

## LEASE AGREEMENT

THIS LEASE is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between the City of Lawrence, Kansas (OWNER), and Nunemaker-Ross, Inc., of 1616 N. 1700 Rd., Lawrence, KS 66044 (TENANT).

1. The OWNER hereby leases to the TENANT, to occupy and use solely for agricultural purposes, a tract of land adjacent to and part of the Lawrence Municipal Airport Property, in the City of Lawrence, Douglas County, Kansas located in the Southeast Quarter and the Southwest Quarter of Section 17, Township 12 South, Range 20 East of the 6<sup>th</sup> Principal Meridian and comprising approximately 9.3497 acres, more particularly described as follows:

Commencing at the Southeast Corner of the Southwest Quarter (SW ¼) of Section 17, Township 12 South, Range 20 East of the Sixth Principal Meridian; thence North 02°10'57" West on the East line of the Southwest Quarter (SW ¼) of said Section 17 a distance of 842.37 feet for a Point of Beginning; thence South 64°46'56" West a distance of 51.87 feet; thence South 57°13'03" West a distance of 92.49 feet; thence South 54°30'55" West a distance of 151.36 feet; thence South 78°07'23" West a distance of 22.75 feet; thence North 70°38'37" West a distance of 18.33 feet; thence North 26°45'53" West a distance of 34.02 feet; thence North 06°21'06" West a distance of 104.31 feet; thence North 04°39'36" West a distance of 170.82 feet; thence North 03°03'06" West a distance of 168.61 feet; thence North 01°31'48" West a distance of 184.28 feet; thence North 87°52'16" East a distance of 323.63 feet; thence North 61°49'40" East a distance of 341.18 feet; thence South 21°51'37" East a distance of 299.41 feet; thence South 19°55'20" East a distance of 114.22 feet; thence South 16°16'35" East a distance of 46.27 feet; thence South 17°40'21" East a distance of 60.77 feet; thence South 41°09'09" West a distance of 37.26 feet; thence South 58°14'41" West a distance of 58.34 feet; thence South 59°31'45" West a distance of 90.75 feet; thence South 70°07'32" West a distance of 99.14 feet; thence South 74°12'16" West a distance of 90.95 feet; thence South 78°36'06" West a distance of 89.76 feet; thence South 64°46'56" West a distance of 6.26 feet to the Point of Beginning containing 9.35 Acres more or less all in the City of Lawrence, Douglas County, Kansas. Said tract subject to Rights-of-way, Easements, and Restrictions of Record.

ALSO:

A tract of land in the City of Lawrence, Douglas County, Kansas located in the Southwest Quarter of Section 17, Township 12 South, Range 20 East of the 6<sup>th</sup> Principal Meridian and comprising approximately 11.0958 acres, more particularly described as follows:

Commencing at the Southeast Corner of the Southwest Quarter (SW ¼) of Section 17, Township 12 South, Range 20 East of the Sixth Principal Meridian; thence North 02°10'57" West on the East line of the Southwest Quarter (SW ¼) of said Section 17 a distance of 922.82; thence South 87°50'46" West a distance of 417.41 feet for a Point of Beginning; thence South 02°31'20" East a distance of 64.90 feet; thence South 01°59'17" East a distance of 85.99 feet; thence South 01°08'55" East a distance of 52.99 feet; thence South 05°50'30" East a distance of 47.11 feet; thence South 61°26'55" West a distance of 302.59 feet; thence South 53°29'37" West a distance of 430.20 feet; thence South 64°18'39" West a distance of 305.47 feet; thence North 02°09'08" West a distance of 1118.22 feet; thence North 88°18'38" East a distance of 87.49 feet; thence South 34°53'42" East a distance of 23.09 feet; thence South 01°09'38" East a distance of 347.98 feet; thence North 88°09'15" East a distance of 230.90 feet; thence South 03°21'37" East a distance of 364.00 feet; thence North 87°51'32" East a distance of 31.00 feet; thence North 03°21'34" West a distance of 365.05 feet; thence North 87°51'00" East a distance of 554.10 feet to the Point of Beginning containing 11.10 Acres more or less all in the City of Lawrence, Douglas County, Kansas. Said tract subject to Rights-of-way, Easements, and Restrictions of Record.

