NORTH CAROLINA

COUNTY OF

**WALNUT HILL FARM GRAZING LEASE**

THIS LEASE is entered into this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20 , by and between the Triangle Land Conservancy, Inc., a North Carolina not-for-profit corporation, (“Landowner”), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Tenant”).

1. **Demise and Property**.  The Landowner leases to the Tenant, to occupy and use for livestock pasture and activities necessary thereto, certain pasture land located at (Address: ) located in  **County**, North Carolina, and more particularly described as “ ” (approximately acres) as shown on Attachment A hereto.

1.1 **First Option to Lease Additional Fields.** Should Landowner make at their cost and on their schedule additional grazing fields available for tenancy (e.g. Fields #1 and #5 on Attachment A) with appropriate improvements, Tenant shall have the first option to lease said fields upon the terms herein. If Tenant and Landlord agree to jointly improve said grazing fields for farm use (e.g. including fencing, water installation, seeding and liming, etc.), they shall do so by written agreement attached as addendum to this lease, and any such improvements are fixed to the land and are not removable by the Tenant.

1. **Term.**  The initial term of this Lease shall run for a period of year(s), to commence on , 2019 and terminate on , 202 . This lease does not automatically renew and tenancy may only continue after termination hereof by written agreement of the parties.
2. **Rent.**Rate.  Tenant agrees and covenants to pay to Landowner or to such other persons or entities as Landowner may from time to time designate in writing, the \_\_\_\_\_(*monthly/annual*) fixed rent of **$\_\_\_\_\_\_\_\_** for the demised premises.

3.1 Payment Date.  The annual payment identified in §3 above is due  **define payment schedule**.

3.2 Late Charges. In the event Tenant fails to pay any rent within five days of when due, the Tenant shall pay to Landowner a late charge equal to 5% of the amount due to compensate Landowner for the extra costs incurred as a result of such late payment.

3.3 Rent Increases.  Rent shall be reviewed on an annual basis, and shall remain the same unless agreed in writing by Landowner and Tenant by **\_\_\_\_\_\_\_\_\_(*choose same date for renewal and rent increases for ease of process)***

1. **Use of Land**.  The Property is to be used by Tenant for grazing of livestock and activities necessary thereto.

5. **Access to Land.** Access to the Property is shown on Exhibit A. Tenant may not use other means of access without permission of Landowner.

5.  **Prohibited Uses**.  Tenant may not, without the prior written consent of Landowner, engage in any of the following activities on said parcels:

5.1 Use any non-organic chemicals, fertilizers or pesticides on the land or any materials or practices that would jeopardize the organic character of the land, including any of same prohibited by the USDA National Organics Program (“NOP”).

5.2 Construction of any non-removable structures or improvements including sheds, fencing, ditches, or wells without express written consent of Landowner which may be withheld for any reason or no reason. Written consent to any non-removable improvements will be incorporated into this lease.

6. **Landowner Covenants.** The Landowner covenants with the Tenant to allow the Tenant full use of the Lands that comprise the Leased Premises beginning on the Commencement Date and ending on the Termination Date.

6.1 Landowner shall provide initial seeding of pasture, installation of perimeter fence, and water supply.

7. **Tenant Covenants**. The Tenant covenants with the Landowner:

7.1 To pay all amounts payable by the Farmer to the Landowner under this Lease (collectively the “Rent”);

7.2 To use the Leased Premises only for the permitted purposes listed above or any permitted purpose that Landowner later gives written permission to do;

7.3 To comply with present and future laws, regulations and orders relating to the occupation and use of the Leased Premises;

7.4 To permit the Landowner to enter the Leased Premises at any time where such will not unreasonably disturb or interfere with the Tenant’s use of the Leased Premises or operation of its business, to examine or inspect the Lands;

7.5 To be respectful of the Landowner’s property and business that take place on the surrounding property, to include but not limited to, people, buildings, equipment, livestock, and fixtures, and be responsible for prompt removal of all trash or otherwise discarded items; and keep any stored or disused items in an orderly fashion;

7.6 To not allow livestock direct access to streams or ponds on the property.

8. **Best Management Practices***.* Tenant agrees to employ standard best management practices, and will employ no practices that would otherwise prevent the property from organic certification under USDA guidelines.  However, this is not a requirement that Tenant certify farmed premises as organic under said guidelines.

9. **Removal of Personal Property**. Tenant shall remove all personal property upon expiration of the term of the lease or any renewal term. Any personal property remaining on the leased premises after 30 days of the expiration of the lease term may be discarded by Landowner. Personal property items include but are not limited to portable fencing, water tanks/lines, and handling facilities.

10. **Taxes.** Landowner shall be responsible for real estate taxes on the Property.

11. **Utilities**.  Landowner shall pay all charges for electricity and any other utility service allocated to agricultural use by agreement with the Landowner.  Tenant may not place utility contracts in its name.

12. **Equipment, fixtures, and signs**.  All furnishings, fixtures, equipment, and signs used on the Property, which have been supplied to or installed by the Landowner, shall be the property of Landowner.

13. **Care and surrender of the Premises.** Tenant shall commit no waste on the Premises.  Upon any termination of this Lease, Tenant shall surrender possession of the Premises, without notice, in as good condition as at the commencement of the term, reasonable wear and tear and casualty beyond the Tenant's control being excepted.  Tenant shall be responsible for any environmental clean-up required by the proper authorities, which contamination resulted from Tenant’s activities.

