

AGRICULTURE LAND LEASE AGREEMENT

THIS LEASE AGREEMENT (“Agreement”), made this 3rd day of March, 2025, by and between the City of New Prague, a Municipal Corporation, (“City”) and Lanesburg Farms, LLC, (“Tenant”) of the Township of Lanesburgh, County of LeSueur, Minnesota, is for the purpose of establishing the rights and responsibilities of the parties to this Agreement. The parties to this Agreement do agree as follows:

- 1. Lease of Agricultural Property.** In consideration of the rents and promises hereinafter described, the City hereby leases to Tenant 39 acres, more or less, of tillable agricultural fields located in the County of LeSueur and State of Minnesota, and described as set forth on Exhibit A, attached hereto and incorporated herein (hereinafter referred to as the “Property”).
- 2. Term.** **a.** The term of this Agreement is for three years commencing on the 1st day of January, 2026, and terminating on the 31st day of December, 2028.

b. Holding Over. If Tenant remains in possession of the Property after the expiration of the term, such holding over will only create a month to month tenancy, which may be terminated by either party at the end of any calendar month, upon thirty (30) days advance written notice. In the event of such holding over, Tenant shall perform all of the terms and conditions of this Agreement, except the rent and other charges which are paid annually to City shall be prorated on a monthly basis and paid in advance.
- 3. Rent.** **a.** Rent shall be Twenty-Eight Thousand and Eighty and 00/100 Dollars (\$28,080.00) payable in three (3) equal installments of Nine Thousand Three Hundred Sixty and 00/100 Dollars (\$9,360) on or before the dates of January 15, 2026, January 15, 2027 and January 15, 2028.

b. The Tenant waives any right to withhold rent in any claim against the City.

c. Rent shall be paid to the City of New Prague at City Hall, 118 Central Avenue North, New Prague, MN 56071 and credited to the appropriate accounts.
- 4. Taxes.** Should any property tax be levied regarding the Property, the City is responsible for promptly paying the tax when due.
- 5. Sublease; Assignment.** The Tenant cannot mortgage, encumber, assign as security, transfer, assign, or sublet their interest in this Agreement, in whole or in part, without receiving prior written consent from the City. Violation of this provision shall constitute default by Tenant and shall be grounds for termination of this Agreement.
- 6. Maintenance of Property.** Tenant, at Tenant’s own cost and expense shall keep and maintain the Property in good order. Tenant shall not permit any waste or nuisance on the Property. In the event the Property is not properly maintained, the City may, after notifying the Tenant, cause

the Property to be maintained. The costs of maintenance and an administrative fee will be billed to the tenant and become Tenant's responsibility.

7. Hazardous Materials. Tenant shall not store hazardous materials on the Property except such materials normal to and reasonably necessary for agricultural production and such maintenance operations reasonably conducted on the Property. All hazardous materials shall be stored, handled, and disposed of properly in accordance with all local, state and federal rules and regulations, and any spill or discharge shall be immediately reported to the City. Improper storage, use, handling, or disposal of hazardous materials shall be grounds for termination of this Agreement.

8. Costs associated with this Agreement. The City is not responsible for paying any of the Tenant's costs associated with this Agreement, including preparation of the Property for farming. The Tenant shall pay all costs related to farming the Property, including the cost of plowing the Property back at the end of this Agreement.

9. City Responsibilities. The City shall be responsible for the following:

a. The City shall peaceably allow the Tenant to occupy the Property for normal, customary, farming and agricultural practices, subject to the rights of the City to use the Property for snow storage purposes as needed in the sole discretion of the City, with the City incurring no liability to the Tenant for any purported damages to crops or otherwise for such snow storage.

10. Tenant Responsibilities. Tenant shall be responsible for the following:

a. The Tenant shall occupy the Property for agricultural purposes only. The Tenant will use normal, customary farming practices in the care and maintenance of the Property and, without limiting said customary practices, keep the Property free of noxious weeds.

b. The Tenant shall comply with all statutes, ordinances, rules, orders, regulations, and requirements of the federal, state, county, and municipal governments regulating the use of the Property.

c. The Tenant shall allow access to the Property by the City and its agents during all reasonable hours for the purpose of examining the Property to ascertain compliance with the terms and conditions of this Agreement and for any other lawful purpose including, but not limited to, exhibiting the Property for sale.

d. The Tenant shall not remove or move any existing structures or improvements made to the Property by the City. The Tenant may not store equipment on the Property for periods exceeding one week without coordinating such storage with the City.

e. The Tenant shall pile rocks or other items taken out of any field in areas designated by the City.

f. The Tenant shall plow back all fields prior to the termination of this Agreement.

g. Tenant shall not permit or authorize use of the Property by any party for recreational purposes (e.g., hunting, ATV riding, etc.)

h. Tenant shall allow the City to use the Property for snow storage purposes as needed in the sole discretion of the City, with the City incurring no liability to the Tenant for any purported damages to crops or otherwise for such snow storage.

