

CASH LEASE

AGREEMENTS

Cash Lease Agreement

This lease made in duplicate the _____ day of _____ AD 20

between

_____ of _____
(Landlord's Name) (Address)

in the Province of Alberta hereinafter called the "landlord" being the registered owner or the purchaser under an Agreement for Sale of Land described below, and

_____ of _____
(Tenant's Name) (Address)

in the Province of Alberta hereinafter called the "tenant."

1. Witness that in consideration of the rents, covenants, promises and agreements contained in this lease on the part of the tenant to be paid, observed and performed, the landlord does hereby lease to the tenant the following farm lands and premises situated in the Province of Alberta, that is to say:

Land (legal description): _____

hereinafter called "the land."

Together with the following portable buildings, namely:

Portable Buildings:

Excepting and reserving unto the landlord the following lands and buildings, namely:

Lands Reserved:

Buildings Reserved:

2. Term

This lease shall continue in force on the said land and premises for and during the term of _____ years, from the _____ day of _____ AD 20_____
_ to the _____ day of _____ AD 20

Any overholding by the tenant shall be considered a trespass.

3. Rental

The tenant will pay to the landlord the yearly rental of \$_____ for the use of the said land during the said term.

- or -

The tenant will pay to the landlord the yearly rental of \$_____ for the cultivated portion of the land plus the yearly rental of \$_____ for the grazing portion of the land during the said term.

(1) To be paid in full on or before _____ for each year of this agreement.
(Date)

- or -

(2) _____ to be paid on or before _____
(1/3, 1/2, etc.) (Date)
and the balance paid on or before _____ for each year of this agreement.
(Date)

- or -

(3) To be paid as follows:

4. Alberta Laws Apply

The contents of this agreement shall for all purposes be construed according to the laws of the Province of Alberta and any cause of action arising hereunder shall be entered and tried in the judicial centre serving the area of Alberta in which the land of this agreement is located.

5. Landlord and Tenant Definitions

The terms "landlord" and "tenant" shall include their heirs, executors, administrators, successors and assigns in the singular or plural number and feminine or masculine gender when the context or the parties so require and all the covenants shall be construed as being joint and several.

6. Cropping Plans

The tenant shall make all decisions with respect to growing crops or raising livestock on the land unless stated otherwise in this agreement, and as such the tenant shall be responsible for all costs of farming the said land unless stated otherwise in this agreement.

- or -

The tenant and landlord will agree on an annual cropping plan by _____ of each year. The cropping plan will include crops to be grown, livestock to be raised, pesticides to be used and conservation practices to be employed, for each year, unless stated otherwise in this agreement.

7. Resource Protection

The tenant shall:

- a) cultivate, seed, control weeds, insects and disease, harvest crops and raise livestock on the land in a sustainable manner;
- b) use pesticides in accordance with labelled directions; and
- c) minimize soil loss from erosion with the use of, but not limited to, crop residue management, conservation tillage, grassed waterways, stripcropping, tree planting or other accepted conservation practices.

The tenant shall not:

- a) allow overgrazing of any of the land that is in grass or forages;
- b) overload nutrient levels on the land or adjacent water bodies;
- c) allow pesticide to drift on to non target lands, including adjacent crops, shelterbelts and yardsites;
- d) accumulate, permit or allow the accumulation of any waste material, debris, refuse or garbage; or
- e) allow any site contamination such as, but not limited to, chemicals, oil spills, hydro carbons or any other waste materials on the land or adjacent water bodies.

8. Pesticides

The tenant will make all decisions on which pesticides are to be used on crops grown on the land.

- or -

The tenant and landlord will agree on which pesticides can be used on the land as stated in the cropping plan. In addition to the cropping plan, by December 31 of each year of this lease, the tenant must supply the landlord with a listing of what pesticides were applied to crops growing on the land over the past cropping season.

- or -

The tenant is prohibited from using the following pesticides, unless mutually agreed upon:

9. Use of the Land

The tenant will use the lands and premises for the purpose of growing crops or forages or the pasturing of livestock and the tenant shall not, without the written consent of the landlord:

- a) sublet, or assign this lease, or any part thereof, or any interest therein without obtaining the written consent of the landlord to the sublease or assignment;
- b) change the natural course of any waterways on the said land;
- c) cut down trees growing upon the land, nor will he permit any other person to do so;
- d) allow the entry of any persons for the purpose of outfitting, eco-tourism, picking of berries or flowers or any such plant materials;
- e) remove any sand, gravel, clay, stone or other such substances existing on, or under the surface of said land; or
- f) bring into cultivation any new lands.