14. **Indemnity.**  Tenant shall indemnify Landowner against, and hold Landowner harmless from, all claims, demands, and/or causes of action, including all reasonable expenses of Landowner incident to such proceedings, for injury to, or death of any person, or loss of, or damage to, any property, where such claims, demands, and/or causes of action are not caused by the negligence, omission, intentional act or breach of contractual duty of or by Landowner or anyone for whom Landowner is responsible.  Tenant’s agreement to indemnify Landowner must include, but not be limited to, all claims, demands, and/or causes of action, including all reasonable expenses of Landowner, arising from any hazardous waste generated by Tenant.

15. **Insurance.** Tenant shall obtain and keep in effect general liability insurance against any and all claims for personal injury or property damage occurring in or upon the Premises during the term of the Lease and any extensions.

16. **Assignment or subletting.** Tenant does not have the right to assign or sublet this Lease without Landowner's written consent.

17.       **Minerals and Soil.** Nothing in this Lease confers upon the Tenant the right to minerals underlying the Property. Tenant may not perform any soil disturbance or removal activities

18. **Default.**

18.1 **Tenant Default.** In the event Tenant fails to pay when due any of the rentals provided for in Section 4 or fails to promptly keep and perform any other covenant in this Lease, Landowner, prior to taking any other action, shall give Tenant written notice specifying the default(s).  Tenant shall have thirty (30) days after receipt of said notice to correct any rental default and thirty (30) days to correct any other default(s).  If Tenant fails to correct the default(s) within the specified time periods, the Landowner may: (a) terminate this Lease and re-enter the Property, with or without process of law, and take possession by reasonable force; or (b) relet the Property at the best rental obtainable, Tenant to remain liable for the deficiency, if any, between the rental received by Landowner on any reletting and the rental provided for in this Lease.

18.2 **Landowner Default.** Should there be any default or breach of this Lease on the part of Landowner, Tenant shall give Landowner notice, and should Landowner fail to correct such breach or default within thirty (30) days after such notice, the Tenant may remedy such breach or default and deduct the reasonable cost, including interest on same, from rentals due or to become due Landowner, or pursue any other legal or equitable remedy to which it is entitled.  If Tenant has not been reimbursed for its reasonable cost in remedying Landowner's breach or default at the expiration of the last term of this Lease, or if Landowner is indebted to Tenant because of a breach or default of this Lease at the expiration of the last term, Tenant may, at its option, extend this Lease on the same terms and conditions as provided until such costs and indebtedness are fully paid by application to rent.

18.3 **Diligence to Cure.** If any default occurs, other than in the payment of money, which cannot with due diligence be cured within a period of thirty (30) days, and if the defaulting party commences to eliminate the causes of such default within said thirty (30) day period and proceeds diligently and with reasonable dispatch to take all steps and do all work required to cure such default and does cure the default(s), then the non-defaulting party does not have the right to declare the Lease terminated by reason of such default.

19. **Waiver.** The failure of Landowner or Tenant to insist upon prompt and strict performance of any of the terms, conditions or undertakings of this Lease, or to exercise any option conferred, in any one or more instances, except as to the option to extend or renew the term, shall not be construed as a waiver of the same or any other term, condition, undertaking or option.

20. **Parties Bound.** The terms, covenants, agreements, conditions and undertakings contained in this Lease shall be binding upon and shall inure to the benefit of the heirs, successors in interest and assigns of the parties.  Where more than one party shall be the Landowner in this Lease, the word "Landowner", whenever used in the Lease, includes all Landowners jointly and severally.

21.  **Entire Agreement, Modification, Severability.** This Lease, its Exhibits and any Addenda contain the entire agreement between the parties, and no representations, inducements, promises or agreements, oral or otherwise, entered into prior to the execution of this Lease will alter the covenants, agreements and undertakings set forth.  This Lease shall not be modified in any manner, except by an instrument in writing executed by the parties.  If any term or provision of this Lease or its application to any person or circumstance is invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, is not affected and each term and provision of this Lease is valid and be enforceable to the fullest extent permitted by law.

22.   **Liens.** Tenant must keep the Property free from any liens arising from any labor performed by or on behalf of, or materials furnished to Tenant, or other obligations incident to its use or occupancy.  If any lien attaches, and the same is not released by payment, bond or otherwise, within twenty (20) days after Landowner notifies Tenant, Landowner has the option to discharge the same and Tenant shall reimburse Landowner promptly.  Nothing contained in this Lease is deemed to deny Tenant the right to contest the validity of any such lien.  Nothing in this Lease shall be construed as consent by Landowner to Tenant to make any alteration, improvement or installation or addition so as to give rise to any right to any laborer or material-person to file any mechanic's lien or any notice, or any other lien purporting to affect Landowner's property.

23.   **No Partnership Intended.** It is particularly understood and agreed that this Lease is not deemed to be nor intended to give rise to a partnership relationship.

24.   **Transfer of Property.** All transfers of the Property are subject to the provisions of this Lease.

25.  **Mediation.**  Any differences between the parties as to their several rights or obligations under this Agreement not settled by mutual agreement after thorough discussion must be submitted for mediation.  The mediator must be knowledgeable of the subject matter of the dispute and shall be agreed upon by the parties.  The disputing parties shall share equally the cost of the mediator.  If the parties cannot agree upon a mediator or if the dispute cannot be resolved by mediation, the parties may then pursue their claims in a court of law in the State of North Carolina.

IN WITNESS WHEREOF, the parties have caused this Lease to be duly executed as of the day and year first above written.

Signed and acknowledged in our presence:

LANDOWNER:

Triangle Land Conservancy, Inc.

A North Carolina Not for Profit Corporation

BY:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

PRINT NAME AND TITLE

TENANT:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_