

**FARMLAND LEASE AGREEMENT  
DOUBLE SIX OPEN SPACE**

**THIS LEASE AGREEMENT** is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by and between the City of Longmont, Colorado, a municipal corporation, acting on behalf of its Parks and Natural Resources Department, 7 South Sunset Street, Longmont, Colorado 80501 (the "City"), and Sipe Farms, LLC, 1691 Weld County Road 28, Longmont, Colorado 80504 (the "Lessee").

**THE PARTIES' RECITALS ARE AS FOLLOWS:**

**WHEREAS**, the City owns 71.6 acres of land known as Double Six Open Space, Longmont, State of Colorado, and desires to permit agricultural use of the property; and

**WHEREAS**, the parties desire to state their duties and responsibilities regarding the lease of the real property described below for farming.

**IN CONSIDERATION** of the recitals, lease payments, mutual promises, and covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties covenant and agree as follows:

1. Land Parcel

1.1. The City leases unto the Lessee, for the term, use and under the conditions herein, the real property consisting of 60 acres of land known as Double Six Open Space, Longmont, State of Colorado, (the "Property") and more specifically described as follows:

Legally described in Exhibit A and shown on the map attached hereto as Exhibit B, which exhibits are made a part hereof by this reference.

1.2. Lessee shall not have the right to sell, assign, sublet, or lend the use of any of the water owned by the City, or any portion thereof, to anyone without the prior written consent of the City, and no portion of said water owned by the City shall be used on any lands other than those described in this agreement.

Lessee acknowledges that the following irrigation water rights are owned by the City and available to Lessee for agricultural use:

2.5 Shares from Highland Ditch Company

The irrigation water is to be used for irrigation of the Property only. The City shall be responsible for payment of water assessments for these shares. Lessee acknowledges that the City makes no guaranty or representation as to the amount or quality of water any shares or other interest in a water right(s) will provide. Lessee shall be responsible for acquisition of, and payment for additional rental water to be used on the Property, including ditch

carrying charges resulting from such rental. Additionally, if pumping is necessary for irrigation, the Lessee shall be responsible for any utility charges or fuel to pump water associated with any system. Lessee further agrees to provide the City with an irrigation schedule that provides a record of quantities of irrigation water used, and of starting and ending dates of annual irrigation.

## 2. Condition of Property

2.1. Prior to signing this Lease Agreement, the Lessee has inspected or caused to be inspected the Property and leases it in an "as-is" condition and subject to all encumbrances, easements, restrictions, reservations, covenants and rights of way of record, including but not limited to oil and gas leases. No additional representation, statement or warranty, express or implied, has been made by or on behalf of the City as to the condition of the Property. In no event shall the City be liable for any defect in the Property or for any limitation on its use for farmland or pasture.

## 3. Term

3.1. The term of this Lease Agreement shall be a five (5) year term beginning from the date that this lease agreement is fully executed.

3.2. If Lessee so requests, through written notice to the City sixty days prior to the expiration of the lease term, the City, in its sole discretion, may extend this Lease Agreement upon written notice to Lessee thirty days after receiving Lessee's notice, for up to four (4) additional one-year terms for the following years: 2029 - 2033. The lease rate for additional terms is subject to negotiation.

## 4. Delivery of Possession

4.1. The Lessee shall be entitled to possession of the Property at 12:01 a.m. on the date of commencement of the lease term.

## 5. Lease Payment

5.1. Lease Rate. The Lessee shall pay the City for use and occupancy of the Property the annual sum of \$4,500 (\$75.00 per acre) for the initial five (5) year term, payable upon execution of this Lease Agreement by Lessee. If the Lease Agreement is extended, the Lessee shall pay the agreed-upon rate for the renewed term, which is subject to negotiation, payable upon execution of the renewed Lease Agreement by Lessee.