10. Crop Residues and Fire

Crop residues including straw, chaff and stubble remaining after harvesting the crops on the land shall not be burned, baled or otherwise removed, used or disposed of without the consent of the landlord.

11. Weed Control

The tenant shall control all noxious weeds on the subject lands and maintain all summerfallow in a reasonably weed-free condition. The tenant shall summerfallow not less than _____ acres of the said land each year during the term of this lease. In the final year of this lease agreement the tenant shall summerfallow, in a proper manner, _____ acres of the said land.

At the termination of this lease, if the amount of summerfallow on the land exceeds the sum of of _____ acres, the landlord will pay to the tenant an amount equal to \$ _____ per acre for every such acre in excess and in the event the amount of summerfallow does not exceed the sum of _____ acres the tenant will pay the landlord an amount equal to \$ _____ per acre for every acre so deficient.

12. Crop Insurance

With respect to the Alberta Crop Insurance program, the tenant has the option to take a Crop Insurance contract and in so doing shall absorb the total cost of coverage and receive all the benefits.

13. Other Insurance

Insurance on all leased buildings in this agreement shall be the responsibility of the landlord.

The landlord and tenant are free to make their own arrangements regarding other production and all risk insurance and in so doing shall absorb the total cost of coverage and receive all the benefits.

14. Storage of Grain

The landlord will provide _____ tonnes/bushels of grain storage. The tenant will provide any additional grain storage.

15. Government Income Support Payments and Subsidies

In the event that any payment, subsidy or other reimbursement is made under any government agency or any marketing agency in connection with income support to the actual producer of crops grown on the leased lands during the term of this lease, the payments identified with the leased land shall be paid to the tenant unless otherwise agreed upon.

Should such payment, subsidy or other reimbursement be made to the landowner during the term of this lease, the payments shall be paid to the landowner unless otherwise agreed upon.

Where contributions are required for entitlement to any payment, subsidy or reimbursement the landlord and tenant shall mutually agree as to the sharing of the costs and income. The following are included and shared as set out:

16. Compensation for Oil and Gas, Utilities, Roads, and Rights-of-Way

Compensation for reasons such as, but not limited to, property damage and inconvenience from oil and gas exploration, pipeline development, power and telephone line installations, or road construction, shall accrue to the party that has suffered the loss. The landlord will have the final say on who has suffered the loss except as follows:

- a) where the compensation is for crop damage, the compensation will be paid to the tenant.
- b) where the compensation is for work completed by the tenant such as, but not limited to, fence re-construction, grass reseeding or top soil levelling, the compensation will be paid to the tenant.
- c) where the compensation is for the creation of a nuisance situation such as, but not limited to, gates being left open, dust or noise, the compensation will be paid to the tenant.
- d) where the compensation is for a decrease in the land's value such as, but not limited to, loss of acres from the development, severing a parcel of land or top soil disturbance, the payment shall be made to the landlord.

- or -

Compensation for reasons such as, but not limited to, property damage and inconvenience from oil and gas exploration, pipeline development, power and telephone line installations, or road construction, shall accrue to the landlord.

- or -

Compensation for reasons such as, but not limited to, property damage and inconvenience from oil and gas exploration, pipeline development, power and telephone line installations or road construction, the landlord and tenant shall, by mutual agreement, determine which party is to receive the compensation. If mutual agreement cannot be reached, it shall be submitted to arbitration in accordance with *The Arbitration Act, 1992*.

17. Taxes

The cost of all municipal and school taxes on the land included in this lease shall be paid by the landlord.

- or -

The costs of all municipal or school taxes on the land included in this lease shall be paid as set out in the following statement:

18. Improvements

The tenant shall not make major improvements, other than what is considered normal repair and maintenance, to the leased land or any other assets identified in this agreement without written permission of the landlord. Major improvements, which without restricting the generality of the term, shall include: water development, erosion control, fencing and building construction, clearing, breaking and seeding to pasture and hayland. Such consent shall be attached to and form part of the lease agreement. The amount of compensation shall be an amount agreed upon by the landlord and tenant.

Title to all improvements shall vest in the landlord and no improvements shall be sold, removed, disposed of or encumbered without the written consent of the landlord.

