

**DELAWARE DEPARTMENT OF AGRICULTURE
FOREST SERVICE
AGRICULTURAL LEASE**

J.G. TOWNSEND TRACT

This lease is made and entered into by the State of Delaware, lessor, and _____, lessee, on this _____ day of _____, 2019.

Lessor, acting by and through the Delaware Department of Agriculture, Delaware Forest Service, leases to lessee, and lessee leases from lessor, the croplands on the property known as the J.G. Townsend Tract of Redden State Forest situated in Nanticoke Hundred, Sussex County, State of Delaware (tax parcel #2-31-09-028 and 2-31-09-047), highlighted on the map attached hereto as Exhibit A.

In consideration of the mutual covenants herein contained, the parties agree as follows:

**Section I
Term of Lease**

The term of this lease is for five (5) crop seasons commencing on the 1st day of January 2020 and terminating on the 31st day of December 2024, without written notice of such termination, unless sooner terminated as herein provided. This lease may be renewed for up to an additional five (5) years if mutually acceptable to both parties and there are no violations during the first five (5) year period. The Department of Agriculture reserves the right to raise the land rent up to (25%) of the current rate after the (5th) year of this lease. The percentage shall take effect for the remaining (5) years if the lessee agrees to the new terms.

**Section II
Annual Rent**

Lessees shall pay as rental for the land \$_____ for each growing season. This represents a rental fee of \$_____ per acre on 124 tillable acres. Lessee shall pay one-half of the rent (\$_____) for the growing season in full on or before April 1 with the balance paid in full by November 30 each year.

**Section III
Use of Land for Agricultural Purposes**

The land described is leased for agricultural purposes. All the leased land that is suitable for farming shall be farmed each year, in a good and farm-like manner. If the land or any part thereof is not so farmed, or is permitted to deteriorate, or if any waste is caused or permitted thereon by lessee, this lease may be terminated on 30 days notice by lessor. Waste, as the term is employed herein, shall include the cutting or removal of any timber on the land and equipment/supplies left on the premises after planting and/or harvesting is completed.

Section IV

Cancellation and Forfeiture for Cause

On failure of lessee to pay annual rent when due, or his failure to keep any of the other covenants and agreements set forth herein, this lease may be canceled and forfeited in the manner provided by the law for the cancellation and forfeiture of leases between private individuals. A 5% late fee will be added for bills paid up to 15 days past the due date. For those over the 15 day period a 10% late fee will be added to the total amount due. If bills are not paid within 30 days of the due date, the lessor may declare this lease to be null and void.

Section V

Other Provisions and Conditions

1. Lessee shall be a current Delaware resident and be able to provide documentation supporting this condition upon request from lessor.
2. Lessee hereby grants to lessor a security interest in the farm crops grown by lessee on the leased premises during the term of this lease, whether such crops are standing, grown, in storage or in transit, and in any proceeds from the sale, exchange, transfer or other disposition of the collateral or proceeds, to ensure the performance by the lessee under all agreements with the lessor as well as payment of any and all sums now, heretofore and hereafter owing to the lessor by the lessees as a result of lessor entering into this lease agreement with lessee.
3. Lessor reserves the right to prohibit the use of certain pesticides on the leased premises. In addition, lessor may require lessee to inform lessor when certain pesticides will be applied.
4. Lessee will monitor annually the soils on the leased premises via soil sample analysis and provide lessor with copies of the soil sample analysis reports each year no later than October 30. Lessee will apply lime at sufficient rates to maintain soil pH of 5.8 to 6.5. Fertilizer will be applied by lessee at an equal rate on both crop lands to be harvested by the lessee and those left unharvested pursuant to subparagraph 2, above.
5. Lessee shall not plow, disc or otherwise till any areas until March 15 of each year. Lessee shall not plow, disc or plant within 15 feet of the field edges.
6. Lessee shall comply with all prevailing laws concerning control of noxious vegetation and nutrient management on all leased acreage.
7. Lessor reserves the right to create new hedgerows, ponds, wetlands, buffer strips, or divert land for other uses. Annual rental shall be reduced to reflect acreage taken out of production.
8. All hunting and trapping rights and privileges and all other land uses except agricultural tillage and livestock grazing are reserved by the lessor. The lessee is advised to harvest all crops as early as possible to prevent damage due to hunting as these lands may be open to public hunting.
9. This lease agreement shall not be subleased by lessee without the prior written consent of the lessor.
10. Lessor reserves the right to grant easements and rights of way across or upon the

