

AGRICULTURAL LAND LEASE AGREEMENT

THIS LEASE AGREEMENT (the “Lease” or “Agreement”) dated this 4th day of January, 2022, by and between the **CITY OF NORTHFIELD**, a Minnesota municipal corporation, (the “Landlord”), and Devenshire Farms of Farmington, Minnesota, (the “Tenant”), (collectively the “Parties”).

In consideration of the terms and conditions of this Lease, Landlord and Tenant agree as follows:

ARTICLE ONE **Definitions and Terms**

As used in this Lease, the following terms shall have the specific meanings set forth below:

- 1.1 “Landlord” means the City of Northfield, having as its address for notice purposes 801 Washington Street, Northfield, MN 55057-2565; Attention: City Administrator.
- 1.2 “Tenant” means Devenshire Farms, having as its address for notice purposes 5788 212th Street, Farmington, MN 55024.
- 1.3 “Commencement Date” means January 1, 2022.
- 1.4 “Expiration Date” means December 31, 2022.
- 1.5 “Premises” means the real property owned by Landlord located at off the east end of Thye Parkway, and west of Dresden Ave, legally described as:

That part of the East One Half(E1/2) of Section. Twenty Five (25) Township One Hundred Twelve (112) Range Twenty (20) Dakota County, Minnesota, lying East of the Soo Line Railroad described as follows:

Commencing at the Southeast corner of the Northeast Quarter (NE1/4) of said Section Twenty Five (25); thence North 00° 18'29" East assumed bearing along the East line of said Northeast Quarter (NE1/4) a distance of 503.54 feet to the point of beginning; thence North 89°41' 31" West a distance of 520.00 feet; thence North 00° 18'29" East a distance of 216.00 feet; thence North 89°41'31 " West a distance of 1724.54 feet to the Easterly right-of-way line of the Soo Line Railroad; thence South 14°20'00" East along said easterly right-of-way line a distance of 1106.30 feet; thence North 76°48'29" East a distance of 1485.96 feet; thence North 00°18'29" East a distance of 187.48 feet; thence South 89°41'31" East a distance of 520.00 feet to the east line of said East Half(E1/2); thence North 00°18'29" East along said east line a distance of 320.00 feet to the point of beginning and there terminating .

and shown on **Exhibit A** attached hereto.

ARTICLE TWO

Demising Clause

2.1 Landlord leases to Tenant and Tenant leases from Landlord the Premises on the terms and conditions contained in this Lease.

2.2 Tenant shall have the nonexclusive right to use the Premises for agricultural purposes as provided herein.

ARTICLE THREE **Term and Possession**

3.1 Term. This Lease shall be for a term one (1) year, beginning on the Commencement Date and ending on the Expiration Date, unless terminated prior to the Expiration Date. Except as otherwise provided in this Lease, termination of the Lease prior to the Expiration Date requires mutual agreement by the Landlord and Tenant. Tenant shall be entitled to possession on the Commencement Date and shall give up possession on the Expiration Date.

3.2 The Parties shall have the option of renewing the Lease for two additional one (1) year periods. Renewal shall occur only upon Tenant's delivery to Landlord by 60 days prior to the Expiration Date, a written request to renew the Lease for the additional period. Upon said delivery, Landlord shall have until 30 days to provide written notice of its acceptance or rejection of Tenant's renewal offer. If Tenant fails to deliver such renewal notice, the Lease shall terminate at the end of the initial term; conversely, if Landlord fails to notify Tenant in writing of its decision, the Lease shall automatically renew for the additional period.

ARTICLE FOUR **Rent**

4.1 Tenant shall, for the entire Lease Term, pay to Landlord without demand, annual rent in the amount of \$140.00 per acre of land tilled (the "Rent"). The annual rent amount shall be paid in one installment with the payment due on May 1, 2022. A late penalty of 5% of the payment due will be assessed on all late payments. Tenant agrees and acknowledges that the late penalty is necessary to compensate Landlord for lost interest, the opportunity cost of renting the property, and any legal fees or expenses incurred in enforcing its rights pursuant to this Agreement.

ARTICLE FIVE **Payment of Taxes**

5.1 Landlord shall pay all taxes, assessments and governmental charges (collectively referred to as "Taxes") that accrue against the Premises during the Lease Term with the exception of those taxes that are directly attributable to agricultural or other production and sales based activities being conducted by Tenant on the Premises.

5.2 Tenant shall be liable for all taxes levied or assessed against any personal property or fixtures placed on the Premises, whether levied or assessed against Landlord or Tenant.

