

## CROP LEASE

THIS AGREEMENT made and entered in to 12<sup>th</sup> day of June, 2014 by and between the CITY SPRING HILL, KANSAS (hereinafter "Lessor or City of Spring Hill") and BILLY WATERS (hereinafter "Lessee").

### **WITNESSETH:**

The Lessor and Lessee hereby enter into this Agreement on the following terms and conditions and in consideration of the mutual covenants and agreements hereinafter set forth.

### **THE PARTIES AGREE AS FOLLOWS:**

#### **1. DESCRIPTION OF LESSOR REAL ESTATE.**

In consideration of the terms specified herein, Lessor leases to the Lessee for agricultural crop purposes the following legally described property (**REAL ESTATE**):

Approximately 15 acres of a 40 acre tract located in the SE ¼ of the SW ¼, Section 13 Township 15 Range 23, also identified by Tax ID #EF321513-2005 and as identified in Exhibit A attached.

The term "Real Estate" shall include attachments to the property, including but not limited to, fences and gates.

- 2. TERM OF LEASE.** The term of this lease shall be for the period of one (1) year beginning June 12, 2014, and ending June 12, 2014, and continuing thereafter from year to year, unless either party sends written notice to the other party that the lease will terminate the last day of the then-current lease year (i.e., December 31, 2014, as applicable). Such notice must be sent on or before thirty (30) days before the end of the then-current lease year. PROVIDED FURTHER that the lease will terminate in any event (and even though written notice of termination has not been given by one party to the other by December 31, 2014, deadline) on the final day of the then-current lease year unless Lessee delivers to Lessor, and Lessor receives, on or before that final day of the then-current lease year day, full payment in advance of the rent for the upcoming lease year.
- 3. PURPOSE OF THE LEASE.** The Lessee shall have the right to use the Real Estate for the production of crops, and for no other purpose without the prior written consent of Lessor.
- 4. CASH RENT.** The Lessee agrees to pay the Lessor cash rent of \$0.00 for the lease year. Such rent must be paid in full to Lessor, and received by Lessor, on or before the last day

of N/A immediately preceding the upcoming lease year. If not fully and timely paid in advance, the lease terminates and the upcoming lease year does not commence.

All cash rent is to be delivered the Lessor at the address of City Clerk on page 1 or at such other place as the Lessor may direct in writing.

5. **LESSEE DUTIES AND CONDITIONS.** Lessee agrees to:

- a. Farm the Real Estate in an efficient and steward-like manner.
- b. Do what is reasonably necessary to control soil erosion, and abstain from any practice which will cause damage or waste to the Real Estate.
- c. Lessee shall not commit or permit the commission by others of any nuisance on the Real Estate; or use or permit the use of the Real Estate or Improvements for any unlawful purpose.
- d. The Lessee shall have the obligation of mowing and keeping clean all hedge rows, where possible, including the roadside where the Lessee is farming, and all waterways unless agreed otherwise.
- e. The Lessee is responsible for control and eradication of noxious weed control and to use reasonable efforts to control other weeds.
- d. Protect all desirable vegetation, such as grass field borders.
- e. Comply with all local, state and federal laws and regulations governing all activities related to the application of pesticides and commercial fertilizers, and cultivation of crops and the compliance thereof. Follow label directions in the handling and application of all chemicals used on the Real Estate, and follow all applicator's licensing requirements. Comply with local, state and federal laws and regulations pertaining to groundwater contamination, to hazardous waste storage or disposal, and to use of and activities upon the Real Estate.
- f. Not to conduct on the Real Estate, and not allow or authorize others to conduct on the Real Estate, without written consent of the Lessor, any hunting, trapping and other recreational activities.
- g. Inspect fences not less than once per month.
- h. Repair all damage to the Real Estate caused by the Lessee (including gates and fences) and furnish labor and material for the repairs. Lessor shall have no obligation whatsoever to perform any maintenance, repair or other services in connection with the Real Estate.

If the Lessee fails to repair any damage to the Real Estate during the term of this lease, the Lessor shall have the right to repair the damage and charge the Lessee the cost of the repair, including labor, material and equipment necessary to restore the condition of the Real Estate as of the commencement date of the lease.

- i. At the termination of this lease, Lessee shall surrender and deliver the Real Estate to Lessor, in a state of repair and condition comparable to the state of repair and condition of the Real Estate at the time Lessor delivers possession thereof to Lessee, reasonable wear and tear excepted. If the Lessee fails to repair any damage to the Real Estate at the conclusion of this lease, the Lessor shall have the right to repair the damage and charge the Lessee the cost of the repair, including labor, material and equipment necessary to restore the condition of the Real Estate as of the commencement date of the lease.

