
C O U N T Y F A R M L E A S E

Legal Description: A parcel of Land in Union County containing approximately 180 acres, generally described as:

Four (4) tracts of land in Section 12, Township 72, Range 30, in Union County, Iowa, (containing approximately 83 acres),

and

Four (4) tracts of land in Section 13, Township 72, Range 30, in Union County, Iowa, (containing approximately 102 acres).

FARM LEASE - CASH OR CROP SHARES

THIS LEASE ("Lease") is made between **UNION COUNTY, IOWA**, ("Landlord"), whose address for the purpose of this Lease is 300 North Pine Street, Creston, Union County, Iowa 50801 and ("Tenant"), whose address for the purpose of this Lease is ?.

THE PARTIES AGREE AS FOLLOWS:

1. PREMISES AND TERM. Landlord leases to Tenant the following real estate situated in Union County, Iowa (the "Real Estate"):

- *Northwest Quarter (NW1/4) of the Southwest Quarter (SW1/4), South of Highway 34, Section 12, Township 72, Range 30 (containing approximately 26.07 acres) ;
- *Northeast Quarter (NE1/4) of the Southwest Quarter (SW1/4), South of Highway 34, Section 12, Township 72, Range 30 (containing approximately 25.68 acres) ;
- *Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4), South of Highway 34, Section 12, Township 72, Range 30 (containing approximately 21.65 acres) ;
- *East Half (E1/2) of the East Half (E1/2) of the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4),Section 12, Township 72, Range 30 (containing approximately 10 acres) ;
- *Northwest Quarter (NW1/4) of the Northeast Quarter (NE1/4), Section 13, Township 72, Range 30 (containing approximately 40 acres) ;
- *West Half (W1/2) of the West Half(W1/2) of the Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4), Section 13, Township 72, Range 30, (containing approximately 10 acres);
- *Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4), North of the Railroad, Section 13, Township 72, Range 30 (containing approximately 23 acres) ;
- *Southeast Quarter (SE1/4) of the Northeast Quarter (NE1/4), North of the Railroad, Section 13, Township 72, Range 30, (containing approximately 29 acres),

and containing approximately 180 acres, more or less, with possession by Tenant for a term of three (3) year(s) to commence on MARCH 1, 2019, and ending on FEBRUARY 28, 2022. The Tenant has had or been offered an opportunity to make an independent investigation as to the acres and boundaries of the premises.

2. RENT. Tenant shall pay to Landlord as rent for the Real Estate (the "Rent"):

a. Total annual cash rent of (\$) payable as follows: To the Union County Auditor, Union County Courthouse, 300 North Pine Street, Creston, Iowa 50801. Said rent shall be paid upon execution of the lease and on March 1st, thereafter.

All Rent is to be paid to Landlord at the address above or at such other place as Landlord may direct in writing. Rent must be in Landlord's possession on or before the due date.

3. PROPER HUSBANDRY; HARVESTING OF CROPS; CARE OF SOIL, TREES, SHRUBS AND GRASS. The Tenant shall utilize the agricultural lands in accordance with SCS farm plans (approximately 20 acres tillable ; approximately 50 acres pasture ; approximately 100 acres timber - pasture). Tenant shall farm the Real Estate in a manner consistent with good husbandry, seek to obtain the best crop production that the soil and crop season will permit, properly care for all growing crops in a manner consistent with good husbandry, and harvest all crops on a timely basis. In the event Tenant fails to do so, Landlord reserves the right, personally or by designated agents, to enter upon the Real Estate and properly care for and harvest all growing crops, charging the cost of the care and harvest to the Tenant, as part of the Rent. Tenant shall timely control all weeds, including noxious weeds, weeds in the fence rows, along driveways and around buildings throughout the premises. Tenant shall comply with all terms of the conservation plan and any other required environmental plans for the leased premises. Tenant shall do what is reasonably necessary to control soil erosion including, but not limited to, the maintenance of existing watercourses, waterways, ditches, drainage areas, terraces and tile drains, and abstain from any practice which will cause damage to the Real Estate.

Upon request from the Landlord, Tenant shall by August 15 of each lease year provide to the Landlord a written listing showing all crops planted, including the acres of each crop planted, fertilizers, herbicides and insecticides applied showing the place of application, the name and address of the applicator, the type of application and the quantity of such items applied on the lease premises during such year.

Tenant shall distribute upon the poorest tillable soil on the Real Estate, unless directed otherwise by Landlord, all of the manure and compost from the farming operation suitable to be used. Tenant shall not remove from the Real Estate, nor burn, any straw, stalks, stubble, or similar plant materials, all of which are recognized as the property of Landlord. Tenant may use these materials, however, upon the Real Estate for the farming operations.

Tenant shall protect all trees, vines and shrubbery upon the Real Estate from injury by Tenant's cropping operation or livestock. The Tenant shall not harvest any of the natural timber without the express prior written consent of the Landlord.

Tenant shall be responsible for all weed control.

TENANT shall comply with all Special Provisions set out in Exhibits "A" and "B" attached hereto.