19. Repair of Buildings, Fences and Improvements

Responsibility for normal maintenance and repair to buildings, fences and improvements shall be as follows:

Tenant's Responsibility (list items):

Landlord's Responsibility (list items):

20. Grain Stored on Land at Commencement of Lease

In the event that marketing facilities prevent the landlord from delivering the grain previously grown and stored on the said leased premises at the commencement of this lease, it is agreed that such undelivered grain may be stored on the said land for a period not exceeding _____ months after the commencement of this lease without charge for storage or interference from the tenant. However, the landlord must not deliver any other grain in priority to the grain stored on the leased premises. During this period, the landlord has the right to entry to obtain any grain or fodder which he has stored on the said property.

21. Grain Stored on Land at Termination of Lease

In the event that the harvesting and marketing conditions prevent the tenant from delivering the grain grown and stored on the leased land during the term of this lease, such grain may be harvested and removed from the landlord's property according to *The Agricultural Leaseholds Act*.

22. The tenant shall protect the said land and indemnify the landlord in regard to any and all liens and charges by reason of or in any way accruing from the construction of any building or the making of any improvements thereon done by or on behalf of the tenant.

23. The tenant shall indemnify and save harmless the landlord against all claims, liabilities, demands, damages or rights or causes of action whatever made or asserted by anyone arising out of OR incidental to this indenture or use or occupancy of the said lands and premises.

24. That if the term hereby granted or any of the goods and chattels of the tenant or his assigns shall be at any time seized or taken in execution or in attachment by any creditors of the tenant or his assigns, or if the tenant or his assigns shall make any assignment for the benefit of creditors, or becoming bankrupt or insolvent, shall take the benefit of any Act that may be in force for bankrupt or insolvent debtors, or if any writ of execution shall issue against the goods and chattels of the tenant or his assigns, the then current year's rent shall immediately become due and payable, and the said term shall immediately become forfeited and void at the option of the landlord.

25. That if the rent reserved or any part thereof be in arrears whether such rent has been demanded or not, or if there be default, breach or non-observance by the tenant at any time or times of any covenant, proviso, condition or reservation herein contained, which on the part of the tenant ought to be observed or performed, whether such covenant be positive or negative, or if there be any seizure or forfeiture of the said term for any of the causes herein specified, then the landlord or his agents may enter upon the said lands and premises and thereafter have, possess and enjoy them as if his indenture had not been made, and no acceptance of rent subsequent to any breach or default other than non-payment of rent nor any condoning, excusing or overlooking by the landlord on previous occasions of breach or defaults similar to that for which re-entry is made shall be taken to operate as a waiver of this condition, nor in any way defeat or affect the rights of the landlord herein.

26. The tenant shall at the expiration of the said term or other sooner determination of this lease peaceably and quietly leave, surrender and yield up onto the landlord the said lands and premises in good and sufficient repair, reasonable wear and tear and damage by fire, lightning and tempest only excepted.

27. If the tenant fulfils the terms and conditions of this agreement, the tenant shall and may peaceably possess and enjoy the said land for the said term, without any interruption or disturbance from the landlord or any representative of the landlord.

28. The landlord or a representative of the landlord has the right at all reasonable times to attend and inspect the said property. The landlord reserves the right of entry and exit over and upon the land in this agreement to use any land and buildings expressly excluded from this agreement.

29. If either party shall fail in any respect to carry out any of the provisions of this lease agreement, the other may have the same done, and the costs shall be paid by the party failing to carry out the said provisions.

30. Renewal

The term of this lease may be extended by mutual agreement between the landlord and tenant for a further period upon the same terms and conditions as contained herein, except as otherwise agreed in writing by the parties executing a renewal statement.

31. Incoming Tenant

An incoming tenant, purchaser or the landlord shall have the right to enter on the land contained in this agreement after harvest in the fall preceding the expiration of the said term for the purpose of preparing the land for crop.

32. Arbitration

The landlord and tenant may by mutual agreement submit any disagreement, which may arise with respect to the terms and conditions of this lease to arbitration in accordance with *The Arbitration Act*.

33. Termination

The landlord and tenant may mutually agree to terminate this lease at any time.

I, _____ do hereby accept this lease of the above
(Tenant's Name)

described land to be held by me as tenant, and subject to the conditions, restrictions and covenants above set forth.