Said above tracts of land, the "PROPERTY" is further depicted on the attached Exhibit A.

2. The initial term of the lease shall be from January 1 through December 31 of the year first set forth above, and shall automatically renew for an additional period of one year at the end of each term unless either party gives written notice of termination of the lease to the other party at least 30 days prior to the end of the term.
3. TENANT, by taking possession of the property accepts it in that condition existing at the time of occupancy. The TENANT, by taking possession waives any claim that TENANT may have concerning the condition of the property.
4. The TENANT agrees to pay the OWNER \$65.00 per acre on or before December 31 of each year the property is leased. If payment is not received by OWNER on or before January 31, a Fifty Dollar (\$50.00) late fee shall be assessed to the TENANT. If the rent payment and the late fee are not received on or before May 1, the lease agreement shall be null and void.
5. Amendments and alterations to this lease shall be in writing.

6. This lease shall not be deemed to give rise to a partnership relation, and neither party shall have authority to obligate the other without written consent, except as specifically provided in this lease.
7. The TENANT shall hold OWNER, its agents, officials, and employees free and harmless, and shall indemnify OWNER from loss from each and every suit, liability, expense, damage or claim, or demand of whatever nature, made on behalf of or by any person or persons, for any wrongful act or omission on the part of the TENANT, its employees, agents, officials, contractors, guests, licensees, and invitees. OWNER shall hold TENANT, TENANT'S agent, officials, and employees free and harmless, and shall indemnify TENANT from loss from each and every suit, liability, expense, damage or claim, or demand of whatever nature, made on behalf of or by any person or persons, for any wrongful act or omission on the part of the OWNER, its employees, agents, and officials.
8. At all times during the term of this Lease Agreement, and during any use, occupancy, or possession of the premises before such term commences, TENANT shall, at TENANT'S own expense, maintain comprehensive general liability insurance protecting and indemnifying the OWNER against any and all claims and liabilities for injury or damage to persons or property or for the loss of life or property occurring upon, in or about the premises caused by or resulting from any act or omission of the TENANT, TENANT'S employees, agents, contractors, guests, licensees, and invitees. Such insurance shall provide for coverage of not less than \$500,000.00 for injury or death to any one person, and not less than \$1,000,000.00 for injury or death occurring to more than one person as a result of one accident, and not less than \$1,000,000.00 for property damage. TENANT further shall, at TENANT's expense, take out and maintain at all times all necessary workers' compensation insurance covering all persons employed by TENANT in and about the premises.

Before TENANT'S use, occupancy, or possession of the premises, TENANT shall obtain all such insurance and deliver to the OWNER policies of such insurance, or certificates evidencing the issuance of such policies, during the initial terms of such insurance and all renewals thereof.

All insurance required hereunder shall name as an additional insured, the OWNER, its employees and agents.

All insurance required hereunder shall be effected under valid and enforceable policies issued by insurers of recognized responsibility authorized to do business in the State of Kansas, and shall contain a provision whereby the insurer agrees not to cancel the insurance without thirty (30) days prior written notice to the City Manager, 6 E. 6<sup>th</sup> Street, Lawrence, KS 66044.

9. The TENANT shall be responsible for performing all labor necessary for the planting, care, and harvesting of all crops grown on the land and shall abide by all restrictions, policies and guidelines of the Federal Aviation Administration, hereafter, FAA, regarding the leasing of airport property for agricultural purposes.

10. The TENANT agrees to comply with the following FAA requirements regarding the leasing of airport property for agricultural purposes:

A. SETBACK REQUIREMENTS FOR CROPS.

1. No crops shall be planted 400 feet from the centerline and 1000 feet from the threshold of Runway 15/33. No crops shall be planted 250 feet from the centerline and 300 feet from the threshold of Runway 1/19.
2. There shall be no crops in any localizer or glide scope critical areas or light lanes.
3. There shall be no crops in the Runway Visibility Zone.

B. WILDLIFE RESTRICTIONS.

If a problem with wildlife develops as to become a hazard, the OWNER reserves the right to take immediate remedial action to ensure aviation safety. The remedial action may include, but not be limited to the following: restriction of the type of crops to be grown, changing farming techniques, possible termination of the agricultural operation.

