

**SUMMARY OF GROUND LEASE TERMS
BETWEEN
[(C)(2)/(C)(25) NAME] AND [FARMER NAME]**

Commons:	[501(C)(2)/(25)] [NAME AND STATE OF INCORPORATION] nonprofit organization (“COMMONS”)
Farmer:	[FARMER NAME AND STATE INCORPORATION] ("FARMER")
Lease Term:	99 years
Leased Premises or LAND:	See Exhibit [PROPERTY DESCRIPTION]
Base Rent:	[\$XX] OR TO BE DETERMINED BY MANAGEMENT PLAN
Approved Use:	Agricultural Activities, which includes implementation of one or more of the following: (a) soil health, (b) flora, fauna, and habitat diversity, (c) sustainable grazing, foraging, and hay land, (d) a healthy ecosystem, and (e) to protect water quality and quantity.
Insurance Requirements:	Both parties will name each other as additionally insured. See Section 8 .
Notices:	[NAME OF FARMER] [REPRESENTATIVE/ADDRESSES/EMAIL] [NAME OF THE COMMONS] [REPRESENTATIVE/ADDRESSES/EMAIL]

GROUND LEASE AGREEMENT BETWEEN [(C)(2)/(C)(25) NAME] AND [FARMER NAME]

This Lease is written in both legal and plain language. Where the Parties may disagree about the meaning of this Lease, the Parties will consider both the legal and plain language meaning of the Lease equally. The legal interpretation is not the sole authority and does not outweigh the plain language interpretation.

THIS LEASE AGREEMENT ("Lease") is effective as of [DATE] (the "Effective Date") by and between [501(C)(2)/(25) NAME], a [STATE OF INCORPORATION] nonprofit corporation exempt under Section [501(c)(2)/(25)] of the Internal Revenue Code (the "COMMONS"), and [FARMER NAME AND STATE INCORPORATION] (the "FARMER"). The COMMONS and FARMER are collectively called the "Parties."

1. FOUNDATIONAL DEFINITIONS

About this Section: This section provides important definitions that will be used in the remainder of the Lease.

Legal Language

Plain Language

a. "Base Rent" means the amount to be paid annually by FARMER to the COMMONS prior to the expiration of each Lease Year which will be calculated at the end of the Initial Stage and incorporated into the Management Plan. At minimum, the Base Rent will cover (i) any local, state or federal real estate taxes and (ii) the COMMONS' required operating expenses.

The FARMER and COMMONS will agree to the amount of "Base Rent" before the rent becomes due. Rent is paid annually.

b. "Lease Commencement Date" means the date on which the LAND are delivered to FARMER provided as follows: [ANY PRECONDITIONS TO RECEIVING THE LAND].

The "Lease Commencement Date" does not begin until the LAND is delivered to the FARMER and [ANY PRECONDITIONS TO RECEIVING THE LAND]. This may be the same

	<p>thing as the Effective Day or different depending on any preconditions.</p>
<p>c. “LAND” means the land being leased to FARMER as more particularly described in the Property Description at Exhibit [PROPERTY DESCRIPTION] and depicted in Exhibit [MAP OF LAND], including [INSERT ANY PRE-EXISTING STRUCTURES OR IMPROVEMENTS] conditioned on the COMMONS’ future installation of such improvements, otherwise no improvements are included.</p>	<p>The leased “LAND” is described in Exhibit <u>[PROPERTY DESCRIPTION]</u> and depicted in Exhibit <u>[MAP OF LAND]</u>. The Improvements associated with the LAND are [INSERT ANY PRE-EXISTING STRUCTURES OR IMPROVEMENTS].</p>
<p>d. “Lease Term” means the Ninety-Nine (99) Lease Years beginning from the Lease Commencement Date which will be the term of this Lease.</p>	<p>The “Lease Term” is 99 years from the Lease Commencement Date.</p>
<p>e. “Lease Year” means a period of twelve (12) consecutive months commencing on the Effective Date, and each successive twelve (12) month period.</p>	<p>The “Lease Year” is 12 months from the Effective Date.</p>
<p>f. “Management Plan” means the document described in the Shared Agreements for Equity and Governance outlined in Exhibit [SHARED AGREEMENTS].</p>	<p>The “Management Plan” is described in Exhibit <u>[SHARED AGREEMENTS]</u>.</p>
<p>g. “Parties” mean the FARMER and the COMMONS.</p>	<p>The “Parties” mean the FARMER and the COMMONS.</p>
<p>h. Shared Agreements for Equity and Governance (referred to as “Equity Practices”) means the mutually-agreed upon practices that</p>	<p>The “Shared Agreements for Equity and</p>

<p>the Parties wish to incorporate into this Lease. The Equity Practices are incorporated generally but also referenced specifically within the Lease. Where there is a conflict between the terms of the Equity Practices and the Lease, the Equity Practices govern. The Equity Practices are outlined in <u>Exhibit [SHARED AGREEMENTS]</u>.</p>	<p>Governance” are referred to as the “Equity Practices.”</p> <p>The Equity Practices are the shared agreements that FARMER and COMMONS agreed to before entering into the Lease.</p>
<p>i. Shared Agreements for Land-Based Values and Practices (referred to as “Land-Based Practices”) means the mutually-agreed upon practices that the Parties wish to incorporate into this Lease. The Land-Based Practices are incorporated generally but also referenced specifically within the Lease. Where there is a conflict between the terms of the Land-Based Practices and the Lease, the Land-Based Practices govern. The Land-Based Practices are outlined in <u>Exhibit [SHARED AGREEMENTS]</u>.</p>	<p>The “Shared Agreements for Land-Based Values and Practices” are referred to as the “Land-Based Practices.”</p> <p>The Land-Based Practices are the shared agreements that FARMER and COMMONS agreed to before entering into the Lease.</p>