In Witness whereof the parties have set their hands and seals this _____ day of _____
___ AD 20

SIGNED, SEALED AND DELIVERED IN THE)
PRESENCE OF:)
)
)
)
)

_____)
(As to the execution by landlord))

_____)
(Signature of Landlord)

AND IN THE PRESENCE OF:)
)
)
)
)
(As to the execution by tenant))

_____)
(Signature of Tenant)

Sample Forms

Consent of Non-Owning Spouse

I, _____, non-owning spouse of _____
____ (Landlord's Spouse) (Landlord's Name)
consent to the attached disposition. I declare that I have signed this consent for the purpose of
relinquishing all my homestead rights in the property described in the above/attached disposition in
favour of _____ to the extent necessary to give effect to this lease.
(Tenant's Name)

(Signature of Non-Owning Spouse)

Certificate of Acknowledgement

I, _____
_____ (indicate capacity)
certify that I have examined _____, non-owning spouse of
_____ (Landlord's Spouse)
_____, the owning spouse, in the above/attached lease
(Landlord's Name)

separate and apart from the owning spouse. The non-owning spouse acknowledged to me that he or she:
(a) signed the consent to the disposition of his or her own free will and consent and without any compul-
sion on the part of the owning spouse; and
(b) understands his or her rights in the homestead.

I further certify that I have not, nor has my employer, partner or clerk, prepared the above/attached lease
and that I am not, nor is my employer, partner or clerk, otherwise interested in the transaction involved.

(Signature)

(Lawyer, Notary Public, Justice of the
Peace, Registrar of Land Titles Office,
Local Registrar of the Court of Queen's Bench)

Affidavit of Landlord

I, _____ of _____
 in the Province of Alberta, make oath and say that:

1. I am the landlord.

2. My spouse and I have not occupied the land described in this disposition as our homestead at any time during our marriage.

- or -

2. I have no spouse.

- or -

2. My spouse is a registered owner of the land that is the subject matter of this disposition and a co-signator of this disposition.

- or -

2. My spouse and I have entered into an interspousal agreement pursuant to *The Matrimonial Property Act* in which my spouse has specifically released all his or her homestead rights in the land that is the subject matter of this disposition.

- or -

2. An order has been made by Her Majesty's Court of Queen's Bench for Alberta/ Unified Family Court pursuant to *The Matrimonial Property Act* declaring that my spouse has no homestead rights in the land that is the subject matter of this disposition and (the order has not been appealed and the time for appealing has expired) or (all appeals from the order have been disposed of or discontinued).

- or -

2. My spouse is the landlord named in this disposition.

Sworn before me at _____)	
in the Province of _____)	
this _____ day of _____, 20____)	
)	
)	
)	
_____)	_____
(A Commissioner for Oaths in and for the)	(Signature of Landlord)
Province of Alberta. My Commission)	
expires _____, 20_.))	

Affidavit of Execution

To Wit:

I, _____ of _____, in the Province of Alberta, make oath and say:

1. That I was personally present and did see _____ **and** _____ **named** in the within instrument who are personally known to me to be the persons named therein, duly sign and execute the same for the purposes named therein.
(Landlord's Name)
(Tenant's Name)
2. That the same was executed at the _____ of _____ in the Province of Alberta, and I am the subscribing witness thereto.
3. That I know the said landlord and tenant and they are in my belief of the full age of eighteen years.

Sworn before me at _____)
in the Province of _____)
this _____ day of _____, 20____)
)
)
)
)
_____)
(A Commissioner for Oaths in and for the)
Province of Alberta. My Commission)
expires _____, 20_.))
)

(Signature of Witness)

Consent to Make Major Improvements

Re: Land Lease Agreement between _____ and
(Landlord's Name)
_____ on the following farm land and premises:
(Tenant's Name)

from _____ day of _____ AD 20 to _____ day of _____ AD 20

I, _____ do hereby authorize
Landlord's Name)
(

_____ to make the following major improvements
(Tenant's Name)

on the said land which shall become part thereof and vest in the landlord at the expiry or termination of the lease:

In so doing, the landlord will pay the tenant the following compensation for the improvements made:

(Date) _____

(Witness) _____

(Signature of Landlord) _____

(Witness) _____

(Signature of Tenant)

Lease Renewal

We, _____ of _____ and
(Landlord's Name) (Address)

_____ of _____
being (Tenant's Name) parties to a land lease agreement for the term of _____ years from
_____ day of
_____ AD 20 to the _____ day of _____ AD 20

on the following farm land and premises:

do hereby extend the term of the said agreement for the space of _____ years from _____ day of
_____ AD 20 to the _____ day of _____ AD 20

according to the terms and conditions outlined in the said agreement unless specified differently,
that is to say:

I, _____, of _____
(Tenant's Name) (Address)

do hereby accept this lease of the above described land, to be held by me as tenant, and subject to the
conditions, restrictions and covenants set forth above.

In witness whereof the parties have set their hands and seals this _____ day of _____ AD 20

SIGNED, SEALED AND DELIVERED IN THE
PRESENCE OF:

As to the execution by landlord

AND IN THE PRESENCE OF:

As to the execution by tenant

(Signature of Landlord)

(Signature of Tenant)

Caveat

To the Registrar of the _____ **Land** Registration District.