5.3 If Landlord accepts an offer for a renewal term, the annual rent for the renewal term shall be adjusted using the CPI for the Minnesota region in the year of renewal as an index and the first year of Lease as a base year (as set forth by the Government of the United States. The rent shall not decrease during the renewal term, such that if the CPI is zero or negative, the rent shall remain the same as the prior year.

ARTICLE SIX

Permitted Use

6.1 Tenant shall use the Premises for agricultural purposes only and all activities incidental thereto, including:

- a. To till all of the tillable land in a husband-like manner.
- b. To grade as necessary, till, plant, establish and maintain the buffer strip and grass-lined waterway shown on the attached map of the premises. (see Exhibit A)
- c. To work with the Rice County Soil and Water Conservation District to control soil erosion and storm water runoff.
- d. To harvest and remove all crops in due season.
- e. To keep all ditches cleaned of weeds and debris.
- f. To mow roadsides and fence rows.
- g. To destroy all noxious weeds and grasses and nuisances on the leased portion, in compliance with State Law.

6.2 Tenant shall not cause, maintain or permit any nuisance in, on or about the Premises. More specifically, Tenant shall not use or store any noxious chemicals on the Premises. Tenant shall not commit or allow to be committed any waste in or upon the Premises.

ARTICLE SEVEN

Utilities

7.1 There are no utilities (electricity, fuel oil, gas services, telephone, trash collection, snow plowing, lawn mowing, water, sewer service, cable or satellite television reception, internet connection fees) serving the property, and for which the tenant is to be responsible.

ARTICLE EIGHT

Subletting and Assignment

8.1 Tenant shall not assign its interest in this Lease and shall not sublet any portion of the Premises, or any right or privilege provided under the Lease or use of the Premises, or suffer any other person to occupy or use any portion of the Premises.

ARTICLE NINE

Quiet Possession and Subordination

9.1 Landlord covenants that Tenant, upon paying the Rent and performing the covenants under this Lease, shall peaceably and quietly have, hold and enjoy the leased Premises for the term of the Lease.

9.2 This Lease is subject and subordinate to all present or future financial encumbrances on the Premises, and is further subject to all present and future easements, conditions and encumbrances of record, and to all applicable laws, ordinances and governmental rules and regulations. Such subordination shall be self-executing without further act on the part of Landlord or Tenant; provided, however, that Tenant shall at any time hereafter, at the request of Landlord or any lien holder, or any purchaser of the Premises, execute any instruments that may be required, and Tenant hereby irrevocably authorizes Landlord to execute and deliver in the name of Tenant any such instrument if Tenant fails to do so.

ARTICLE TEN

Landlord's Reserved Rights

Landlord reserves the following rights: (a) to take any and all measures necessary or desirable for the operation, safety, protection or preservation of the Premises, including repairs, alterations, decorations, additions or improvements, whether structural or otherwise, in and about the Premises or any part thereof; and (b) to enter to verify use of the Premises. Landlord may enter upon the Premises and may exercise any or all of the foregoing rights without being deemed guilty of an eviction (actual or constructive) or disturbance of Tenant's use or possession and without being liable in any manner to Tenant and without abatement of Rent or affecting Tenant's obligations hereunder.

ARTICLE ELEVEN

Alterations and Improvements

11.1 Landlord has made no promise to alter, remodel, repair or improve the Premises and has made no representation of the condition of the Premises or the suitability of the Premises for the purpose stated herein other than what is contained in this Lease.

11.2 Tenant shall not make material alterations or improvements to the Premises without the written consent of Landlord. Consent shall be obtained by submitting a written description to Landlord of the proposed improvement, including its location, size, proposed use, and whether the improvement is to be severed from the property at the termination of the Lease or is to be left on the property, and any other information that may be required by the Landlord. Landlord may approve, disapprove, require more information, or require certain modifications to the proposed improvement in its sole judgment and discretion. Tenant's final written proposal including a clear indication of Landlord's assent and signed by Landlord shall constitute written consent of Landlord. Unless otherwise agreed by both parties, approved improvements shall be at the sole expense of Tenant.

11.3 Tenant shall allow no mechanic's liens to be incurred or filed against the Premises. Tenant shall promptly pay for all alterations and improvements, which it may make under this Lease that are approved by Landlord, and shall save and hold harmless Landlord from any and all losses, including attorneys' fees, incurred by reason of mechanic's liens or other claims for skill, labor or material furnished or performed, or claimed to have been furnished or performed, on account of any such alteration or improvement made by Tenant hereunder. Tenant may contest any such mechanic's

liens and prosecute all proceedings for the purpose of such contest pursuant to Minn. Stat. § 514.01, et seq. Tenant shall indemnify Landlord against any loss or liability by reason of such contest.