5.2. Late Payment. Any payment not paid within thirty days of the due date will be a default of the terms of this Lease Agreement. If the City starts collection procedures or incurs any costs in collecting a payment, the Lessee shall pay all the City's expenses therewith, including reasonable attorneys' fees.

5.3. Place and Manner of Payments. All payments by the Lessee to the City shall be made at the City of Longmont, to the attention of City of Longmont, Parks and Natural Resources Department, Danielle Cassidy, Open Space Manager (or such other City staff person as the City should identify), at 7 South Sunset Street, Longmont, Colorado 80501, or at such other place as the City may designate by notice in writing to the Lessee. Any check received by the City shall be subject to collection. The Lessee agrees to pay all bank charges incurred by the City for the collection of any check.

## 6. Authorized Use

6.1. The Lessee shall occupy and use the Property solely for agricultural production.

6.2. The Lessee shall be responsible for the proper care of the Property, consistent with sound agricultural practices. The Lessee shall participate in any future request for the development and application of land management plans.

6.3. The Lessee shall irrigate the Property.

6.4. The Lessee shall furnish, at the Lessee's sole expense, all labor, machinery, fertilizer, weed spray and other items for farming.

## 7. Lessee's Covenants and Agreements

7.1. The Lessee shall maintain in a serviceable condition all access roadways used for agricultural purposes and, except for the Lessee's ingress or egress, shall keep all gates closed and locked at all times.

7.2. The Lessee shall make any necessary repairs at the Lessee's expense to all existing perimeter fencing around the Property and shall be responsible for the maintenance of all fencing and gates on the Property throughout the lease term.

7.3. The Lessee shall keep the Property clear of weeds. The Lessee shall apply all weed control chemicals and fertilizers in compliance with applicable federal, state, and local regulations and shall comply with any existing or future Conservation Easement, if applicable. The Lessee shall not use or permit to be used, any insecticide, pesticide, rodenticide, herbicide or other chemical substance on the Property for weed, pest, or rodent control or fertilization which is prohibited by any federal, state, or local statute, ordinance, resolution, rule, or regulation.

7.4. Lessee shall properly place, store, use, or dispose on the Property, temporarily or permanently, only those substances legally permitted to be used on the Property, and which are approved by the City. Such substances shall include fuel products that are hazardous, toxic, dangerous, or harmful, or which are defined as a hazardous substance by the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601. These substances shall be referred to collectively as "hazardous substances." Lessee shall immediately notify the City of all spills, releases, inspections, correspondence, orders, citations, notices, fines, responses, and/or cleanup actions, and violations of the law, regulations, or ordinances that impact

the Property.

7.5. The Lessee shall not assign this Lease Agreement nor sublet the Property or any part thereof, without the prior written consent of the City. No assignment, pledge, or mortgage of the Lessee's interest in the Lease Agreement or any crops herein shall be made without the prior written consent of the City, which consent shall be in the sole discretion of the City.

7.6. The Lessee shall not construct, nor permit construction of any structure, building or other improvement, temporary or otherwise, on the Property without City's prior written consent, which consent shall be in the sole discretion of the City.

7.7. The Lessee shall not erect, paint or maintain any signs on the Property without securing the prior written consent of the City, which consent shall be in the sole discretion of the City.

7.8. The Lessee shall not allow any noise, odors, fumes, or vibrations on the Property that would cause disruption of normal activities on adjacent properties.

7.9. The Lessee will not use or permit the Property to be used for any purposes prohibited by the laws of the United States, the State of Colorado, or applicable ordinances, resolutions, rules and regulations of the City of Longmont.

7.10. The Lessee, their heirs, assigns, invitees, or guests shall not hunt or otherwise pursue, trap, molest, disturb, or kill any wildlife at any time on the Property.

7.11. The Lessee agrees, covenants, and warrants to maintain the Property throughout the term of the Lease in as good repair and condition as at the commencement of this Lease Agreement.

7.12. The Lessee agrees to deliver up and surrender to the City possession of the Property at the expiration or termination of this Lease Agreement.

