

**FARM LEASE**

**THIS AGREEMENT**, Made this 13<sup>th</sup> day of October, 2017, by and between the City of Marshall, a municipal corporation, Lessor, and Mortier Farms, Inc., a Minnesota Corporation under the laws of the State of Minnesota, of the County of Lyon, State of Minnesota, Lessee.

*WITNESSETH*, That the said Lessor, in consideration of the rents and covenants hereinafter mentioned, does hereby Remise, Lease and Let unto the said Lessee, and the said Lessee does hereby hire and take from the said Lessor, the following described premises situated in the County of Lyon, State of Minnesota, to-wit:

- Parcel 1: 14 acres identified on attached map (Airport);
- Parcel 11: 54.41 acres identified on attached map (Airport); and
- Parcel 15: 1.97 acres identified on attached map (Airport).

**To Have and to Hold**, the above rented premises unto the said Lessee, their heirs and assigns, subject to the conditions and limitations hereinafter mentioned for and during the full term of three (3) years from and after the 1st day of January, 2018, the term of this lease ending the 31<sup>st</sup> day of December, 2020.

And the said Lessee agrees to and with the said Lessor to pay as rent for the above-mentioned premises, for and during the full term of this lease, rent as follows:

Parcels 1, 11, and 15 (Airport):			
2018	70.38 acres	\$180.00/acre	\$12,668.40 due on March 15, 2018
2019	70.38 acres	\$180.00/acre	\$12,668.40 due on March 15, 2019
2020	70.38 acres	\$180.00/acre	\$12,668.40 due on March 15, 2020

**And it is Further Agreed**, By and between the parties as follows:

Lessee shall maintain positive weed control on land being rented, including adjacent township roadways, at their own expense.

Lessee shall furnish all materials necessary for crop production at their own expense.

If said land is located near the airport, access to land not to be across runways, taxiways, or other areas that will interfere with air traffic.

Any subsequent Lessees shall have access to said premises. After current Lessee has finished with fall harvest which includes removal of crops and crop residue (residue to be removed within two weeks of crop removal), so as to allow for fall application of chemicals, if subsequent Lessee desires to apply fall chemicals.

Animal manure, if applied, must be incorporated into the soil within eight (8) hours of application. If not incorporated within said eight hours, City reserves right to terminate lease.

If said land is located near the airport, Lessee shall not leave equipment unattended in areas adjacent to runways or taxiways.

Equipment, bales and crop products shall not be stored or remain on the site for more than a "normal" operations period of time.

That should the said Lessee fail to make the above-mentioned payments as herein specified, or to pay any of the rent aforesaid when due, or fail to fulfill any of the covenants herein contained, then and in that case said Lessor may re-enter and take possession of the above-rented premises, and hold and enjoy the same without such re-entering working a forfeiture of the rents to be paid by the said Lessee for the full term of this Lease.

That if said Lessee remains in possession of said premises after the expiration of the term for which they are hereby leased, such possession shall not be construed to be renewal of this Lease, but to be a tenancy at the will of the said Lessor, which may be terminated upon ten days' notice, given by the said Lessor in writing, either delivered to Lessee or sent to Lessee in a sealed envelope, duly stamped and directed to Lessee at Lessee's normal mailing address.

And the said Lessee also covenants and agrees to and with the said Lessor, not to assign this Lease or underlet the above-rented premises or any part thereof, and that he will, at the expiration of the time as herein recited, quietly yield and surrender the aforesaid premises to the said Lessor, his heirs or assigns, in as good condition and repair as when taken, reasonable wear and tear and damage by the elements alone excepted. Said Lessee also covenants and agrees to cultivate the hereby leased premises in a careful and husband-like manner, and to protect the fruit and shade trees thereon and to cut no green trees and to commit no waste or damage on said real estate and to suffer none to be done.

The Lessee is also to destroy all Russian Thistles and other noxious weeds growing on said land, declared by statute to be common nuisances, within the times prescribed by law, and shall keep all roadways and other parts of the land, not in crop, mowed and free from growing weeds. And the Lessor or its agent shall have the right to enter upon said premises at any time, without injury to the standing crops, for the purpose of making any improvements, or to prepare for the succeeding crop, or for any other purpose whatsoever.

City of Marshall, Lessor reserves the right to develop all or part of the above described premises for residential, commercial or industrial purposes. If some or all of the land is developed, the Lessor shall attempt to do the development so as to minimize damage done to current year's crops. However, if crops are damaged, the Lessor shall reimburse Lessee for crop damage. If land is taken for development purposes, the subsequent years of the lease shall include an adjustment of the acres so that the Lessee would pay less overall rent and the rental herein would subsequently be adjusted accordingly.

And the said Lessor covenants that the said Lessee, on paying the rent and performing the covenants aforesaid, shall peaceably and quietly have, hold and enjoy the said rented premises and the said Lessee agrees to reside and occupy the buildings thereon for the term aforesaid. In the event of any rents due hereon being collected by suit, the Lessee further agrees to pay all expenses which may be incurred hereby including reasonable attorneys fees.

In accordance with Minn. Stat. §272.01, personal property taxes will be levied to the Lessee annually and will be payable commencing in the year following the date of the lease and continuing through and including the year following the termination of the lease for said premises as determined

by Lyon County. The Lessor shall pay the personal property tax on behalf of the Lessee.

Lessee agrees to provide any and all information requested by Lyon County and/or the Lessor, and further agrees to complete and return in a timely manner any required documents to Lyon County and/or the Lessor which could impact the property tax rate and applicable credits for said premises. By agreement of both the Lessor and the Lessee, the personal property tax statement and all other correspondence relating to the personal property tax shall be mailed to:

Mortier Farms, Inc.  
c/o City of Marshall  
344 W. Main St.  
Marshall, MN 56258

Lessee has no right to an extension of this Lease unless negotiated prior to the expiration thereof.

IN WITNESS WHEREOF, We have hereunto set our hands the day and year first above written.

LESSEE  
Mortier Farms, Inc., a Minnesota Corporation

By: Michael C. Mortier  
Michael C. Mortier

Its: \_\_\_\_\_  
President

LESSOR

By: [Signature]  
Mayor

By: Sheila Dubs  
City Administrator

By: Jane [Signature]  
City Clerk

STATE OF MINNESOTA        )  
  )ss  
COUNTY OF LYON         )

On this 13<sup>th</sup> day of October, 2017, before me, a notary public within and for said County and State, personally appeared Michael C. Mortier, President of Mortier Farms, Inc., a Minnesota Corporation under the laws of the State of Minnesota, Lessee.



[Signature]  
Notary Public

STATE OF MINNESOTA     )  
  )ss  
COUNTY OF LYON         )

On this 16 day of November, 2017, before me, a notary public within and for said County and State, personally appeared Robert J. Byrnes, Mayor; Sheila Dubs, Interim City Administrator; and Jane DeVries, City Clerk of the City of Marshall, a municipal corporation, on behalf of the municipality, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.



Catherine Marie Lee  
Notary Public

**This Instrument Drafted by:**  
QUARNSTROM & DOERING, P.A.  
By: Dennis H. Simpson, Marshall City Attorney  
109 South Fourth Street  
Marshall, MN 56258  
(507)537-1441