<h2>2. STAGES OF LEASE</h2>	
<p>About this Section: This section highlights the different stages of the Lease. There are three stages total with room for changes along the way.</p>	
<p>Legal Language</p>	<p>Plain Language</p>

a. Initial Stage: Year 0 - Year 2	
<p>i. This Lease includes a [0-2/NUMBER OF YEARS] year period in which the Base Rent will be abated by the COMMONS and the COMMONS will be responsible for all tax obligations (“Initial Stage”). The intent of the Initial Stage is to provide FARMER’s community with the ability to connect to the land and establish a relationship with the COMMONS.</p>	<p>FARMER does not need to pay rent and pay taxes for a [0-2/NUMBER OF YEARS] year period after the Lease Commencement Date. This period is the “Initial Stage.”</p>
<p>ii. During the Initial Stage, FARMER’s experiences and observations will help to inform the Management Plan, which will be established at the end of the Initial Stage consistent with the terms of this Lease.</p>	<p>FARMER’s experiences and observations are important considerations in drafting the Management Plan.</p>
<p>iii. During the Initial Stage, the Commons shall conduct an initial inspection conducted to determine the condition of the land. This inspection shall be carried out by a qualified professional appointed by the lessor, and it may include, but not be limited to (1) a soil test, and (2) a professional assessment.</p>	<p>In addition, the Commons will conduct an initial inspection to determine the condition of the land using soil tests and other professional assessments.</p>
<p>iv. During the Initial Stage, FARMER is encouraged to bring concerns to the COMMONS as they arise via email, and the parties will work together to address such concerns within 30 calendar days. Each calendar year starting from the Effective Date, the COMMONS will draft terms reflecting agreements reached regarding such concerns. Subject to FARMER’s approval of such terms, the Parties will amend this Lease to include such terms.</p>	<p>Any concern that FARMER has will be considered in the drafting of the Management Plan. FARMER is encouraged to be in open communication directly with the COMMONS.</p>
<p>v. Other than those easements outlined in <u>Exhibit [DESCRIPTION OF EASEMENT]</u>, the</p>	<p>Other than those described in <u>Exhibit</u></p>

<p>COMMONS has no knowledge of any agreements with neighbors or easements held by any third-parties permitting their use of the LAND. Prior to executing this Lease, the COMMONS will share a copy of the title search report with the FARMER for full transparency.</p>	<p>[DESCRIPTION OF EASEMENT], there are no other easements (property rights) associated with the LAND.</p> <p>A title search shows the history of ownership and other property rights associated with the LAND. COMMONS will share the title search with FARMER, if it has not already been shared.</p>
<p>vi. Unless there are any preconditions to obtaining the LAND as described in the Foundational Terms, the COMMONS will deliver the LAND to FARMER upon the signing of this Lease. The LAND will be delivered as is.</p>	<p>Unless there are actions that must be taken by FARMER or the COMMONS, the LAND will be delivered once each party signs this Lease. The condition of the LAND will be “as is”, which means the FARMER will receive the LAND in its current condition.</p>
<p>vii. The COMMONS will record notice of this Lease in the [NAME OF COUNTY] County book of deeds.</p>	<p>The COMMONS will file this Lease with the County of [NAME OF COUNTY].</p>
<p>b. Stage 2: Year 2 to 3</p>	

<p>i. After the Initial Stage, FARMER will pay the Base Rent as subsequently defined in the Management Plan.</p>	<p>After the Initial Stage, FARMER and COMMONS will agree to the amount of money paid by FARMER each month.</p>
<p>ii. The FARMER and COMMONS shall also agree to the completed Management Plan and Stewardship Contribution as outlined in the Equity Practices.</p>	<p>During this time, FARMER and the COMMONS will have agreed to the Management Plan and Stewardship Contribution.</p>
<p>c. Stage 3: Year 3 to 99</p>	
<p>i. FARMER and the COMMONS will meet at a mutually agreed upon time and location or digital workspace to review the terms of this Lease (including the Base Rent and Stewardship Contribution) and Management Plan every 3 years and at the request of either Party to be sure that all Parties are reasonably satisfied with the terms and that they continue to accurately reflect the mutual understandings.</p>	<p>The FARMER and COMMONS will meet every 3 years to check in on the Lease and Management Plan. The FARMER and the COMMONS may meet sooner if circumstances require it.</p>
<p>ii. If a different standard for the frequency of such reviews is established by the Management Plan, then the Management Plan will dictate the frequency.</p>	<p>The Management Plan may require a different frequency for these meetings as well.</p>
<p>iii. All reviews may cover issues including but not limited to the following: addressing changes to the terms of this Lease, changes in the conditions of the LAND, planned improvements requiring approval under Section 6 of this Lease, and any concerns the COMMONS or FARMER wish to share with one another.</p>	<p>The review periods will include Lease changes as well as any relevant updates to the Farm.</p>

3. STEWARDSHIP AND OCCUPANCY

About this Section: This section outlines the FARMER's rights of occupancy and stewardship.

