**Farm Rental**

**Agreements**

COLLEGE OF AGRICULTURE AND HOME ECONOMICS

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**LIFE**

**Farm Rental Agreements**

*James D. Libbin1*

U.S. farmland, valued at $492 billion, comprised about 60% of the total value of farm assets in 1988. More than one-third of the nation’s farmland is rented, a proportion that has remained relatively stable over time. However, the role of land rental has changed. Fifty years ago farmland rental was a stepping stone to ownership. But, in recent years, renting has become a more effective way to gain control of land resources. Farmland rental opens doors that otherwise would be closed to younger and older farmers alike. In New Mexico, the farmland renter has lots of company. Of the state’s 13,400 farm or ranch operators, 1,240 rented all of their land and 4,170 rented part of the land they farmed.

Farm leases have evolved over time, but perhaps never more rapidly than during the last quarter of the 20th century. Historically, share leases were the dominant lease form, as landowners and operators shared costs, risks and returns. But the increasing use of labor-saving technology caused landowners to rethink the share lease. Labor was the primary input of the operator, and land the primary input of the landowner; out-of- pocket expenses were shared. Labor-saving technologies tipped the scales in favor of

the operator financially; machinery and pesticides are noteworthy examples of new costs to be shared as the operator’s input (labor) dwindled and the landowner’s input (land) remained constant. Legal and income

tax issues have compounded problems for crop-share leases, especially unwritten ones. Courts began to view joint ventures and the resulting liability as partnerships, and land- owner incomes from “material participation” (a direct consequence of share leases) were considered by the Internal Revenue Service to be income subject to the self-employment tax.

Crop-share leases over the last 25 years have begun to exclude pesticides, seed and harvesting costs from shared expenses, and share percentages/fractions have changed as well. On the other hand, some share leases (usually called custom blends) have gone

the other way to have landowners pay all expenses except labor and machinery and, of course, receive a higher share of returns. Custom Blends offer landowners greater control (and greater shares of government program payments) and the expense of greater risk. Although share leases have changed ramatically, the cash lease remains the preferred lease form nationwide. Regardless of form, the overriding concern is that the lease must be fair and equitable to both parties.

This publication discusses how to develop a fair and equitable rental agreement; a sample lease form is included. The presentation of the information is designed to assure that both parties to the rental agreement have an equal understanding of the principles. The farm lease agreement can influence a farmer’s net income over a period of years as much as

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productivity of the land, the quantity of fertilizer used, the quality of livestock, or the cultural practices followed in producing crops. The lease agreement must be tailored to fit the productivity of the farm and be equitable to both tenant and landlord. The lease should clearly set forth the rights, duties, responsibilities and contributions of each party. Some provisions must be rigid and inflexible. However, the agreement must also be adaptable and provide for change, meeting the requirements of modern technology and the rapidly changing economic environment faced by today’s farmers.

In addition to these advantages, benefits accrue to the community when unused land is put to productive use through renting.

Unsightly weed patches are removed, added income is received and employment is provided. Disadvantages that could result from leasing or renting are usually associated with poorly prepared leases or unfair agreements.

**THE FARM OR RANCH LEASE AGREEMENT**

A written lease agreement is strongly recommended. Even if the two parties to the contract are close relatives, a written agreement serves useful purposes by:

**REASONS TO RENT FARMLAND**

Some of the reasons farm operators rent land are:

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**Opportunity.** Young farmers, with limited capital, often find that renting is their only chance to farm.

**Economics.** To cut their average costs, farmers can spread expenses over more acres and thus raise their annual income.

**Efficiency.** Renting instead of purchasing land allows farmers to redirect capital to production investments such as fertilizer, machinery, equipment and livestock.

encouraging both the landlord and tenant to consider and study all parts of the lease arrangement and agree on its provisions before, rather than after, the land is rented. providing a clearer understanding between the parties and more security for each. recording the decisions agreed upon, preventing a faulty memory from causing disputes.

making provisions for settling any disputes that may arise (the value of this clause lies partly in its mere presence, as well as the guidelines it outlines. A written agreement protects not only the original parties but also any heirs in case of death.

creating a more efficient farm with greater profit to both parties.

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Some of the reasons landowners rent land to others are:

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**Financial.** Landowners get a return on their capital investment in land (a major component of the lifetime accumulation of farm wealth).

