

FAIRMONT CITY COUNCIL WORKSHOP AGENDA

Tuesday, June 11, 2024, 4:30 p.m.

- 1. Roll Call/Determination of Quorum**
- 2. Pledge of Allegiance**
- 3. Approval of Agenda**
- 4. Public Discussion/Comment** (Individual comments are limited to 3 minutes) (2)
- 5. New Business**
 - 5.1 Presentation & Discussion of City Owned Agricultural Land (3)
 - Hannah Neusch, Water Resources Technician for City of Fairmont
 - Jesse Walters, Outreach Coordinator with Soil & Water Conservation District
- 6. Adjournment**



STAFF MEMO

Prepared by: Betsy Steuber, City Clerk	Meeting Date: 06/11/2024	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 4
Reviewed by: Matt Skaret, Administrator	Item: Public Discussion/Comment		
Presented by: Betsy Steuber, City Clerk	Action Requested:		
Vote Required: <input type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Approval Board/Commission/Committee Recommendation:		

REFERENCE AND BACKGROUND

Prior to regular business, is there any public discussion/comment?

BUDGET IMPACT

SUPPORTING DATA/ATTACHMENTS



STAFF MEMO

Prepared by: Hannah Neusch, Water Resources Technician	Meeting Date: 06/11/24	<input type="checkbox"/> Consent Agenda Item <input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Public Hearing	Agenda Item # 5.1
Reviewed by: Matt Skaret, Administrator	Item: Presentation & Discussion of City Owned Ag Land		
Presented by: Hannah Neusch & Jesse Walters, SWCD	Action Requested: Consider potential restoration of farmland and changes to future farmland leases		
Vote Required: <input checked="" type="checkbox"/> Simple Majority <input type="checkbox"/> Two Thirds Vote <input type="checkbox"/> Roll Call	Staff Recommended Action: Amend future Ag Land Leases as described below Board/Commission/Committee Recommendation:		

REFERENCE AND BACKGROUND

The City of Fairmont currently owns approximately 480 Acres of cropland which is rented out and actively farmed. All these acres are in the Chain of Lakes watershed. The farmland leases expire December 31, 2024. Given the increasing awareness of the importance of improving water quality of our lakes and watershed in general and changes in common farming practices, it is imperative to reevaluate our agricultural leases and the impact they have on our lakes. This is also supported by our 2040 Comprehensive Plan.

There are two leases in particular that have the most potential impact on our lakes: The “Day Farm” and the “Cedar Creek Farm.”

The current practice on these acres is traditional farming, which on both farms can be particularly erosive due to the slope and type of soil. Both farms are near the bike trail and adjacent to the lake.

In consultation with the Martin County Soil & Water Conservation District there are three changes we recommend Council consider implementing to reduce the potential negative impact these plots of land have on our lakes:

1. The full restoration of the Cedar Creek Farm to native prairie habitat.
2. The installation of native prairie strips on the east side of the Day Farm.
3. Incorporating the use of cover crops and reduced tillage into the City of Fairmont’s agricultural lease agreements.

Native Prairie, both full restoration and strips, are the best ways to reduce the volume pollutants, such as sediment and excess nutrients, from flowing into our lakes. These pollutants contribute to drinking water concerns, algae blooms, and excessive aquatic plant growth. These changes will also beautify the area surrounding the walking trail and additional educational elements will satisfy part of the City’s MS4 permit.

Cover crops hold excess nutrients within the plant and release them when the crops need them. Cover crops also effectively cover the soil and protect the soil from erosion. Reduced tillage will disturb less soil, thus significantly reducing the erosion potential. Both practices are current best management practices on fields which outlet to impaired bodies of water, such as our lakes.

If Council wishes to take smaller steps that would not have the full impact of the recommendations noted above, but still make some improvements to water quality, a hybrid approach could be taken. Such actions could include converting part of the Cedar Creek Farm to native prairie habitat, reducing the length or width of the native prairie strips on the Day Farm. These and other options could be considered too.

BUDGET IMPACT

The City of Fairmont will lose its current income from these lease agreements, the rental payment varies by lease:

Cedar Park Farm:

- 86.94 Ac rented at \$275/Ac
- potential loss of \$23,881.00/year if fully restored.

Day Farm:

- 84.49 Ac rented at \$275/Ac
- Only proposing 2 acres be brought out of production. Potential loss of \$550/yr.

There will be no immediate financial impact from the installation of Recommendations 1 & 2 as these expenses would be covered by grant funds from the Martin Soil and Water Conservation District. As with many grants, the City would upfront the expenses and then be reimbursed.

The City of Fairmont would have to maintain these plantings. The recommendation is to mow the site once in 2025, this cost is not covered under the grant. A local insured contractor has quoted Approximately \$40/Acre, which is \$3,480 total.

SUPPORTING DATA/ATTACHMENTS

PowerPoint

Leases

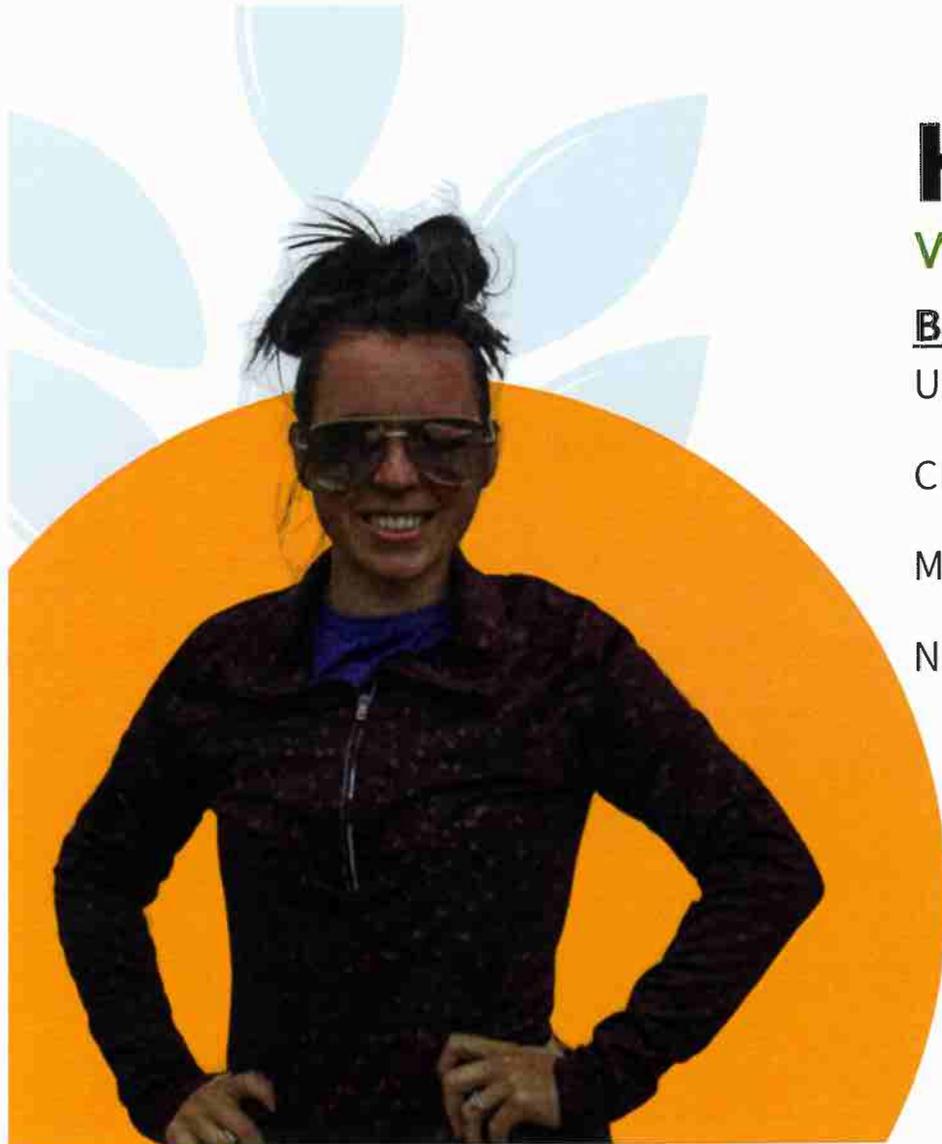
Reference Maps

CITY OWNED AGLAND

Work session

Presented By:
Hannah Neusch





Hannah Neusch

Water Resources Technician

Background and Experience

University of Wisconsin-Superior-- Biology, GIS

CF Industries 2012-2018

Martin Soil & Water Conservation District (SWCD) 2018-2021

Natural Resource Conservation Service (NRCS) 2021-2022



City Owned AgLand

More than 480 Acres in production



What is proposed?



Native Planting



**Incorporating Cover
Crops**



Reducing Tillage

What is the benefit?



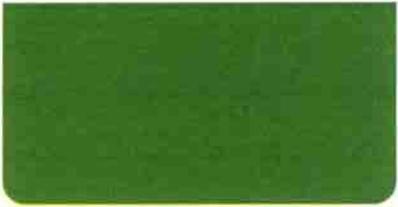
**Increased Water
Quality**



**Reduced
Sedimentation**



**Reduced Nutrient
Load**



Nutrient Loading

Nitrogen and Phosphorus

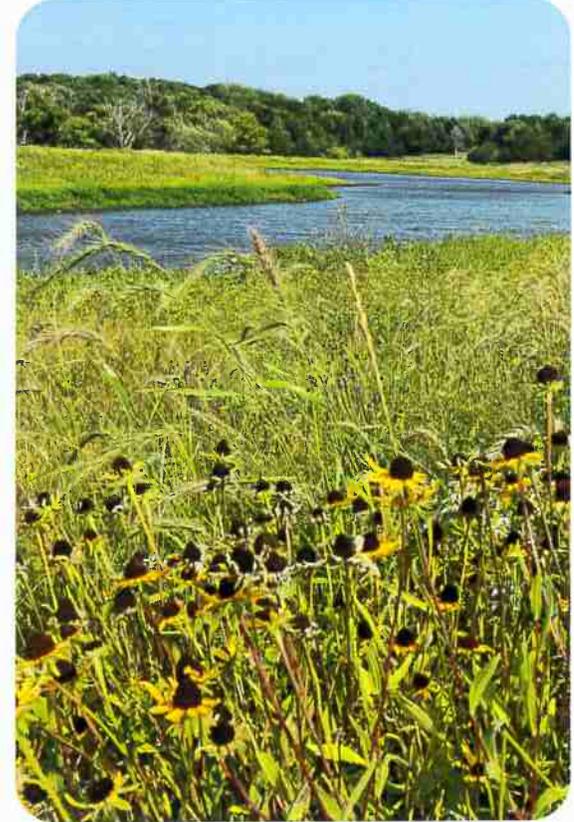


Excess nutrients contribute to drinking water concerns, algae blooms, and Excessive plant growth

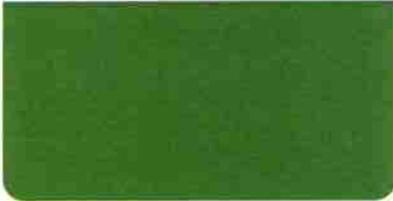
Sediment Movement



Average corn field loses 1 – 1.5 tons of sediment per acre per year (dump truck ~ 10 tons)



Prairie < .01 tons of sediment per acre per year (<20 lbs/acre)



2040 Comprehensive Plan Supports Revaluation



Future Natural Resources Topics

Lakes and Water

The City is fortunate to have nearly 1,200 acres of lake area within the City's limits. They are divided into 5 distinct lakes: Amber, Hall, Budd, Sisseton, and George. The opportunities for the water enthusiast is further improved by 4 of the 5 lakes being connected by navigation channels. These channels allow access for users to 1,000 acres of water without having to get out of their boat. The Fairmont Lakes Foundation (FLF) exists to promote good stewardship of the lakes and streams. The City should continue working with the FLF to advance this stewardship initiative and promote access through water recreation opportunities.

