

Farm Building or Livestock Facility Lease

Revised 2000

This form can provide owners and renters with a guide for developing an agreement to fit their situation. This form is not intended to take the place of competent legal advice pertaining to contractual relationships between two parties. Provisions in this form cannot take precedent over state or federal laws. Because of the possibility that a lease agreement may be legally considered a partnership under certain conditions, seeking proper legal advice is recommended when developing such an agreement. For more information, see NCR-214, Rental Agreements For Farm Buildings and Livestock Facilities.

This lease is entered into this _____ day of _____, 20_____, between
 _____, and _____
 building or facility owner address

 building or facility owner's spouse or partner, telephone
 address

 telephone
 hereafter known as "the owner," and _____
 _____, and _____
 building or facility renter address

 building or facility renter's spouse or partner, telephone
 address

 telephone
 hereafter known as "the renter." _____

I. PROPERTY DESCRIPTION

The owner hereby leases to the renter, to use for agricultural and related purposes, the following described property:

_____ situated in Section _____ of _____ Township in _____ County, _____ (State),
 with all improvements thereon except as follows:

The property is agreed to be of the following size and condition:

Size or capacity _____

Condition (list defects): _____

II. GENERAL TERMS OF LEASE

- A. Time period covered.** The provisions of this agreement shall be in effect for _____ year(s) and/or _____ months commencing on the _____ day of _____, 20_____. This lease shall continue in effect from year to year thereafter unless written notice of termination is given by either party to the other at least _____ days prior to expiration of this lease or the end of any year of continuation.
- B. Review of lease.** A written request is required for a general review of the lease or for consideration of proposed changes by either party, at least _____ days prior to the final date for giving

notice to terminate the lease as specified in II. A.

- C. Amendments and alterations.** Amendments and alterations to this lease shall be in writing and shall be signed by both the owner and renter.
- D. No partnership intended.** It is particularly understood and agreed that this lease shall not be deemed to be or intended to give rise to a partnership relation.
- E. Transfer of property.** If the owner should sell or otherwise transfer title to the property, he/she will do so subject to the provisions of this lease.
- F. Right of entry.** The owner reserves the right to inspect the property at any reasonable time to (a) consult with the renter;

(b) make repairs, improvements, and inspections; and (c) after notice of termination of the lease is given, do any customary seasonal work, none of which is to interfere with the renter in carrying out regular farm operations.

G. No right to sublease. The owner does not convey to the renter the right to lease or sublet any part of the property or to assign the lease to any person or persons whomsoever.

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

I. Failure to pay. If the renter fails to pay the rent due or fails to keep the agreements of this lease, all costs and attorney fees of the owner in enforcing collection or performance shall be added to and become a part of the obligations payable by the renter hereunder.

J. Additional provisions: _____

III. AMOUNT AND PAYMENT OF CASH RENT

(complete at beginning of lease)

A. The renter agrees to pay a total cash rent of \$ _____ during the time period covered by this lease (see Section II. A.). The cash rent will be payable as follows:

\$ _____ on or before the _____ day of _____ (month)
\$ _____ on or before the _____ day of _____ (month)
\$ _____ on or before the _____ day of _____ (month)
\$ _____ on or before the _____ day of _____ (month)

at the following location or address:

In the event of late payment, interest charges shall accrue at the rate of _____ percent per annum.

B. Or the renter agrees to pay a total cash rent of \$ _____ per _____ (specify unit) during the time period covered by this lease (see Section II. A.). The rent will be payable on or before _____. The number of units will be determined as follows: _____

IV. OPERATION AND MAINTENANCE OF PROPERTY

A. **The renter agrees:**

1. **Use.** To use the property only for the following purposes: _____

The rate of use or capacity shall not exceed _____ at any given time, or a total of _____ (units) per _____ (time period).

