

## **Recommended items for consideration in a grazing license:**

1. Identification of the parties
  - a. Legal description of “Landlord/Licensor” and “Tenant/Licensee”
  - b. Date that both parties are entering agreement
2. Description of the property
  - a. Legal description including county, state, and parcel numbers
  - b. Which fields are grazable and included
  - c. Public lands may require explanation of authority to lease property
  - d. Map or aerial photo of property if feasible
3. Term of License, termination, or extension
  - a. Should include effective date and termination date
  - b. What constitutes possession
  - c. Grazing season, on/off dates, and stocking rates if applicable. Include ability to change on/off dates based on conditions.
  - d. Rules and notification for early termination, including rent refunds/payments in the event of early termination; cause for early termination (specifics of failing to comply with terms of linked Grazing Management Plan, or repeated failing to meet performance standards)
  - e. Extension/ Renewal terms
4. Rent or payment; fee credits for improvements
  - a. Amount of rent with due dates
  - b. Rent may be figured on an annual basis, monthly, per head, per animal unit month, etc.
  - c. May want to consider fee credits for approved site improvements in lieu of payments, i.e. installation of new fence at a certain price per linear foot could count toward rent payment (refer to table of Standard and Optional Licensee Responsibilities, with which may be eligible for fee credits, e.g. CCWD 2013)
5. Utilities
  - a. Should outline which party is responsible for providing utilities on site and which party is responsible for paying for utilities on site.
6. Taxes
  - a. Personal property taxes on site improvements and infrastructure should be considered
  - b. Real Property taxes are typically paid by landlord
  - c. Clarify whether there might be a Possessory Interest tax charged for this license
7. Uses of the property
  - a. Need to determine if this is a license to graze or a license of the property (legal terms that may require distinction).
  - b. Could include policies on other/associated aspects such as ATVs, horses, trucks, supplemental feeding, farming, hunting, etc.
8. Entry
  - a. Description of who is allowed to enter/use the property
  - b. Details of landlord’s access to property
  - c. Description of allowable access
9. Maintenance, repairs, and improvements
  - a. Typically the tenant is responsible for maintenance and repairs of infrastructure

- (fences, roads, ditches, drains, watering infrastructure, etc.) in compliance with applicable permits and laws.
  - b. Tenant typically gets permission in writing from landlord to construct permanent improvements
  - c. Typically no liens are allowed against the property or owner
10. Stewardship guidelines
- a. Actual details regarding stewardship practices should be included in the associated management plan if applicable, but license may have a clause about managing in compliance with the management plan
11. Additional limits or restrictions on ranching/farm practices
- a. May include any soil altering practices that are allowed or not allowed
  - b. May include language on hazardous substances and/or dead animal disposal
  - c. Other restrictions on activities, such as recreational horse riding, camping, hunting, trapping, use of herding dogs, and pest animal control
  - d. Restrictions on appurtenant or temporary structures
12. Subletting
- a. Typically subletting is not allowed without prior written consent from the landlord
  - b. Original tenant is still responsible for terms of license
13. Insurance and liability
- a. Tenant should typically have comprehensive general liability, bodily injury and death liability, and broad form property damage liability insurance
  - b. Tenant should also have workers compensation insurance if they have employees who will be working on the property
14. Indemnification
- a. Generally tenant indemnifies landlord and all affiliates except in the case of negligence or breach of the license terms on landlord's part.
15. Damage or Destruction
- a. This should outline what happens with the grazing and license payments in the event that part of or all of the property is damaged through fire, vandalism, etc.
16. Condemnation
- a. This should detail what happens to the license and payments if the property is taken under eminent domain.
17. Removal of personal property
- a. Tenant should remove personal property and temporary improvements prior to or upon termination of the license
18. Default provisions and remedies
- a. Outline of events that would constitute a default and breach of the license by the tenant.
  - b. This may include vacating or abandoning the property, failure to make payment, failure to comply with applicable laws, or failure to comply with or complete other stipulations of license agreement
  - c. This should also include details of the landlord's remedies in the case of default by the tenant.
19. Dispute resolution
- a. This should include details of how disputes will be handled including attorneys' fees
20. Notices/Communication

- a. This details how communication will be conducted between Landlord and Tennant, including Annual Grazing Operations Report and Plan for Next Year
- b. Should include contact information for all involved parties