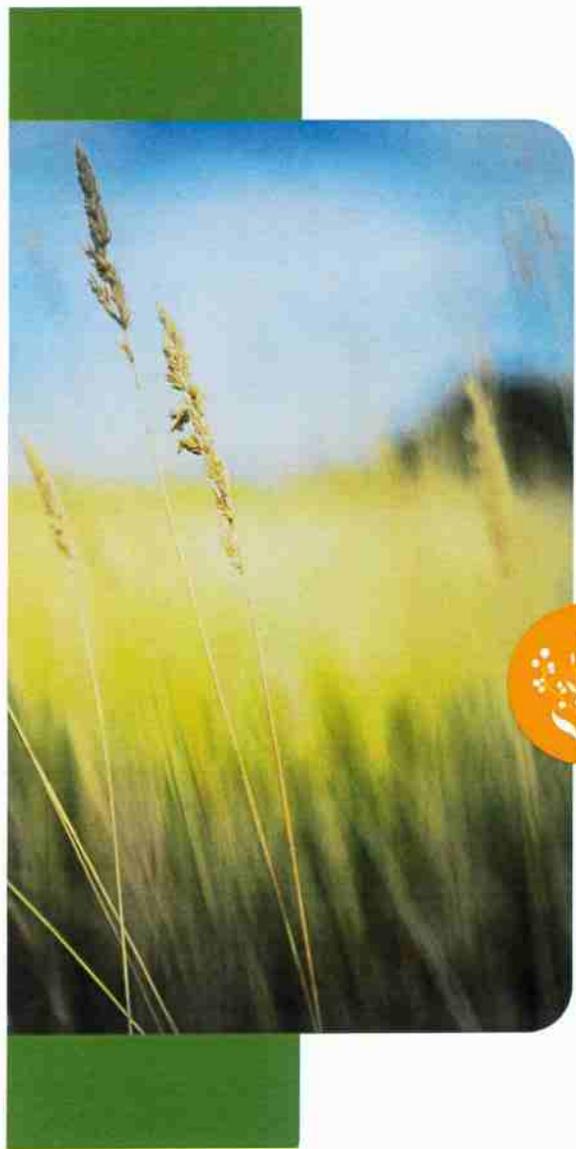
City will continue to provide and maintain public fishing opportunities as well as multiple boat landings and associated parking to accommodate the boating/fishing/recreation community.

Future improvements to be considered include:

- Gomsrud Park boat landing renovations
- Invasive species protection and prevention
- Water quality projects (stand-alone and enhanced storm sewer projects)

Agricultural Land

The City is surrounded by heavy agricultural land uses. These areas serve as the watershed for the City's lakes. As farming practices change, the City will need to monitor these changes and how they may affect the water quality of the lakes. Continued partnering with the Soil and Water Conservation District on projects within the City's limits will be beneficial to lake users. The City may also need to consider projects outside its boundaries that would have an impact on stormwater runoff within its watershed.

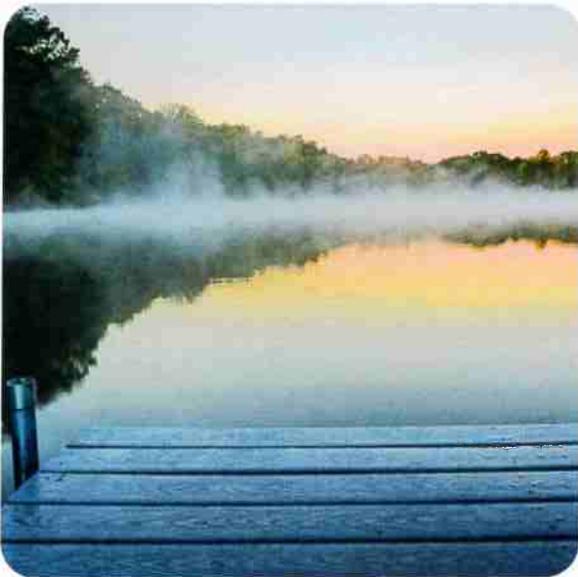


Beautifies

our City

Satisfies MS4 Requirements





Fairmont Chain of Lakes Water Quality Grant

Reduce sediment (erosion)
&
excess nutrients (runoff)









The field near Cedar Creek is about 85 acres and the filter strip near the bike trail/ Sisseton would only be about 2 acres (~1500ft x 30ft width)

Total acres to be seeded =87
Seed cost less than or equal to \$17,000 -
could be a little less dependent on mixture
chosen.

Seeding cost = \$25/acre - \$2,175 total.
We have up to \$20,000 to pay for seed &
seeding, so all costs will be fully reimbursed.

We would order the seed & complete the
seeding in the fall of 2024.

I recommend the entire site be mowed
once in 2025 in early summer (June-July).
This is the only cost that is not
reimbursed. A local insured contractor
quoted \$40/acre - \$3,480 total.



6/11/2024



THANKS

Presented By:
Hannah Neusch
Water Resources Technician, City of Fairmont
Jesse Walters
Outreach Coordinator, Martin SWCD

AGRICULTURAL LEASE

COPY

This Lease made and entered into this 15th day of February 2022, at Martin County, Minnesota, by and between the City of Fairmont, hereinafter known as the Lessor, and David Shumski, hereinafter known as the Lessee, whose address is 4903 50th Avenue, Swea City, IA 50590.

WITNESSETH

That the Lessor, in consideration of the payment of the rent hereinafter specified to be paid by the Lessee, and the covenants and agreements herein contained, does hereby lease, demise and let unto Lessee that certain property designated as Cedar Park Agricultural Acres, which property, comprising of 86.84 tillable acres, more or less, are located in the County of Martin, State of Minnesota, Section 19 and 30, Township 102N, Range 30W.

TO HAVE AND TO HOLD the above leased premises, subject to the conditions and covenants set out herein, for the term commencing January 1, 2022 and ending December 31, 2024. Lessee agrees to pay as rent the sum of \$23,881.00 per year (calculated as Cedar Park, 86.84 acres @ \$275 per acre) for the years 2022, 2023 and 2024.

The yearly payment shall be made at the discretion of the lessee any time before, but no later than March 1, 2022; March 1, 2023; March 1, 2024 to the City of Fairmont in certified check or money order.

The Lessee hereby covenants and agrees as follows:

- (1) That the demised property shall be used only for agricultural purposes.
- (2) Not to commit, suffer or permit any non-agricultural waste on said property, Lessee further agrees to comply with all State laws, local ordinances or other governmental regulations in connection with pest and weed control, land use, etc., which may be required by the proper authorities.
- (3) Lessee covenants and agrees to cultivate, irrigate, fertilize, prune and otherwise farm the premises in accordance with approved practices of good husbandry and in accordance with the standard farming practices of the vicinity, and to keep any buildings, fences, irrigation or other farming facilities on the premises in good repair.
- (4) Lessee agrees not to assign or sublet the above leased premises, or any part thereof, without first obtaining the prior written consent of Lessor, which consent may be given or withheld in Lessor's sole discretion.
- (5) Lessee agrees that it will, at the expiration of the Lease, quietly yield and surrender the aforesaid leased premises to Lessor in as good condition and repair as when taken, reasonable wear and tear and damage by the elements excepted.

(6) To pay Lessor all costs and expenses, including attorney's fees, in a reasonable sum, in any action brought by the Lessor to recover any rent due and unpaid hereunder, or for the breach of any of the covenants or agreements contained in this Lease, or to recover possession of said property, whether such action progresses to judgment or not.

(7) If any rent shall be due and unpaid, or if default shall be made in any of the covenants or agreements on the part of the Lessee contained in this Lease, Lessor may, at its option at any time after such default or breach, and without any demand on or notice to Lessee or to any other person, of any kind whatsoever, re-enter and take possession of said property and remove all persons therefrom, without such actions working a forfeiture of the rents to be paid by the Lessee.

(8) The Lessee assumes by this agreement all risk of personal injury of, or death to, himself, his employees, customers, invitees, licensees, family or guests while on or about the leased premises and agrees to save harmless the City of Fairmont for all claims, suits, costs, losses, damage and expenses arising out of such injury or death.

(9) As security for the payment of the rents herein specified and the faithful performance and strict fulfillment of all the covenants of Lessee in this lease contained, does hereby grant a security interest to Lessor in all crops grown or growing on said premises during the term of this lease and in products and contract rights with respect thereto and all proceeds of each. Upon any default on the part of Lessee in paying said rent or in performing any of the covenants of this lease, and at any time thereafter, Lessor shall have, in addition to the rights and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, and Lessor may require Lessee to assemble said property and make it available to Lessor at a place to be designated by Lessor that is reasonably convenient to both parties. Expenses of retaking, holding, preparing for sale, selling and the like, shall include the reasonable attorney's fees and legal expenses of Lessor.

(10) Anything herein contained to the contrary notwithstanding, this lease may be terminated, and the provisions of this Lease may be, in writing, altered, changed or amended by mutual consent of the parties hereto. Further, in Lessor's sole discretion, Lessor shall have the right to terminate this Lease, without cause and for any reason Lessor deems appropriate, upon three (3) months written notice to Lessee, provided, however, that Lessor shall use its best efforts to allow Lessee to harvest its crops from the leased premises.