11.3 Tenant shall not place or maintain any signs on the Premises, without authorization by Landlord.

ARTICLE TWELVE

Repairs and Maintenance

12.1 Tenant, at its expense, shall keep the Premises in a safe and tenantable condition based on the purpose of this Lease. If Tenant does not do so, Landlord may (but need not) restore the Premises to a safe and tenantable condition, and Tenant shall pay the cost upon being billed by Landlord. This Article shall not apply to damage or destruction otherwise provided for in this Lease.

12.2 Tenant shall be responsible for all major and minor maintenance, repairs, or replacement of any and all alterations or improvements to the Premises made under Article 11. Improvements made under Article 11 that are capable of severance may be removed by Tenant at any time or within 30 days after termination of the Lease even though they may be fixtures, provided that Tenant leaves in good condition that part of the Premises from which such improvements are removed.

12.3 Improvements not capable of severance shall become the property of Landlord at termination of the Lease without compensation to the Tenant.

ARTICLE THIRTEEN

Destruction or Damage

13.1 Tenant agrees:

- a. That it will obtain all necessary state and local permits for its operations as necessary.
- b. That it will operate in accordance with all federal, state and local regulations.
- c. That it will be solely responsible for security of the Premises, including crops and equipment, and for any loss, damage, or destruction thereof.
- d. That it will keep the Premises in such repair as at the commencement of the said term or may be put in during continuance thereof, reasonable wear and tear and damage by fire or extended peril coverage perils only excepted.
- e. That it will not injure, overload or suffer to be injured or overloaded the Premises or any part thereof.
- f. That it will not make or suffer any unlawful, improper or offensive use of the Premises or any use thereof contrary to any law of the State or any ordinance of the City now or hereafter made, or which shall be injurious to any person or property or which shall be liable to endanger or affect any insurance on the said Property.

ARTICLE FOURTEEN

Hold Harmless

14.1 Tenant shall defend, indemnify and hold Landlord harmless from any liability, loss, cost, and obligations, including reasonable attorneys' fees, arising out of the use of the Premises by Tenant, Tenant's employees, officers, agents, clients and invitees. Landlord shall defend, indemnify and hold Tenant harmless from any liability, loss, cost, and obligations, including reasonable attorneys' fees, arising out of negligent or willful acts by Landlord, its employees, officers, agents, clients and invitees in meeting Landlord's obligations under this Lease.

14.2 Tenant knows, understands and acknowledges the risks and hazards associated with using the Premises and hereby assumes any and all risks and hazards associated therewith. Tenant hereby irrevocably waives any and all claims against the Landlord or any of its officials, employees or agents for any bodily injury (including death), loss or property damage incurred by Lessee as a result of using the Premises and hereby irrevocably releases and discharges the Landlord and any of its officials, employees or agents from any and all claims of liability.

ARTICLE FIFTEEN

Holding Over

15.1 If Tenant without the consent of Landlord retains possession of the Premises or any part thereof after termination of the Term, then Landlord can elect to recover possession of the Premises by pursuing its rights under this Lease or at law. In such event Landlord shall further be able to recover in damages for the period Tenant holds over an amount equal to one hundred fifty percent (150%) of the Rent payable for the month immediately preceding the commencement of said holding over computed on a daily basis until Landlord receives possession of the Premises and in addition thereto, Tenant shall pay Landlord all direct damages sustained by reason of Tenant's retention of possession. Alternatively, Landlord can elect to retain Tenant on a month to month tenancy, terminable in accordance with law, at a Rent equal to one hundred fifty percent (150%) of the rate payable hereunder, commencing the month immediately preceding the commencement of said holding over and computed on a per month basis for each month or part thereof that Tenant remains in possession.

15.2 Landlord shall exercise its election of one of the above described alternatives by delivering a written notice thereof to Tenant within thirty (30) days after the first day of Tenant's retention of possession beyond the Term. In the event that Landlord fails to exercise its election as provided above, then Landlord shall be conclusively presumed to have elected to retain Tenant on a month to month tenancy, terminable in accordance with law at a Rent as provided in this Article.

ARTICLE SIXTEEN

Surrender of Possession

16.1 Upon the termination of the Lease Term, Tenant shall immediately surrender the Premises (together with any alterations and improvements that are not severable) to Landlord in good order, repair and condition, ordinary wear and fire or casualty losses for which Tenant is not responsible excepted, and shall remove all equipment, trade fixtures and other items of Tenant's property from the Premises. Tenant

shall pay Landlord upon demand the cost of repairing any damage to the Premises caused by such removal. Tenant shall leave the Premises in its pre-Lease condition, reasonable wear and tear excepted. If Tenant fails or refuses to remove Tenant's property from the Premises, Tenant shall be presumed to have abandoned the property and Landlord may dispose of the property without incurring liability, at Tenant's expense.

