

ORAL AGRICULTURAL LEASES

- Why you need more than a handshake

GORDON & ASSOCIATES
PROFESSIONAL CORPORATION

Anthony O. Crowell, Esq.
Crowell@gordonlegal.net
260-824-9377
www.gordonlegal.net



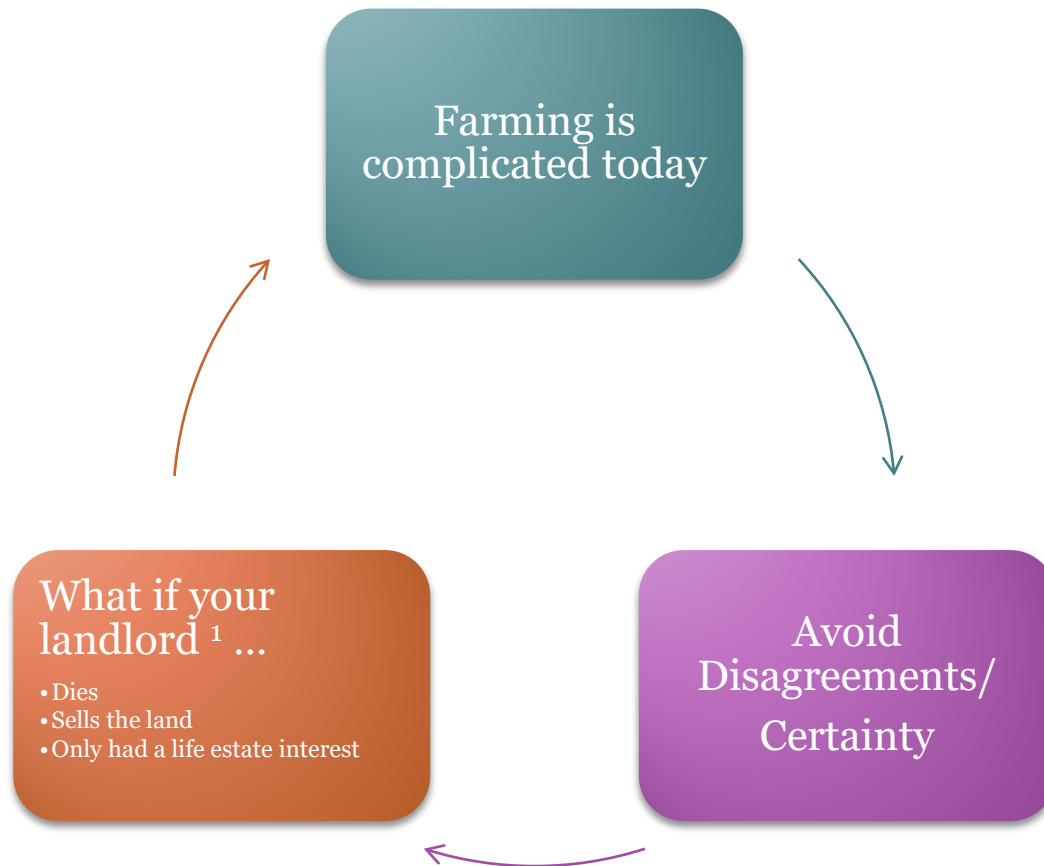
I. Historical Overview



© Ibmjournal.com

- A. Verbal Leases
- B. Word is honor, until it isn't
- C. Trust: "Don't you trust me?"

II. Why put your lease in writing



¹ Ask Todd Janzen or Brianna Schroeder about Nathan Marsh vs. Robin Marsh.

III. Statute of Frauds²

- A. Certain agreements must be in writing and signed.
- B. No legal action unless the agreement is in writing or there is a signed written memorandum
- C. EXCEPTION
 - i. A lease with a term that is not more than 3 years. So, a verbal lease intended to last more than 3 years cannot be the subject of a lawsuit.



© www.californiasolarguide.com

IV. Four Corners Principle

When you have a written contract/agreement, the courts will not go beyond the “four” corners of the document to determine the parties’ intent, unless the terms are ambiguous or subject to more than one interpretation.

If you don’t have a written lease, you do not have the benefit of certainty with this legal principle.

V. Specific Terms of a Lease

-how do you establish these with a handshake?

Parties

Rent

Term/Renewal

Termination



V. Specific Terms of a Lease

-how do you establish these with a handshake?

Chemicals/Fertilizer
(Nutrients)

Testing/Reports

Damages

Types of Leases

Length of Lease ³



www.logolynx.com

- Cash Rent Lease
- Share Crop Lease
- Modified/Flex Lease –shared risk (?)

³ IC §32-31-2: Any lease for an interest in land that exceeds 3 years is required to be recorded within 45 days after signing to be enforceable against subsequent persons not a party to the lease.

