based on publication NCFMEC-02, Revised 2011)

For additional information see NCFMEC-02 (Crop Share Rental Arrangements For Your Farm).

This lease entered into this _____ day of _____, 20____, between

_____, owner, of _____

Address

_____, spouse, of _____

Address

hereafter known as “the owner,” and

_____, operator, of _____

Address

_____, spouse, of _____

Address

hereafter known as “the operator.”

I. Property Description

The landowner hereby leases to the operator, to occupy and use for agricultural and related purposes, the following described property:

_____ consisting of approximately _____
acres situated in _____ County (Counties), _____ (State) with all improvements thereon
except as follows: _____

II. General Terms of Lease

A. Time period covered. The provisions of this agreement shall be in effect commencing on the _____ day of _____, 20____ and ending on the _____ day of _____, 20____.

B. Amendments and alterations. Amendments and alterations to this lease shall be in writing and shall be signed by both the landowner and operator.

C. No partnership intended. It is particularly understood and agreed that this lease shall not be deemed to be, nor intended to give rise to, a partnership relation.

D. Transfer of property. If the landowner should sell or otherwise transfer title to the farm, such action will be done subject to the provisions of this lease.

E. Right of entry. The landowner, as well as agents and employees of the landowner, reserve the right to enter the farm at any reasonable time to: a) consult with the operator; b) make repairs, improvements, and inspections; and c) (after notice of termination of the lease is given) do tillage, seeding, fertilizing, and any other customary seasonal work, none of which is to interfere with the operator in carrying out regular farm operations.

F. No right to sublease. The landowner does not convey to the operator the right to lease or sublet any part of the farm or to assign the lease to any person or persons whomsoever.

G. Binding on heirs. The provisions of this lease shall be binding upon the heirs, executors, administrators, and successors of both landowner and operator in like manner as upon the original parties, except as provided by mutual written agreement.

H. Landowner’s lien for rent and performance. The landowner’s lien provided by law on crops grown or growing shall be the security for the rent herein specified and for the faithful performance of the terms of the lease. If the operator fails to pay the rent due or fails to keep the agreements of this lease, all costs and attorney fees of the landowner in enforcing collection or performance shall be added to and become a part of the obligations payable by the operator hereunder.

I. Additional provisions: _____

III. Land Use

A. General provisions. The land described in Section I will be farmed according to best management practices in the region. Crops to be planted and harvested will be agreed upon in advance by the landowner and operator. Specific restrictions as to how the land is to be farmed are the following:

B. Pasture Restrictions. The pasture stocking rate shall not exceed:

| PASTURE IDENTIFICATION | ANIMAL UNITS/ACRE [†] |
|------------------------|--------------------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

[†] 1,000-pound mature cow is equivalent to one animal unit

Other restrictions related to pasture, grazing crops, and crop residues are:

C. Government programs. The extent of participation in government programs will be discussed and decided by both parties. The course of action agreed upon should be placed in writing and be signed by both parties. A copy of the course of action so agreed upon shall be made available to each party.

IV. Crop-Share Cash Rent and Related Provisions

A. Income will be shared according to the following:

| Income source | Landowner (%) | Operator (%) |
|----------------------------------|---------------|--------------|
| Crop production | _____ % | _____ % |
| Government payments [†] | _____ % | _____ % |
| Crop residue/forage | _____ % | _____ % |
| Hunting/lease income | _____ % | _____ % |
| Mineral/wind lease | _____ % | _____ % |

[†] Includes all government payments (for example, Direct, Counter-cyclical, ACRE, SURE, Disaster, CSP) unless specified differently below.

Exceptions or specific provisions related to sharing of crop income are the following: _____

B. Contribution of production expenses will be according to the following:

Landowner contributions: _____

Operator contributions: _____

Shared expenses:[†] _____

[†]Split for shared expenses is _____ % for landowner and _____ % for operator, with the exception of the following: _____

If operator provides inputs that have a useful life beyond the term of the lease, how they will be compensated for any unused portion of the input at lease termination should be spelled out here.

2. Delivery of grain. The operator agrees to deliver the landowner's share of crops to the following location(s) at the time the crops are harvested: _____

Additional agreements related to grain hauling, storage, and marketing are: _____

3. Other terms of the lease not previously discussed: _____

V. Operation and Maintenance of Farm

To operate this farm efficiently and to maintain it in a high state of productivity, the parties agree as follows:

A. The operator agrees:

1. General maintenance. To provide the labor necessary to maintain the farm and its improvements during the rental period in as good condition as it was at the beginning. Normal wear and depreciation and damage from causes beyond the operator's control are exceptions.

