

## COMMON TERMINOLOGY USED IN PROPERTY LEASING

- **Advance** – any money, production inputs, or equipment landlord gives tenant in return for an additional share in the growing crops.
- **Assignment** – when tenant signs his/her rights and duties under the lease to a third party.
- **Cash lease** or a **fixed cash lease** – a rental arrangement where a landlord charges a tenant a fixed dollar per acre rental rate to use a farmland.
- **Clause** – A distinct section in a lease, contract, or any legal document.
- **Contract** – A legally enforceable agreement between two or more parties creating obligations.
- **Crop share lease** – a rental arrangement that allows a tenant to pay rent through a certain percentage of crops.
- **Custom farming contract** – a landowner contracts with a custom operator to perform all the machine operations on the landowner's land
- **Fixture** – personal property attached to the land that is regarded as a non-moveable part of the real property
- **Flexible cash rent lease** or a **flex lease** – A rental agreement that is a hybrid of the cash lease and states that the tenant will pay in proportion to either or both the price and yield level.
- **Landlord/Lessor** – The person who owns the real or personal property and rents it to the farmer.
- **Lease** – A type of legally enforceable contract that allows the owner of real property, equipment or livestock to convey the right to use that property to a third person in exchange for rent.
- **Perfect** – A financing statement filed with the Maryland State Department of Assessments and Taxation to validate the security interest.
- **Periodic tenancy** – a tenancy that goes for a period such as month-to-month or year-to-year.
- **Real Property** – Land, anything growing on it, and anything attached or erected on the land that cannot be removed without injury to the land.
- **Sublease** – when a tenant assigns part of the remaining term of the lease to a third party and the original tenant holds a right of reversion, or an interest in the property, when the sublease expires.
- **Tenancy for a term of years** – landlord and tenant agree the lease will end after a certain period of time.
- **Tenant/Renter/Lessee** – A person who has the right to possess the real or personal property under a lease agreement.
- **Term** – The fixed period of time during which the lease runs.
- **Third Party Contractor** – A party not subject to the original lease hired by the landlord or tenant to make repairs or do other work on the leased property.