(11) Lessee agrees to accept possession of the leased premises "as is" and acknowledges that Lessor makes no warranties or representations concerning the condition of the leased premises or its fitness for any particular purpose.

(12) Lessee shall farm the leased premises according to the best farming practices in its locality and provide all tools, implements, machinery and hired help necessary to that end.

(13) Lessee shall not make any repairs or improvements to the leased premises costing more than \$500.00 without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld upon Lessee furnishing Lessor with mechanic and materialman lien waivers duly executed by the persons who will be making the proposed improvement.

Lessee shall not by its act or omission permit any liens, encumbrances or adverse claims to attach to the leased premises.

(14) Lessee shall maintain liability insurance on the leased premises having limits of not less than \$1,000,000 per person and shall defend and hold the Lessor harmless from all claims, resulting from the use of the leased premises by Lessee or other parties or the use of Lessor's other lands for ingress or egress to the leased premises, arising during the terms of this lease.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on:

Date: _____

David Shumski
(Lessee) David Shumski

(SEAL)

CITY OF FAIRMONT
MARTIN COUNTY, MINNESOTA

Date: 2-15-22

BY: Deborah J. Foster
Mayor

Date: 2-15-2022

BY: Patricia J. Johnson
City Clerk

This instrument drafted by:
City of Fairmont
100 Downtown Plaza
Fairmont, MN 56031
Telephone: 507-238-9461

Cedar Park Parcels C-1, C-2, & C-3



1 inch = 600 feet

C-1

C-2

C-3

AMBER LA

Day Farm

AGRICULTURAL LEASE

COPY

This Lease made and entered into this 15th ~~January~~ ^{February} 2022, at Martin County, Minnesota, by and between the City of Fairmont, hereinafter known as the Lessor, and David Shumski, hereinafter known as the Lessee, whose address is 4903 50th Avenue, Swea City, IA 50590.

WITNESSETH

That the Lessor, in consideration of the payment of the rent hereinafter specified to be paid by the Lessee, and the covenants and agreements herein contained, does hereby lease, demise and let unto Lessee that certain property designated as Day Farm Agricultural Acres, which property, comprising of 84.49 tillable acres, more or less, are located in the County of Martin, State of Minnesota, Section 7, Township 102N, Range 30W.

TO HAVE AND TO HOLD the above leased premises, subject to the conditions and covenants set out herein, for the term commencing January 1, 2022 and ending December 31, 2024. Lessee agrees to pay as rent the sum of \$23,234.75 per year (calculated as Day Farm, 84.49 acres @ \$275.00 per acre) for the years 2022, 2023 and 2024.

The yearly payment shall be made at the discretion of the lessee any time before, but no later than March 1, 2022; March 1, 2023; March 1, 2024 to the City of Fairmont in certified check or money order.

The Lessee hereby covenants and agrees as follows:

(1) That the demised property shall be used only for agricultural purposes.

(2) Not to commit, suffer or permit any non-agricultural waste on said property, Lessee further agrees to comply with all State laws, local ordinances or other governmental regulations in connection with pest and weed control, land use, etc., which may be required by the proper authorities.

(3) Lessee covenants and agrees to cultivate, irrigate, fertilize, prune and otherwise farm the premises in accordance with approved practices of good husbandry and in accordance with the standard farming practices of the vicinity, and to keep any buildings, fences, irrigation or other farming facilities on the premises in good repair.

(4) Lessee agrees not to assign or sublet the above leased premises, or any part thereof, without first obtaining the prior written consent of Lessor, which consent may be given or withheld in Lessor's sole discretion.

(5) Lessee agrees that it will, at the expiration of the Lease, quietly yield and surrender the aforesaid leased premises to Lessor in as good condition and repair as when taken, reasonable wear and tear and damage by the elements excepted.

(6) To pay Lessor all costs and expenses, including attorney's fees, in a reasonable sum, in any action brought by the Lessor to recover any rent due and unpaid hereunder, or for the breach of any of the covenants or agreements contained in this Lease, or to recover possession of said property, whether such action progresses to judgment or not.

(7) If any rent shall be due and unpaid, or if default shall be made in any of the covenants or agreements on the part of the Lessee contained in this Lease, Lessor may, at its option at any time after such default or breach, and without any demand on or notice to Lessee or to any other person, of any kind whatsoever, re-enter and take possession of said property and remove all persons therefrom, without such actions working a forfeiture of the rents to be paid by the Lessee.

(8) The Lessee assumes by this agreement all risk of personal injury of, or death to, himself, his employees, customers, invitees, licensees, family or guests while on or about the leased premises and agrees to save harmless the City of Fairmont for all claims, suits, costs, losses, damage and expenses arising out of such injury or death.

(9) As security for the payment of the rents herein specified and the faithful performance and strict fulfillment of all the covenants of Lessee in this lease contained, does hereby grant a security interest to Lessor in all crops grown or growing on said premises during the term of this lease and in products and contract rights with respect thereto and all proceeds of each. Upon any default on the part of Lessee in paying said rent or in performing any of the covenants of this lease, and at any time thereafter, Lessor shall have, in addition to the rights and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, and Lessor may require Lessee to assemble said property and make it available to Lessor at a place to be designated by Lessor that is reasonably convenient to both parties. Expenses of retaking, holding, preparing for sale, selling and the like, shall include the reasonable attorney's fees and legal expenses of Lessor.

(10) Anything herein contained to the contrary notwithstanding, this lease may be terminated, and the provisions of this Lease may be, in writing, altered, changed or amended by mutual consent of the parties hereto. Further, in Lessor's sole discretion, Lessor shall have the right to terminate this Lease, without cause and for any reason Lessor deems appropriate, upon three (3) months written notice to Lessee, provided, however, that Lessor shall use its best efforts to allow Lessee to harvest its crops from the leased premises.

(11) Lessee agrees to accept possession of the leased premises "as is" and acknowledges that Lessor makes no warranties or representations concerning the condition of the leased premises or its fitness for any particular purpose.

(12) Lessee shall farm the leased premises according to the best farming practices in its locality and provide all tools, implements, machinery and hired help necessary to that end.

(13) Lessee shall not make any repairs or improvements to the leased premises costing more than \$500.00 without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld upon Lessee furnishing Lessor with mechanic and materialman lien waivers duly executed by the persons who will be making the proposed improvement.

Lessee shall not by its act or omission permit any liens, encumbrances or adverse claims to attach to the leased premises.

(14) Lessee shall maintain liability insurance on the leased premises having limits of not less than \$1,000,000 per person and shall defend and hold the Lessor harmless from all claims, resulting from the use of the leased premises by Lessee or other parties or the use of Lessor's other lands for ingress or egress to the leased premises, arising during the terms of this lease.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on:

Date: _____

David Shumski
(Lessee) David Shumski

(SEAL)

CITY OF FAIRMONT
MARTIN COUNTY, MINNESOTA

Date: 2-15-22

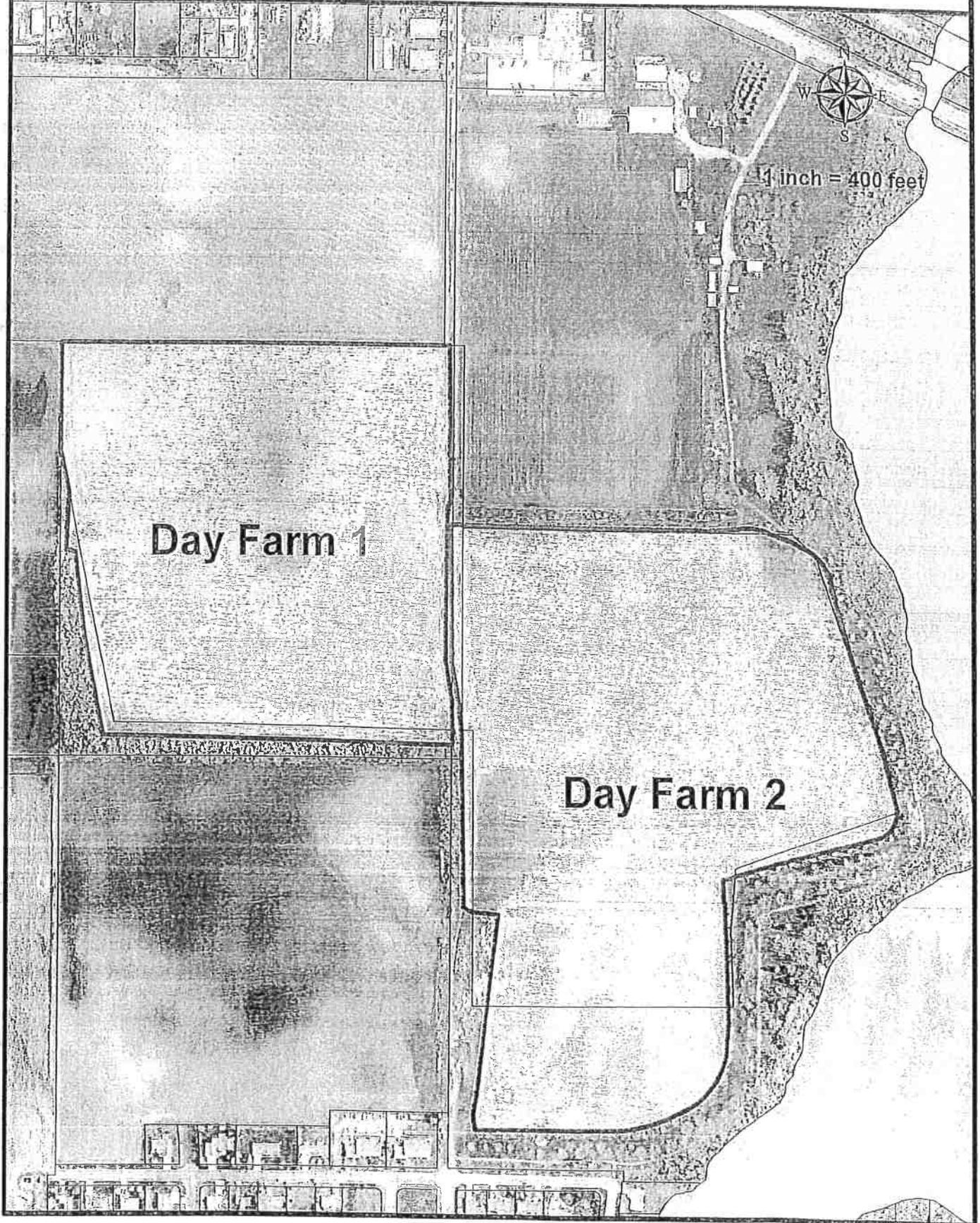
BY: Deborah J. Foster
Mayor

Date: 2-15-2020

BY: Patricia J. Monson
City Clerk

This instrument drafted by:
City of Fairmont
100 Downtown Plaza
Fairmont, MN 56031
Telephone: 507-238-9461

Parcels Day Farm 1 & 2



COPY

AGRICULTURAL LEASE

This Lease made and entered into this ^{4th} 15 day of ^{February} ~~January~~ 2022, at Martin County, Minnesota, by and between the City of Fairmont hereinafter known as the Lessor, and Timothy Maschoff, hereinafter known as the Lessee, whose address is 214 N. James Street, Northrop, Minnesota 56039.