Legal Language	Plain Language
a. The Parties incorporate the terms of the Land-Based Practices and Equity Practices.	The Parties incorporate the Land-Based Practices and Equity Practices into this Lease.
b. So long as FARMER performs their obligations under this Lease, FARMER has the right to not be disturbed in its possession of the LAND by the COMMONS, any management agent contracted by the COMMONS, or any other person lawfully claiming a right to possession through or under the COMMONS, except for inspection pursuant to the Equity Practices.	The COMMONS will not disturb FARMER so long as the FARMER is in compliance with this Lease.
c. FARMER may extract groundwater, including drilling wells and surface water, so long as such water use: (i) is necessary to accomplish the permitted farm or operational uses; (ii) is otherwise consistent with this Lease; and (iii) complies with all applicable laws.	Any extractive water practices must be in compliance with the law and the spirit of this Lease.
d. All timber, gravel, sand and other extractive practices must be (i) necessary to accomplish the permitted farm or operational uses; (ii) is otherwise consistent with this Lease; and (iii) complies with all applicable laws and the terms of the Management Plan.	Any other extractive practices must be in compliance with the law, the spirit of this Lease and the terms of the Management Plan.

4. TERM

About this Section: This section outlines the number of years the Lease is in effect.

Legal Language	Plain Language
<p>a. The Term is ninety-nine (99) Lease Years or as long as STATE law allows, beginning on the Effective Date and terminating on [XX,] unless terminated sooner. Any lots/land added to the initial parcel, regardless of when they are added, will run continuously with this Term.</p>	<p>The Lease is 99 years. Any additional land added to the initial parcel will be included in the Lease.</p>
<p>b. This Lease is intended to be a flexible framework that will allow the Parties' relationship to grow without having to renegotiate its terms. Changes can be made in the Lease pursuant to Section 11 below.</p>	<p>The Lease is flexible and subject to change if both Parties agree.</p>
<p>c. In the event that ownership of, or title to, the LAND is conveyed or transferred, voluntarily or involuntarily, by the COMMONS to any other person or entity, this Lease will not cease, but will remain binding and unaffected.</p>	<p>Even if NAME OF NONPROFIT sells the LAND, this Lease will remain in effect.</p>

5. BASE RENT, ADVANCE PAYMENTS AND REPAIRS

About this Section: This section outlines the costs associated with the LAND.

Legal Language	Plain Language
<p>a. After the Initial Stage, Base Rent will be based on the terms of the Management Plan.</p>	<p>After the Initial Stage, the Parties will agree to the amount of Base Rent</p>

	<p>based on the terms of the Management Plan.</p>
<p>b. The COMMONS will submit to FARMER a statement annually, itemizing all real estate taxes and operating expenses (the “Expenses”) for the previous year.</p>	<p>For transparency, each year the COMMONS will provide FARMER with an itemized list of all incurred Expenses related to the LAND.</p>
<p>c. FARMER may contest the amount or validity of any Expense on the LAND with the relevant authority. The COMMONS may, upon written request by the FARMER, join in any such proceedings if the COMMONS reasonably determines that it is necessary or convenient for the COMMONS to join for FARMER to prosecute such proceedings. FARMER will pay all costs and expenses of such proceedings.</p>	<p>FARMER retains the right to contest any expenses they believe are incorrect with the relevant authority. The COMMONS may also join in on the contesting of the expenses.</p>
<p>d. From and after notice that the FARMER is delinquent in payment of Base Rent for 60 days or more, the COMMONS may require all delinquent payments be made to the COMMONS as an additional payment within [XX] days of delinquency. In addition, the COMMONS may require additional advance payments to ensure future third-party Expenses can be made (the “Advance Payment”). The Advance Payment shall be determined by the COMMONS based on its estimate of the taxes and other third-party Expenses to be escrowed so that the COMMONS will hold a sufficient amount to pay all such third-party costs. The COMMONS will keep Advance Payments in a tax escrow account. Such escrow account may contain funds collected for such purposes from other farmers of the Commons. The COMMONS is not entitled to any interest on the payments made. FARMER’s failure to make Advance Payments as a remedy to the event of failure to pay the Base</p>	<p>If the FARMER fails to make their payment of Base Rent in a timely manner, the COMMONS may require FARMER to make monthly payment for estimated Expenses.</p> <p>These payments will be held in an escrow account (this means the funds will not be used until the Expenses come due). Any excess funds in the escrow account will be given back to FARMER.</p>

<p>Rent as described herein constitutes a default as described in Section 10 of this Lease Agreement. The curing of such default must proceed according to Section 10.</p>	<p>Failure to make these payments may result in the FARMER's default of this Lease.</p>
<p>e. FARMER will pay on time any business, or other taxes or fees that are now or hereafter levied, assessed, or imposed upon FARMER's use of the LAND, the conduct of FARMER's farming operations on the LAND, or the use of FARMER's equipment, inventory, or personal property. If any such tax or fee is levied against the COMMONS or so that the COMMONS is responsible for collection or payment thereof, then FARMER will pay as additional rent the amount of the tax or fee.</p>	<p>FARMER may be subject to additional operational fees or taxes based on their operations (e.g., business license). If any of these operational fees or taxes are charged to the COMMONS, the FARMER will reimburse the COMMONS.</p>
<p>f. The FARMER and COMMONS will agree on an amount for the "Repair Cap" in the Management Plan. FARMER will promptly make all repairs, perform all maintenance, and make all replacements in and to the LAND up to the Repair Cap. FARMER is the primary user of to keep the LAND in good, safe, farmable condition, and in compliance with all laws and the requirements of this Lease. At the expiration or earlier termination of the Lease Term, FARMER will return the LAND in a condition equal to or better than the condition on the Effective Date, except for ordinary wear and tear and damage by the elements.</p>	<p>FARMER will make repairs up to the financial "Repair Cap" outlined in the Management Plan.</p> <p>FARMER is the primary steward of the LAND and responsible for ensuring the LAND is good, safe and farmable with the goal of leaving the LAND in a better condition than when they started farming.</p>
<p>g. Except as otherwise provided, FARMER shall repair, or cause to be repaired, all damage to the LAND caused by any act or omission of FARMER, at FARMER's Repair Cap, except that</p>	<p>FARMER will be financially responsible for the operational costs for</p>