**Production.** Renting can lead to improvement in productivity and land value, if the tenant is a good one.

**Legal.** Protection of water rights maintained through use. New Mexico’s water laws require that irrigation water be put to productive use, or rights are lost.

**Government Programs.** Crop history and acreage program bases are maintained. Failure to plant certain crops for a period of years can result in a loss of benefits under certain federal commodity programs.

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Oral leases are another method of legal contractual agreement. One of their major difficulties, however, is validation and, in case of disagreement, determining which party is legally right. Since many types of leases are not legally binding unless reduced to writing, all lease agreements should be written.

Both parties should have duplicate copies of the lease contract, and each party signs both copies. All co-owners of the property involved should sign the lease agreement,

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including husband and wife when property is owned jointly. The lease becomes a contract only when signed. A written lease should not imply mistrust, as some people believe; it is merely good business practice.

1. The landlord and tenant each receive the full share of income earned by his/her resources. If the tenant is contributing 35% of the resources, he/she should receive 35% of the crop. Because input and output prices are constantly changing, there is a need to continually update a rental agreement, from the landowner’s and tenant’s standpoint.
2. Each lease party must have the opportunity to receive full return on his investment over the life of the lease, or be compensated for the unused portion of improvements at the lease’s termination.

**Requirements of a Legal Lease**

A written lease contains five essentials:

1. The names of the parties to the lease.

1. A description of the property to be leased.
2. The date and length of time for which the lease is in effect.
3. The amount due, and in what manner rent is to be paid.

If a farm lease does not follow these basic rules, the operation is not producing at maximum efficiency, and either the tenant or landlord is gaining profits at the other’s expense. This is true whether the arrangement is a 50-50 lease, a 1/3-2/3 lease or a 1/4-3/4 lease. The contribution to production expenses always determines how the income should be shared.

5. Signatures of the parties concerned.

In addition, the lease should specify the contributions and duties of each party. If on a share basis, the lease should state how income is to be divided and how expenses are to be shared.

**Rental Agreement Terms**

Rental agreement terms are often based on customs or traditional values used in the surrounding community. Good, highly productive farms have typically set the pattern in developing leasing arrangements. Poor quality land is often rented under the same leasing arrangements as the highly productive farm. The same leases, however, should not be written for different quality land just because that type of lease is customary or traditional. Because land varies in production potential, customary leases can be inequitable between tenant and landlord.

**Cash Lease**

A cash lease is the simplest lease form. The tenant pays a flat fee for use of the land for a specific period, often one year or one harvest season but possibly multiple years.

Use of cash leases has increased during the past few years for several reasons. Cash leases are more flexible for the tenant, who can

make management decisions. Cash leases eliminate the need to divide crops and keep track of each landowner’s production expenses as required under share leases. The tenant takes all risks, which is the major disadvantage of a cash lease, but the tenant also has the potential to receive all profit. The cash payment could become a burden in times of low yields or abnormally low crop prices.

With cash rent, the landowner receives a fee for the use of his land and takes no price or yield risk. There are certain costs the

**DEVELOPING AN EQUITABLE LEASE**

There are basic principles that must be recognized if an equitable lease is to be developed. A good lease must provide that:

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The major disadvantages of crop-share agreements are increased recordkeeping to allocate production expenses and the need to divide the crop at harvest. Contract terms under crop-share arrangements tend to be stable from year to year, with only marginal adjustments for cost sharing between the landowner and tenant. Retired farmers may not prefer this type of agreement because of the additional record keeping.

landowner usually pays himself, including land taxes and maintenance on ditches and wells. Landowners often favor cash rent because it provides a predetermined amount of income. A cash lease requires minimal landowner involvement in farm property management. Retired farmers may prefer the cash lease over other types for its simple periodic payments and because of self- employment tax regulations.

To avoid some of the disadvantages of the cash lease, a flexible cash rent agreement might be used. A flexible cash lease provides for a lease payment that varies with prices or yields. Flexible cash rents shift some risk away from the tenant in poor years, but give the landowner a chance to recover in good years. The tenant and landowner should agree on a base rent, the least amount the landowner will accept in a bad year, at least covering taxes, insurance, and a return on the landowner’s investment.

**Pasture Lease**

Landowners and tenants use several customary methods in writing a pasture lease. Common methods are: 1) rate per acre, 2) a fixed rate per animal per month, 3) a fixed rate per animal unit month (AUM) per year or per season, 4) a fixed rate per-hundred- weight on pasture, 5)} a flat rate per pound of gain or 6) a share of gain or profit. Factors that may affect rental rates are quality of pasture, fences, and location and availability of water. Size of the pasture could also affect the rate. Landowners furnish the land and established pasture while tenants typically provide supplemental feed, labor and general care of the animals.