WITNESSETH

That the Lessor, in consideration of the payment of the rent hereinafter specified to be paid by the Lessee, and the covenants and agreements herein contained, does hereby lease, demise and let unto Lessee that certain property designated as Parcels B, C, D, D-1, F, K, L, L-1 on the attached sketches which are made a part hereof, which property, comprising of 209 tillable acres, more or less, are located in the County of Martin, State of Minnesota, Section 10, 11 and 15, Township 102N, Range 30W.

Parcels B, C, D, D-1 (116 tillable acres)

All that part of the South Half (S ½) of the Southeast Quarter (SE ¼) of Section Ten (10), Township One Hundred Two (102) North, Range Thirty (30) West, and the triangular parcel in the Northwest Quarter (NW ¼) of the Northeast Quarter (NE ¼) of Section Fifteen (15), Township One Hundred Two (102) North, Range Thirty (30) West, described as follows, to-wit: Commencing at the North ¼ Corner of Section Fifteen (15), thence North 410' on the ¼ line of Section Ten (10), to the point of beginning, thence North 910, thence East 2640' on the 1/16th line to the section line, thence South 1320; of the section line to the Southeast corner of Section Ten (10), thence West on the section line 1320' thence South 854.6' on the 1/16th line, thence North 45°29' West 1723.5' to the point of beginning, (Parcel "C" and part of Parcel "D").

Parcel F (31.5 tillable acres)

The East Half (E ½) of the Northeast Quarter (NE ¼) of Section Fifteen (15), Township One Hundred Two (102) North of Range Thirty (30) West, excepting therefrom the following described tract:

An irregular parcel of land in the Northeast Quarter (NE ¼) of Section Fifteen (15), Township One Hundred Two (102) North, Range Thirty (30) West of the Fifth Principal Meridian, described as follows, to-wit: Commencing at the East Quarter corner of said Section Fifteen (15), the point of beginning, thence West 1315.08 feet, thence North 0°24'10", East 1790.6' thence South 45°59', East 1816.4 feet, thence South 537.7 feet to the point of beginning.

Parcels K, L, & L-1 (23.5 tillable acres)

A triangular parcel in the Southeast Quarter (SE 1/4) of the Northwest Quarter (NW 1/4) of Section Fifteen (15), Township One Hundred Two (102 North, Range Thirty (30) West, described as follows, to-wit: Beginning at the center of Section Fifteen (15), thence West 419.67' on the 1/4 line, thence North 27°31' East 908.36' to the North and South line, thence South 805.6' to the point of beginning, (part of Parcel L).

A trapezoidal shaped part of the West Half (W) of the Northeast Quarter (NE 1/4) of Section Fifteen (15), Township One Hundred Two (102) North, Range Thirty (30) West, described as follows, to-wit: Beginning at the center of Section Fifteen (15), thence North 1681.7' on the 1/4 section line, thence South 45°59' East 1773.5' to the 1/16th line, thence South 406.3' on the 1/16th line to the 1/4 line, thence West 1313' on the 1/4 line to the point of beginning, (Part of Parcel L, L-1, and all of Parcel K).

An irregular shaped part of the West Half (W) of the Northeast quarter (NE 1/4) and the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4) of Section Fifteen (15), Township One Hundred Two (102) North of Range 30 West of the 5th P.M., more particularly described as follows, to-wit: Commencing at the North 1/4 corner of Section 15, T102N, R30W to the point of beginning; thence East of the section line 420 feet; thence South 45°59' East 1130' more or less to the East line of the West of the NE 1/4, Section 15; thence South 1410' to a point on said line; thence North 45°59' West 3140' to a point on the north line of Section 15; thence East 1010' to the point of beginning, (Part of Parcel L).

Parcels D, & D-1 (36.5 tillable acres)

An irregular parcel within the SW 1/4 of Section 10, T102N, R30W, subject to easements of record for highway purposes.

Note: Parcels D-1 & D-1 are subject to the requirements of part (3) of this agreement as crosshatched on the attached map.

TO HAVE AND TO HOLD the above leased premises, subject to the conditions and covenants set out herein, for the term commencing January 1, 2022 and ending December 31, 2024. Lessee agrees to pay as rent the sum of \$275.00 per acre (207.5 acres) per year for the years 2022-2024. The yearly payment shall be made in one installment of \$57,062.50 on March 1, 2022; March 1, 2023; March 1, 2024.

The Lessee hereby covenants and agrees as follows:

- (1) That the demised property shall be used only for agricultural purposes.
- (2) That equipment will be brought onto the property for agricultural purposes only and only during daylight hours. No equipment will be stored on the property when not in actual use. Irrigation equipment, which causes an obstruction or interference to air navigation, will not be used on the property.

(3) That part of the demised premises shown for low-growing crops only on the attached Exhibit A shall be planted with only low-growing crops, such as alfalfa, wheat, oats, etc., which shall not obstruct airport runway lights or cause any obstruction or interference to air navigation.

(4) That no persons or equipment will enter the area designated on Exhibit A as "No Farm Crops Permitted".

(5) To permit the Lessor at its option and, upon 10 days written notice to the Lessee, to remove any crops, equipment or other material which obstructs the airport runway lights, air navigation facilities or otherwise interferes with the operation of the airport and to charge the cost thereof to the Lessee as additional rent due immediately hereunder.

(6) Not to commit, suffer or permit any non-agricultural waste on said property, Lessee further agrees to comply with all State laws, local ordinances or other governmental regulations in connection with pest and weed control, land use, etc., which may be required by the proper authorities.

(7) Lessee covenants and agrees to cultivate, irrigate, fertilize, prune and otherwise farm the premises in accordance with the standard farming practices of the vicinity, and to keep any buildings, fences, irrigation or other farming facilities on the premises in good repair.

(8) Lessee agrees not to assign or sublet the above leased premises, or any part thereof, without first obtaining the prior written consent of Lessor, which consent may be given or withheld in Lessor's sole discretion.

(9) Lessee agrees that it will, at the expiration of the Lease, quietly yield and surrender the aforesaid leased premises to Lessor in as good condition and repair as when taken, reasonable wear and tear and damage by the elements excepted.

(10) To notify the Airport Manager before using any equipment in the runway approach zone as indicated on Exhibit A so that aircraft approaching the airport may be warned.

(11) The Lessee, for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvement on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that the Lessee shall use the premises in compliance with all Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

(12) To pay Lessor all costs and expenses, including attorney's fees, in a reasonable sum, in any action brought by the Lessor to recover any rent due and unpaid hereunder, or for the breach of any of the covenants or agreements contained in this Lease, or to recover possession of said property, whether such action progresses to judgment or not.

(13) If any rent shall be due and unpaid, or if default shall be made in any of the covenants or agreements on the part of the Lessee contained in this Lease, Lessor may, at its option at any time after such default or breach, and without any demand on or notice to Lessee or to any other person, of any kind whatsoever, re-enter and take possession of said property and remove all persons therefrom, without such actions working a forfeiture of the rents to be paid by the Lessee.

(14) The Lessee assumes by this agreement all risk of personal injury of, or death to, himself, his employees, customers, invitees, licensees, family or guests while on or about the leased premises and agrees to save harmless the City of Fairmont for all claims, suits, costs, losses, damage and expenses arising out of such injury or death.

(15) Anything herein contained to the contrary notwithstanding, this lease may be terminated, and the provisions of this Lease may be, in writing, altered, changed or amended by mutual consent of the parties hereto. Further, in Lessor's sole discretion, Lessor shall have the right to terminate this Lease, without cause and for any reason Lessor deems appropriate, upon three (3) months written notice to Lessee, provided, however, that Lessor shall use its best efforts to allow Lessee to harvest its crops from the leased premises.

(16) This Lease is subordinate to the provisions of any existing or future agreement between the Lessor and the United States relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition to the expenditure of Federal funds for development of the airport.

(17) As security for the payment of the rents herein specified and the faithful performance and strict fulfillment of all the covenants of Lessee in this lease contained, Lessee does hereby grant a security interest to Lessor in all crops grown or growing on said premises during the term of this lease and in products and contract rights with respect thereto and all proceeds of each. Upon any default on the part of Lessee in paying said rent or in performing any of the covenants of this lease, and at any time thereafter, Lessor shall have, in addition to the rights and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, and Lessor may require Lessee to assemble said property and make it available to Lessor at a place to be designated by Lessor that is reasonably convenient to both parties. Expenses of retaking, holding, preparing for sale, selling and the like, shall include the reasonable attorneys' fees and legal expenses of Lessor.

(18) Lessee agrees to accept possession of the leased premises "as is" and acknowledges that Lessor makes no warranties or representations concerning the condition of the leased premises or its fitness for any particular purpose.

(19) Lessee shall farm the leased premises according to the best farming practices in its locality and provide all tools, implements, machinery and hired help necessary to that end.

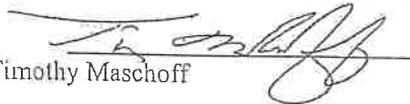
(20) Lessee shall not make any repairs or improvements to the leased premises costing more than \$500.00 without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld upon Lessee furnishing Lessor with mechanic and materialman lien waivers duly executed by the persons who will be making the proposed improvement. Lessee shall not by its act or omission permit any liens, encumbrances or adverse claims to attach to the leased premises.

(21) Lessee shall maintain liability insurance on the leased premises having limits of not less than \$1,000,000 per person and shall defend and hold the Lessor harmless from all claims, resulting from the use of the leased premises by Lessee or other parties or the use of Lessor's other lands for ingress or egress to the leased premises, arising during the terms of this lease.