2. **General maintenance.** To perform ordinary maintenance necessary to maintain the property during the lease period in as good condition as it was at the beginning. Normal wear and depreciation and damage from causes beyond the renter's control are excepted. To pay for and replace the following items: _____

3. **Repairs.** Not to purchase materials for maintenance and repairs in excess of \$ _____ within a single year without written consent of the owner.

4. **Insurance.** To fully insure livestock, crops, feed, equipment and other assets owned by the renter that are located on the property against theft, casualty, or other loss. Not to violate restrictions in the owner's insurance policies without written consent from the owner. Restrictions to be observed are as follows: _____

5. **Costs of operation.** To pay the following utility and operating costs, with charge or usage to be calculated as follows: _____

6. **Addition of improvements.** Not to (a) add electrical wiring, plumbing, or heating to any building without written consent of the owner; or (b) incur any expense to the owner except as follows: _____

7. **Damages.** When the renter leaves the property, to pay the owner reasonable compensation for any damages to the property for which the renter is responsible. Any decrease in value due to ordinary wear and depreciation or damages outside the control of the renter is excepted.

8. **Livestock manure.** To remove livestock manure at the following approximate times: _____ and dispose of it according to the following manner and location: _____. (Strike this provision if owner is responsible for manure removal.)

B. **The owner agrees:**

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

2. **Insurance.** To fully insure the property against casualty, theft, or other loss, and against personal liability, up to the following amounts: _____

3. **Materials for repairs.** To furnish all materials needed for normal maintenance and repairs, except for: _____

4. **Skilled labor.** To furnish any skilled labor which the renter is unable to perform satisfactorily with respect to upkeep of the property being rented. Additional agreements regarding materials and labor are: _____

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

6. **Removable improvements.** To let the renter make minor improvements of a temporary or removable nature, which do not mar the condition or appearance of the property at the renter's expense. The owner further agrees to let the renter remove such improvements even though they are legally fixtures at any time this lease is in effect or within _____ days thereafter, provided the renter leaves in good condition that property from which such

improvements are removed. The renter shall have no right to compensation for improvements that are not removed except as mutually agreed in writing prior to their installation.

7. **Water.** To furnish an adequate supply of clean water for the quantity of livestock specified above. Repairs to wells, pumps, and water systems shall be paid for as follows: _____

_____ In the event that it becomes necessary to purchase and/or transport additional water, the cost of such purchase and/or transport shall be paid as follows: _____

8. **Livestock manure.** To remove livestock manure at the following approximate times: _____

_____ and dispose of it according to the following manner and location: _____

(Strike this provision if renter is responsible for manure removal.)

C. **Both agree:**

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

2. **Capital improvements.** The renter shall be reimbursed for the costs of any new permanent structures and improvements as follows: (Check option which applies.)

_____ (1) The renter will be reimbursed by the landlord when the improvement is completed.

_____ (2) The renter will be compensated by the share of the depreciated cost of the renter's contribution when the lease is terminated based on the value of the renter's contribution and depreciation rate shown in the following table.

Rates for labor, power, and machinery contributed by the renter for the construction of permanent improvements shall be agreed upon before repairs are made or construction is started.

Compensation for Improvements

Type of Improvement	Date Completed	Estimated Total Cost	Percent Contributed by Renter			Total Value of Renter's Contribution	Rate of Annual Depreciation
			Material	Unskilled Labor	Machinery		
		\$	%	%	%	\$	%
		\$	%	%	%	\$	%
		\$	%	%	%	\$	%
		\$	%	%	%	\$	%
		\$	%	%	%	\$	%

V. Arbitration of Differences

Any differences between the parties as to their 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 and the third by the two thus selected. The committee's decision shall be accepted by both parties.

VI. Signatures

Executed in duplicate on the date first above written:

_____ **renter** _____ **date** _____ **owner** _____ **date**

_____ **renter's partner or spouse** _____ **date** _____ **owner's partner or spouse** _____ **date**

Renter's Social Security Number: _____ Owner's Social Security Number: _____

County of _____, State 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

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