<p>COMMONS may, with written notification to the FARMER, make any such repair and charge FARMER for all reasonable costs and expenses incurred. In the event FARMER is unable to make needed repairs because of financial insecurity, FARMER shall notify COMMONS immediately.</p>	<p>repairs and damages up to the Repair Cap. If FARMER is unable to make these payments, they will notify the COMMONS immediately (within 24-48 hours).</p>
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<p>6. IMPROVEMENTS</p>	
<p>About this Section: This section highlights any structural changes (referred to as Improvements) to the LAND.</p>	
<p>Legal Language</p>	<p>Plain Language</p>
<p>a. The Parties incorporate the terms of the Land-Based Practices and Equity Practices.</p>	<p>The Parties incorporate the Land-Based Practices and Equity Practices into this Lease.</p>
<p>b. Other than those obligations outlined in the Management Plan, FARMER is under no obligation to make any structural or other alterations, additions, improvements, or other changes (collectively, "Improvements") on or to the LAND.</p> <p>However, FARMER will obtain advance permission, approval, allowance, or similar from the COMMONS to engage in a new land use, or make any Improvement; however, FARMER is not required to obtain such approval for "Minor Improvements."</p> <p>Minor Improvements refer to small-scale alterations, upgrades, or additions that have minimal impact on the overall operations or</p>	<p>FARMER is not required to make structural changes. If FARMER does wish to make Improvements, they will notify the COMMONS in advance for permission. FARMER is not required to get advance permission from the COMMONS for any "Minor Improvements."</p> <p>Examples of Minor</p>

<p>infrastructure of the LAND. These improvements typically include minor repairs, maintenance tasks, or cosmetic enhancements that contribute to the efficiency, aesthetics, or safety of the farm. Examples may include repairing fences, installing small-scale irrigation systems, painting structures, or upgrading existing farm equipment. Minor Improvements are characterized by their low cost, limited scope, and the absence of significant alterations to the LAND's core infrastructure or regulatory requirements.</p>	<p>Improvements include repairing fences, installing small-scale irrigation, painting or upgrading existing farm equipment.</p>
<p>c. To the COMMONS' knowledge, existing Improvements to the LAND include [LIST ALL IMPROVEMENTS WITH SIZE, DIMENSIONS AND CONDITION].</p>	<p>To the COMMONS' knowledge, existing Improvements to the LAND include [LIST ALL IMPROVEMENTS WITH SIZE, DIMENSIONS AND CONDITION].</p>
<p>d. Excluding Minor Improvements, FARMER will request any Improvements by using the following process and template form in the Management Plan.</p>	<p>The process to make Improvements is as follows:</p>
<p>i. The Improvements will be made after review of the template form provided in the Management Plan and written consent by the COMMONS, which may not be unreasonably withheld or delayed. The COMMONS will respond within 30 calendar days and if not, the request is automatically approved at the end of that period. If Improvements are made without the prior written consent of the COMMONS, the COMMONS may, at FARMER's expense, remove and correct such Improvements and restore the LAND to its condition immediately prior to the Improvements, or require FARMER to do or cause the same.</p>	<p>The FARMER will notify the COMMONS of the desired Improvements using the form provided in the Management Plan.</p> <p>The COMMONS will make a decision within 30 days.</p> <p>If the COMMONS fails to respond within the 30 days, then the decision is</p>

	automatically approved. If FARMER makes any structural changes without COMMONS approval, the FARMER may be required to remove everything at their cost.
<p>ii. If approval is required from a municipal planning board, governmental entity, a holder of a conservation easement, or similar entity vested with decision-making jurisdiction, FARMER will seek such approval, contemporaneously providing a written copy of the request for such approval to the COMMONS and then provide the COMMONS a copy of the entity's decision. So long as the entity approves construction of the Improvement, and the FARMER has followed the requirements of this subparagraph, FARMER need not obtain approval of the COMMONS for construction of the Improvement approved by the entity.</p>	FARMER will get all necessary permissions from other parties (e.g., government, other land owners) before making the structural changes.
<p>e. All Improvements made by FARMER, whether purchased, constructed, or installed, on any part of the LAND at any time during this Lease become the property of FARMER. So long as FARMER is not in default under this Lease, FARMER has the following rights with respect to Improvements: (1) FARMER may remove any non-permanent Improvements, including, arbors, movable sheds, appliances, solar panels, and other structures not anchored permanently to below-grade foundations so long as FARMER returns the land to its original condition, (2) FARMER may remove permanent Improvements with the prior written consent of the COMMONS, and (3) for all Improvements made by FARMER and not removed from the LAND, FARMER may</p>	The FARMER retains ownership in all Improvements and may remove them at the end of the Lease.