## 8. Indemnification

8.1. The Lessee assumes the risk of loss or damage to any crops or improvements on the Property whether from windstorm, fire, earthquake, snow, water run-off, soil conditions, or any other causes whatsoever.

8.2. The Lessee warrants, covenants and agrees that the Lessee shall indemnify and save harmless the City and its officers, employees, and agents from and against any and all claims, suits, actions, damages and causes of action arising during the term of the Lease Agreement for personal injury, loss of life, or damage to Property sustained in, or upon the Property and from and against all costs, attorneys' fees, expenses and liabilities incurred in connection with any such claims, the investigation thereof or the defense of any action or proceedings brought thereon, and from any judgments, orders, decrees, or liens resultant therefrom by virtue of nonperformance of a term, condition, warranty, covenant, or work by the Lessee, or the Lessee's contractors, subcontractors, agents, members, stockholders, employees, invitees, or successors.

8.3. By requiring this right to indemnification, the City in no way waives or intends to waive the limitations on liability which are provided to the City under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, and as amended.

8.4. All uses of the land under the Lease will comply with any existing or future Conservation Easement.

## 9. Reservations

9.1. The City reserves its rights under this Lease Agreement to:

9.1.1. Have its officers, employees and representatives enter and inspect or protect the Property at any time;

9.1.2. Use any portion of the Property for public utilities and as ingress and egress for public use and rights of way;

9.1.3. Use, repair, install, replace and maintain public utilities and rights-of-way on, over or under the Property;

9.1.4. Use any portion of the Property as a site for the application of digested biosolids;

9.1.5. Allow the use of any portion of the Property for geophysical (seismic) surveys; and

9.1.6. Enter into or use the property for a different beneficial municipal purpose, in accordance with the provisions herein.

## 10. Reduction of Acreage

10.1. The City may reduce the size and restrict the area of this agricultural Lease at any time and for any reason, provided that the fee associated with the Lease will be reduced proportionately.

10.2. Should the City reduce the size of the agricultural Lease during a time after which crops have been sowed, the City shall reimburse the Lessee for loss of crop revenue at an average yield rate per acre at the current market rate.

10.3. Should the Lease acreage be reduced for reasons outside of the City's control, the Lessee may be reimbursed for loss of crops or land by the party responsible for the reduction of the acreage and not the City.

## 11. Termination

11.1. The Lease Agreement shall terminate automatically at 11:59 p.m. on December 31, 2029, unless sooner terminated as stated herein, or unless the Lease Agreement is extended as contemplated in section 3.2 above.

11.2. If the Lessee, after the expiration or termination of this Lease Agreement, shall remain in possession of the Property without a written Lease Agreement, the holding over shall be a tenancy from month-to-month at a monthly rental rate equivalent to one-twelfth of the last annual rental rate, payable in advance on the first day of each month. No payments of money by the Lessee after the expiration or termination of this Lease Agreement shall reinstate, continue, or extend the terms of this Lease Agreement.

11.3. The City in its sole discretion may terminate this Lease Agreement for cause or no cause upon sixty (60) days written notice to Lessee.

11.4. The Lease shall terminate upon the Lessee's death, unless a successor expresses to the City an interest and ability to take over the lease, in which case, the City may, at its sole option, continue under the terms of the current Lease with the successor, subject to the potential for changed rates after the first 5-year term.

11.5. Lessee shall have the duration of the Lease Term to remove all of Lessee's personal property from the Leased Premises, unless the City terminates this Lease. Lessee agrees that any personal property remaining on the Property after the end of the Lease Term, or termination of the Lease, shall be deemed abandoned by Lessee and the City shall have the right to dispose of any such personal property in any manner the City deems appropriate. Lessee will be liable for any disposal costs incurred by the City.