4. ENVIRONMENTAL.

a. Landlord. To the best of Landlord's knowledge to date:

i) Neither Landlord nor, Landlord's former or present tenants, are subject to any investigation concerning the premises by any governmental authority under any applicable federal, state, or local codes, rules, and regulations pertaining to air and water quality, the handling, transportation, storage, treatment, usage, or disposal of toxic or hazardous substances, air emissions, other environmental matters, and all zoning and other land use matters.

ii) Any handling, transportation, storage, treatment, or use of toxic or hazardous substances that has occurred on the premises has been in compliance with all applicable federal, state, and local codes, rules, and regulations.

- iii) No leak, spill release, discharge, emission, or disposal of toxic or hazardous substances has occurred on the premises.
- iv) The soil, groundwater, and soil vapor on or under the premises is free of toxic or hazardous substances except for chemicals (including without limitation fertilizer, herbicides, insecticides) applied in conformance with good farming methods, applicable rules and regulations and the label directions of each chemical.

Landlord shall hold Tenant harmless against liability for removing solid waste disposal sites existing at the execution of this Lease, with the exception that Tenant shall be liable for removal of solid waste disposal sites to the extent that the Tenant created or contributed to the solid waste disposal site at any time.

Landlord shall assume liability and shall indemnify and hold Tenant harmless against any liability or expense arising from any condition which existed, whether known or unknown, at the time of execution of the lease which is not a result of actions of the Tenant or which arises after date of execution but which is not a result of actions of the Tenant.

Landlord shall disclose in writing to Tenant the existence of any known wells, underground storage tanks, hazardous waste sites, and solid waste disposal sites. Disclosure may be provided by a properly completed groundwater hazard statement to be supplemented if changes occur.

LANDLORD shall comply with all Special Provisions set out in Exhibits "A" and "B" attached hereto.

b. Tenant. Tenant shall comply with all applicable environmental laws concerning application, storage and handling of chemicals (including, without limitation, herbicides and insecticides) and fertilizers. Tenant shall apply any chemicals used for weed or insect control at levels not to exceed the manufacturer's recommendation for the soil types involved. Farm chemicals **shall not** be stored on the premises. No chemicals or chemical containers will be disposed of on the premises. Application of chemicals for agricultural purposes per manufacturer's recommendation shall not be construed to constitute disposal.

Tenant shall employ all means appropriate to insure that well or ground water contamination does not occur, and shall be responsible to follow all applicator's licensing requirements. Tenant shall install and maintain safety check valves for injection of any chemicals and/or fertilizers into an irrigation system (injection valve only, not main well check valve). Tenant shall properly post all fields (when posting is required) whenever chemicals are applied by ground or air. Tenant shall haul and spread all manure on appropriate fields at times and in quantities consistent with environmental protection requirements. Tenant shall not dispose of waste oil, tires, batteries, paint, other chemicals or containers anywhere on the premises. Solid waste **shall not** be disposed of on the premises. Dead livestock **shall not** be buried on the premises. If disposal of solid waste or burial of dead animals is permitted as stated in the previous two sentences, the disposal or burial shall be in compliance with all applicable environmental laws. Tenant shall not use waste oil as a means to suppress dust on any roads on or near the premises. No

underground storage tanks, except human waste septic systems that meet current codes, rules, and regulations, shall be maintained on the premises.

Tenant shall immediately notify Landlord of any chemical discharge, leak, or spill which occurs on premises. Tenant shall assume liability and shall indemnify and hold Landlord harmless for any claim or violation of standards which results from Tenant's use of the premises. Tenant shall assume defense of all claims, except claims resulting from Landlord's negligence, in which case each party shall be responsible for that party's defense of any claim. After termination, Tenant shall remain liable for violations which occurred during the term of this Lease.

5. TERMINATION OF LEASE. This Lease shall automatically renew upon expiration from year-to-year, upon the same terms and conditions unless either party gives due and timely written notice to the other of an election not to renew this Lease. If renewed, the tenancy shall terminate on March 1 of the year following, provided that the tenancy shall not continue because of an absence of notice in the event there is a default in the performance of this Lease. All notices of termination of this Lease shall be as provided by law.

6. POSSESSION AND CONDITION AT END OF TERM. At the termination of this Lease, Tenant will relinquish possession of the Real Estate to the Landlord. At the time of delivery of the Real Estate to Landlord, Tenant shall assure that the Real Estate is in good order and condition, and substantially the same as it was when received by Tenant at the commencement of this Lease, excusable or insurable loss by fire, unavoidable accidents and ordinary wear, excepted.

7. LANDLORD'S RIGHT OF ENTRY AND INSPECTION. In the event notice of termination of this Lease has been properly served, Landlord may enter upon the Real Estate or authorize someone else to enter upon the Real Estate to conduct any normal tillage or fertilizer operation after Tenant has completed the harvesting of crops even if this is prior to the date of termination of the lease. Landlord may enter upon the Real Estate at any reasonable time for the purpose of viewing or seeding or making repairs, or for other reasonable purposes.