<p>seek fair compensation pursuant the Management Plan Practices.</p>	
<p>f. At the expiration or earlier termination of the Lease Term, the COMMONS shall conduct an exit inspection of the LAND that may include, but not be limited to (i) a soil test and (ii) other professional assessment. If the LAND is not returned to its original condition or in better condition than its original condition the COMMONS may, at FARMER's expense, repair all damage and injury to the LAND caused by Improvements or require FARMER to do or cause the same.</p>	<p>At the end of the Lease, FARMER is responsible for ensuring the LAND is in the original or better condition than when the FARMER started farming the LAND.</p>

<p>7. ASSIGNMENT, SUBLETTING AND FINANCING</p>	
<p>About this Section: This section outlines both Parties' ability to share the LAND with other parties.</p>	
<p>Legal Language</p>	<p>Plain Language</p>
<p>a. The Parties wish to incorporate the terms of the Equity Practices.</p>	<p>The Parties wish to incorporate the terms of the Equity Practices.</p>
<p>b. Any event (whether voluntary, concurrent, or related) resulting in a dissolution, merger, consolidation, or other reorganization of FARMER, or the sale or transfer or relinquishment of the interest of the organizational owners who, as of the date of this Lease, own a controlling interest of the capital of FARMER, is an Assignment of this Lease subject to written approval by the COMMONS and the provisions of this Section. In addition, a transfer of all or substantially all the assets of FARMER, either by merger, consolidation, or otherwise is an Assignment. Subject to the written approval</p>	<p>A change in ownership of the FARMER (e.g., majority of owners sell their interest to other parties) is considered an Assignment. The COMMONS must approve in writing any Assignment before the Farmer may assign their interest in the</p>

<p>by the COMMONS, FARMER may reorganize and transfer the Lease, in full to the extent the new ownership incorporates the provisions of this Lease, the Land-Based Practices and Equity Practices.</p>	<p>LAND. If the COMMONS approves the Assignment, the new farmers must incorporate the provisions of this Lease, the Land-Based Practices and Equity Practices.</p>
<p>c. The COMMONS may assign, pledge, or otherwise encumber its interest in this Lease for financing purposes with the written consent of FARMER as long as the lender subordinates its financing to this Lease.</p>	<p>The COMMONS may assign their interest in this Lease as long as it does not affect the provisions of this Lease and FARMER’s access to the LAND.</p>

<h2 style="text-align: center;">8. INSURANCE</h2>	
<p>About this Section: This section is important to share with your insurance provider to ensure both Parties are protected.</p>	
<p>Legal Language</p>	<p>Plain Language</p>
<p>a. Throughout the Lease Term, the COMMONS and FARMER will obtain and maintain, at a minimum, the following insurance:</p>	<p>Both the FARMER and COMMONS have insurance requirements:</p>
<p>i. General liability insurance (written on an occurrence basis) including contractual liability coverage insuring the obligations assumed by FARMER under this Lease in minimum amounts typically carried by prudent farmers engaged in similar farming operations, but in no event may be in an amount less than \$1 Million Dollars (\$1,000,000.00) combined single limit per</p>	<p>General liability insurance provides broad protection for business risks. The inclusion of ag-related activities is important to ensure proper coverage.</p>

<p>occurrence with a \$1 Million Dollar (\$1,000,000.00) annual aggregate.</p>	<p>Please share this information directly with your insurance provider.</p>
<p>ii. At least as required by law, worker's compensation insurance for all employees at or above minimum limits as defined by the law of the jurisdiction in which the LAND is located (as the same may be amended from time to time).</p>	<p>Worker's compensation insurance provides wage replacement and medical benefits to those injured on the job and is required by law.</p> <p>Please share this information directly with your insurance provider.</p>
<p>b. The Parties will adjust all insurances over the course of the Lease Term to match usual and customary practices by similar organizations, as it is not possible to delimit or predict an appropriate amount over the Lease Term.</p>	<p>The insurance requirements may change over time as the operations of the FARMER change over time.</p>
<p>c. Each Party will share the following with their respective Insurance Provider to ensure compliance with the Lease:</p>	<p>There are specific requirements that each Party must meet.</p>
<p>i. Be issued by a company that is licensed to do business in the jurisdiction in which the LAND is located, and that has been approved in advance by the Parties;</p>	<p>FARMER and the COMMONS are in compliance with state laws.</p> <p>Please share this information directly with your insurance provider.</p>

<p>ii. Name the Parties as additional insured/loss payee;</p>	<p>FARMER will name COMMONS as a protected party and the COMMONS will name FARMER as a protected party.</p> <p>Please share this information directly with your insurance provider.</p>
<p>iii. Contain an endorsement that such policy will remain in full force and effect notwithstanding that the insured may have waived its right of action against any Party prior to the occurrence of a loss (both Parties hereby waiving their right of action and recovery against and releasing each other from any and all liabilities, claims, and losses for which they may otherwise be liable to the extent they are covered by insurance carried or required to be carried under this Lease);</p>	<p>Even though the Parties have agreed to indemnify each other, the insurance will remain in effect.</p> <p>Please share this information directly with your insurance provider.</p>
<p>iv. Provide that the insurer thereunder waives all right of recovery by way of subrogation against the Parties, in connection with any loss or damage covered by such policy.</p>	<p>The FARMER waives the right of their insurance carrier to sue the COMMONS and the COMMONS waives the right of their insurance carrier to sue the FARMER.</p> <p>Please share this information directly with your insurance provider.</p>
<p>v. Contain an endorsement prohibiting cancellation, failure to renew, reduction of the amount of insurance, or change in coverage</p>	<p>The Parties must give each other at least 30</p>