11. The OWNER reserves to itself, its agent, employees, or assigns, the right to enter the farm at any reasonable time for purposes of a) consultation with the TENANT; b) making repairs, improvements and inspections; and c) after notice of termination of the lease is given, performing customary seasonal work, none of which is to interfere with the TENANT in carrying on regular operations.

12. To improve the premises, conserve its resources, and maintain it in a high state of cultivation, the two parties agree as follows:

- A. The TENANT will maintain the premises during the tenancy in as good condition as at the beginning, normal wear and depreciation, and damage from causes beyond the TENANT'S control excepted.
- B. The TENANT will not, without oral consent of the OWNER, 1) plow permanent pasture or meadow land; 2) cut live trees for sale or for personal uses, but may take for fuel or use on the premises only dead or unmarketable timber designated by the OWNER.
- C. The TENANT will spread straw or other crop residues on the premises, as appropriate.

- D. The TENANT will use diligence to prevent noxious weeds from going to seed on the premises.
  - E. The TENANT will not, without written consent of OWNER, 1) erect or permit to be erected on the premises any non-removable structure or building; 2) incur any expense to the OWNER for such purposes; or 3) add electrical wiring, plumbing or heating to any buildings. If consent is given to undertake any of the items identified in this paragraph, TENANT will make such additions in compliance with all applicable laws. All alterations, additions, or improvements to the premises made by the tenant shall become the property of the OWNER upon termination of the lease. The OWNER shall have the right to require the TENANT to remove all alterations, additions, or improvements at TENANT'S cost, upon termination of lease.
  - F. The TENANT will control soil erosion as completely as practicable and in the event of soil blowing, the TENANT shall take care to remediate blowing soil promptly at the TENANT'S expense. No stubble is to be burned from the ground in the leased area.
  - G. The TENANT will keep in good repair, terraces, open ditches, inlets and outlets of tile drains, preserve all established water courses or ditches including grass waterways when seeded by the OWNER, and refrain from any operations or practices that will incur them.
  - H. Before any new conservation practices and measures are carried out, the parties will agree between themselves as to the nature and cost of such improvements.
13. TENANT agrees that all farming activities shall be in compliance with applicable regulations and/or guidelines, if any, set forth by the United States Environmental Protection Agency, United States Department of Agriculture, the United States Food and Drug Administration, and the Kansas Department of Health and Environment and the Federal Aviation Administration.
14. This lease shall be binding upon the heirs, executors, administrators and assigns of both the OWNER and TENANT, and should the OWNER sell or otherwise transfer title to this property, OWNER shall do so subject to the provisions of this lease.
15. TENANT shall not, at any time during the term of this lease or any renewal or extension thereof, in any manner, either directly or indirectly, assign, sublease, or transfer this lease or any interest therein, without the prior written consent of the OWNER.

16. The laws of the State of Kansas shall govern the validity, performance, and enforcement of this lease agreement.

17. In the event a court of competent jurisdiction shall declare any portion of this lease agreement invalid, the parties agree that the remaining terms and provisions of this lease agreement shall remain in full force and effect.

18. TENANT and OWNER understand and agree that at the conclusion of the initial term of this lease, or anytime with Thirty (30) days notice by either party, TENANT and OWNER may make reasonable and mutually agreed upon modifications to the terms of this lease agreement.


19. TENANT and OWNER understand and agree that at the conclusion of the initial term of this lease and any renewal or extension thereof, OWNER may make reasonable adjustments to the rent due to the OWNER.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the date first above written.

The City of Lawrence, Kansas

TENANT

\_\_\_\_\_  
David L. Corliss, City Manager  
OWNER

  
\_\_\_\_\_  
Patrick D. Ross, President  
Nunemaker-Ross, Inc.