6. **INSURANCE.** The Lessee shall provide to the Lessor, the following insurance coverage:

2013 CITY OF SPRING HILL, KS MINIMUM LIABILITY INSURANCE REQUIREMENTS FOR LEASING CITY PROPERTY FOR AGRICULTURE PURPOSES.

### INSURANCE REQUIREMENTS

Before a lease agreement will be issued, the lessee shall furnish to the City of Spring Hill Kansas a Certificate of Liability Insurance verifying such coverage.

The Lessee shall be required to maintain and carry in force, for the duration of the lease, insurance coverage and a Certificate of Insurance verifying such coverage as set forth below.

- a. **Commercial General Liability**

A combined single limit of liability of \$1,000,000 Per Occurrence, \$2,000,000 Aggregate (ISO occurrence form CG 0001 or equivalent).

- b. **Business Automobile Liability**

A combined single limit of liability of \$1,000,000 Per Occurrence / Accident to apply to all owned, hired, and/or non-owned autos used in the completion of the lease. Liability should reflect "Any Auto".

- c. **Worker's Compensation and Employer's Liability (Not Applicable for Lease).**

- d. **Pollution Liability Insurance.**

A combined single limit of liability of \$1,000,000 Per Occurrence. Coverage shall apply to any and all liability emanating on or from premises involving the operations of the Lessee. In addition to third party liability, such coverage shall also include on-site cleanup and remediation as well as off-site clean up and remediation.

e. **Miscellaneous**

- i. City of Spring Hill, KS is to be named as additional insured on all policies above on a primary basis, not contributing with any insurance maintained by the City, with copy of additional insured endorsement required to be attached to the certificate of insurance.
- ii. Should any of the above described policies be cancelled or non-renewed, the City shall first be provided 30 days written prior notice, except 10 days for non-payment of premium.
- iii. Lessee shall notify City in writing as soon as possible after any bodily injury or property damage occurrence that could potentially lead to any lawsuit after it receives notice or knowledge of any demand, claim, cause of action, lawsuit, or action related to this lease agreement.

The certificate holder on the Certificate of Insurance shall be as follows:

City of Spring Hill, Kansas  
Attn: Keith Thomas, HR-Risk Manager  
401 North Madison  
P.O. Box 424  
Spring Hill, KS 66083  
[thomask@springhillks.com](mailto:thomask@springhillks.com)

NOTE: The Accord 25 (2010/05) Certificate of Insurance Form is required. Forms must be submitted directly to the City of Spring Hill by the Lessee's Insurance Agent/Broker, not the lessee who is leasing City property.

7. **REAL ESTATE TAXES.**

- a. Subject to paragraph 7(b) below, the Lessee agrees to pay as additional rent to the Lessor an amount equal to the ad valorem taxes due on the Real Estate on or before the date said taxes are due and payable to the County Treasurer.
- b. The Lessor agrees to apply for a tax exemption for the ad valorem taxes applicable to the Real Estate to the State of Kansas; however, in the event the exemption is denied or the Real Estate is subsequently declared to be taxable, then the Lessee agrees to pay the ad valorem taxes accruing during the term of the lease.

8. **RIGHT OF ENTRY-DESIGNATED ACCESS/EGRESS POINTS AVAILABLE TO LESSEE; MAINTENANCE OBLIGATION BY LESSEE OF POINTS OF ACCESS/EGRESS AND INSPECTION OF PROPERTY BY LESSOR.**

- a. Lessee may enter and exit the Real Estate only at the points of ingress and egress designated on Exhibit A, attached hereto and incorporated herein by reference.
- b. Lessee is responsible for maintaining the condition of the points of ingress and egress to the Real Estate, including gates and fences, in the same condition as exists at the effective date of this lease. Lessee shall, at its expense, replace or repair any gate, entry or fence that is damaged by the Lessee.
- c. The Lessor may enter the Real Estate at any reasonable time for the purpose of viewing and inspecting the property or for other reasonable purposes that do not interfere with the Lessee's ability to carry out regular farming operations.
- d. **Transfer of Interest.** The Lessee agrees not to lease or sublet any part of the Real Estate nor assign this lease to any other person or entity, nor sublease any or all of the Real Estate described herein without prior written permission to the Lessor. This lease shall be binding upon the heirs, assignees and successors in interest of both parties. If the Lessor should sell or otherwise transfer title to the Real Estate, the Lessor will do so subject to the provisions of this lease.
- e. **Default.** If either party to this lease willfully neglects or refuses to carry out any provision herein, the other party shall have the right, in addition to compensation for damages, to terminate the lease. Either party shall do so by written notice on the party in default, specifying the violations of the lease. If violations are not rectified within thirty (30) days, the lease shall be terminated.
- f. **Changes in Lease Terms.** The conduct, representation or statement of either party, by act or omission, shall not be construed as a material alteration of this lease until such provision is reduced to writing and executed by both parties as an addendum to this lease.
- g. **Contract Interpretation.** Words or phrases herein, including acknowledgment, are construed as in the singular or plural and as the appropriate gender, according to the context.
- h. **NOTICES.** Except as otherwise specifically set forth in this Lease, a notice required or permitted under this lease shall be in writing and shall be personally delivered or by certified mail, return receipt requested, delivered to addressee only, addressed as follows:

**LESSEE:** Billy Waters  
10270 West 167<sup>th</sup> Street  
Olathe, Kansas 66062

**LESSOR:** City of Spring Hill  
Attention: Glenda Gerrity, City Clerk  
302 N. Jefferson  
P.O. Box 424  
Spring Hill, KS 66083  
Office: (913) 592-3664  
gerrityg@springhillks.com

- i. **Indemnification.** The Lessee shall take possession of the premises subject to the usual hazards of operating a farm and assume all of the risks of accidents to the Lessee and the Lessee's agents, pursuant to the farming operation under this lease. The Lessee agrees to indemnify, defend and hold harmless the Lessor against any liability and/or pay for any and all damages, losses or expenses, and attorney fees incurred by the Lessor in connection with the leased premises.
- j. **Mineral Rights.** The Lessor reserves all rights to any minerals on or underlying the farm.
- k. **Yielding Possession.** The Lessee agrees that on termination of the lease, the Lessee will yield possession to the Lessor without further demand or notice. The premises shall be in as good order and condition as when the same were delivered to the Lessee.
- l. **No Partnership.** It is understood and agreed that this lease shall not be deemed to be nor intended to give rise to an association, joint venture or partnership relation.
- m. **Contact Persons.** Designated contact persons for the Lessor and Lessee are as follows:

**LESSOR:**  
  
Rory Hale  
Director of Public Works  
City of Spring Hill  
P. O. Box 424  
Spring Hill, Kansas 66083  
[haler@springhillks.org](mailto:haler@springhillks.org)  
Phone: (913) 592-3664

**LESSEE:**

Billy Waters  
10270 West 167<sup>th</sup> Street  
Olathe, Kansas 66062  
watersfarms84@gmail.com  
Phone: (913) 208-7020

Executed in duplicate on the date first above written.

**LESSOR:**

**CITY OF SPRING HILL, KANSAS**



Steve M. Ellis, Mayor

Date: 6/12/14

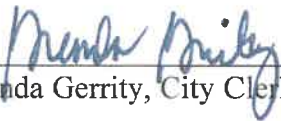
**LESSEE:**



Billy Waters

Date: 5-30-14

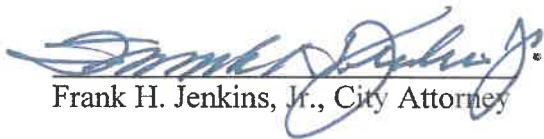
**ATTEST:**



Glenda Gerrity, City Clerk



**APPROVED AS TO FORM:**

  
Frank H. Jenkins, Jr., City Attorney

**ACKNOWLEDGMENT AND VERIFICATION OF SIGNATURE**

STATE OF KANSAS, COUNTY OF JOHNSON, SS:

BE IT REMEMBERED, that on this 30 day of May, A.D. 2014, before me, the undersigned, a notary public in and for the County and State aforesaid, came Billy Waters, a single person, who is personally known to me to be the same person who executed the within instrument of writing and such person duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal; the day and year last above written.

  
\_\_\_\_\_  
Notary Public

My Appointment Expires:  
05/09/2015


(SEAL)



STATE OF KANSAS, COUNTY OF JOHNSON, SS:

BE IT REMEMBERED, that on this 12 day of June, A.D. 2014, before me, the undersigned, a notary public in and for the County and State aforesaid, came Steven M. Ellis and Glenda Gerrity, Mayor and City Clerk of the CITY OF SPRING HILL, KANSAS, respectively, who are personally known to me to be the same persons who executed the within instrument of writing and such persons for and on behalf of the City of Spring Hill, Kansas, and duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal; the day and year last above written.

  
\_\_\_\_\_  
Notary Public

My Appointment Expires:  
06-10-2018

(SEAL)





Exhibit A