<p>without the insurer first giving the Parties 30 days' prior written notice (by certified or registered mail, return receipt requested) of such proposed action; and</p>	<p>days notice of any insurance changes.</p> <p>Please share this information directly with your insurance provider.</p>
<p>vi. Not contain any deductible provision except for a commercially reasonable deductible.</p>	<p>Any deductible in the insurance must be in line with industry standards. Please share this information directly with your insurance provider.</p>
<p>d. The Parties will deliver a certificate of all such insurance and receipts evidencing payment (and, upon request, copies of all required insurance policies, including endorsements and declarations) to each other concurrently with execution of this Lease and at least annually (upon request) thereafter.</p>	<p>The Parties agree to give share endorsement certificates with each other each year upon request.</p>
<p>e. FARMER will give the COMMONS immediate notice in case of fire, theft, or accident on the LAND, and in the case of fire, theft, or accident on the LAND if involving FARMER.</p>	<p>FARMER will notify the COMMONS immediately (once the FARMER finds out) about any fires, thefts or accidents on the LAND.</p>
<p>f. Neither the issuance of any insurance policy required under this Lease, nor the minimum limits specified herein limits or restricts in any way either Party's liability arising under or out of this Lease.</p>	<p>Even though each Party has insurance, this does not limit the liability that may arise from the Lease that is not covered by insurance.</p>

9. LIABILITY OF THE COMMONS

About this Section: This section outlines the liability of the COMMONS to the FARMER

Legal Language	Plain Language
<p>a. Except as otherwise set forth in this Section 9, the COMMONS is not liable to FARMER or any other person or entity for any damage (including indirect and consequential damage), injury, loss, or claim (including claims for the interruption of or loss to business) based on or arising out of the use of the LAND; any accident or damage resulting from any use of the LAND or the operation on the LAND of equipment or apparatus; termination of this Lease by reason of damage to the LAND; or any fire, robbery, theft, vandalism, mysterious disappearance, or any other casualty. The COMMONS may terminate this Lease if a casualty affects more than a quarter of the LAND and the Parties are unable to reach an agreement on how to redress the casualty after 180 days.</p>	<p>Except as stated below, the COMMONS will not be held responsible for any damages arising from FARMER's use of the LAND.</p> <p>The COMMONS may terminate this Lease if the damage extends to 1/4 of the LAND and the FARMER and COMMONS are unable to reach an agreement after at least 180 days.</p>
<p>b. If any condition exists which may be the basis of a claim of constructive eviction (conditions are dangerous/unworkable), then FARMER will give the COMMONS written notice and a reasonable opportunity to correct the condition. While the Parties figure out a solution, FARMER may not claim that it has been constructively evicted-</p>	<p>The FARMER cannot claim they were evicted if the damages are not caused directly by the COMMONS.</p>
<p>c. Any Improvement or property placed by FARMER on the LAND is at the sole risk of FARMER, and the COMMONS may not in any manner be held responsible.</p>	<p>FARMER accepts the responsibility for all Improvements on the LAND.</p>

<p>d. Any invitees, guests or persons receiving deliveries for FARMER is not the responsibility of the COMMONS.</p>	<p>FARMER is responsible for those that FARMER invites on the LAND.</p>
<p>e. The COMMONS may not be released from liability to FARMER for any physical injury to any person or property damage caused by the gross negligence or willful misconduct of the COMMONS to the extent such injury or damage is not covered by insurance (i) carried by FARMER or other person, or (ii) required by this Lease to be carried by FARMER.</p>	<p>The COMMONS will be responsible for any damages caused by the COMMONS' gross negligence (legal definition: a conscious, voluntary act or omission in reckless disregard of a legal duty and of the consequences to another party) or willful misconduct (legal definition: deliberate or intentional wrongdoing with knowledge of, or wanton and reckless disregard of, its probable consequences).</p>
<p>f. Except to the extent caused by the gross negligence or willful misconduct of the COMMONS, FARMER will reimburse the COMMONS for (as additional rent), and will indemnify, defend upon request, and hold them harmless from and against all costs, damages, claims, liabilities, expenses (including attorneys' fees), losses, penalties, and court costs suffered by or claimed against them, directly or indirectly, based on or arising out of, in whole or in part, (i) use and occupancy of the LAND or the farming business conducted therein, (ii) any act or omission of FARMER, (iii) any breach of FARMER's obligations under this Lease, including failure to comply with laws or surrender</p>	<p>FARMER will otherwise indemnify (step in the place) of the COMMONS for any damages arising from FARMER's operation on the LAND.</p>

<p>the LAND upon the expiration or earlier termination of the Lease Term, or (iv) any entry by FARMER upon the LAND prior to the Lease Commencement Date.</p>	
<p>g. If all of the LAND is taken by eminent domain or otherwise by government entities, or if so much of the LAND is lost or damaged beyond repair (collectively, "Condemned"), then this Lease terminates on the day prior to the date FARMER is required to give up possession of the LAND and rent will be apportioned as of such date. The Parties will come to an agreement on how to transition this Lease to another parcel.</p>	<p>If the government takes the LAND, the FARMER and the COMMONS will work together to try to find another piece of land to transfer this Lease on.</p>