(22) All previous agreements on said parcels, written or expressed, are hereby mutually canceled and terminated.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on:

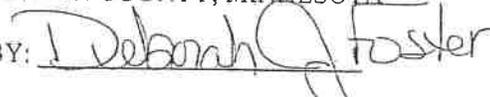
Date: 1-4-22
(Lessee)


Timothy Maschoff

(SEAL)

CITY OF FAIRMONT
MARTIN COUNTY, MINNESOTA

Date: 2-15-22

BY: 
Mayor

Date: 2-15-2022

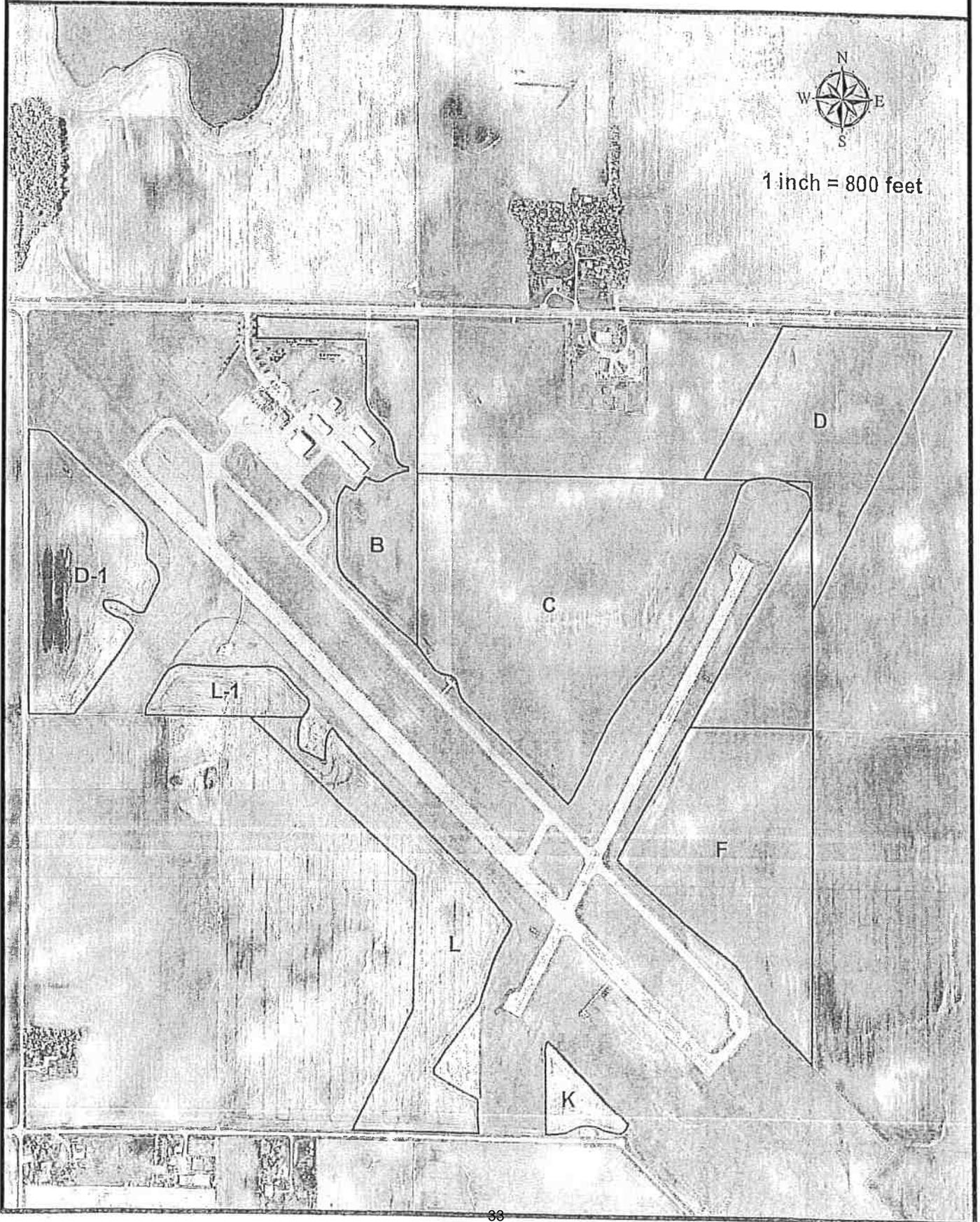
BY: 
City Clerk

This instrument drafted by:
City of Fairmont
100 Downtown Plaza
Fairmont, MN 56031
Telephone: 507-238-9461

Parcels B, C, D, D-1, F, K, L, & L-1



1 inch = 800 feet



COPY

AGRICULTURAL LEASE

This Lease made and entered into this 15th day of ~~January~~ February 2022, at Martin County, Minnesota, by and between the City of Fairmont, hereinafter known as the Lessor, and Kevin Thate, hereinafter known as the Lessee, whose address is 2544 115th Street, Fairmont, Minnesota 56031.

WITNESSETH

That the Lessor, in consideration of the payment of the rent hereinafter specified to be paid by the Lessee, and the covenants and agreements herein contained, does, hereby lease, demise and let unto Lessee that certain property designated as Parcels M and N on the attached sketches which are made a part hereof, which property, comprising of 5 tillable acres, more or less, are located in the County of Martin, State of Minnesota, Section 15, Township 102N, Range 30W.

Parcel 5 tillable acres:

One (1) parcel as shown in Exhibit A.

TO HAVE AND TO HOLD the above leased premises, subject to the conditions and covenants set out herein, for the term commencing January 1, 2022 and ending December 31, 2024, Lessee agrees to pay as rent the sum of \$150.00 per acre for 5 tillable acres for the years 2022-2024. The yearly payments of \$750.00 shall be made in one installment due on March 1, 2022; March 1, 2023 and March 1, 2024 to the City of Fairmont.

The Lessee hereby covenants and agrees as follows:

- (1) That the demised property shall be used only for agricultural purposes.
- (2) That equipment will be brought onto the property for agricultural purposes only and only during daylight hours. No equipment will be stored on the property when not in actual use. Irrigation equipment, which causes an obstruction or interference to air navigation, will not be used on the property.
- (3) That part of the demised premises shown for low-growing crops only on the attached Exhibit A shall be planted with only low-growing crops, such as alfalfa, wheat, oats, etc., which shall not obstruct airport runway lights or cause any obstruction or interference to air navigation.
- (4) That no persons or equipment will enter the area designated on Exhibit A as "No Farm Crops Permitted".
- (5) To permit the Lessor at its option and, upon 10 days written notice to the Lessee, to

remove any crops, equipment or other material which obstructs the airport runway lights, air navigation facilities or otherwise interferes with the operation of the airport and to charge the cost thereof to the Lessee as additional rent due immediately hereunder.

(6) Not to commit, suffer or permit any non-agricultural waste on said property, Lessee further agrees to comply with all State laws, local ordinances or other governmental regulations in connection with pest and weed control, land use, etc., which may be required by the proper authorities.

(7) Lessee covenants and agrees to cultivate, irrigate, fertilize, prune and otherwise farm the premises in accordance with the standard farming practices of the vicinity, and to keep any buildings, fences, irrigation or other farming facilities on the premises in good repair.

(8) Lessee agrees not to assign or sublet the above leased premises, or any part thereof, without first obtaining the prior written consent of Lessor, which consent may be given or withheld in Lessor's sole discretion.

(9) Lessee agrees that it will, at the expiration of the Lease, quietly yield and surrender the aforesaid leased premises to Lessor in as good condition and repair as when taken, reasonable wear and tear and damage by the elements excepted.

(10) To notify the Airport Manager before using any equipment in the runway approach zone as indicated on Exhibit A so that aircraft approaching the airport may be warned.

(11) The Lessee, for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvement on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that the Lessee shall use the premises in compliance with all Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

(12) To pay Lessor all costs and expenses, including attorney's fees, in a reasonable sum, in any action brought by the Lessor to recover any rent due and unpaid hereunder, or for the breach of any of the covenants or agreements contained in this Lease, or to recover possession of said property, whether such action progresses to judgment or not.

(13) If any rent shall be due and unpaid, or if default shall be made in any of the covenants or agreements on the part of the Lessee contained in this Lease, Lessor may, at its option at any time after such default or breach, and without any demand on or notice to Lessee or

to any other person, of any kind whatsoever, re-enter and take possession of said property and remove all persons therefrom, without such actions working a forfeiture of the rents to be paid by the Lessee.

(14) The Lessee assumes by this agreement all risk of personal injury of, or death to, himself, his employees, customers, invitees, licensees, family or guests while on or about the leased premises and agrees to save harmless the City of Fairmont for all claims, suits, costs, losses, damage and expenses arising out of such injury or death.

(15) Anything herein contained to the contrary notwithstanding, this lease may be terminated, and the provisions of this Lease may be, in writing, altered, changed or amended by mutual consent of the parties hereto. Further, in Lessor's sole discretion, Lessor shall have the right to terminate this Lease, without cause and for any reason Lessor deems appropriate, upon three (3) months written notice to Lessee, provided, however, that Lessor shall use its best efforts to allow Lessee to harvest its crops from the leased premises.

(16) This Lease is subordinate to the provisions of any existing or future agreement between the Lessor and the United States relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition to the expenditure of Federal funds for development of the airport.

(17) As security for the payment of the rents herein specified and the faithful performance and strict fulfillment of all the covenants of Lessee in this lease contained, Lessee does hereby grant a security interest to Lessor in all crops grown or growing on said premises during the term of this lease and in products and contract rights with respect thereto and all proceeds of each. Upon any default on the part of Lessee in paying said rent or in performing any of the covenants of this lease, and at any time thereafter, Lessor shall have, in addition to the rights and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, and Lessor may require Lessee to assemble said property and make it available to Lessor at a place to be designated by Lessor that is reasonably convenient to both parties. Expenses of retaking, holding, preparing for sale, selling and the like, shall include the reasonable attorneys' fees and legal expenses of Lessor.

(18) Lessee agrees to accept possession of the leased premises "as is" and acknowledges that Lessor makes no warranties or representations concerning the condition of the leased premises or its fitness for any particular purpose.

(19) Lessee shall farm the leased premises according to the best farming practices in its locality and provide all tools, implements, machinery and hired help necessary to that end.

(20) Lessee shall not make any repairs or improvements to the leased premises costing more than \$500.00 without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld upon Lessee furnishing Lessor with mechanic and materialman lien waivers duly executed by the persons who will be making the proposed improvement. Lessee shall not by its act or omission permit any liens, encumbrances or adverse claims to

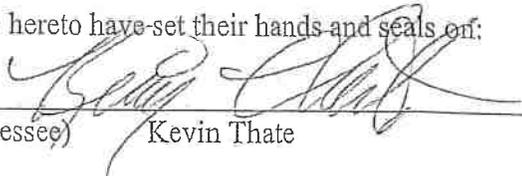
attach to the leased premises.

