

**TERMS AND CONDITIONS OF AGRICULTURAL LEASE
MARCH 2017**

IT IS HEREBY AGREED AND UNDERSTOOD:

1. **PAYMENT.** That the Lessee shall pay to the Office of School and Public Lands for the State of South Dakota, hereinafter referred to as (Lessor) the sum above specified per annum, in advance on January 31 each year.
2. **EXPIRATION.** That the Lessee will peaceably and quietly leave, surrender, and yield all the property at the expiration of this lease, or upon cancellation or termination of this lease for any cause.
3. **EXTENSION.** That at the expiration of a five-year lease, and upon compliance with SDCL 5-5-25 and 5-5-27, the Lessee shall be entitled, at his or her option, to a five-year extension of the lease.
4. **ASSIGNMENT.** That this lease may be assigned and transferred after the Lessee obtains an assignment form from the Lessor, gets the Lessor's approval, and pays an assignment fee.
5. **SUB-LEASING.** That the sub-leasing of the property, or any part thereof, is specifically prohibited; that sub-leasing is cause for the cancellation and forfeiture of this lease, and subjects the Lessee liable to the Lessor for damages as provided in SDCL 5-5-20 and SDCL 5-5-21.
6. **SALE BY LESSOR.** That the Lessor reserves the right to sell the property; that, if the property or any part thereof is sold during the term of this lease, the lease shall terminate on January 1 of the year following the date of the public auction at which the property is sold, regardless of the dates upon which written sales contracts therefore are executed and approved; that the Lessee agrees to surrender possession of the property to the purchaser not later than the herein described January 1; that no damages of any kind may be claimed against the Lessor on account of anything connected with the sale of any of the property.
7. **RIGHT TO EXCHANGE.** That the Lessor reserves the right to exchange the property pursuant to SDCL 5-5-14, and the exchange and termination of this lease are further subject to ARSD 4:01:08.
8. **TAXES.** That the Lessee shall pay all real property taxes payable to the County Treasurer of said county. Failure to pay these taxes shall result in the cancellation of the lease pursuant to SDCL Chapter 5-11.
9. **MINERALS, TIMBER, SAND, AND GRAVEL.** That the Lessor reserves the right to enter upon the property and to sell and remove timber, coal, ores, metals, oil, gas, stone, sand, gravel, and any and all other minerals.
10. **SURFACE DAMAGES DURING MINERAL DEVELOPMENT.** That the Lessee shall obtain 50% of the surface damages occurring as a result of mineral development of the property pursuant to SDCL 5-7-17.1.
11. **WEED AND PEST CONTROL AND FALL TILLAGE, WEED CONTROL AND PLANTING IN FINAL YEAR OF LEASE.** That the Lessee is thereafter responsible for the control weeds and pests on the property. (SDAR 4:01:06). That the Lessee may secure a permit and continue with farming operations pursuant to SDCL 5-5-24.
12. **GRAZING AND WASTE.** That the Lessee shall not allow waste, or spoil of the property; and that the Lease shall be forfeited and the Lessee shall be subject to the penalties of SDCL 5-4-12 and 5-4-13 if waste or spoil of the property occurs. Grazing of agricultural lease is not allowed.
13. **HAY AND CROP.** Crops shall be annual, tillable crop or permitted rotational crops such as alfalfa. All hay or crop not removed from the property within 30 days after the expiration or termination of this Lease, whether by forfeiture or otherwise, shall belong wholly to the Lessor.
14. **IMPROVEMENTS.** That the Lessee may secure a permit to erect buildings, corrals, fences and well apparatus; sink wells and construct dams; prepare the ground and plant shelterbelts, perform government approved ripping, furrowing, contouring and reseeding, provided that such improvements are necessary to fully carry out the purposes of the lease. The Lessee shall notify the Lessor through a form furnished by the Lessor whenever any such improvements are placed upon such lands. That the cost of such improvements may not exceed an amount agreed upon by the Lessor. That the Lessor shall not be liable for any material furnished or labor performed on the improvements as pursuant to SDCL 5-5-22 and 5-5-23. When a tract, on which registered improvements are located, is leased by someone other than the former lessee the former lessee may remove the improvements they own or sell the improvements to the new Lessee. If an agreement on the value of the improvements cannot be reached, a Board of Appraisal may be appointed as provided by SDCL 5-5-29 through 5-5-32.
15. **WASTE AND BURNING PROHIBITED.** No lessee of land for agricultural purposes shall burn or permit to be burned any hay, straw, stubble, or cornstalks on the land covered by his lease pursuant to SDCL 5-5-19 and SDCL 5-4-12.
16. **HUNTING.** All hunting rights are reserved and the Lessee shall not receive any monetary or other payments for or from anyone to hunt on lands under leased by the Lessor.
17. **ARCHEOLOGICAL MATERIALS.** The Lessor hereby reserves and retains title to any and all archeological and paleontological materials found upon the leased premises pursuant SDCL 1-20-25. If the Lessee discovers an archeological or paleontological resource during its operation on the leased premises, the Lessee shall not disturb or alter the resource. The Lessee shall notify the Lessor and undertake protective measures, if any, that the Lessor requires to preserve or to protect the resource.
18. **AUTHORIZED FIRES.** The Lessee may start fires and use fire so long as said fire serves the purposes of this lease and upon the condition that any fire is properly maintained, controlled and extinguished. Such fires are subject to any burning bans and other regulation legally adopted and enforced by any applicable and authorized local government entity.