<p>10. DEFAULT</p>	
<p>About this Section: This section outlines how the Lease may be terminated early.</p>	
<p>Legal Language</p>	<p>Plain Language</p>
<p>a. Each of the following constitute a "Default":</p>	<p>The Lease may be terminated early for the following reasons:</p>
<p>i. FARMER's failure to make when due the Base Rent or Advance Payment; unless FARMER notifies the COMMONS, and both agree in writing hardship circumstances merit a reduction or waiver of payment or fee for an agreed upon timeframe;</p>	<p>The FARMER does not pay a required Base Rent or Advance Payment;</p>
<p>ii. Either Party's continued gross negligence of, failure to perform or observe any material covenant or condition of this Lease, and such failure continues for 30 days after the complaining Party delivers written notice to the other Party;</p>	<p>Either party fails to honor a provision of this Lease and that failure continues after 10 days notice;</p>

<p>iii. FARMER's failure to farm or failure to complete stewardship practices for more than [XX] months, pursuant to and outlined in the Land-Based Practices and Equity Practices, unless FARMER notifies the COMMONS, and both agree in writing hardship circumstances merit waiver of such requirements. The COMMONS specifically reserves the right to brush hog or otherwise maintain fields that FARMER fails to farm or steward;</p>	<p>The stewardship practices outlined in the Land-Based Practices and Equity Practices are fundamental to this Lease. Failure to uphold them, may result in the COMMONS taking action and terminating this Lease;</p>
<p>iv. An Event of Bankruptcy by either Party;</p>	<p>Bankruptcy;</p>
<p>v. Dissolution or liquidation of either Party;</p>	<p>Termination of either Party's business operations;</p>
<p>vi. Any Environmental Harm as specified in the Land-Based Practices; and</p>	<p>Harm caused to the LAND outlined in the Land-Based Practices; and</p>
<p>vii. Either Party's failure to comply with all applicable laws.</p>	<p>Failing to comply with legal requirements.</p>
<p>b. In the event of Default, even if prior to Lease Commencement Date, then the complaining Party may terminate this Lease after giving the defaulting Party at least 10 days notice to begin to cure the default.</p>	<p>A default circumstance may result in Lease termination if the defaulting party does not begin to fix the default within 10 days.</p>
<p>c. If necessary, the COMMONS may proceed to recover possession of the LAND under applicable laws, or by such other proceedings, including re-entry and possession, as may be applicable. In the event the COMMONS terminates this Lease for FARMER's Default, the</p>	<p>In the event of Default, the COMMONS may take all action necessary to recover the LAND from</p>

COMMONS has additional rights and remedies to recover from FARMER arrears of rent and damages from any preceding breach of any covenant of this Lease.

the FARMER.

11. GENERAL PROVISIONS

About this Section: This section outlines some generic legal provisions that are traditionally built into contracts.

Legal Language

Plain Language

- a. All notices, requests, demands and other communications which are required or permitted to be given under this Lease will be in writing as follows:

**[NAME OF FARMER]
[REPRESENTATIVE/ADDRESSES/EMAIL]
[NAME OF THE COMMONS]
[REPRESENTATIVE/ADDRESSES/EMAIL]**

Communications regarding this lease can be sent to:

**[NAME OF FARMER]
[REPRESENTATIVE/A
DDRESSES/EMAIL]
[NAME OF THE
COMMONS]
[REPRESENTATIVE/A
DDRESSES/EMAIL]**

- b. Notice will be deemed to have been duly given (i) upon receipt if delivered in person, (ii) within 7 business days if mailed, (iii) the following business day if sent by recognized overnight courier, with proof of delivery, or upon receipt if delivered via email and a delivery receipt is requested and received by the sender.

The notice date of these communications depends on the type of communication used. Remember there are important time frames to

	<p>think about when considering things like Default.</p>
<p>c. FARMER acknowledges that the COMMONS has not made any representation or promise with respect to the LAND except as expressly written in the Lease, and no right, privilege, easement, or license is being acquired by FARMER except as expressly written in the Lease.</p>	<p>FARMER understands that the COMMONS does not make any promises about the viability of the LAND other than those disclosed in this Lease.</p>
<p>d. The COMMONS and FARMER each warrant to the other that in connection with this Lease it has not employed or dealt with any broker, agent, or finder.</p>	<p>The COMMONS and FARMER have not used a real estate professional in executing this Lease.</p>
<p>e. The Parties may amend this Lease with written mutual agreement. Each provision of this Lease is valid and enforceable to the fullest extent permitted by law. If any provision of this Lease or the application thereof to any person or circumstance is to any extent invalid or unenforceable, then such provision(s) are deemed to be replaced by the valid and enforceable provision most substantively similar to such invalid or unenforceable provision, and the remainder of this Lease and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable are not affected.</p>	<p>The Parties may amend this Lease with written mutual agreement. If any part of this Lease is considered illegal, then the Parties will work together to find a mutually agreeable provision to replace the illegal provision.</p>
<p>f. The provisions of this Lease are binding upon and inure to the benefit of the Parties and each of their respective representatives, successors, and assigns, subject to the provisions restricting assignment or subletting. In this Lease, use of the terms “the COMMONS” and “FARMER” includes the invitees, agents, the COMMONS, the COMMONS members, brokers, employees, contractors, clients, family members, licensees, customers, attorneys, consultants,</p>	<p>This Lease binds any current and future parties that the FARMER or COMMONS may choose to benefit from this Lease.</p>