**Crop-Share Lease**

The crop-share lease is more complex than the cash lease. Risks resulting from low yields or market prices are shared between the two parties as are profits. Management can be shared between an experienced landowner and tenant, resulting in more effective decision-making.

The primary concern of many land- owners and tenants is to settle on a fair rent. The most likely way to achieve a fair rent is when income received by each party is in direct proportion to resources contributed. Land is the major resource the owner will contribute, but the landowner may also contribute the irrigation system (ditches, maintenance on irrigation system or water fees paid to an irrigation district). The landowner will usually choose to pay land taxes. The tenant usually contributes resources such as labor, equipment and fuel. The proportions of other resources shared will vary by the amount the landowner is willing to contribute.

**A METHOD FOR ESTI MATING THE CONTRIBUTION OF LANDLORD AND TENANT**

The goal of parties to any rental agreement should be the development of a fair and equitable lease arrangement. If the lease is not of equal benefit and fairness to both parties, it is unlikely to remain in effect for any length of time. A continual change of tenants is usually unprofitable for both landlord and tenant.

Contributions can be of a variable or fixed nature. Variable contributions such as fertilizer, seed, chemicals and fuel are production costs. These costs occur only if production takes place and will vary with production levels. Fixed contributions, on the other hand, are those associated with permanent investments and other major

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resources used in farm production. Such costs include depreciation, taxes, insurance, repairs and interest and occur whether or not a crop is produced.

The first step in developing an equitable lease is to outline the basic fixed contributions associated with the resources and investments owned by each partner. These resources are land and improvements, machinery, labor, capital and management. The difficult task is determining a fair annual value for each fixed contribution; extreme care should be used in accomplishing this task.

Annual fixed contributions, once determined, should be summarized and evaluated. From this evaluation, the proportion of the total contributed by each party can be determined. An equitable share lease is one in which income is shared in approximately the same proportion as the expenses, and labor and interest allowances are provided by the landlord and tenant. Form I is designed to estimate the contributions of the parties in a proposed farm lease. Many items on the form will not be needed. This form will be of greatest value in preparing a crop-share or livestock-share lease.

are well known in the community by name, but it is doubtful that the name alone provides an adequate description. Confusion may also exist if the landowner is renting only a part of his total landholdings.

**Section II. Term of Lease**

The term, or length of time the lease is to run, must be agreed upon by the parties to the lease and stated in the contract. Tenants generally favor long-term leases. Leases of three to five years offer better planning and allow tenants to recover more of their investment in practices such as new alfalfa or permanent pasture seedings. Landlords generally prefer a shorter-term lease because of its greater flexibility. If they want to sell their farm, it is more marketable if not encumbered by a long- term lease. This problem can be solved by including a termination clause that would apply in case the farm is sold. This type of clause also allows estates to be liquidated.

The suggested lease form may be used for either a one-year lease or longer term, and contains an automatic renewal clause. This clause also allows for a certain amount of flexibility in the term of the lease if the parties involved agree to give adequate notice. A 90- day notice is customary. Failure of either party to give notice does not necessarily indicate a desire that the lease be continued. Therefore, it is desirable to remove the confusion of termination and renewal by stating in the contract the correct procedure for terminating or continuing the lease.

**THE LEASE FORM ITSELF**

The first step in preparing a sound written lease is to have both parties talk over the basic problems involved in the leasing arrangement and in management of the farm. The measuring stick of a satisfactorily written lease is whether it contains the fundamental points on which agreement should be obtained. The suggested lease form should remind both parties of critical points that must be included in the lease. Portions that do not apply should be crossed out.

**Section III. Rental Rates and Arrangements**

Rental rates are undoubtedly the most critical area of concern to both landlord and tenant. Any arrangement that gives an unfair advantage to either party cannot be expected to remain in effect for any period of time. Form I provides an orderly method to determine a fair and equitable rental rate for an individual situation. This method will be of greatest value in arriving at a division of income for Options A and B.

