

CITY OF CRETE, NEBRASKA CITY  
FARM LEASE AGREEMENT

This Agreement is entered into between the City of Crete, Nebraska ("City") and (name) Michael McMillan, (address) 20525 Deer Track Cir (city) Martell, (state) Ne, (zip) 68404, ("Lessee") upon the date of signature by both parties.

**RECITALS:**

- A. The City of Crete, Nebraska is a duly created municipality under the Nebraska Revised Statutes and has the power to enter into contracts, leases, and all other instruments necessary or convenient to the corporate purposes of the City.
- B. The Lessee seeks to lease certain arable and pasture land owned by the City of Crete for use as cropland or pasture.
- C. The City and Lessee have discussed and agreed upon terms and conditions related to Lessee's use of the land, and this written agreement is intended to and shall memorialize the entire agreement between the parties.

**AGREEMENT:**

Premised on the Recitals above and in consideration of the mutual promises and understandings of the parties set forth below, the parties agree as follows:

**PART I: GENERAL TERMS AND CONDITIONS.**

**§1.01 Property Description; Limitation on Use.**

Lessee shall be entitled to possess and use for agricultural and related purposes, the real property set forth in Exhibit A except any parts thereof that are occupied in the use and service of the Municipal Services, which includes but is not limited to, access roadways, parking areas, fences, and areas that may be dedicated for use as a park ("Premises").

**§1.02 Payment for Leased Property; Method of Payment.**

Lessee shall pay rent to the City in the total amount of

Twelve thousand ninety-four & <sup>05</sup>/<sub>100</sub> (\$12094.05) per year:  
Thirty-five (\$35) per acre per year on 36.33  
 acres of pasture ground and One hundred thirty (\$130)  
 per acre per year on 83.25 acres of arable land.

	North	Crop	Pasture
Farm 10109 Tract	13310		7.19
Farm 5285 Tract	354	78.83	28.59
Farm 5285 Tract	4742	4.45	.55
	Total	83.25	36.33

All rents are due and payable the first day of March each year. All payments shall be made by check, ACH deposit, or other appropriate payment mechanism as determined by the City.

**§1.03 Lease Term.**

The term of this lease will be five years from from date of execution with the termination date being February 28, 2031 ("Termination Date").

**§1.04 Maintenance of Grounds and Fences.**

Lessee shall keep the Premises free from all noxious weeds and other invasive plants.

Lessee shall protect and maintain all fences now on the Premises or that may be erected thereon during the term of the lease and shall keep all fence lines, areas immediately adjacent to rights-of-way, and areas along the borders of fields free and clear of any noxious weeds and other invasive plants.

**§1.05 Surrender of Premises.**

Lessee agrees to peaceably surrender possession of the Premises at the end of the Lease Term in as good a condition as when possession was granted, acts of God and usual wear and tear excepted. Upon any default of the terms and conditions of this Lease, the City may enter the Premises and prevent Lessee's possession of the property.

**§1.06 Right of Ingress and Egress; Right of Access.**

Lessee shall have at all times the right of reasonable ingress to and egress from the Premises, subject to acts of God, severe weather conditions, or physical impossibility.

The City and its employees, agents, and invitees shall have access to the Premises at reasonable times to inspect, survey, repair, or perform any other customary work on the Premises. Unless there is an emergency, the City shall provide Lessee with notice at least twenty-four (24) hours prior to entry.

**§1.07 Repairs, Modifications, or Improvements.**

The City shall not be liable for any damage to or defects in the Premises or any crops grown thereon due to repairs, modifications, or improvements that may be undertaken on the Premises.

In no event shall Lessee be allowed or permitted to make any repairs, modifications, or improvements to the Premises without the prior written approval and consent of the City.

**§1.08 Liens on Premises.**

Lessee agrees to promptly pay all sums of money in respect to labor, services, materials, supplies, or equipment furnished or alleged to have been furnished to or on behalf of Lessee for use on or about the Premises. Lessee hereby agrees that no liens shall be placed on or attached to the Premises. In the event any such lien shall be so placed on the Premises, Lessee shall take all

steps necessary to see that it is removed within thirty (30) days of its being filed; provided, however, that Lessee may contest any such lien after first posting a surety bond in favor of the City in an amount sufficient to remove the lien pursuant to Nebraska law.

#### §1.09 Destruction of Premises.

Any partial destruction of the Premises shall neither annul nor void this lease. Lessee shall be entitled to an equitable or pro rata reduction of rent if certain areas are rendered unusable. In the event the entire Premises is unusable for agricultural purposes, the lease shall be terminated, and any prepayment of rent shall be returned to Lessee on an equitable or pro rata basis.

### PART II: BREACHES AND TERMINATION.

#### §2.01 Early Termination.

This lease may be terminated, in whole or in part, prior to the completion of the Lease Term if and when both parties agree that continuation is not feasible or would not produce beneficial results for either party. The parties must agree on the termination conditions, including the effective date of the termination, the portion (if in part) to be terminated, and any allocation of rent payments under the lease.