## 12. Insurance Requirements

12.1. The Lessee shall purchase and maintain for the full term of this Lease Agreement, including any additional extension period(s), at the Lessee's sole expense, insurance policies providing coverage as follows:

12.1.1. Farm liability insurance, including coverage for bodily injury and property damage, contractual liability, broad form property damage, with minimum coverage and owner/contractor's protective coverage with minimum coverage of not less than the maximum amount that may be recovered against the City under the Colorado Governmental Immunity Act for: (a) any injury to one person in any single occurrence, and (b) any injury to two or more persons in any single occurrence, or as approved by the City's Risk Manager; and

12.1.2. Workers compensation and employers liability insurance, if applicable, which shall cover the obligations of the Lessee in accordance with the provisions of the Workers Compensation Act, as amended, of the State of Colorado.

12.2. Before commencement of the lease term, the Lessee must present all applicable insurance policies, certificates of insurance, and endorsements, along with a signed copy of this Lease Agreement, to the City's Risk Manager, and receive the Risk Manager's written approval as to adequacy of insurance coverage.

12.3. The insurance policies shall contain an endorsement naming the City of Longmont, Colorado, a municipal corporation and its council members, officers, agents, employees and volunteers, as additional insured parties with respect to all activities the Lessee may perform under this Lease Agreement and shall include a notice provision requiring thirty (30) days written notice to the City before cancellation.

12.4. Only insurance companies with authority to issue policies in Colorado shall provide insurance coverage under this Lease Agreement.

12.5. For the term of this Lease Agreement, the Lessee shall not cancel, materially change, or fail to renew the insurance coverage, and the Lessee shall notify the City of Longmont's Risk Manager of any material reduction or exhaustion of aggregate policy limits. If the Lessee fails to purchase or maintain the insurance coverage stated in this Lease Agreement, the City shall have the right to procure such insurance coverage at the Lessee's expense.

12.6. Nothing in this Article shall limit the extent of the Lessee's responsibility for payment of claims, liabilities, damages, fines, penalties, and costs resulting from the Lessee's occupancy, use or control of the premises or the Lessee's performance or nonperformance under this Lease Agreement.

### 13. Breach

13.1. The Lessee agrees to observe and perform the terms and conditions of this Lease Agreement. If default is made by the Lessee in the payment of rent, or any part thereof, or if the Lessee shall fail to observe or perform any term or condition of this Lease Agreement, then the City, upon written notice to the Lessee, may in its sole discretion terminate this Lease Agreement and re-enter and repossess the Property, with or without legal proceedings, using such force as may be necessary, and remove any property belonging to the Lessee without prejudice to any claim for rent or for the breach of covenants hereof. The Lessee agrees to indemnify and hold the City, its employees, and agents harmless from and against any costs for the removal of Lessee's property incurred by the City under the provisions of this paragraph.

13.2. If the City determines that the Lessee has created a public safety hazard, then the City may immediately take action to secure the safe operation of the Property, including without limitation terminating this Lease Agreement and/or removing the Lessee and any of the Lessee's equipment or crops from the Property.

### 14. Status of Lessee

14.1. The Lessee shall act under this Lease Agreement as an independent contractor and not as an employee, agent or joint venturer of the City. The Lessee's operations will not be supervised by any employee or official of the City, nor will the Lessee exercise supervision over any employee or official of the City. The Lessee shall not represent that Lessee is an employee, agent or joint venturer of the City. The Lessee shall supply all personnel, equipment and materials at Lessee's sole expense. **The Lessee is not entitled to Workers' Compensation benefits from the City. Lessee is not entitled to unemployment benefits unless unemployment compensation**

**coverage is provided by the Lessee or some other entity besides the City. The Lessee is obligated to pay federal and state income tax on money earned pursuant to this Lease Agreement.**

15. Miscellaneous Provisions

15.1. This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Colorado.

15.2. No waiver or default by the City of any of the terms, covenants, warranties or conditions hereof to be performed, kept or observed by the Lessee shall be construed as, or operate as, a waiver by the City of any of the terms, covenants, warranties or conditions herein contained, to be performed, kept or observed by the Lessee.