VI. Term/Renewal/Termination

A. Year-to-Year verbal lease renews automatically unless terminated

B. The Agreement will control termination

- How to establish the terms of the verbal agreement

C. Written notice required to terminate – 3 months written notice. ⁴

- i. What is the end of the term
- ii. What is the end of the “lease year”
- iii. December 31/February 28/29

⁴ IC §32-31-1-3. The Indiana Courts have determined that this notice must be in writing. Gardner v. Prochno, 963 N.E.2d 620, 2012 Ind. App. LEXIS 93 (Ind. Ct. App. 2012)

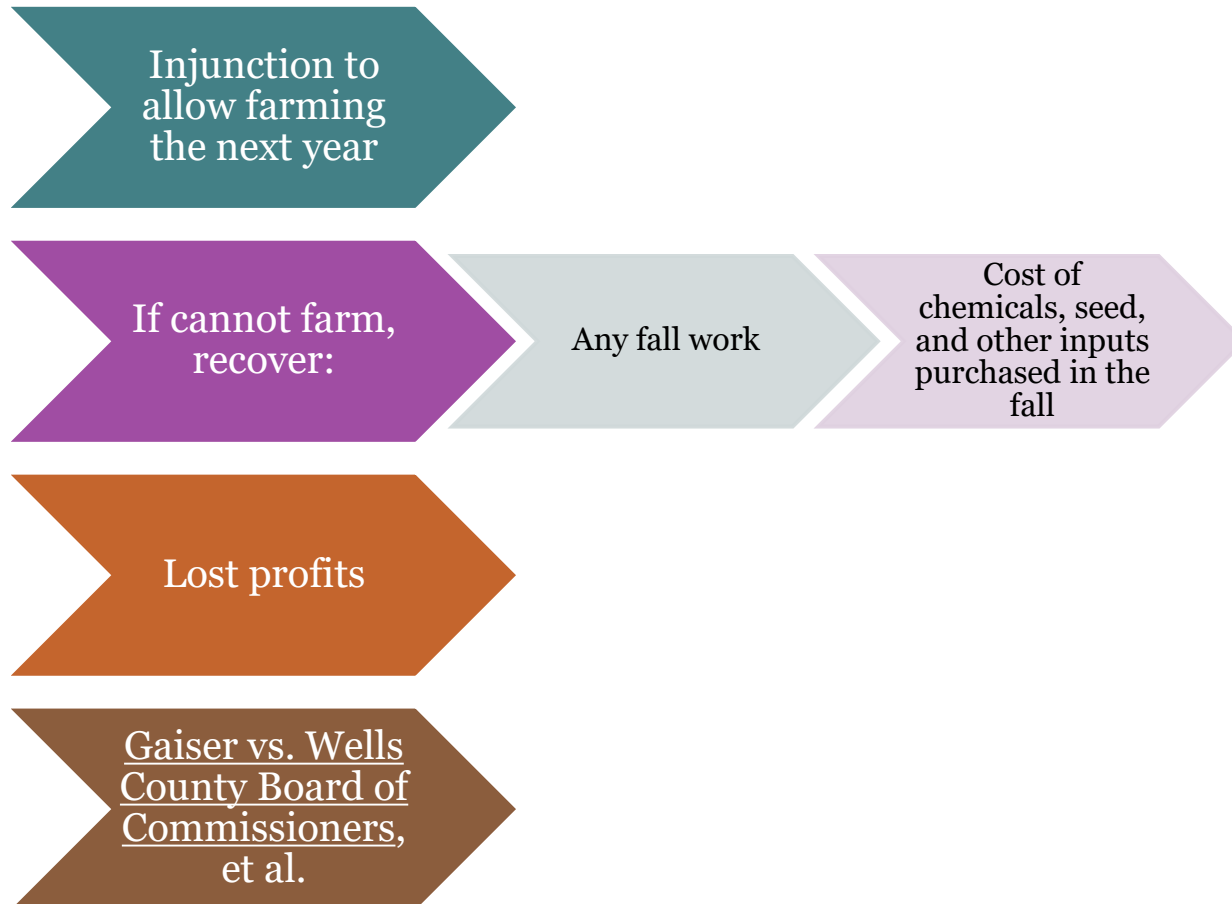
VI. Term/Renewal/Termination

**WHEN NOTICE
IS NOT
REQUIRED**

Landlord agrees to rent
to tenant for a specified
period of time, to a date
certain

The time or method for
termination is specified
in the lease

VII. Damages for wrongful termination



Anthony O. Crowell, Esq. -
Gordon & Associates P.C.

GORDON & ASSOCIATES
PROFESSIONAL CORPORATION

**BLUFFTON | FORT WAYNE |
HUNTINGTON | ROCHESTER**

260-824-9377

Crowell@gordonlegal.net