11. Liability; Indemnification. Notwithstanding anything to the contrary in this Agreement, the City, its officers, agents, and employees shall not be liable or responsible in any manner to the Tenant, Tenant's successors or assigns, the Tenant's contractor or subcontractors, material suppliers, laborers, or to any other person or persons for any claim, demand, damage, or cause of action of any kind or character arising out of or by reason of the execution of this Agreement or the performance of this Agreement, nor will the Tenant make any claim against the City for or on account of any injury, loss or damage resulting from the Tenant's property or use thereof. The Tenant, and the Tenant's successors or assigns, agree to protect, defend and save the City, and its officers, agents, and employees, harmless from all such claims, demands, damages, and causes of action and the costs, disbursements, and expenses of defending the same, including but not limited to, attorney's fees, consulting services, and other technical, administrative or professional assistance. Nothing in this Agreement shall constitute a waiver or limitation of any immunity or limitation on liability to which the City is entitled under Minnesota Statutes, Chapter 466 or otherwise.

12. Insurance. The Tenant shall acquire and maintain property and/or liability insurance in at least the sum of \$1,000,000. The Tenant's policy shall include the City as a named additional insured, shall be in a form acceptable to the City and shall provide insurance with respect to Tenant's full indemnification and defense responsibilities contained in this Agreement. Said insurance policy shall not be cancelable, reduced or materially changed unless thirty (30) days prior written notice shall have been given to the City. The Tenant shall provide proof of insurance upon request by the City.

13. Default. Any of the following shall constitute a default under this Agreement:

a. Tenant fails to pay money owed to City under this Agreement when due, and such failure continues for ten (10) days after written notice from City to Tenant.

b. Tenant uses the Property for any purpose not expressly authorized by this Agreement and such default continues for ten (10) days following written notice from City to Tenant.

c. Tenant fails to allow an inspection in accordance with the terms and conditions of this Agreement and such default continues for ten (10) days following written notice from City to Tenant.

d. Tenant assigns, subleases or transfers this Agreement except as otherwise permitted, and such default continues for ten (10) days following written notice from City to Tenant.

e. Tenant fails to carry the insurance required under this Agreement; any insurance required under this Agreement is cancelled, terminated, expires or is reduced or materially changed so as to not comply with this Agreement, or City receives notice of any such conditions, and such failure continues for a period of ten (10) days following written notice from City to Tenant.

f. Tenant vacates or abandons the Property, and such default continues for ten (10) days following written notice from City to Tenant.

g. Tenant fails to discharge, by payment or bond, any lien or encumbrance placed upon the Property in violation of this Agreement within thirty (30) days following written notice from City to Tenant that any such lien or encumbrance is filed against the Property and/or improvements.

h. Tenant (i) makes a general assignment for the benefit of creditors; (ii) commences any case, proceeding or other action seeking to have an order for relief entered or to adjudicate tenant bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property; or (iii) involuntarily becomes the subject of any proceeding for relief which is not dismissed within sixty (60) days of its filing or entry.

i. Tenant fails to comply with any other term or condition of this Agreement and such default continues for more than thirty (30) days after written notice from City to Tenant, or for a longer period of time as may be reasonably necessary to cure the default, but only if: (i) Tenant is reasonably capable of curing the default, and (ii) is working diligently as determined by City to cure the default.