**Section I. Names of Parties and Description of Property**

This section names the parties to the lease contract and gives the legal description of the property involved. In describing the property, use the exact legal description. Some farms

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Within every community, there are typical rental rates such as three-fifths, one- third or one-half. These rates have become typical because they are close to a fair income distribution for most rental situations in the neighborhood. However, that does not mean the typical rental rate is fair and equitable today. Changing costs, production methods and market prices could easily outdate the typical rate of the past.

**Option A. Crop-Share Rent.**Cash-crop farms are frequently rented on a crop-share basis. With this leasing system, per-acre rental rates vary with changes in production and market prices. Price and weather risk tend to be shared between landowner and tenant with this system. A crop-share rental agreement is difficult to adapt to a farm that is primarily producing crops to be marketed through livestock. Crop- or livestock-share rent can also be a disadvantage to the tenant, who may be leasing several small parcels of land. He may find it difficult to separate the operation of various plots and to accurately account for each parcel’s production. The cash rent approach in Option C may then be the best alternative. Agreement should be reached as to when and where the landlord’s share of the crop is to be delivered and who will pay for delivery.

**Option B. Livestock-Share Rent.**In a livestock-share agreement, the increase is divided on the same basis as contribution. The percent contribution of each can be computed using Form I. Ownership of livestock is on an undivided basis and should remain that way throughout the lease. Arrangements should be made in the lease for a distribution of the increase. Where will the animals be taken?

When? At whose expense?

Basic requirements for success in a livestock-share lease arrangement are adequate land and equipment for production and sound management. Too often, New Mexico farms are not large enough to permit a livestock operation to be profitable when returns must

be divided two ways. An alternative for small operations is the cash rent arrangement under Option C.

**Option C. Cash Rent.** Cash-rent contracts fit the needs of landowners and tenants who need lease agreements for small acreages. A cash-rent option can be quite simple yet fair to both parties. Its freedom and flexibility appeal to the tenant, while the assurance of a set cash income is important to landowners.

**Section IV. Farm Operation**

Tenants usually furnish all machinery for the farm and, with few exceptions, pay all operating expenses. The Farm Operation section of the lease form allows agreement on any exceptions unique to a specific arrangement.

**Section V. Conservation, Irrigation and Improved Farming Practices** The need to adopt improved practices or make changes in farm organization should

have a place in a lease agreement. Generally, conservation and other improved practices require labor and expenditure in addition to typical farming operations. This means re- evaluating existing leasing practices in terms of contributions of labor and cash, and of the effects on both tenant and landlord incomes. In subsection B, the landlord and tenant can agree on conservation practices to be used on the farm and how each will share expenses. They can also agree on how government payments will be shared.

Agreements for other improvement practices may be indicated in subsection C. For example, agreement on the establishment of hay or permanent pasture crop could be listed here. Practices from which benefits are received for a period longer than one year may be recorded under Section VI.

**Section VI. Improvements and Repairs**

Misunderstandings between parties can be prevented by agreeing ahead of time about

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what will be done, and how much and what each party will furnish. In some instances, tenants provide equipment or facilities that have legally become fixtures on the farm.

Later, they find it illegal to remove the improvements upon termination of the lease. Fences, corrals and cattle-handling equipment often fit into this category. Disagreement can be avoided if the landlord and tenant agree upon what improvements are needed, then devise a schedule of depreciation.

gives the landlord the legal right to enter the property when necessary.

**Section X. Mineral Rights**

This section clarifies the rights and payments, for both parties to the lease, when a question arises regarding mineral extraction or exploration.

**Section XI. Arbitration**

Differences of opinion can occur in the most harmonious relationship. Consequently, it seems wise to provide means of resolution in an equitable manner. For each problem that is taken to court, hundreds are solved solely through compromise. Many problems that ended up in the courtroom could have been resolved through arbitration, if means had been provided when the lease agreement was made. Section XI does not imply that either member of the lease contract is signing away rights for redress by court action. It simply creates a system to solve problems in a friendly, less costly way.

**Section VII. Records**

Bookkeeping is an essential part of farm operation. Records need not be elaborate, but they should cover all items of expense affecting both parties. The tenant is the logical one to keep the records because he is in close touch with day-to-day operations. The records required for a lease contract depend upon the agreement’s complexity. For example, a simple cash rent situation might not require agreement on special records for the landlord. On the other hand, rather complete records would be required if the agreement was a

crop- or livestock-share agreement, with both parties sharing the expense of operation.

Examples of records often needed are: crop and livestock inventories, production expenses, yield data, capital investment expenses and crop history information for government-program participation.