(21) Lessee shall maintain liability insurance on the leased premises having limits of not less than \$1,000,000 per person and shall defend and hold the Lessor harmless from all claims, resulting from the use of the leased premises by Lessee or other parties or the use of Lessor's other lands for ingress or egress to the leased premises, arising during the terms of this lease.

(22) All previous agreements on said parcels, written or expressed, are hereby mutually canceled and terminated.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on:

Date: 2-2-22


(Lessee) Kevin Thate

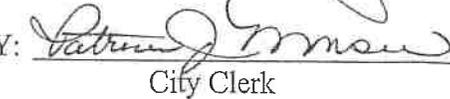
(SEAL)

CITY OF FAIRMONT
MARTIN COUNTY, MINNESOTA

Date: 2-15-22

BY: 
Mayor

Date: 2-15-2022

BY: 
City Clerk

This instrument drafted by:
City of Fairmont
100 Downtown Plaza
Fairmont, MN 56031
Telephone: 507-238-9461

Parcels M & N



1 inch = 400 feet

N

M

AGRICULTURAL LEASE

COPY

This Lease made and entered into this 15th day of ~~January~~ February 2022, at Martin County, Minnesota, by and between the City of Fairmont, hereinafter known as the Lessor, and Mike Gerken, hereinafter known as the Lessee, whose address is 2178 - 70th Street, Fairmont, Minnesota 56031.

WITNESSETH

That the Lessor, in consideration of the payment of the rent hereinafter specified to be paid by the Lessee, and the covenants and agreements herein contained, does, hereby lease, demise and let unto Lessee that certain property designated as Parcel "J" on the attached sketches which are made a part hereof, which property, comprising of 13.5 tillable acres, more or less, are located in the County of Martin, State of Minnesota, Section 15, Township 102N, Range 30W.

Parcel J (13.5 tillable acres):

A triangular parcel of land in the SE 1/4, Section 15, T102N, R30W, described as follows, to wit: Beginning at the center of Section 15, thence East 813.77' on the 1/4 line, thence South 27°31' W 1761.4' to the North and South 1/4 line, thence North 1562.13' to the point of beginning.

TO HAVE AND TO HOLD the above leased premises, subject to the conditions and covenants set out herein, for the term commencing January 1, 2022 and ending December 31, 2024, Lessee agrees to pay as rent the sum of \$165.00 per acre for 13.5 tillable acres for the years 2022-2024. The yearly payments of \$2,227.50 shall be made in one installment due on March 1, 2022; March 1, 2023 and March 1, 2024 to the City of Fairmont.

The Lessee hereby covenants and agrees as follows:

- (1) That the demised property shall be used only for agricultural purposes.
- (2) That equipment will be brought onto the property for agricultural purposes only and only during daylight hours. No equipment will be stored on the property when not in actual use. Irrigation equipment, which causes an obstruction or interference to air navigation, will not be used on the property.
- (3) That part of the demised premises shown for low-growing crops only on the attached Exhibit A shall be planted with only low-growing crops, such as alfalfa, wheat, oats, etc., which shall not obstruct airport runway lights or cause any obstruction or interference to air navigation.
- (4) That no persons or equipment will enter the area designated on Exhibit A as "No Farm Crops Permitted".

(5) To permit the Lessor at its option and, upon 10 days written notice to the Lessee, to remove any crops, equipment or other material which obstructs the airport runway lights, air navigation facilities or otherwise interferes with the operation of the airport and to charge the cost thereof to the Lessee as additional rent due immediately hereunder.

(6) Not to commit, suffer or permit any non-agricultural waste on said property, Lessee further agrees to comply with all State laws, local ordinances or other governmental regulations in connection with pest and weed control, land use, etc., which may be required by the proper authorities.

(7) Lessee covenants and agrees to cultivate, irrigate, fertilize, prune and otherwise farm the premises in accordance with the standard farming practices of the vicinity, and to keep any buildings, fences, irrigation or other farming facilities on the premises in good repair.

(8) Lessee agrees not to assign or sublet the above leased premises, or any part thereof, without first obtaining the prior written consent of Lessor, which consent may be given or withheld in Lessor's sole discretion.

(9) Lessee agrees that it will, at the expiration of the Lease, quietly yield and surrender the aforesaid leased premises to Lessor in as good condition and repair as when taken, reasonable wear and tear and damage by the elements excepted.

(10) To notify the Airport Manager before using any equipment in the runway approach zone as indicated on Exhibit A so that aircraft approaching the airport may be warned.

(11) The Lessee, for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvement on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that the Lessee shall use the premises in compliance with all Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

(12) To pay Lessor all costs and expenses, including attorney's fees, in a reasonable sum, in any action brought by the Lessor to recover any rent due and unpaid hereunder, or for the breach of any of the covenants or agreements contained in this Lease, or to recover possession of said property, whether such action progresses to judgment or not.

(13) If any rent shall be due and unpaid, or if default shall be made in any of the covenants or agreements on the part of the Lessee contained in this Lease, Lessor may, at its option at any time after such default or breach, and without any demand on or notice to Lessee or

to any other person, of any kind whatsoever, re-enter and take possession of said property and remove all persons therefrom, without such actions working a forfeiture of the rents to be paid by the Lessee.

(14) The Lessee assumes by this agreement all risk of personal injury of, or death to, himself, his employees, customers, invitees, licensees, family or guests while on or about the leased premises and agrees to save harmless the City of Fairmont for all claims, suits, costs, losses, damage and expenses arising out of such injury or death.

(15) Anything herein contained to the contrary notwithstanding, this lease may be terminated, and the provisions of this Lease may be, in writing, altered, changed or amended by mutual consent of the parties hereto. Further, in Lessor's sole discretion, Lessor shall have the right to terminate this Lease, without cause and for any reason Lessor deems appropriate, upon three (3) months written notice to Lessee, provided, however, that Lessor shall use its best efforts to allow Lessee to harvest its crops from the leased premises.

(16) This Lease is subordinate to the provisions of any existing or future agreement between the Lessor and the United States relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition to the expenditure of Federal funds for development of the airport.

(17) As security for the payment of the rents herein specified and the faithful performance and strict fulfillment of all the covenants of Lessee in this lease contained, Lessee does hereby grant a security interest to Lessor in all crops grown or growing on said premises during the term of this lease and in products and contract rights with respect thereto and all proceeds of each. Upon any default on the part of Lessee in paying said rent or in performing any of the covenants of this lease, and at any time thereafter, Lessor shall have, in addition to the rights and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, and Lessor may require Lessee to assemble said property and make it available to Lessor at a place to be designated by Lessor that is reasonably convenient to both parties. Expenses of retaking, holding, preparing for sale, selling and the like, shall include the reasonable attorneys' fees and legal expenses of Lessor.

(18) Lessee agrees to accept possession of the leased premises "as is" and acknowledges that Lessor makes no warranties or representations concerning the condition of the leased premises or its fitness for any particular purpose.

(19) Lessee shall farm the leased premises according to the best farming practices in its locality and provide all tools, implements, machinery and hired help necessary to that end.

(20) Lessee shall not make any repairs or improvements to the leased premises costing more than \$500.00 without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld upon Lessee furnishing Lessor with mechanic and materialman lien waivers duly executed by the persons who will be making the proposed improvement. Lessee shall not by its act or omission permit any liens, encumbrances or adverse claims to

attach to the leased premises.

(21) Lessee shall maintain liability insurance on the leased premises having limits of not less than \$1,000,000 per person and shall defend and hold the Lessor harmless from all claims, resulting from the use of the leased premises by Lessee or other parties or the use of Lessor's other lands for ingress or egress to the leased premises, arising during the terms of this lease.

(22) All previous agreements on said parcels, written or expressed, are hereby mutually canceled and terminated.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on:

Date: 12-29-21

Michael H. Gerken
(Lessee) Michael H. Gerken

(SEAL)

CITY OF FAIRMONT
MARTIN COUNTY, MINNESOTA

Date: 2-15-22

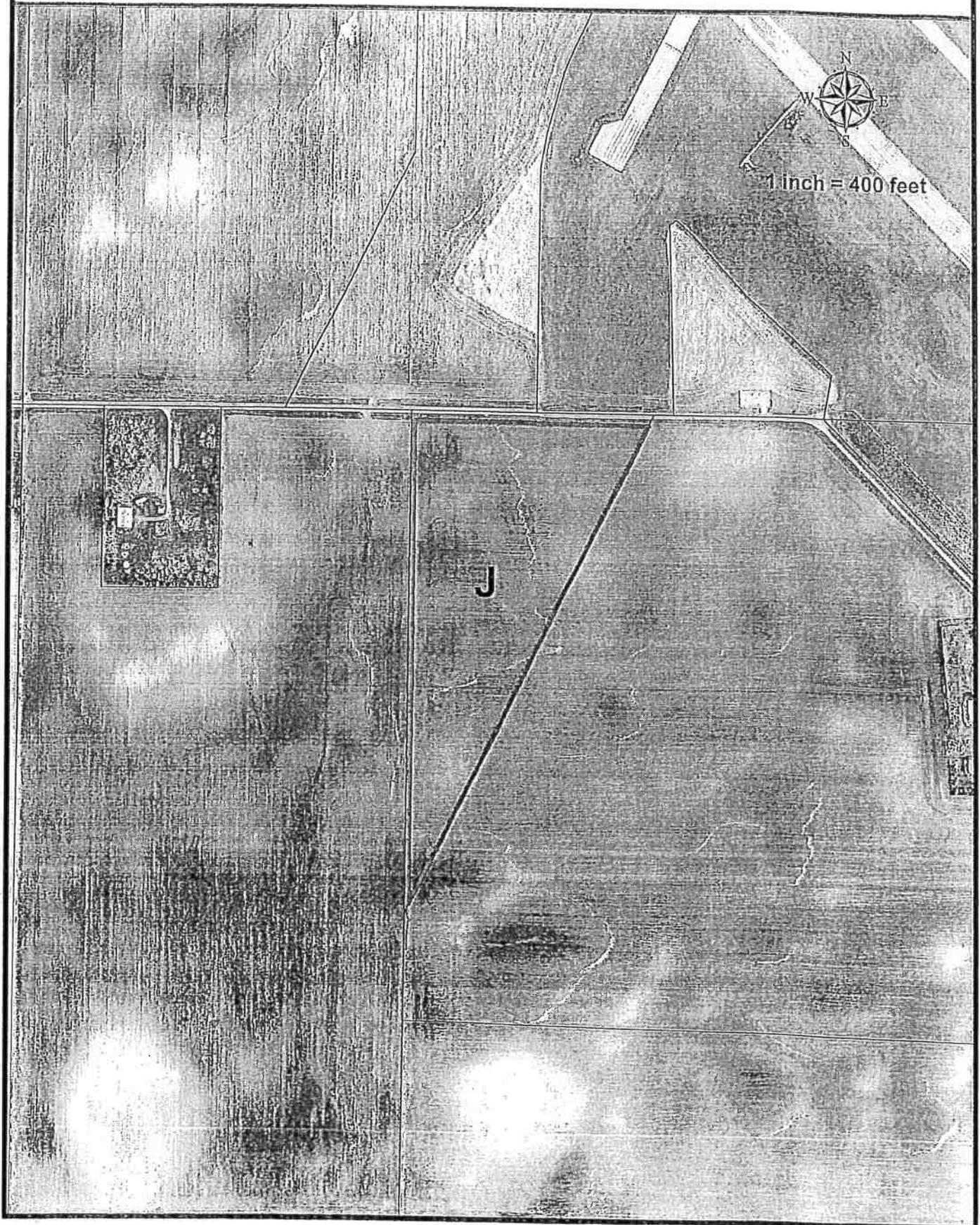
BY: Deborah J. Foster
Mayor

Date: 2-15-2022

BY: Patricia M. Mose
City Clerk

This instrument drafted by:
City of Fairmont
100 Downtown Plaza
Fairmont, MN 56031
Telephone: 507-238-9461