14. City Remedies. If a default occurs, City, at its option and in its sole discretion, may at any time thereafter do one or more of the following to the extent permitted by applicable law:

a. City may, without releasing Tenant from its obligations under the Agreement, attempt to cure the default. City may enter the Property for such purpose and take such action as it deems desirable or appropriate to cure the default. If default occurs during cropping season, the City may harvest any and all remaining crops and apply proceeds to rent payment. This entry is not an eviction of Tenant or a termination of this Agreement.

b. With legal process, but without further notice to Tenant, re-enter the Property or any part thereof and take possession of it fully and absolutely, without such re-entry working a forfeiture of the money to be paid and the terms and conditions to be performed by Tenant for the full term of this Agreement. City's re-entry of the Property is not a termination of this Agreement. In the event of such re-entry, City may proceed for the collection of money to be paid under this Agreement or for properly measured damages.

c. Terminate this Agreement upon written notice to Tenant and re-enter the Property as of its former estate, and Tenant covenants in the case of such termination to indemnify City against all loss of rents and expenses during the remainder of the term.

d. Exercise all other rights and remedies including injunctive relief, ejectment or summary proceedings such as an eviction action and any other lawful remedies, actions or proceedings.

e. In the event of any default and for any type of remedy chosen by City, Tenant shall reimburse City for all reasonable fees and costs incurred by City, including reasonable attorneys' fees, relating to such default and/or the enforcement of City's rights hereunder, and costs incurred attempting to cure a default. Any and all legal remedies, actions and proceedings shall be cumulative.

f. Notwithstanding the notice and cure periods set forth above, and subject to the inspection procedures or rights set forth herein, City shall only be required to provide Tenant with notice and opportunity to cure two (2) cumulative defaults in any calendar year. Only for purposes of this paragraph, cumulative default means: (i) Tenant's failure to pay money due under this Agreement; (ii) Tenant's failure to comply with the use of premises section of this Agreement; and (iii) any violation of the terms and conditions of this Agreement which has the likelihood in City's reasonable discretion to cause harm to life or property. In addition, City shall only be required to provide Tenant with notice and opportunity to cure two (2) defaults of failing to allow an inspection of the Property in any calendar year. Beginning with the third (3rd) cumulative default or third (3rd) failure to allow an inspection in any calendar year, City will not be required to provide notice and opportunity to cure and may immediately take such action as City deems appropriate under this Agreement.

g. As security for the payment of the rents herein specified and the faithful performance and strict fulfillment of all the covenants of Tenant in this Agreement, Tenant does grant a security interest to City in all crops grown or growing on the Property during the term of this Agreement and in products and contract rights with respect thereto and all proceeds of each. Upon any default on the part of Tenant in paying said rent or in performing any of the covenants of this Agreement, and at any time thereafter, City 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 City may require Tenant to assemble said crops and make such crops available to City at a place to be designated by City 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 City.

15. Termination. The City may, after providing 30 days written notice, take possession of the Property for any purpose deemed in the best interest of the City. The City shall allow the Tenant to remove crops with normal, customary farming practices and the parties will negotiate compensation for fertilizer, crops or other agricultural losses due to the early lease termination.

16. Surrender of Possession. The Tenant shall surrender the Property to the City in good condition and repair upon termination of the Agreement, whether by lapse of time or otherwise.

17. **Discrimination provision.** The Tenant, in the use of the Property, shall not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, or national origin.
18. **Waiver.** The waiver by City or Tenant of any breach of any term of this Agreement shall not be deemed a waiver of any prior or subsequent breach of the same term or any other term of this Agreement.
19. **Headings.** The headings in this Agreement are for convenience in reference and are not intended to define or limit the scope of any provision of this Agreement.
20. **Entire Agreement; Amendments.** This Agreement represents the entire agreement between the parties and supercedes any prior agreements regarding the Property. This Agreement may only be amended or modified if done in writing and executed by all parties to this Agreement.
21. **Severability.** If any part of this Agreement shall be held invalid, it shall not affect the validity of the remaining parts of this Agreement, provided that such invalidity does not materially prejudice either party under the remaining parts of this Agreement.
22. **Choice of Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.
23. **Public Data.** This Agreement, and the information related to it, is subject to the Minnesota Government Data Practices Act, which presumes that data collected by City is public data unless classified otherwise by law.
24. **Commitments to Federal and State Agencies.** Nothing in this Agreement shall be construed to prevent City from making such commitments as it desires to the Federal Government or the State of Minnesota in order to qualify for the expenditure of Federal or State funds.
25. **Successors.** This Agreement shall extend and apply to the legal representatives, successors and assigns of the parties to this Agreement.
26. **Relationship of Parties.** Nothing contained in this Agreement shall be deemed to create a partnership, association or joint venture between City and Tenant, or to create any other relationship between the parties other than that of landlord and tenant.
27. **Consent and Approvals.** Whenever in this Agreement the consent or approval of City is required, such phrase means the formal approval or consent of City through a meeting of the New Prague City Council. When the consent or approval of City's staff is required, such phrase means the consent or approval from the appropriate employee or agent of City.

