

LP6 Anatomy of a Lease Activity Sheet

Name _____

Directions:

Work with a partner or small group to review the sample lease(s) provided. Note any provisions you do not understand. Discuss components that might affect your negotiations or ability to fulfill the terms of the lease.

1. What kind of lease did you review? Which would you prefer? Which is most common in your region?
2. What needs to be included in the property description to make the lease work for your planned operation?
3. What is the process to terminate the lease? How can it be renewed?
4. What are the payment terms? Do the terms provide any flexibility for the operator?
5. Are there limits on access for the Landlord? What would this mean for your operation?
6. Are there limits on access for the Tenant? How would this affect your operation?

7. Are there limits on allowable activities or uses (e.g., limits on types of agriculture, marketing or processing)? How would these provisions change your operation?

8. What happens at the termination of the lease? How would it affect your operation if you had already incurred costs?

9. Who is responsible for:
 - a. Insurance

 - b. General maintenance

 - c. Noxious weeds

 - d. Conservation (e.g., control of soil erosion, repairing terraces, maintaining ditches, tile drains and grassed waterways)

 - e. Maintaining farm records with USDA Farm Service Agency

 - f. Improvements

10. What kind of process is outlined to resolve disputes? Would you be willing to participate?

11. How would your perspective change if you were the landowner? If you were the Landlord, which terms would be most important to you?