**Section XII. It Is Mutually Agreed That** This section provides a way in which either party can terminate the contract, if the provisions of the agreement are not followed by the other party.

**Section XIII. Additional Agreements and Modifications**

Sometimes it becomes necessary to change contractual agreements. A plan of action for changes should be part of a good lease agreement. It often happens that a written contract is used to record the agreements when a lease is initially made, with subsequent changes to the written agreement being made orally. Usually, this indicates a harmonious relationship between landlord and tenant.

However, deviation by oral agreement from the written contract is discouraged, unless the changes are recorded and made part of the written contract.

**Section VIII. Nonpartnership Agreement**

This section makes the intent of the parties clear by re-emphasizing the fact that a partnership is not being created. The two parties may actually operate much like a partnership, but never form a legal partnership with all its obligations and liabilities. Legal authorities usually advise that a statement of this nature be included in the lease agreement.

**Section IX. Right of Entry**

This section should always be included in lease contracts. Agreement to this section

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**Section XIV. Signature**

This section is essential. The agreement becomes a contract only when it is signed and witnessed. Copies of the completed document should be retained by both parties.

**ADDITIONAL HELP IS AVAILABLE**

Your county Extension agent can be helpful in arriving at a fair and equitable lease agreement. He/she can discuss typical rental agreements in the community, as well as help estimate the probable expenses and investments of both landlord and tenant. New Mexico State University annually publishes cost and return estimates that can be used as guidelines or estimates of the costs involved in producing farm commodities. Ask your county Extension agent for a copy of the cost and return estimate for your county or refer to NMSU’s College of Agriculture and Home Economics website, [www.cahe.nmsu.edu/](http://www.cahe.nmsu.edu/)

If a lease agreement is complicated, or if the property under lease is large, consult an attorney. If unusual variations in the lease form are planned, an attorney can save possible future disagreement. Use the lease forms in this publication to arrive at a tentative agreement, which shows the major features of the lease and will save the attorney valuable time while assuring that the final lease meets the needs of both landlord and tenant.

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**LEASE AGREEMENT FOR FARMS OF NEW MEXICO**

**I. Names of parties**

This Lease Agreement entered into this day of , 20 , by and between

 (landowner), hereinafter called the Landlord of , and (tenant), hereinafter called the Tenant of . That for and in consideration of the rental payment, conditions and covenants hereinafter set forth, the Landlord does hereby let, lease and demise to the Tenant the following described premises, situate County, New Mexico, to wit:

 .

**II. Term of lease**

The term of this lease shall be year(s) from , 20 , to , 20 , and this lease shall continue in effect from year to year upon the same terms and conditions herein unless otherwise agreed in writing thereafter until written notice of termination is given by either party to the other on or before the day of , before the expiration of this lease or any renewal thereof. Tenant agrees to farm the premises in a good and farmlike manner and to keep and maintain the farm in its customary condition at Tenant’s expense. Landlord agrees to pay all taxes and other lawful assessment levied against the premises during the life of this lease.

**III. Rental rates and arrangements**

**Option A. Crop-Share Rent**

Tenant, for and in consideration of this lease as rent, agrees to pay or give shares of the following crops:

**Option B. Livestock-Share Rent**

Tenant, for and in consideration of the lease as rent, agrees to pay or give shares of quantities of the following livestock:

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**Crop**

**Approximate number to be kept on farm**

**Landlord’s share-**

**% of fraction**

**Tenant’s share-**

**% of fraction**

**Distribution of landlord’s share- Where, When Whose Cost**

1

2

3

4

**Crop**

**Approximate number of acres**

**Landlord’s share-**

**% of fraction**

**Tenant’s share-**

**% of fraction**

**Distribution of landlord’s share- Where, When, Whose Cost**

1

2

3

4

**Option C. Cash Rent**

Tenant, for and in consideration of this lease as rent, agrees to pay the total sum of $ . Cash rent will be paid at (p1ace) and as follows: Payable in (Monthly)(Yearly) payments in the sum of $ commencing on , 20 .

**IV. Farm operation**

The necessary equipment shall be furnished and farm operating expenses divided between the landlord and tenant as follows:

**V. Conservation, irrigation and improved farming practices**

**A. Soil Conservation District Plan for Farm.**The farm is covered in a cooperative agreement between the landlord and the Soil Conservation District, and the tenant agrees to operate the farm in accordance with the complete soil conservation and land use prepared under the said cooperative agreement.