This lease may also be terminated by either party upon written notice of termination at least ninety (90) days prior to the end of any year of continuation.

#### §2.02 Non-performance or Other Breach by Lessee.

In the event of a substantial breach of the provisions of this lease, including but not limited to the non-payment of the rent required of Lessee, the City will be entitled to declare such substantial breach a default and to terminate the lease in whole or in part. The City may allow Lessee time to cure a breach of the lease; however, allowing Lessee time to cure a breach does not waive the City's right to terminate the lease for the same or different breach which may occur at a different time.

#### §2.03 Force Majeure.

Neither party shall be liable for any costs or damages resulting from its inability to perform any of its obligations under the lease due to a natural disaster or other similar event outside the control of and not attributable to the fault or negligence of the party ("Force Majeure Event"). A Force Majeure Event shall not constitute a breach of the lease. A party so affected shall immediately give notice to the other party of the Force Majeure Event. The City may grant relief from the performance of the lease if Lessee is prevented from performance by a Force Majeure Event. The burden of proof for the need of such relief shall rest with Lessee. To obtain release based on a Force Majeure Event, Lessee must file a written request for such relief with the City.

**§2.04 Non-Waiver/Waivers in Writing.**

The City's failure to insist upon the strict performance of any provision of this lease or to exercise any right based upon breach will not constitute a waiver of any rights under this lease.

No custom or practice of the parties which varies from a term of this lease shall be a waiver of any party's right to demand exact compliance with the terms of this lease, and no conditions or provisions of this lease can be waived unless approved by the City in writing.

**PART III: SUPPLEMENTAL TERMS AND CONDITIONS.**

**§3.01 Designation of Officials to Execute Lease and Amendments.**

The City or their designee is the official authorized to execute this lease and any amendments to this lease on behalf of the City.

Lessee's representative who is duly authorized by law to execute this lease, or their successor, is the official authorized to execute this lease and any amendments to this lease on behalf of Lessee.

Either party may request amendments to this lease; however, amendments will not take effect until mutually agreed to, in writing, by both parties.

**§3.02 Assignment of Interest; Binding Effect.**

Lessee may not assign or transfer any interest in this lease or the Premises without the prior, written authorization of the City. If any assignment or transfer is authorized, Lessee shall remain solely responsible for all obligations under this lease and for the conformance to the terms and conditions of this lease by any assignee or transferee. Any breach or default of this lease by any assignee or transferee shall be considered a breach or default of Lessee.

This agreement shall be binding upon and inure to the benefit of the parties and their respective successors, assigns, heirs, and legal representatives.

**§3.03 Relationship of the Parties.**

Nothing in this lease should be construed in any manner as creating or establishing a partnership, joint venture, or agency relationship between the parties, nor shall either party have the right, power, or authority to create any obligations or duty, express or implied, on behalf of the other party.

**§3.04 Notice.**

Except as otherwise expressly specified herein, all notices, requests, or other communications shall be in writing and shall be deemed to have been given if delivered personally or mailed by U.S. Mail, postage prepaid and return receipt requested, to the parties at their respective

addresses as may be specified in writing by either party. All notices, requests, or communications shall be deemed effective upon personal delivery or four (4) calendar days following deposit in the mail.

**§3.05 Non-Liability/Hold Harmless.**

The City shall not be liable to Lessee or its agents, representatives, invitees, guests, or employees for any personal injury, death, or damage to personal property caused by theft, burglary, fire, or any other cause occurring on or about the property.

Lessee shall be responsible for and shall indemnify and hold the City harmless from any and all claims, demands, or actions made by any person for any loss or damage sustained based upon or arising out of the negligent or willful acts or omissions of Lessee, its agents, invitees, guests, or employees. Lessee shall have no right to indemnification or contribution from the City for any judgments rendered against it.

**§3.06 Compliance with Law; Governing Law.**

Lessee shall comply with all applicable federal, state, and local laws pertaining to Lessee's use of the Premises, whether now in effect or hereafter amended or adopted.

This lease shall be governed by, construed according to the laws and regulations of, and subject to the jurisdiction of the State of Nebraska.

**§3.07 Severability; Counterparts; Entire Agreement.**

Each section, paragraph, clause, sentence, and word of this agreement is intended to be severable. If any part of this lease or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the other portions of this lease that can be given effect without the invalid part.

This agreement or any amendment to this agreement may be signed in any number of counterparts; each of which will be considered an original, and all of which taken together will constitute one agreement or amendment, as the case may be.

This instrument and any documents incorporated herein by reference constitute the entire agreement of the parties, and any representations or promises not contained herein shall not be binding upon the parties.

**ACCEPTANCE PROVISIONS.**

The parties acknowledge they have read and understand this lease, they agree to its provisions, and that it will be effective on the date when both parties have signed.

**CITY OF CRETE**

**LESSEE**

By:   
(Signature of Authorized Official)

By:   
(Signature)

Tom Ourada, City Administrator  
(Typed or Printed Name, Title)

Michael McMillan  
(Typed or Printed Name)

10/23/2025  
(Date)

10-21-25  
(Date)