

LEASE AGREEMENT WITH DOUG THURGOOD

This LEASE AGREEMENT WITH DOUG THURGOOD is made and entered into this ____ day of June, 2025 ("Effective Date"), by and between the City of Meridian, a municipal corporation organized under the laws of the State of Idaho ("City"), and Douglas J. Thurgood, doing business as DJ Thurgood Farms, whose address is 17245 Can Ada Road, Nampa, Idaho ("Lessee").

WHEREAS, the City owns real property located at the intersection of W. McMillan Road and Star Road, Ada County, Idaho, including 40.82 acres near the intersection of the Five Mile Drain and the Phyllis Canal, depicted on *Exhibit A* hereto as Parcel C, which acreage is currently unused by City ("Lease Premises");

WHEREAS, City is authorized by Idaho Code section 50-1401 to manage real property owned by the City in ways which the City Council deems to be in the public interest;

WHEREAS, the City Council of the City of Meridian hereby finds that the lease of the Lease Premises to Lessee for crop farming serves the public interest as the most efficient method of controlling weeds, pests, and dust;

WHEREAS, the City Council of the City of Meridian hereby finds that Lease Premises are not otherwise needed for City purposes; and

WHEREAS, pursuant to Idaho Code section 50-1407, the mayor and council hereby resolve and authorize the lease of Lease Premises to Lessee;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, and in consideration of the mutual promises and covenants herein contained, and in consideration of the recitals above, which are incorporated herein, City and City agree as follows:

- I. Lease granted.** City, for and in consideration of the rents, covenants, conditions and agreements hereinafter contained and agreed to be paid, kept and performed by Lessee, does hereby lease and demise Lease Premises to Lessee.
- II. Use of Lease Premises.** Lessee's use and occupancy of the Lease Premises shall be limited to crop farming. Lessee's use and occupancy shall not include, except as expressly specified herein, any rights to minerals, water, oil, or other extractable products. Lessee shall not use or permit the use of the premises for any other purpose other than crop farming without the express written consent of the City.
- III. Term of lease.** The term of this lease shall be deemed to have commenced on the Effective Date and the initial term shall terminate at 11:59 p.m. on November 30, 2025, unless earlier terminated by either Party by the method established herein. This lease shall automatically be renewed from year to year thereafter unless written notice of termination is given by either party to the other at least thirty (30) days before the expiration of the initial lease term or any renewal thereof.
- IV. Rental payment.** Lessee shall pay to the City a total annual lease payment of six thousand three hundred dollars (\$6,300) (one hundred eighty dollars (\$180.00) per acre x 35 acres) for

the entire Lease Premises. The annual rent shall be paid in two installments. The first payment of \$3,500.00 is due 4-1 and the second payment of \$3,500.00 is due 10-1. Unless either party, between October 15 and November 30, provides the other with written notification of its desire to renegotiate the rental amount for the following year, the rate set forth herein shall apply. If the parties agree upon a rate differing from that set forth herein, such agreement shall be adopted via written addendum to this Agreement. If neither party notifies the other of a desire to renegotiate, upon renewal of the lease term, the most recently agreed-upon rate shall apply.

V. Rights and responsibilities of Lessee. With regard to Lessee's use and occupancy of the Lease Premises under this Agreement, Lessee shall be responsible for each and all of the following.

- A. **Farming operations.** Lessee shall be responsible for all costs, activities, and responsibilities associated with planting, maintaining, and harvesting crops on Lease Premises. Lessee shall be entitled to keep the proceeds, if any, of the crop(s) planted and harvested by Lessee on Lease Premises. Lessee shall be solely responsible for any and all expenses incurred in the Lessee's planting, maintaining, harvesting, storage and transportation of crops removed from the Lease Premises including, but not limited to, damages caused by acts of God, nature, government, and/or weather.
- B. **Weed and pest control.** Lessee shall be responsible for weed, pest, insect, and vermin control on Lease Premises.
- C. **Ditches and drains.** Lessee agrees to clean and maintain in good repair and condition, normal wear and tear excepted, all ditches, laterals and drains situated upon the Lease Premises in order that the maximum water benefit may be obtained and utilized.
- D. **Alterations; waste.** Lessee shall not make, or permit to be made, alterations on or to Lease Premises without first obtaining City's written consent. Any additions to, or alterations of, Lease Premises shall become at once a part of the real property and shall belong to City. Lessee shall not commit, permit nor suffer any damage to or waste upon the premises or any of the improvements or appurtenances situated or placed thereon by or on behalf of City or City's agents or invitees.
- E. **Liens.** Lessee shall keep Lease Premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Lessee. Lessee shall not permit nor suffer any lien, judgment or encumbrance to be entered against or filed upon Lease Premises or any improvements or fixtures thereon. Lessee hereby covenants to satisfy any such lien, judgment or encumbrance at Lessee's sole and separate expense, and in all respects fully to indemnify City against all damages, legal costs and charges, including attorney's fees reasonably incurred, in any suit involving any liens, claims, judgments or encumbrances cause or suffered by Lessee with respect to the premises or any part thereof.
- F. **Equipment.** Lessee shall provide and maintain all farming and irrigation equipment necessary for conducting Lessee's farming operation pursuant to this Lease. Any property and/or equipment purchased or used by the Lessee for the purpose of this lease shall remain the property of the Lessee. Such property and/or equipment may be stored at the Lease Premises for the term of this Agreement so long as such storage complies with all