28. Compliance with Laws. The Tenant agrees to abide by and conform to all laws, rules, and regulations, including future amendments, controlling or affecting the use or occupancy of the Property.

29. Agreement is Binding. This Agreement shall be binding upon the parties hereto and their heirs, successors and assigns.

30. Notification. Notification related to this Agreement shall be sent to the following addresses:

Tenant:	Lanesburg Farms, LLC Principal: Daniel Sullivan 30095 -151 st Avenue New Prague, MN 56071	Owner:	City of New Prague 118 Central Avenue North New Prague, MN 56071
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Notice is deemed given (i) two business days after being deposited in the mail, whether or not the notice is accepted by the named recipient, or (ii) if delivered by any other means, the date such notice is actually received by the named recipient. Either party may change the party's address for notice by providing written notice to the other party.

IN TESTIMONY WHEREOF, the City and Tenant have set their hands as of the day and year first above written.

CITY OF NEW PRAGUE:

By: _____
Duane J. Jirik, Mayor

Attest:

By: _____
Joshua M. Tetzlaff, City Administrator

STATE OF MINNESOTA)
) ss.
COUNTIES OF SCOTT AND LE SUEUR)

The foregoing instrument was acknowledged before me this ___ day of _____, 2025, by Duane J. Jirik and Joshua M. Tetzlaff, the Mayor and City Administrator, respectively, of the City of New Prague, a Minnesota municipal corporation, on behalf of the municipal corporation.

Notary Public

TENANT: (LANESBURG FARMS, LLC)

By: _____
Daniel J. Sullivan

STATE OF MINNESOTA)
) ss.
COUNTIES OF SCOTT AND LE SUEUR)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025,
by Principal Daniel J. Sullivan of Lanesburg Farms, LLC, a Limited Liability Company.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION

Part of the North Half of the Northeast Quarter of Section 9, Township 112 North, Range 23 West, LeSueur County, Minnesota, described as: Commencing at the Northeast Corner of said Section 9; thence North 89 degrees 43 minutes 29 seconds West (assumed bearing) on the North line of the North Half of the Northeast Quarter of said Section 9, a distance of 63.35 feet to the point of beginning; thence continuing North 89 degrees 43 minutes 29 seconds West on said North line, 775.33 feet; thence South 00 degrees 16 minutes 31 seconds West, 332.00 feet; thence North 89 degrees 43 minutes 29 seconds West, 782.95 feet; thence South 00 degrees 16 minutes 31 seconds West, 986.66 feet to the South line of the North Half of the Northeast Quarter of said Section 9; thence South 89 degrees 44 minutes 09 seconds East on said South line, 1532.69 feet to the West right-of-way line of Trunk Highway No. 13; thence North 00 degrees 57 minutes 04 seconds East on said West right-of-way line, 224.27 feet; thence North 09 degrees 28 minutes 55 seconds East on said West right-of-way line, 101.12 feet; thence North 00 degrees 57 minutes 04 seconds East on said West right-of-way line, 518.37 feet; thence northerly 234.27 feet on a tangential curve to the left, also being said West right-of-way line, having a radius of 22843.31 feet, a central angle of 00 degrees 35 minutes 15 seconds and a 234.26 foot chord which bears North 00 degrees 39 minutes 26 seconds East; thence North 89 degrees 43 minutes 29 seconds West, not tangent to said curve, 209.33 feet; thence North 00 degrees 16 minutes 31 seconds East, 208.70 feet; thence South 89 degrees 43 minutes 29 seconds East, 208.70 feet to the West right-of-way line of Trunk Highway No. 13; thence northerly 33.00 feet on a non tangential curve to the left, also being said West right-of-way line, having a radius of 22843.31 feet, a central angle of 00 degrees 04 minutes 58 seconds and a 33.00 foot chord which bears North 00 degrees 12 minutes 05 seconds East, to the point of beginning. Contains 40.00 acres and is subject to and together with any and all easements of record.