<p>representatives of any kind, and guests of the the COMMONS or FARMER.</p>	
<p>g. This Lease includes and incorporates all Exhibits. This Lease and incorporated Exhibits contains and embodies the entire agreement of the Parties and supersedes all prior agreements, negotiations, letters of intent, proposals, representations, warranties, understandings, suggestions, and discussions, whether written or oral, between the Parties. Any representation, inducement, warranty, understanding, term of any kind, or agreement that is not expressly set forth in this Lease is of no force or effect.</p>	<p>The Exhibits are an important and binding part of this Lease.</p>
<p>h. This Lease is governed by the Laws of the jurisdiction in which the LAND is located.</p>	<p>The laws of INSERT STATE govern this Lease.</p>
<p>i. This Lease may be executed in multiple counterparts, each of which is deemed an original and all of which together constitute one and the same document. Electronic and/or digital signatures have the same binding effect as original signatures.</p>	<p>This Lease may be signed by counterparts [unless otherwise required by a Notary if applicable].</p>
<p>j. The Parties agree to execute and record a Notice of Lease in the form of Exhibit [RECORDING NOTICE EXHIBIT].</p>	<p>This Lease will be notarized and filed with the county of [INSERT COUNTY] in the state of [INSERT STATE].</p>
<p>k. If the COMMONS or FARMER is in any way delayed or prevented from performing any obligation due to fire, natural disaster, governmental act, or failure to act, strike or labor dispute involving employees other than those of the Party seeking to rely on this Section, inability to procure materials, or any cause beyond such Party's reasonable control (whether similar or dissimilar to the foregoing events), then the time for performance of such obligation is excused for the period of such delay or prevention and</p>	<p>An emergency situation may temporarily alleviate the Parties of their obligations under this Lease.</p>

<p>extended for a period equal to the period of such delay, interruption, or prevention.</p>	
<p>i. Each Party and the person executing and delivering this Lease on the Party's behalf each represents and warrants that such person is duly authorized to so act.</p>	<p>Each Party's representative has the authority to enter into this Lease.</p>
<p>m. All disputes arising out of or relating to this Lease Agreement or the performance of either Party hereunder must be handled as follows:</p>	<p>The Parties agree to a dispute resolution process before seeking any sort of litigation.</p>
<p>i. In the event of minor and major conflicts, the Parties agree to engage in a good-faith internal dispute resolution process before seeking other remedies within time limits outlined below:</p>	<p>The good-faith internal dispute resolution process is as follows:</p>
<p>1. First the parties must try to resolve the disputes amongst themselves within a 14 day period ("Direct Discussions").</p>	<p>The Parties will engage in Direct Discussion for at least 14 days.</p>
<p>2. Any dispute not settled by Direct Discussions between the Parties will be submitted to non-binding mediation to be held in LOCATION OF ALTERNATIVE DISPUTE RESOLUTION or in close proximity. The complaining Party will notify the other Party in writing of its intent to submit a matter to non-binding mediation. Within 30 days after the other Party's receipt of this notice, each Party will appoint a person experienced in sustainable farming in relevant farming practices to serve as a mediator. The two mediators will select a third mediator who also must meet one of the qualifications set forth in the preceding sentence. The three mediators will work with the Parties to help them in reaching a</p>	<p>If the Parties are unable to settle the matter by Direct Discussion, then they will engage local mediators. Each party will choose a mediator and then the two mediators will choose the third one.</p>

<p>resolution to their dispute; <u>or</u> agree to work with the state provided mediation program.</p>	
<p>3. If the Parties are still unable to reach a resolution after this mediation process, then either Party may submit the matter to binding arbitration or to a court, as follows: (i) any non-equitable dispute arising out of or relating to this Lease or the performance of either Party hereunder will be finally settled by binding arbitration to be held in LOCATION OF ARBITRATION/COURT ACTION or in a city in close proximity thereto. The Commercial Dispute Resolution Rules of the American Arbitration Association governs the arbitration, except that the Federal Rules of Evidence also apply. Any decision made pursuant to such arbitration is binding on the Parties and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof <u>and</u> any equitable action entitled to be taken by a Party arising out of this Agreement must be filed exclusively within the courts of the State of XX and the Parties consent to, and agree not to contest, the jurisdiction of such courts for the purposes of any such action.</p>	<p>Only if the meditation fails (as determined by the three mediators) may the Parties seek arbitration or court action.</p>
<p>n. FARMER and the COMMONS will keep and make available to each other accurate records of the performance (or non-performance) of all rights and obligations included in this Lease, including receipts, contracts, quotes, labor records, and similar records.</p>	<p>Both Parties will keep good and accurate records of all farming operations and activity relevant to the LAND.</p>
<p>o. No third party has any right of enforcement with respect to this Lease.</p>	<p>Only the FARMER and the COMMONS have rights of enforcement as it relates to this Lease.</p>

[SIGNATURE PAGE TO FOLLOW]

The COMMONS and FAMER have executed this Lease as of the day and year first above written.

[COMMONS NAME]

A **[STATE]** Nonprofit Public Benefit Corporation

_____, _____

Duly authorized

DATE

[FARMER NAME]

[INDIVIDUAL/ORGANIZATION TYPE]

_____, _____

Duly authorized

DATE

Witness/Attest

DATE

Witness/Attest

DATE

State of [XX]
County of [XX]

I certify that I have satisfactory evidence that _____ is the person as a duly authorized representative of _____ who appeared before me, and said person acknowledge that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: _____

(Seal or Stamp)

Signature of Notary

Title