STATE OF KANSAS       )  
COUNTY OF DOUGLAS   )

COMES NOW a Notary Public in and for the State and County last set forth above, and states upon their oath, that David L. Corliss, City Manager, City of Lawrence, Kansas, did execute this Agreement, and acknowledge the same to be his voluntary act, on the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Notary

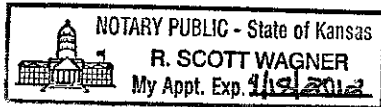
My Commission Expires:

STATE OF KANSAS       )  
COUNTY OF DOUGLAS   )

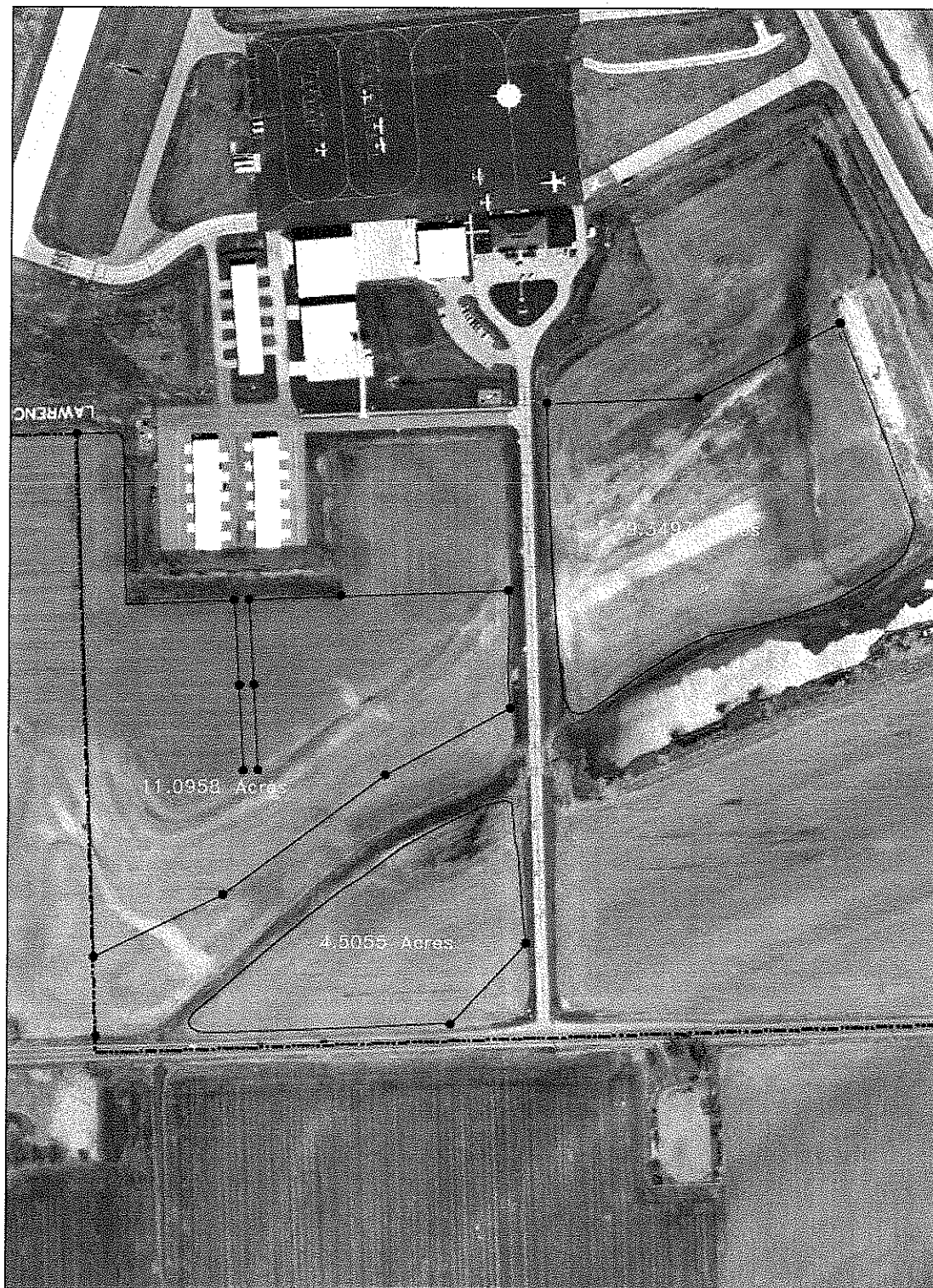
COMES NOW a Notary Public in and for the State and County last set forth above, and states upon their oath, that Patrick D. Ross, acting on behalf of Nunemaker-Ross, Inc. did execute this Agreement, and acknowledge the same to be his voluntary act, on the 30th day of December, 2010.

  
\_\_\_\_\_  
Notary

My Commission Expires:



# Exhibit A



1 inch = 300 feet