15.3. The Lessee agrees that the City shall be under no obligation to maintain the Property in a particular condition or for a particular use, and the Lessee waives all claims for damages of any kind or nature, whatsoever, resulting therefrom.

15.4. Article and section headings shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of this Lease Agreement.

15.5. The provisions of this Lease Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attribution to such party of the language in question.

15.6. The Lessee shall perform all obligations under this Lease Agreement in strict compliance with all applicable laws, rules, charters, ordinances and regulations, as now exist or are later enacted or amended, of the City, and all county, state and federal entities having jurisdiction over the Property.

15.7. None of the terms, conditions or covenants in this Lease Agreement shall give or allow any claim, benefit, or right of action by any third person not a party hereto. Any person other than the City or the Lessee receiving services or benefits under this Lease Agreement shall be only an incidental beneficiary.

15.8. This Lease Agreement is an integration of the entire understanding of the parties with respect to the matters set forth herein. No representations, warranties or certifications, expressed or implied, shall exist as between the parties, except as specifically set forth in this Lease Agreement. The parties shall only amend this Lease Agreement in writing with the proper official signatures attached thereto.

15.9. Invalidation of any specific provisions of this Lease Agreement shall not affect the validity of any other provision of this Lease Agreement.

15.10. The Lessee acknowledges this Lease Agreement may be recorded with the Weld County Clerk & Recorder.

16. Notices

16.1. Any notice from one party to the other required by the terms of this Lease Agreement shall be delivered in person to such party, or shall be delivered by first class mail, postage prepaid, addressed to the respective parties as follows:

CITY:

City of Longmont  
Parks and Natural Resources Department  
Danielle Cassidy (or such other City staff person as the City should identify)  
7 South Sunset Street, Longmont, Colorado 80501,  
(or at such other place as the City may designate by notice in writing to the Lessee)

LESSEE:

Chad Musick  
Sipe Farms, LLC  
1691 Weld County Road 28  
Longmont, Colorado 80504

**IN WITNESS WHEREOF**, the parties hereto have executed this Lease Agreement as of the date stated in the preamble.

CITY OF LONGMONT, COLORADO  
ACTING ON BEHALF OF ITS  
PARKS & NATURAL RESOURCES DEPARTMENT

\_\_\_\_\_  
MAYOR

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

\_\_\_\_\_  
ASSISTANT CITY ATTORNEY

\_\_\_\_\_  
ASSISTANT CITY MANAGER

\_\_\_\_\_  
PROOFREAD

APPROVED AS TO INSURANCE PROVISIONS:

\_\_\_\_\_  
RISK MANAGER

CA File: 24-002914

State of Colorado     )  
                                  ) ss.  
County of Boulder    )

I attest that the foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by \_\_\_\_\_, as the Mayor of the City of Longmont.

Witness my hand and official seal.