applicable laws, regulations, and policies. Lessee shall move or remove such property and/or equipment within twenty-four (24) hours of City's request to do so. Lessee shall be solely responsible for any personal property and equipment stored or used by Lessee upon the Lease Premises.

- G. **Water use.** Lessee shall file water use reports as required and/or requested by the irrigation district(s) serving the Lease Premises. City shall promptly authorize excess water delivery if requested by Lessee. Lessee shall pay any water use overage costs, if applicable.
- H. **Chemicals; hazardous substances.** Lessee shall not use, store, or dispose of any hazardous or toxic substances as defined by applicable Federal or State laws and regulations upon Lease Premises without prior written notice to City. Said notice shall identify the substance to be used, the area in which the substance is to be used, the manner in which the substance is to be stored and applied and plans to dispose of any excess. City has the option of refusing to consent to such use, storage or disposal of toxic substances. Lessee's failure to comply with such a decision shall constitute a default by Lessee. All hazardous or toxic materials shall be used strictly in accordance with all applicable laws, rules and ordinances. Lessee shall not allow any hazardous or toxic substance into the air, ground or water except insofar as allowed by said laws and regulations. Lessee shall also not cause or knowingly suffer any prohibited conduct as such term is defined by applicable Federal or State law upon the Lease Premises. Lessee shall indemnify and hold City harmless from any claim, liability, loss, cost or expense, including but without limitation, attorney's fees, resulting from hazardous or toxic substances placed or used on Lease Premises by Lessee. City hereby consents to Lessee's use of chemicals and fertilizers customarily used in crop farming operations in this area on the condition that such chemicals and fertilizers are used and stored properly and in accordance with law. City shall have the right to inspect Lease Premises to determine if Lessee is properly using, storing, and disposing of chemicals and other hazardous substances. Other than chemicals and fertilizers customarily used in farming and ranching operations in this area, City disclaims any knowledge or information regarding the existence of toxic or hazardous substances on the property.
- I. **Good husbandry.** Lessee will utilize the Lease Premises in a manner that will best conserve the integrity and long-term beneficial use of the Lease Premises.
- J. **Acceptance as is.** Lessee acknowledges that Lessee has inspected the premises and does hereby accept the premises as being in good and satisfactory order, condition, and repair. It is understood and agreed that City makes no warranty or promise as to the condition, safety, usefulness or habitability of the Lease Premises, and Lessee accept the Lease Premises "as is." Lessee certifies that Lessee is not relying upon any representation or warranty by City as to the condition or suitability of the Lease Premises for Lessee's use.
- K. **Surrender of possession.** Lessee agrees that upon termination or expiration of this Lease Agreement for any reason, Lessee shall surrender the premises to City in the same good condition as received, reasonable wear and tear, act of God, act of nature, or damage by weather excepted. Lessee agrees to surrender possession and occupancy of the premises peaceably at the termination of the lease and any renewal or extension thereof.