ARTICLE SEVENTEEN
Compliance with Laws, Ordinances and Regulations

17.1 Throughout the Term of this Lease, Tenant, at its sole cost and expense, shall promptly comply with all present and future laws, ordinances, orders, rules, opinions, directives, regulations and requirements of all federal, state, city and other local governments. Throughout the Term of this Lease, Landlord shall comply with all local, state, and federal laws and regulations with respect to its management and operation of the Premises.

17.2 Tenant shall likewise observe and comply with, or shall cause to be observed and complied with, all the requirements of all policies of comprehensive general liability, fire and other insurance at any time in force with respect to the Premises.

ARTICLE EIGHTEEN
Insurance

18.1 In addition to the following, Tenant shall maintain, at Tenant's expense, insurance on Tenant's property located in and upon the Premises, and shall assume the risk of loss to such property on the Premises.

18.2 Required Insurance. Tenant agrees to maintain, at Tenant's expense, the following insurance policies in the listed amounts:

Worker's Compensation	Statutory Limits
Employer's Liability	\$500,000 each accident \$500,000 disease policy limit \$500,000 disease each employee
Comprehensive General Liability	\$2,000,000 property damage and bodily injury per occurrence \$4,000,000 general aggregate \$2,000,000 Products – Completed Operations Aggregate \$100,000 fire legal liability each occurrence \$5,000 medical expense
Comprehensive Automobile Liability	\$1,000,000 combined single limit each accident (shall include coverage for all owned, hired and non-owned vehicles)

Umbrella or Excess Liability \$1,000,000

All policies listed above shall be written on an “occurrence” form (“claims made” and “modified occurrence” forms are not acceptable).

With the exception of the Worker’s Compensation policies, all policies listed above shall insure the defense and indemnity obligations assumed by Tenant under this Lease, and shall name the Landlord as an additional insured under the policy.

All policies listed above shall contain a provision that coverages afforded thereunder shall not be canceled or non-renewed, nor shall coverage limits be reduced by endorsement, without thirty (30) days prior written notice to CITY.

ARTICLE NINETEEN

Default and Remedies

19.1 If Tenant shall default in the payment of any installment of the Rent or in the payment of any other sum required to be paid by Tenant under this Lease and such default shall continue for fifteen (15) days after written notice to Tenant, or if Tenant shall default in the observance or performance of any of the other covenants or conditions in this Lease, which Tenant is required to observe or perform, and such default shall continue for thirty (30) days after written notice to Tenant, or if a default involves a hazardous condition and is not cured by Tenant immediately upon written notice to Tenant, or if the interest of Tenant in this Lease shall be levied upon under execution or other legal process, or if any voluntary petition in bankruptcy or for corporate reorganization or any similar relief shall be filed by Tenant, or if any involuntary petition in bankruptcy shall be filed against Tenant under any federal or state bankruptcy or insolvency act and shall not have been dismissed within thirty (30) days following the filing thereof, or if a receiver shall be appointed for Tenant or any of the property of Tenant by any court and such receiver shall not be dismissed within thirty (30) days from the date of appointment, or if Tenant shall make an assignment for the benefit of creditors, or if Tenant shall abandon or vacate the Premises, then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease and thereupon at its option may, without notice or demand of any kind to Tenant or any other person, terminate this Lease and immediately repossess the Premises, in addition to all other rights and remedies provided at law or in equity. The provisions of this section shall survive any termination of this Lease.

19.2 In the event the Lease is terminated due to the default of Tenant:

- a. All obligations of Landlord under this Agreement shall cease. Landlord shall take reasonable measures to lease the Premises to another tenant for a comparable term and rent.
- b. Until Landlord enters into a new lease Tenant shall continue to pay the applicable rent until the end of the Lease Term. Landlord may retain a portion of the security deposit to cover its costs of re-letting the Premises.
- c. Rental payments received by Landlord from a new tenant will reduce the amount for which Tenant is liable to Landlord.

- d. Upon termination, Tenant agrees to yield possession of the Premises within 90 days of the date of notice of default, reserving the right to re-enter the Premises solely to harvest any crops that are the personal property of Tenant and are growing at the time of default.