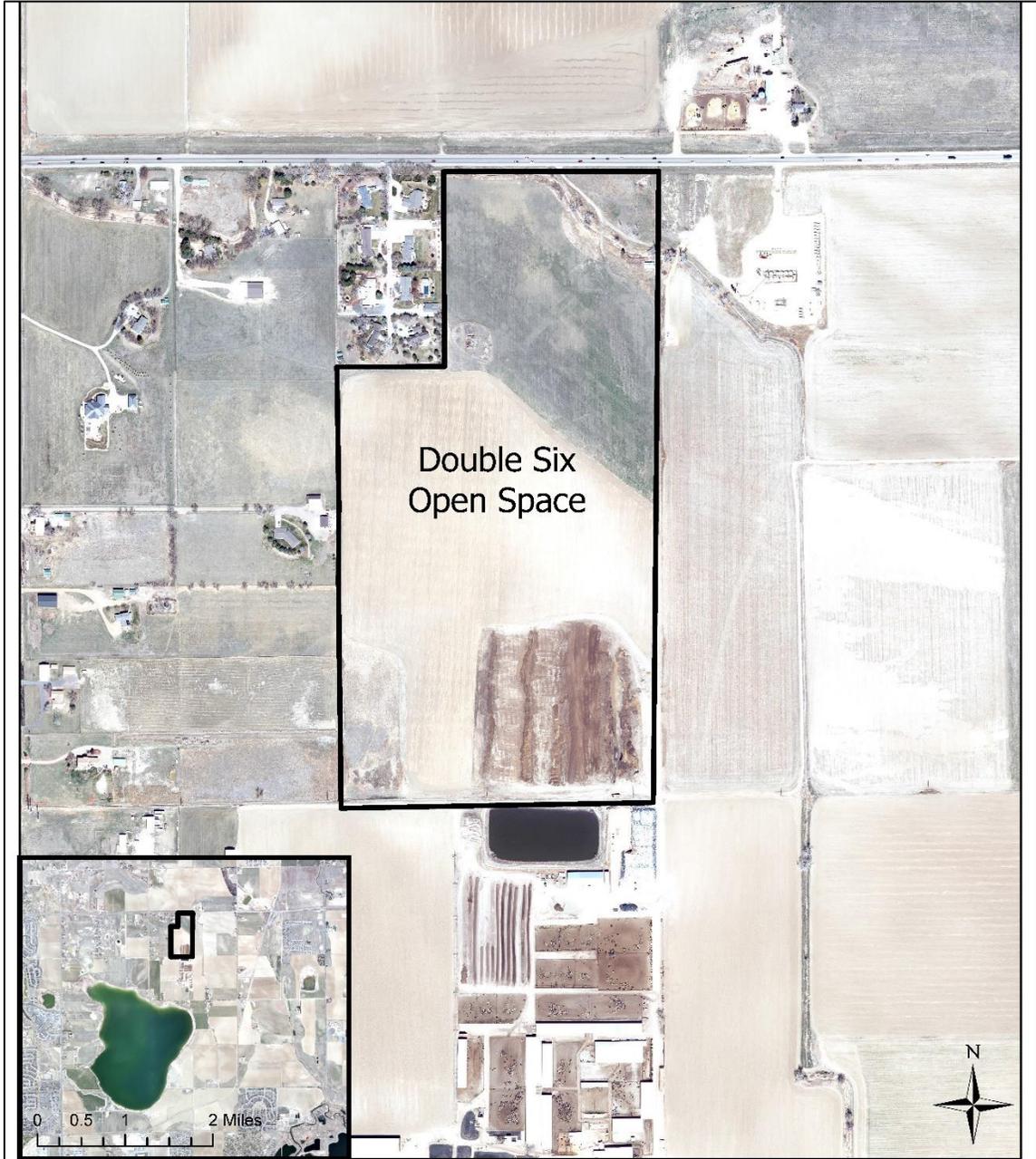
\_\_\_\_\_  
CITY CLERK



**Exhibit A**  
**Double Six Open Space Property Legal Description**  
Parcel 120729002006

Lot 7, of the County of Weld District Court Subdivision, a Subdivision in the County of Weld, State of Colorado, as per the Map recorded December 7, 1979, as Reception No. 1811266, Weld County Records.

## Exhibit B Map of Leased Property



Print Date: 4/8/2024	<b>Exhibit B</b>	Project No. XXXX	Year 2024
Name: Exhibit B	<b>Double Six Open Space</b>	Designer: XXXX	Detailer: XXXX
Revisions:	<b>CITY of LONGMONT</b>	Subset Sheet:	
0 0.05 0.1 Miles 	 385 Kimbark Street Longmont, CO, 80501 Phone: 303-651-8304 FAX: 303-651-8352 <b>PARKS &amp; NATURAL RESOURCES DEPT.</b>	Sheet Number: 1	