**B. Conservation and/or other practices.**Payments that can be earned by participation in U.S. Department of Agriculture programs shall be carried out as follows:

**C. Other improved practices.** Other improved farming practices that the landlord and tenant agree will be mutually beneficial to both parties:

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**Practice and Extent**

**Contributions by Landlord**

1

2

3

4

5

**Practice and Extent**

**Contributions**

**Share of Government Payments**

**Landlord**

**Tenant**

**Landlord**

**Tenant**

**Equipment**

**Furnished by**

**Operating Expenses**

**Proportionate Share**

**Landlord**

**Tenant**

**Landlord**

**Tenant**

**VI. Improvements and repairs**

A. It is agreed that during the term of the lease, the tenant may have use of all improvements on the above described farm except the following:

 .

B. The landlord agrees to furnish materials for normal maintenance and repairs to maintain the farm in its customary condition. The tenant will furnish ordinary labor and haul the materials for these repairs, it being mutually agreed that skilled labor will be provided by the landlord.

C. Additional major improvements to be provided by the landlord are as follows:

D. Construction and removal of fixtures by tenant: With the written consent of the landlord, tenant may add improvements at his own expense. (He shall have the right to remove them or be compensated for them under the terms of the following written agreement.) Improvement or fixture:

 .

E. Compensation to tenant for unexhausted value of improvements: In the event of termination of this lease, the tenant shall be entitled to payment for the unexhausted value of his contribution to the cost of improvements made with the consent of the landlord according to following schedule:

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**Proportion Remaining Unexhausted After**

**1 year**

**2 years**

**3 years**

**4 years**

**5 years**

**Irrigation Ditches**

**Land Leveling**

**Improvement**

**Kind**

**Date**

**VII. Records**

Records of all matters of joint interest shall be kept by the tenant and shall be available to the landlord upon request. The records shall specify the following items (Examples: livestock inventories, crop production expenses, production yields, etc.):

A.

B.

C.

D.

 .

**VIII. Nonpartnership agreement**

This lease does not give rise to a partnership. Neither party shall have authority to bind the other without his/her written consent.

**IX. Right of entry**

The landlord shall have the right, in person or by agent, to enter upon the farm for inspections, repairs or improvements. In case this lease is not to be renewed, the landlord or the incoming tenant shall have the right before it expires to do plowing or other work on the farm when doing so will cause no damage as interference to the present tenant.

**X. Mineral rights**

Nothing in this lease shall confer upon the tenant any right to minerals underlying said land, but the same are hereby reserved by the landlord together with the full right to enter upon the premises and to bore, search and excavate for same, to work and remove same, and to deposit excavated rubbish, and with full liberty to pass over said premises with vehicles and lay down and work any railroad track or tracks, tanks, pipelines, power lines and structures as may be necessary or convenient for the above purpose. The landlord agrees to reimburse the tenant for any actual damage he may suffer for crops destroyed by these activities and to release the tenant from obligation to continue farming this property when development of mineral esources interferes materially with the tenant’s farming operations.

**XI. Arbitration**

If parties to this lease cannot reach an agreement on any matter or problem, the question shall be submitted to an Arbitration Committee. This committee shall be composed of three disinterested persons, one selected by each party hereto and the third by the two thus selected.

**XII. It is mutually agreed that**

1. This lease shall bind and shall inure to the benefits of the heirs, executors, administrators and assigns of both parties.
2. If either party neglects or refuses to carry out any material provisions, the other party shall have the right, in addition to compensation for damages, to terminate the lease. He shall do so by written notice on the party at fault, specifying the violations of the agreement. If violations are not corrected within 30 days, the lease shall be terminated.

**XIII. Additional agreements and modifications**

Any additions to this lease contract or changes therein shall be in writing and, when so signed and executed before witnesses and attached hereto, shall become a part hereof.

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**XIV. Signatures**

In testimony, whereof witness our hands at , New Mexico, on this day of

 , 20 . Witnesses as to both signatures,

 (Landlord)

 (Tenant)

STATE OF NEW MEXICO COUNTY OF

)

)

On this day of , 20 , before me personally appeared , to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

My Commission Expires: , (Notary)

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To find more resources for your home, family or business, visit the College of Agriculture and Home Economics on the World Wide Web at [www.cahe.nmsu.edu.](http://www.cahe.nmsu.edu/)

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