Parcel J



COPY

AGRICULTURAL LEASE

This Lease made and entered into this 28 day of ~~January~~ ^{February} 2022, at Martin County, Minnesota, by and between the City of Fairmont hereinafter known as the Lessor, and Tenhassen Farms, Inc., hereinafter known as the Lessee, whose address is 204 Lake Avenue, Suite 201, Fairmont, Minnesota, 56031.

WITNESSETH

That the Lessor, in consideration of the payment of the rent hereinafter specified to be paid by the Lessee, and the covenants and agreements herein contained, does hereby lease, demise and let unto Lessee that certain property designated as Parcels "A", "A-1", A-2", A-3" and "E" on the attached sketches which are made a part hereof, which property, comprising of 30 tillable acres, more or less, are located in the County of Martin, State of Minnesota, Section 9, 10 and 11, Township 102N, Range 30W.

Parcel A, A-1, A-2, A-3 (21.3 tillable acres)

Commencing at the East 1/2 corner, Section 9, T102N, R30W, thence on section line North 35.5 feet to the point of beginning on the North right-of-way of Trunk Highway No. 16; thence West on said right-of-way line 941.9 feet; thence North 51°41'38" West 347.3 feet; thence North 44°01' East 800 feet; thence South 40°16'22" East 975.25 feet; thence South on section line 37.65 feet to point of beginning. Includes Parcel A.

Parcel E (9.2 tillable acres)

An irregular shaped parcel of land in the Northwest Quarter (NW 1/4) of Section Eleven (11), and the Northeast Quarter (NE 1/4), Section Ten (10), Township One Hundred Two (102) North, Range Thirty (30) West, described as follows, to-wit: Commencing at the West Quarter (W 1/4) corner Section Eleven (11), the point of beginning, thence West 147.1 feet, thence N 27°31' E 717.3 feet, thence West 980.5 feet to the point of beginning, excepting there from lands acquired for highway purposes by the State of Minnesota.

TO HAVE AND TO HOLD the above leased premises, subject to the conditions and covenants set out herein, for the term commencing January 1, 2022 and ending December 31, 2024, Lessee agrees to pay as rent the sum of \$150.00 per tillable acre (total 30 acres) for the years 2022-2024. The yearly payments shall be made in one installment of \$4,500.00 due on March 1, 2022; March 1, 2023 and March 1, 2024.

The Lessee hereby covenants and agrees as follows:

- (1) That the demised property shall be used only for agricultural purposes.
- (2) That equipment will be brought onto the property for agricultural purposes only and

Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

(12) To pay Lessor all costs and expenses, including attorney's fees, in a reasonable sum, in any action brought by the Lessor to recover any rent due and unpaid hereunder, or for the breach of any of the covenants or agreements contained in this Lease, or to recover possession of said property, whether such action progresses to judgment or not.

(13) If any rent shall be due and unpaid, or if default shall be made in any of the covenants or agreements on the part of the Lessee contained in this Lease, Lessor may, at its option at any time after such default or breach, and without any demand on or notice to Lessee or to any other person, of any kind whatsoever, re-enter and take possession of said property and remove all persons therefrom, without such actions working a forfeiture of the rents to be paid by the Lessee.

(14) The Lessee assumes by this agreement all risk of personal injury of, or death to, himself, his employees, customers, invitees, licensees, family or guests while on or about the leased premises and agrees to save harmless the City of Fairmont for all claims, suits, costs, losses, damage and expenses arising out of such injury or death.

(15) Anything herein contained to the contrary notwithstanding, this lease may be terminated, and the provisions of this Lease may be, in writing, altered, changed or amended by mutual consent of the parties hereto. Further, in Lessor's sole discretion, Lessor shall have the right to terminate this Lease, without cause and for any reason Lessor deems appropriate, upon three (3) months written notice to Lessee, provided, however, that Lessor shall use its best efforts to allow Lessee to harvest its crops from the leased premises. If this Lease is terminated by Lessor and Lessee is not permitted to remove all of its crops, then the Lessor shall reimburse Lessee all of the rents paid for that crop year and all actual costs incurred to the date of termination invested in that year's lost crops.

(16) This Lease is subordinate to the provisions of any existing or future agreement between the Lessor and the United States relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition to the expenditure of Federal funds for development of the airport.

(17) As security for the payment of the rents herein specified and the faithful performance and strict fulfillment of all the covenants of Lessee in this lease contained, Lessee does hereby grant a security interest to Lessor in all crops grown or growing on said premises during the term of this lease and in products and contract rights with respect thereto and all proceeds of each. Upon any default on the part of Lessee in paying said rent or in performing any of the covenants of this lease, and at any time thereafter, Lessor shall have, in addition to the rights and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, and Lessor may require Lessee to assemble said property and make it available to Lessor at a place to be designated by Lessor that is reasonably convenient to both parties. Expenses of retaking, holding, preparing for sale, selling and the

like, shall include the reasonable attorneys' fees and legal expenses of Lessor.

(18) Lessee agrees to accept possession of the leased premises "as is" and acknowledges that Lessor makes no warranties or representations concerning the condition of the leased premises or its fitness for any particular purpose.

(19) Lessee shall farm the leased premises according to the best farming practices in its locality and provide all tools, implements, machinery and hired help necessary to that end.

(20) Lessee shall not make any repairs or improvements to the leased premises costing more than \$500.00 without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld upon Lessee furnishing Lessor with mechanic and materialman lien waivers duly executed by the persons who will be making the proposed improvement. Lessee shall not by its act or omission permit any liens, encumbrances or adverse claims to attach to the leased premises.

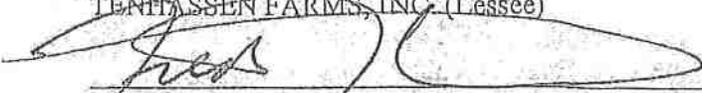
(21) Lessee shall maintain liability insurance on the leased premises having limits of not less than \$1,000,000 per person and shall defend and hold the Lessor harmless from all claims, resulting from the use of the leased premises by Lessee or other parties or the use of Lessor's other lands for ingress or egress to the leased premises, arising during the terms of this lease.

(22) All previous agreements on said parcels, written or expressed, are hereby mutually canceled and terminated.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on:

Date February 28, 2022

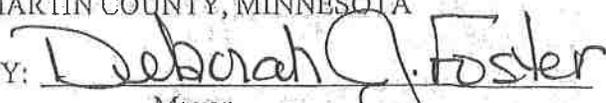
TENHUSSEN FARMS, INC. (Lessee)


Fred W. Kraemer, President

(SEAL)

CITY OF FAIRMONT
MARTIN COUNTY, MINNESOTA

Date: 3/8/2022

BY: 
Mayor

Date: 3/8/2022

BY: 
City Clerk

This instrument drafted by:
Patricia J. Monsen
City Clerk
100 Downtown Plaza
Fairmont, MN 56031
Telephone: 507-238-9461

COPY

AGRICULTURAL LEASE

This Lease made and entered into this 28 day of February 2022, at Martin County, Minnesota, by and between the City of Fairmont hereinafter known as the Lessor, and Tenhassen Farms, Inc., hereinafter known as the Lessee, whose address is 204 Lake Avenue, Suite 201, Fairmont, Minnesota, 56031.

WITNESSETH

That the Lessor, in consideration of the payment of the rent hereinafter specified to be paid by the Lessee, and the covenants and agreements herein contained, does hereby lease, demise and let unto Lessee that certain property designated as Parcels "G" and "H" on the attached sketches which are made a part hereof, which property, comprising of 45.01 tillable acres, more or less, are located in the County of Martin, State of Minnesota, Section 14, Township 102N, Range 30W.

Parcel G (1.82 tillable acres):

A triangular parcel in the Southwest Quarter of the Northwest Quarter (SW 1/4NW 1/4) of Section Fourteen (14), Township One Hundred Two (102) North, Range Thirty (30) West, described as follows, to wit: Beginning at the West quarter (1/4) corner, Section Fourteen (14), thence North 510 feet on the section line, thence 45°59' E 733.9 feet to the quarter (1/4) section line, thence West 527.8 feet to the point of beginning.

Parcel H (43.19 tillable acres):

An irregular shape parcel in the Southwest Quarter (SW1/4) of Section Fourteen (14), Township One Hundred Two (102) North, Range Thirty (30) West, described as follows, to wit: Commencing at the West quarter (W1/4) Corner Section Fourteen (14), the point of beginning, thence E527.3 feet, thence South 45°59' E2437.83 feet, thence S44°01' thence North 885.33 feet to the point of beginning.

TO HAVE AND TO HOLD the above leased premises, subject to the conditions and covenants set out herein, for the term commencing January 1, 2022 and ending December 31, 24 Lessee agrees to pay as rent the sum of \$200.00 per tillable acre (total 45.01 acres) for the years 2022-2024. The yearly payment shall be made in one installment of \$9,002.00 due on March 1, 2022; March 1, 2023 and March 1, 2024.

The Lessee hereby covenants and agrees as follows:

- (1) That the demised property shall be used only for agricultural purposes.
- (2) That equipment will be brought onto the property for agricultural purposes only and only during daylight hours. No equipment will be stored on the property when not in actual use. Irrigation equipment, which causes an obstruction or interference to air

navigation, will not be used on the property.