Take notice that I, _____ of _____ claiming a
(Tenant's Name)
leasehold interest as tenant under a lease agreement between _____
and _____ on the following property (description):
(Tenant's Name)

from _____ day of _____ AD 20 to the _____ day of _____ AD 20 for-
bid the registration of any transfer or other instrument affecting such land or the granting of a certificate of
title hereto except subject to the claim herein set forth.

My address In Alberta is:

Dated this _____ day of _____ AD 20 _____
(Signature of Tenant)

I, the above named _____ of _____
(Tenant's Name)

make oath and say:

1. That the allegations in the above Caveat are true in substance and in fact, to the best of my knowledge, information and belief.
2. That the claim mentioned in the above Caveat is not, to the best of my knowledge, information and belief founded upon a writing or a written order, contract or agreement for the purpose of delivery of any chattel or chattels within the prohibition contained in Section 151 of *The Land Titles Act*.

Sworn before me at _____)
in the Province of _____)
this _____ day of _____, 20____)
_____)
_____)
_____)
_____)
_____)
_____)
(A Commissioner for Oaths in and for the)
Province of Alberta. My Commission)
expires _____, 20____.))

(Signature of Tenant)

Withdrawal and Discharge of Caveat

To the Registrar of the _____ Land Registration District.

I, _____ of _____
(Tenant's Name)

do acknowledge that _____ **have** no further interest under
(Tenant's Name)

the Caveat made by _____ claiming a leasehold interest as
tenant in (land description):

which Caveat bears the date of the _____ day of _____ AD 20

and was registered in the Land Titles Office for the _____

Land Registration District on the _____ day of _____ AD 20

Caveat Number _____, and that such Caveat is hereby withdrawn and discharged. In

witness whereof I have hereunto set my hand and seal this _____ day of

_____ AD 20

Signed by the above named in the presence of

(Witness) _____



(Signature of Tenant)



Appendix I: Cost Worksheet

Landlord's Cost Per Cultivated Acre

Land Investment Cost

Land value = \$_____

\$_____ per acre x _____% \$_____

Property Taxes per acre \$_____

Buildings

Building value = \$_____

\$_____ % = \$_____
x
(building value/acre)

Depreciation per acre

= $\frac{\text{original cost} - \text{salvage value}}{\text{years of use}}$

$\frac{(\text{_____}) - (\text{_____})}{\text{_____ years of use}}$ \$_____

Repairs/acre \$_____

Insurance/acre \$_____

Other costs \$_____

Landlord's Total Costs Per Cultivated Acre \$_____



Appendix II: Crop Share Equivalent Worksheet

Expected income

Crop	Acres	x	Yield	x	Price	Total Income
_____	_____	x	_____	x	_____	_____
_____	_____	x	_____	x	_____	_____
_____	_____	x	_____	x	_____	_____
_____	_____	x	_____	x	_____ =	_____
_____	_____	x	_____	x	_____ =	_____
_____	_____	x	_____	x	_____	_____

Other Income _____

Total Expected Income _____(A)

Landlord's Share = _____ x _____^{Oo} _____(B)
 (Amount A) (1/3, 1/4, or % Share)

Discount Amount = _____ x _____^{Oo} _____(C)
 (Amount B) (% Discount)

Suggested Rent (B-C) = _____



Appendix III: Net Income Worksheet

Expected Income

Crop	Acres	x Yield	x Price
_____	_____	x -----	x _____
_____	_____	x _____	x _____
_____	_____	x _____	x _____
_____	_____	x _____	x _____

Other Income

Total Expected Income

Total Income	Landlord's Share	Tenant's Share
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____ (A)	_____ (A)	_____ (A)

Estimated Costs

Seed and Seed Related Costs

Fertilizer

Pesticides

Buildings

- Repairs and Depreciation
- Investment Cost

Crop and Hail Insurance

Property Taxes

Custom Work Hired

Hired Labour

Rent (if a cash rent)

Interest on Operating Capital

Machinery

- Fuel and Lubricants
- Repairs and Maintenance
- Depreciation
- Investment Cost
- Insurance

Trucking

Other Costs

Total Costs

Return above costs = Profit (A - B = P)

Total Cost	Landlord's Share	Tenant's Share
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____ (B)	_____ (B)	_____ (B)
_____ (P)	_____ (P)	_____ (P)



**Ministry of
Agriculture**

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Revised August 2009
ISSN 0840-9447 CD0117