- L. **Indemnification.** Lessee specifically indemnifies City and holds City harmless from any loss, liability, claim, judgment, or action for damages or injury to Lessee, to Lessee's personal property or equipment, and to Lessee's employees, agents, guests or invitees arising out of or resulting from the condition of the Lease Premises or any lack of maintenance or repair thereon and not caused by or arising out of the tortious conduct of City or its employees. Lessee further agrees to indemnify and hold City harmless from any loss, liability, claim or action from damages or injuries to persons or property in any way arising out of or resulting from the use and occupancy of the leased premises by Lessee or by Lessee's agents, employees, guests or business invitees and not caused by or arising out of the tortious conduct of City or its employees. If any claim, suit or action is filed against City for any loss or claim described in this paragraph, Lessee, at City's option, shall defend City and assume all costs, including attorney's fees, associated with the defense or resolution thereof, or indemnify City for all such costs and fees incurred by City in the defense or resolution thereof.
- M. **Liability insurance.** Lessee shall maintain and specifically agrees that Lessee will maintain throughout the term of this Agreement, liability insurance, in which City shall be named an additional insured in the minimum amount as specified in the Idaho Tort Claims Act set forth in Title 6, Chapter 9 of the Idaho Code. The limits of insurance shall not be deemed a limitation of the covenants to indemnify and save and hold harmless City; and if City becomes liable for an amount in excess of the insurance limits herein provided, Lessee covenants and agrees to indemnify and save and hold harmless City from and for all such losses, claims, actions, or judgments for damages or liability to persons or property. Lessee shall provide City with a certificate of insurance or other proof of insurance evidencing Lessee's compliance with the requirements of this paragraph. In the event the insurance minimums are changed, Lessee shall immediately submit proof of compliance with the changed limits.
- N. **Worker's compensation insurance.** In the event Lessee hires any person to work on the Lease Premises, any and all workers shall be covered by worker's compensation insurance. In such event, Lessee shall provide to City a certificate of insurance.
- O. **Crop insurance.** Lessee may; at Lessee's option, maintain crop insurance for crops planted on Lease Premises. City shall not maintain crop insurance on Lessee's behalf.
- P. **Taxes.** Lessee shall be solely responsible for the payment of taxes owed for any income realized as the result of activities undertaken pursuant or related to this Agreement.
- Q. **Quiet enjoyment.** City hereby agrees that in consideration of Lessee's performance of the terms and conditions of this Agreement, Lessee may peaceably and quietly have and enjoy the Lease Premises for the duration of this Agreement.

VI. Rights and responsibilities of City. With regard to Lessee's use and occupancy of the Lease Premises under this Agreement, City shall be responsible for the following.

- A. **Assessments; property taxes.** City shall pay the regular irrigation district assessments and property taxes, if any. City shall also promptly authorize excess water delivery if requested by Lessee. Lessee shall reimburse City for any water use overage costs, if applicable.

- B. **Right of entry.** City and City's contractors, employees, agents, and invitees, shall be authorized to, at all times, to enter the premises for the purposes of inspection for compliance with the terms of this Lease Agreement and for the exercise of City's rights hereunder, the posting of notices, and for all other lawful purposes. The parties shall supply each other with keys and any other instruments or information necessary to allow mutual entry onto the Lease Premises.

VII. General provisions.

- A. **No agency.** It is further understood and agreed Lessee shall not be considered an agent of City in any manner or for any purpose whatsoever in Lessee's use and occupancy of the Lease Premises.
- B. **Breach; cure; termination.** If Lessee is in breach or default of any of the terms, covenants or conditions of this Agreement and Lessee fails or refuses to cure such breach or default within five (5) days of written notice thereof, this Agreement, and all rights of Lessee in and to Lease Premises, at City's option, may be deemed terminated and forfeited without further notice or demand. In the event of any default or breach of this Agreement and Lessee's failure or refusal to cure as hereinbefore provided, City may, upon twenty-four (24) hours' notice, enter into and upon the premises, take possession thereof and expel Lessee therefrom, with or without process of law, and without being guilty of trespass, and without prejudice to any and all other rights and remedies City may have. In the event of termination of this Agreement, Lessee forfeit any right to harvest crops planted and any right to the proceeds thereof. Lessee shall be liable for any damages and any costs, including legal expenses and attorneys' fees, incurred by City in recovering the Lease Premises hereunder.
- C. **Possession.** If City, for any reason whatsoever, cannot deliver possession of the said premises to Lessee at the commencement of the said term, as hereinbefore specified, this lease shall not be void or voidable, nor shall City be liable to Lessee for any loss or damage resulting therefrom; but in that event, there shall be proportionate deduction of rent covering the period between the commencement of the said term and the time when City can deliver possession.
- D. **Transfer of property.** If City should sell or otherwise transfer title to Lease Premises, this Agreement shall be voidable upon transfer of title, at the buyer's or transferee's option. As may be practicable under the circumstances, City shall provide written notice to Lessee of City's intent to transfer title.
- E. **No waiver.** City's waiver on one or more occasion of any breach or default of any term, covenant or condition of this Agreement shall not be construed as a waiver of any subsequent breach or default of the same or a different term, covenant or condition, nor shall such waiver operate to prejudice, waive, or affect any right or remedy City may have under this Agreement with respect to such subsequent default or breach by Lessee.
- F. **No obligation.** By the granting of this lease, City does not in any way bar, obligate, limit, or convey any warranty with regard to any action relating to development or operation of said premises, including, but not limited to, annexation, rezone, variance, permitting,

environmental clearance, or any other action allowed or required by law or conveyed by City Council.