(3) That part of the demised premises shown for low-growing crops only on the attached Exhibit A shall be planted with only low-growing crops, such as alfalfa, wheat, oats, etc., which shall not obstruct airport runway lights or cause any obstruction or interference to air navigation.

(4) That no persons or equipment will enter the area designated on Exhibit A as "No Farm Crops Permitted".

(5) To permit the Lessor at its option and, upon 10 days written notice to the Lessee, to remove any crops, equipment or other material which obstructs the airport runway lights, air navigation facilities or otherwise interferes with the operation of the airport and to charge the cost thereof to the Lessee as additional rent due immediately hereunder.

(6) Not to commit, suffer or permit any non-agricultural waste on said property, Lessee further agrees to comply with all State laws, local ordinances or other governmental regulations in connection with pest and weed control, land use, etc., which may be required by the proper authorities.

(7) Lessee covenants and agrees to cultivate, irrigate, fertilize, prune and otherwise farm the premises in accordance with the standard farming practices of the vicinity, and to keep any buildings, fences, irrigation or other farming facilities on the premises in good repair.

(8) Lessee agrees not to assign or sublet the above leased premises, or any part thereof, without first obtaining the prior written consent of Lessor, which consent may be given or withheld in Lessor's sole discretion.

(9) Lessee agrees that it will, at the expiration of the Lease, quietly yield and surrender the aforesaid leased premises to Lessor in as good condition and repair as when taken, reasonable wear and tear and damage by the elements excepted.

(10) To notify the Airport Manager before using any equipment in the runway approach zone as indicated on Exhibit A so that aircraft approaching the airport may be warned.

(11) The Lessee, for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvement on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that the Lessee shall use the premises in compliance with all Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

(12) To pay Lessor all costs and expenses, including attorney's fees, in a reasonable sum, in any action brought by the Lessor to recover any rent due and unpaid hereunder, or for the breach of any of the covenants or agreements contained in this Lease, or to recover possession of said property, whether such action progresses to judgment or not.

(13) If any rent shall be due and unpaid, or if default shall be made in any of the covenants or agreements on the part of the Lessee contained in this Lease, Lessor may, at its option at any time after such default or breach, and without any demand on or notice to Lessee or to any other person, of any kind whatsoever, re-enter and take possession of said property and remove all persons therefrom, without such actions working a forfeiture of the rents to be paid by the Lessee.

(14) The Lessee assumes by this agreement all risk of personal injury of, or death to, himself, his employees, customers, invitees, licensees, family or guests while on or about the leased premises and agrees to save harmless the City of Fairmont for all claims, suits, costs, losses, damage and expenses arising out of such injury or death.

(15) Anything herein contained to the contrary notwithstanding, this lease may be terminated, and the provisions of this Lease may be, in writing, altered, changed or amended by mutual consent of the parties hereto. Further, in Lessor's sole discretion, Lessor shall have the right to terminate this Lease, without cause and for any reason Lessor deems appropriate, upon three (3) months written notice to Lessee, provided, however, that Lessor shall use its best efforts to allow Lessee to harvest its crops from the leased premises. If this Lease is terminated by Lessor and Lessee is not permitted to remove all of its crops, then the Lessor shall reimburse Lessee all of the rents paid for that crop year and all actual costs incurred to the date of termination invested in that year's lost crops. In addition, the Agreement Regarding Tiling on Rented Property dated August 12, 2013 remains in effect and any and all payments arising from that agreement would also be payable by Lessor.

(16) This Lease is subordinate to the provisions of any existing or future agreement between the Lessor and the United States relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition to the expenditure of Federal funds for development of the airport.

(17) As security for the payment of the rents herein specified and the faithful performance and strict fulfillment of all the covenants of Lessee in this lease contained, Lessee does hereby grant a security interest to Lessor in all crops grown or growing on said premises during the term of this lease and in products and contract rights with respect thereto and all proceeds of each. Upon any default on the part of Lessee in paying said rent or in performing any of the covenants of this lease, and at any time thereafter, Lessor shall have, in addition to the rights and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, and Lessor may require Lessee to assemble said property and make it available to Lessor at a place to be designated by Lessor that is reasonably convenient to both parties. Expenses of retaking, holding, preparing for sale, selling and the

like, shall include the reasonable attorneys' fees and legal expenses of Lessor.

(18) Lessee agrees to accept possession of the leased premises "as is" and acknowledges that Lessor makes no warranties or representations concerning the condition of the leased premises or its fitness for any particular purpose.

(19) Lessee shall farm the leased premises according to the best farming practices in its locality and provide all tools, implements, machinery and hired help necessary to that end.

(20) Lessee shall not make any repairs or improvements to the leased premises costing more than \$500.00 without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld upon Lessee furnishing Lessor with mechanic and materialman lien waivers duly executed by the persons who will be making the proposed improvement. Lessee shall not by its act or omission permit any liens, encumbrances or adverse claims to attach to the leased premises.

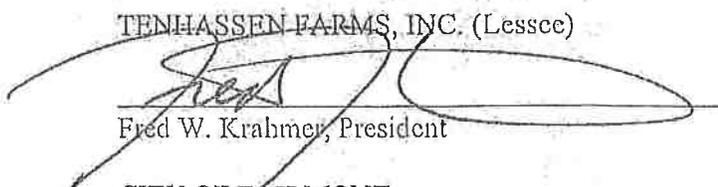
(21) Lessee shall maintain liability insurance on the leased premises having limits of not less than \$1,000,000 per person and shall defend and hold the Lessor harmless from all claims, resulting from the use of the leased premises by Lessee or other parties or the use of Lessor's other lands for ingress or egress to the leased premises, arising during the terms of this lease.

(22) All previous agreements on said parcels, written or expressed, are hereby mutually canceled and terminated.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on:

TENHASSEN FARMS, INC. (Lessee)

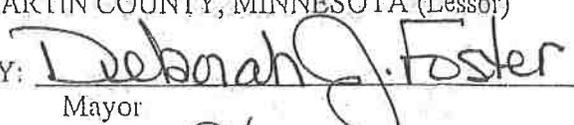
Date: February 26 2022


Fred W. Krahmer, President

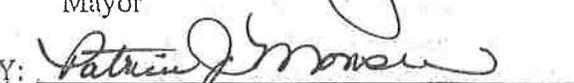
(SEAL)

CITY OF FAIRMONT
MARTIN COUNTY, MINNESOTA (Lessor)

Date: 3/8/2022

BY: 
Mayor

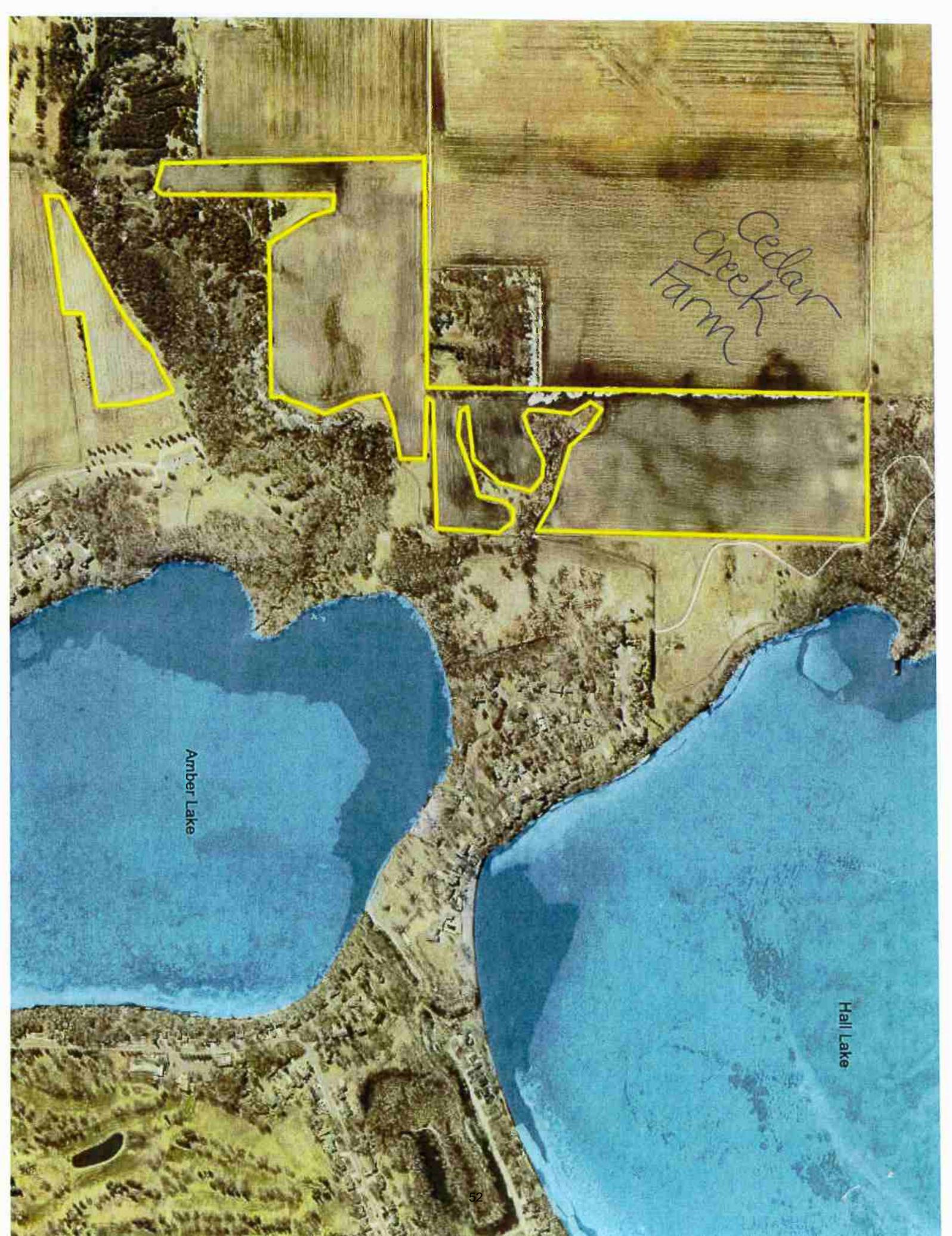
Date: 3/8/2022

BY: 
City Clerk

This instrument drafted by:
Patricia J. Monsen
City Clerk
100 Downtown Plaza
Fairmont, MN 56031
Telephone: 507-238-9461

Overview





Cedar
Creek
Farm

Amber Lake

Hall Lake

Day Farm