19.3 In the event the Lease is terminated due to the default of Landlord:

- a. All obligations undertaken by Tenant under this Agreement including the obligation to pay rent shall cease.
- b. Upon termination, Tenant shall yield possession of the Premises in a timely manner, reserving the right to re-enter the Premises solely to harvest any crops that are the personal property of Tenant and are growing at the time of default. Landlord shall remit an amount equal to two times the Tenant's security deposit as liquidated damages and here agrees that such an amount is a reasonable approximation of the costs incident to moving a farming operation.

ARTICLE TWENTY

Notices

20.1 All notices required under the terms of this Lease shall be deemed to have been properly served or given three (3) days after their deposit in the United States mail if sent by registered or certified mail, return receipt requested, postage prepaid, or two (2) days after deposit in a nationally recognized overnight courier service, addressed to Landlord or Tenant at the addresses identified in Article One or to such other address within the continental limits of the United States and to the attention of such party as the parties may from time to time designate by written notice to the other.

ARTICLE TWENTY-ONE

Miscellaneous

21.1 **Voluntary and Knowing Action.** The parties, by executing this Lease, state that they have carefully read this Lease and understand fully the contents thereof; that in executing this Lease they voluntarily accept all terms described in this Lease without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.

21.2 **Authorized Signatories.** The parties each represent and warrant to the other that (1) the persons signing this Lease are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Lease against it; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.

21.3 **No Partnership, Joint Venture, or Fiduciary Relationship.** Nothing contained in this Lease shall be interpreted as creating a partnership, joint venture, or relationship of principal and agent between the parties, it being understood that the sole relationship created hereby is one of landlord and tenant. No third party is entitled in any way to rely upon any provision in this Lease. This Lease is intended solely for the benefit of Landlord and Tenant and no third party shall have any rights or interest

in any provision of this Lease, or as a result of any action or inaction of the Landlord in connection therewith.

21.4 Records—Availability and Retention. Pursuant to Minn. Stat. § 16C.05, subd. 5, the Tenant agrees that the Landlord, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the Tenant and involve transactions relating to this Lease. The Tenant agrees to maintain these records for a period of six years from the date of termination of this Lease.

21.5 Governing Law. This Lease shall be deemed to have been made and accepted in Rice County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of the Lease without regard to its choice of law or conflict of laws principles.

21.6 Data Practices. The parties acknowledge that this Lease is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.

21.7 No Waiver. Any party's failure in any one or more instances to insist upon strict performance of any of the terms and conditions of this Lease or to exercise any right herein conferred shall not be construed as a waiver or relinquishment of that right or of that party's right to assert or rely upon the terms and conditions of this Lease. Any express waiver of a term of this Lease shall not be binding and effective unless made in writing and properly executed by the waiving party.

21.8 Severability. The invalidity or unenforceability of any provision of this Lease shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Lease to the extent of its invalidity or unenforceability, and this Lease shall be construed and enforced as if the Lease did not contain that particular provision to the extent of its invalidity or unenforceability.

21.9 Headings and Captions. Headings and captions contained in this Lease are for convenience only and are not intended to alter any of the provisions of this Lease and shall not be used for the interpretation of the validity of the agreement or any provision hereof.

21.10 Survivability. All covenants, indemnities, guarantees, releases, representations and warranties by any party or parties, and any undischarged obligations of Landlord and the Tenant arising prior to the expiration of this Lease (whether by completion or earlier termination), shall survive such expiration.

21.11 Exhibits. The exhibits attached to this Lease are considered an integral part of it as if fully set forth within it.

21.12 Entire Agreement. All prior understandings, letters of intent, discussions and agreements are merged in the governing terms of this Lease, which is a complete and final written expression of the intent of the parties.

21.13 **Modification/Amendment.** Any alterations, variations, modifications, amendments or waivers of the provisions of this Lease shall only be valid when they have been reduced to writing, and signed by authorized representative of the Landlord and the Tenant.

IN TESTIMONY WHEREOF, as of the day and year first hereinabove written the parties have executed this Lease.

**LANDLORD:
CITY OF NORTHFIELD**

BY: _____
Rhonda Pownell, Its Mayor

BY: _____
Lynette Peterson, Its City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by Rhonda Pownell and by Lynette Peterson, respectively the Mayor and City Clerk of the City of Northfield, a Minnesota municipal corporation, on behalf of the municipal corporation and pursuant to the authority granted by its City Council.

Notary Public

**TENANT:
DEVENSHIRE FARMS**

BY: _____
_____, Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by _____, the _____ of Devenshire Farms of Farmington, a Minnesota corporation, on behalf of the corporation.

Notary Public

EXHIBIT A
Depiction of Premises
(Attached Map)

Exhibit 2
(Certificate of Insurance)