



CASH RENT HAY LEASE AGREEMENT

This Cash Rent Hay Lease (the "Lease") is entered into as of _____, 2019, by and between the City of Fairbury, Nebraska, a municipal corporation ("Landlord") and _____ ("Tenant").

In consideration of the mutual promises, covenants and agreements herein, Landlord and Tenant hereby agree as follows:

1. **Leased Property.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, to occupy and use only for hay harvesting purposes approximately 80-85 acres certain grassland located in the West Half of the Southeast Quarter (W1/2, SE 1/4) and the Northeast Quarter of the Southeast Quarter (NE 1/4, SE 1/4) of Section (13), Township Two (2) North, Range Two (2) East of the Sixth P.M. in Jefferson County, Nebraska.
2. **Term of Lease.** The term of this lease shall be for three years from May 1, 2019 to April 30, 2022, unless terminated earlier as provided herein (the "Term").
3. **Cash Rental.** Tenant hereby agrees to pay annual cash rental to Landlord in the amount of _____ Dollars (\$0.00), payable on or before May 1 of each year of the Term at such address as Landlord designates from time to time. All rent not received by Landlord when due shall bear interest from the date due until paid at the rate of 14 percent per annum. The amounts described herein shall be the entire rental amount and there shall be no sharing of crops or government program payments related to said crops. Tenant shall have the right to participate in government programs providing payments related to the production of crops on the Property and shall retain all such payments, provided, however, Tenant shall not, without Landlord's prior written consent, participate in any such programs or programs of any kind which would encumber the Property or place restrictions on the use of the Property which extend or could extend beyond the remaining term of the Lease.
4. **Property Taxes.** The Property is owned and maintained by the City of Fairbury, Nebraska for a public purpose pursuant to Neb. Rev. Stat. § 77-202. The Property was purchased pursuant to the City's Economic Development Plan under the City's Economic Development Program as authorized by the Nebraska Local Option Municipal Economic Development Act (Neb. R.R.S. §18-2701 *et seq.*) for the purpose of developing industrial sites. The purchase was funded by a local option sales tax approved by the voters of Fairbury to fund the Economic Development Plan pursuant to the Nebraska Local Option Municipal Economic Development Act. Additionally, the Property is maintained for use by the City to assist in maintaining its wastewater treatment facilities through the spreading of waste material on the Property. Accordingly, the Property is properly exempt from property taxes under Neb. Rev. Stat. §77-202. Nonetheless, should the Tenant become liable for property taxes on the Property by reason of Neb. Rev. Stat. §77-

202.11, any taxes so assessed against, and-paid by, the Tenant shall be deducted from the cash rental owing under this agreement.

5. **Tenant's Obligations.** During the Term of this Lease, Tenant shall:

a. Farm the Property in a workmanlike manner in accordance with the standards of good husbandry.

b. Pay all costs of production of the crop on and operation of the Property and other related expenses, whether ordinary or extraordinary, direct or indirect, including but not limited to all labor, equipment, fertilizer, chemicals and other expenses for farming the Property. All materials and services provided shall be of good quality and be of the type used in operating first class farms in the area and shall be furnished or provided at such times, in such quantities and in such manner as good farming practices dictate.

c. Harvest the crops on the Property in a timely fashion.

d. Prevent noxious weeds from going to seed on the Property and destroy such weeds as exist from time to time on the Property, including the road ditches and land next to fences as reasonably necessary.

e. Haul and spread all fertilizers, pesticides, and other chemicals on appropriate fields at times and in quantities which maintain the fertility of the soil for agricultural use, are consistent with all applicable environmental protection requirements, and comply with all applicable laws. Tenant agrees to indemnify and hold Landlord harmless from and against all claims, demands, causes of action, costs and expenses, including without limitation costs of investigations, court costs and attorneys fees, arising from the unlawful introduction or presence knowingly caused by Tenant in or on any portion of the Property of asbestos or any form thereof, or any material or substance listed, defined, designated or otherwise regulated as hazardous, toxic, radioactive or dangerous under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sections 9601-9675, or under any other federal, state or local law, rule, regulation, ordinance, code or order now in effect or hereafter enacted to protect the environment; and, from and against any and all costs and expenses of clean-up and response with respect to any such materials or substances in or on any portion of the Property, including, without limitation, costs of any studies and investigations necessary to determine an appropriate response to any contamination in or on any portion of the Property (except costs and expenses relating to any such substances or materials introduced by the Landlord or its employees, officers, contractors or agents).

f. Keep the Property neat and orderly, and prevent all unnecessary waste, loss or damage to the same.

g. Use the Property only for the use stated in Paragraph 1 hereof.

h. Assume and be responsible for all (i) damage and injury to any farm equipment, crop and field machinery, and other personal property of Tenant, Tenant's employees, agents or invitees; and (ii) personal injury and damages of every type and kind to Tenant, Tenant's employees, agents and invitees.

i. Carry general liability insurance in such minimum amounts as may be specified from time to time by Landlord, including Landlord as an additional insured.