- G. **Attorney fees.** Lessee shall be liable to City for all damages and costs, including legal expenses and attorneys' fees, suffered or incurred by City in the enforcement of any of the terms, covenants or conditions of this Agreement.
- H. **No assignment.** Lessee shall not assign, sublet or transfer the leased premises, or any portion thereof, or cause or suffer any alterations thereto, other than as specified in this Agreement, without the express written consent of City. All of the terms, provisions, covenants and conditions of this Agreement shall inure to the benefit of, and shall be binding upon, each party and their successors, assigns, legal representatives, heirs, executors, administrators, or sublessees. This includes, without limitation, provisions regarding liability insurance and indemnification set forth herein. Policies held by Lessee's assignor, sublessee or transferee shall name City as an additional insured party, and Lessee shall provide to City a copy of such policy.
- I. **Binding on successors.** This Agreement and all terms and conditions hereof shall apply to and are binding upon the heirs, legal representative, successors and assigns of the Parties.
- J. **Independent contractor.** In all matters pertaining to this Agreement, Lessee shall be acting as an independent contractor, and neither Lessee nor any officer, employee or agent of Lessee shall be deemed an employee of City. Lessee shall have no authority or responsibility to exercise any rights or power vested in City. The selection and designation of the personnel of City in the performance of this agreement shall be made by City.
- K. **Notices.** All notices to be provided under this Agreement shall be in writing and addressed as follows:
- | | |
|---------------------------|---|
| If to Lessee: | If to City: |
| DJ Thurgood Farms | City of Meridian |
| Attn: Douglas J. Thurgood | Director, Parks & Recreation Department |
| 17245 Can Ada Rd | 33 E. Broadway Avenue |
| Nampa ID 83687-8320 | Meridian ID 83642 |
| djthurgoodfarms@yahoo.com | meridianrecreation@meridiancity.org |
- Notices shall be in writing and sent by e-mail or by U.S. mail, postage prepaid, to the party to be notified at the address specified above. Notice shall be deemed to have been given upon deposit in the U.S. mail, or upon personal delivery to the party above specified.
- L. **Choice of law.** This Agreement was negotiated in Idaho, is entered into and is intended to be performed in the State of Idaho. The Parties agree that the laws of Idaho shall govern the interpretation of this Agreement.
- M. **City Council approval required.** This lease shall not be effective for any purpose whatsoever until it is approved by the resolution of the City Council and executed by the Mayor.
- N. **Entire agreement.** This Agreement contains the entire agreement of the parties and supersedes any and all other agreements, leases, or understandings, oral or written, whether previous to the execution hereof or contemporaneous herewith.

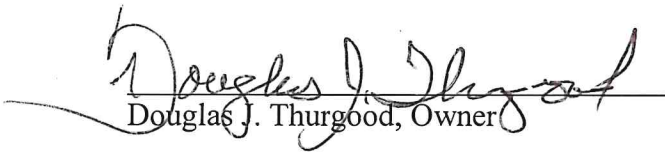
O. **Severability.** If any term of this Agreement is to any extent invalid, illegal, or incapable of being enforced, such term shall be excluded to the extent of such invalidity, illegality, or unenforceability; all other terms hereof shall remain in full force and effect.

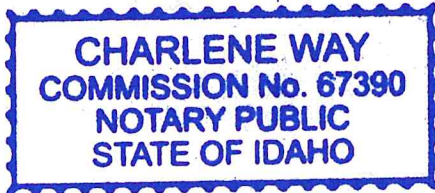
P. **Exhibits.** All exhibits to this Agreement are incorporated by reference and made a part of hereof as if the exhibits were set forth in their entirety herein.

IN WITNESS WHEREOF, the parties shall cause this Agreement to be executed by their duly authorized officers to be effective as of the day and year first above written.

LESSEE:

DJ THURGOOD FARMS


Douglas J. Thurgood, Owner




STATE OF IDAHO)

) ss:

County of Ada)

I HEREBY CERTIFY that on this 2nd day of September 2025, before the undersigned, a Notary Public in the State of Idaho, personally appeared **Douglas J. Thurgood**, proven to me to be the person who executed the said instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.



Notary Public for Idaho
Residing at Meridian, Idaho
My Commission Expires: 3-28-2028

CITY OF MERIDIAN:

Attest:

BY: _____

Robert E. Simison

Chris Johnson, City Clerk

STATE OF IDAHO)

) ss

County of Ada)

On this _____ day of _____, 2025, before me, a Notary Public, personally appeared **Robert E. Simison** and **Chris Johnson**, know or identified to me to be the Mayor and Clerk, respectively, of the City of Meridian, who executed the instrument or the person that executed the instrument of behalf of said City, and acknowledged to me that such City executed the same. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho
Residing at _____, Idaho
My Commission Expires: _____

[illegible]