2. Land use. Not to: a) plow pasture or meadowland, b) cut live trees for sale or personal use, or c) pasture new seedings of legumes and grasses in the year they are seeded without consent of the landowner. Other restrictions to be observed are as follows: _____

3. Insurance. Not to house automobiles, trucks, or tractors in barns, or otherwise violate restrictions in the landowner's insurance policies without written consent from the landowner. Restrictions to be observed are as follows: _____

4. Noxious weeds. To use diligence to prevent noxious weeds from going to seed on the farm. Treatment of the noxious weed infestation and cost thereof shall be handled as follows: _____

5. Addition of improvements. Not to: a) erect or permit to be erected on the farm any unremovable structure or building, b) incur any expense to the landowner for such purposes, or c) add electrical wiring, plumbing, or heating to any building without written consent of the landowner.

6. Conservation. Control soil erosion according to an approved conservation plan; keep in good repair all terraces, open ditches, inlets and outlets of tile drains; preserve all established watercourses or ditches including grassed waterways; and refrain from any operation or practice that will injure such structures.

7. Damages. When leaving the farm, to pay the landowner reasonable compensation for any damages to the farm for which the operator is responsible. Exceptions are any decrease in value due to ordinary wear and depreciation or damages outside the control of the operator.

8. Costs of operation. To pay all costs of operation except those specifically referred to in Section IV-B.

9. Repairs. Not to buy materials for maintenance and repairs in an amount in excess of \$_____ within a single year without written consent of the landowner.

10. Recreational use. Use of the property for recreational purposes of any type (hunting, fishing, ATV, bird-watching, etc.) must be approved by the landowner in advance.

B. The landowner agrees:

1. Loss replacement. To replace or repair as promptly as possible the dwelling or any other building or equipment regularly used by the operator that may be destroyed or damaged by fire, flood, or other cause beyond the control of the operator or to make rental adjustments in lieu of replacements.

2. Materials for repairs. To furnish all material needed for normal maintenance and repairs.

3. Skilled labor. To furnish any skilled labor for tasks that the operator is unable to perform satisfactorily. Additional agreements regarding materials and labor are: _____

4. Reimbursement. To pay for materials purchased by the operator for purposes of repair and maintenance in an amount not to exceed \$_____ in any one year, except as otherwise agreed upon. Reimbursement shall be made within _____ days after the operator submits the bill.

5. Removable improvements. To let the operator make minor improvements of a temporary or removable nature, which do not alter the condition or appearance of the farm, at the operator's expense. The landowner further agrees to let the operator remove such improvements even though they are legally fixtures at any time this lease is in effect or within _____ days thereafter, provided the operator leaves in good condition that part of the farm from which such improvements are removed. The operator shall have no right to compensation for improvements that are not removed except as mutually agreed.

6. Compensation for crop expenses. To reimburse the operator at the termination of this lease for field work done and for other crop costs incurred for crops to be harvested during the following year. Unless otherwise agreed, current custom rates for the operations involved will be used as a basis of settlement.

C. Both agree:

1. Not to obligate other party. Neither party hereto shall pledge the credit of the other party hereto for any purpose whatsoever without the consent of the other party. Neither party shall be responsible for debts or liabilities incurred, or for damages caused by the other party.

2. Mineral rights and wind/solar development. The landowner shall have the right to enter into agreements for the development of petroleum, wind, solar, or other resources on the property, and may also authorize third parties to enter the property to survey, construct, and/or operate the facilities reasonably necessary to develop those resources. The landowner agrees to reimburse the tenant for any actual damage suffered for crops destroyed by these activities and to release the tenant from obligation to continue farming this property when and if development of such resources interferes materially with the tenant's opportunity to make a satisfactory return.

3. Environmental issues. The operator shall conduct all operations on the property in a manner consistent with all applicable local, state, and federal environmental codes, regulations, and statutes and shall bear sole responsibility for any violations thereof. The operator shall be solely responsible for securing any permits or approvals necessary for his or her activities on the property. In the event of any legally-prohibited release of materials to the environment, the operator will indemnify the landowner for any costs of environmental cleanup and restoration as well as any penalties, fines, judgments or other amounts incurred by landowner as a result of such release.

VI. Arbitration of Differences

Any differences between the parties as to their several rights or obligations under this lease that are not settled by mutual agreement after thorough discussion, shall be submitted for arbitration to a committee of three disinterested persons, one selected by each party hereto and the third by the two thus selected. The committee's decision shall be accepted by both parties.

Executed in duplicate on the date first above written:

| | |
|-------------------|----------------|
| _____ | _____ |
| Operator | Owner |
| _____ | _____ |
| Operator's spouse | Owner's spouse |

State of _____

County of _____

On this _____ day of _____, A.D. 20_____, before me, the undersigned, a Notary Public in said State, personally appeared _____, _____, _____, and _____ to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Notary Public