6. **Repairs and Maintenance.** Tenant shall, at its sole cost, provide all necessary and appropriate maintenance and repairs to the Property and all improvements and equipment included therein.
7. **Assignment; Subletting.** Tenant shall not assign any of its rights hereunder or sublet this Lease without Landlord's written consent.
8. **Encumbering Title.** Tenant shall not do any act which shall in any way encumber the title or interest of Landlord in and to the Property, nor shall Tenant allow the interest or estate of Landlord in the Property to be in any way subject to any claim by way of lien or encumbrance, whether by operation of law or by virtue of any express or implied contract by Tenant. Any claim to, or lien upon the Property arising from any act or omission of Tenant shall accrue only against the leasehold estate and interest of Tenant and shall be subject and subordinate to the paramount title and rights of Landlord.
9. **Crop Residues.** Tenant shall not permit grazing or pasturing of crop residues by livestock on the Property during the term of this Lease.
10. **Right to Withdraw Property from Lease.** In the event Landlord should require any portion of the Property for implementation of its Economic Development Plan, Landlord shall be entitled to remove such portion of the Property subject to this Lease upon 30 days written notice to Tenant. In the event such notice is given after Tenant has planted a crop, the Landlord shall reimburse Tenant for fertilizer, chemicals, seed and other direct input costs incurred by the Tenant with respect to the removed acres, and cash rental shall be adjusted to reflect the reduced acreage.
11. **Non-Waiver.** The failure or delay of Landlord or Tenant to exercise any of their respective rights or privileges under the terms of this Lease shall not be held waiver of any of the terms, covenants, or privileges of either party under the same. Any act of either Landlord or Tenant waiving, or which may be held to have waived, any specific default of the other party shall not be construed or held to be a waiver of any future default.
12. **Default.** Time is of the essence of this Lease. In the event Tenant fails to pay rent (or any other payment required to be made by Tenant hereunder) when due or in the event of Tenant's material breach, default, or failure to comply with, or keep, observe, or perform any of the other covenants, agreements, representations, or warranties described herein to be kept, observed, or performed by Tenant, Landlord shall provide written notice of such

failure to Tenant. If the identified failure or breach is not cured within thirty (30) days, Landlord may terminate the lease. Upon termination of this Lease, Tenant shall immediately surrender possession of and vacate the Property and shall deliver possession thereof to Landlord. Following termination, Landlord shall have the full and free right to enter into and upon the Property with or without process of law and repossess the Property and expel or remove Tenant and any others who may be occupying, possessing or using the same. In such event, Landlord shall not be deemed in any manner guilty of trespass, eviction, or forcible entry or detainer and shall not incur any liability to Tenant or any other person for any damage resulting therefrom. Further, such actions by Landlord shall not relinquish Landlord's right to recover rent from Tenant or any other right given to Landlord hereunder or by operation of law. Upon termination of this Lease by Landlord, Tenant shall have no right to return to the Property or to harvest the crops remaining, if any, without the prior written consent of Landlord. Landlord reserves the right to supervise any such harvest by Tenant and to impose upon Tenant's reentry and harvest any terms and conditions Landlord deems appropriate. The right to terminate this Lease shall be in addition to any other rights or remedies then provided by the laws of the State of Nebraska for breach of this contract by Tenant.

13. **Landlord's Lien.** Tenant hereby grants Landlord a security interest and lien provided by law on crops grown or growing as security for the rent herein specified and for the faithful performance of the terms of the Lease and may be enforced in the manner prescribed by law.
14. **Landlord's Right to Entry.** During the Term, Landlord reserves for itself, its agent and employees, the right to enter upon the Property at any reasonable time for any reasonable purposes, including without limitation, inspecting the Property. This right of entry is separate, apart from and in addition to Landlord's right of entry in the event of default and other rights provided herein and by operation of law.
15. **Complete Agreement; Amendments.** This Lease, including any Exhibits attached hereto, constitute the entire agreement between Landlord and Tenant, superseding all previous lease agreements, if any, entered into between them. None of the covenants, terms or conditions of this Lease shall in any manner be altered, waived, modified, changed or abandoned except by a written instrument, duly signed and acknowledged by both Landlord and Tenant.
16. **Successors.** The terms, covenants and conditions hereof shall be binding upon and inure to the benefit of Landlord's and Tenant's heirs, personal representatives, assigns and successors; provided, however, that Tenant's assigns shall not be entitled to the benefits of this Lease, unless Landlord consents in writing to such assignment.
17. **Notices.** Any notice required under this Lease shall be in writing and sent certified mail, return receipt requested to Landlord and Tenant at the following addresses, or such other addresses as they may notify each other of from time to time:

Landlord
City of Fairbury
P.O. Box 554
612 D Street
Fairbury, NE 68352-0554

Tenant

18. **Applicable Law.** This Lease shall be construed and enforced in accordance with the laws of the State of Nebraska.
19. **Transfer of Property.** If the Property are transferred during the term hereof, the transferee shall obtain all rights of the Landlord hereunder and the rent hereunder shall be paid in accordance with written instructions given by such transferee to Tenant.
20. **Termination.** This Lease shall terminate without further notice at the conclusion of the Term unless renewed or extended by written agreement of the parties. Tenant specifically waives notice of termination.
21. **Parties Bound.** Landlord and Tenant bind their heirs, successors, and assigns to the performance of the terms of this Lease.

In witness of the foregoing, the parties hereto have executed this Lease as of the date and year first above written.

LANDLORD:

TENANT:

City of Fairbury

By: _____
Homer L. Ward, Mayor

By: _____