leased property for public highways, railroads, tramways, telephone and telegraph transmission lines, pipelines, irrigation canals, raised canals and similar purposes. Lessee shall not make any claim against lessor for any loss or damage described in this section. Annual rental shall be reduced to reflect acreage taken out of production.

11. Lessee shall be insured against liability resulting from any agricultural practice or presence upon the leased property.

12. Lessee, being of lawful age, in consideration for being permitted to lease these agricultural lands and all related activities does for himself, his heirs, executors, administrators, and assigns, hereby release and forever discharge lessor and its employees from any and all loss and damages and from any and every claim, demand, action or right of action of whatever kind or nature, either in law or in equity arising from or by reason of any bodily injury as personal injuries known or unknown, death or property damage resulting or to result from any accident, whether caused by the active or passive negligence of lessor which may occur as a result of lessee's participation in the lease of these agricultural lands and related activities.

Lessee further agrees to indemnify lessor from any loss, liability, damage or cost, including attorney's fees and court costs, that may incur due to lessee's presence or that of any of the participants in this agricultural lease, whether caused by the active or passive negligence of lessor or otherwise.

Lessee hereby further assumes full responsibility for the risk of bodily injury, death or property damage due to the active or passive negligence of lessor while participating in the lease of these premises.

Lessee expressly agrees that the release, waiver and indemnity provision in section V.12 are intended to be as broad and inclusive as permitted by the laws of the State of Delaware and that if any portion thereof is invalid, it is agreed that the balance shall, notwithstanding, continue in full legal force and effect.

13. The terms of this lease shall be in effect throughout the entire duration of said lease. However, these terms may be amended during the duration of the lease, provided both the lessee and the lessor have mutually agreed, in writing, to such amendments.

14. The lessee agrees to maintain a winter cover crop on all tillable acres included herein. The said cover crop may be harvested in the spring as a crop (e.g., wheat, barley, etc.); however no fall applications of nutrients (nitrogen and phosphorus) will be permitted. Appropriate applications of potash and lime are allowed pursuant to subparagraph 4, above. See **Exhibit 3** for the full list of cover crop requirements.

In witness whereof, the said parties have hereunto set their hands and seals the day and year first above written.

Witness

Kyle Hoyd
Assistant Forestry Administrator
Department of Agriculture

SWORN TO AND DESCRIBED before me this _____ day of _____, 2019.

NOTARY PUBLIC

Witness

Lessee

SWORN TO AND DESCRIBED before me this _____ day of _____, 2019.

NOTARY PUBLIC

Financing Statement

Lessee Address

State of Delaware, Lessor
Delaware Department of Agriculture
2320 S. DuPont Highway
Dover, DE 19901

1. This financing statement covers the following property: the farm crops grown by lessee on the leased premises during the term of this lease whether such crops are standing, grown, in storage or in transit, and in any proceeds from the sale, exchange, transfer or other disposition of the collateral or proceeds.

2. The above described crops are growing or are to be grown on lands known as the J.G. Townsend Tract of Redden State Forest situated in Nanticoke Hundred, Sussex County, State of Delaware (tax parcel #2-31-09-028 and 2-31-09-047), highlighted on the map attached hereto as Exhibit A.

3. Products of the collateral are also covered.

_____, Lessee

State of Delaware
Delaware Department of Agriculture
Lessor