8. VIOLATION OF TERMS OF LEASE. If Tenant or Landlord violates the terms of this Lease, the other may pursue the legal and equitable remedies to which each is entitled. Tenant's failure to pay any Rent when due shall cause all unpaid Rent to become immediately due and payable, without any notice to or demand upon Tenant.

9. REPAIRS. The Tenant shall be responsible for the maintenance of all fences in the North Half (N1/2) of the Southwest Quarter (SW1/4) in Section 12, Township 72, Range 30, and for all fences in Section 13, Township 72, Range 30. Tenant shall maintain the fences on the leased premises in good and proper repair.

The Landlord shall be responsible for the replacement of non-repairable fences in the North Half (N1/2) of the Southwest Quarter (SW1/4) in Section 12, Township 72, Range 30, and for all fences in Section 13, Township 72, Range 30. In that the East Half (E1/2) of the East Half (E1/2) of the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4), Section 12, Township 72, Range 30, is anticipated to be used only for purposes of providing an access to the portion of the property located in Section 13, Township 72, Range 30, the Landlord does not anticipate

construction of a north-south fence along the west line of the East Half (E1/2) of the East Half (E1/2) of the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4), Section 12, Township 72, Range 30.

10. NEW IMPROVEMENTS. All buildings, fences and improvements of every kind and nature that may be erected or established upon the Real Estate during the term of the Lease by the Tenant shall constitute additional rent and shall inure to the Real Estate, becoming the property of Landlord unless the Landlord has agreed in writing prior to the erection that the Tenant may remove the improvement at the end of the lease.

11. WELL, WINDMILL, WATER AND SEPTIC SYSTEMS. Tenant shall maintain all well, windmill, water and septic systems on the Real Estate in good repair at Tenant's expense except damage caused by windstorm or weather. Tenant shall not be responsible for replacement or installation of well, windmill, water and septic systems on the Real Estate, beyond ordinary maintenance expenses. Landlord does not guarantee continuous or adequate supplies of water for the premises.

12. EXPENSES INCURRED WITHOUT CONSENT OF LANDLORD. No expense shall be incurred for or on account of the Landlord without first obtaining Landlord's written authorization. Tenant shall take no actions that might cause a mechanic's lien to be imposed upon the Real Estate.

13. NO AGENCY. Tenant is not an agent of the Landlord.

14. TELEVISION AND RADIO. Tenant may install and remove, without causing material injury to the premises, Tenant's television reception antennas, microwave dishes, and radio reception and transmission antennas.

15. ACCOUNTING. The method used for dividing and accounting for the harvested grain shall be the customary and usual method used in the locale.

16. ATTORNEY FEES AND COURT COSTS. If either party files suit to enforce any of the terms of this Lease, the prevailing party shall be entitled to recover court costs and reasonable attorneys' fees.

17. CHANGE IN LEASE TERMS. The conduct 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 addendum to this Lease.

18. CONSTRUCTION. Words and phrases herein, including the acknowledgment, are construed as in the singular or plural and as the appropriate gender, according to the context.

19. NOTICES. The notices contemplated in this Lease shall be made in writing and shall either be delivered in person, or be mailed in the U.S. mail, by certified mail to the recipient's last

known mailing address, except for the notice of termination set forth in Section 5, which shall be governed by the Code of Iowa.

20. ASSIGNMENT. Tenant shall not assign this Lease or sublet the Real Estate or any portion thereof without prior written authorization of Landlord.

21. PROOF OF INSURANCE. *Tenant shall provide Landlord with appropriate documentation that the Tenant has obtained farm liability insurance for the property in the amount of one million dollars (\$1,000,000.00). Landlord shall be listed as an additional insured for the identified premises on the farm liability policy.*

22. CERTIFICATION. Tenant certifies that it is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and it is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Tenant hereby agrees to defend, indemnify and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

ATTACHMENTS/SPECIAL CONDITIONS

EXHIBIT "A"

The lease of the property for a three (3) year period for use primarily as pasture, subject to the following conditions, to-wit:

1. The tenant shall be responsible for the maintenance of all fences in the North Half (N1/2) of the Southwest Quarter (SW1/4) in Section 12, Township 72, Range 30, and for all fences in Section 13, Township 72, Range 30.
2. The Landlord shall be responsible for the replacement of non-repairable fences in the North Half (N1/2) of the Southwest Quarter (SW1/4) in Section 12, Township 72, Range 30, and for all fences in Section 13, Township 72, Range 30.
3. In that the East Half (E1/2) of the East Half (E1/2) of the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4), Section 12, Township 72, Range 30, is anticipated to be used only for purposes of providing an access to the portion of the property located in Section 13, Township 72, Range 30, the Landlord does not anticipate construction of a north-south fence along the west line of the East Half (E1/2) of the East Half (E1/2) of the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4), Section 12, Township 72, Range 30.
4. The tenant shall be responsible for all weed control.
5. The tenant shall utilize the agricultural lands in accordance with SCS farm plans. (approximately 20 acres tillable ; approximately 50 acres pasture ; approximately 100 acres timber - pasture)
6. The Tenant shall not harvest any of the natural timber without the express prior written consent of the Landlord.
7. Cash payment shall be made as follows: **100 % upon possession.**

EXHIBIT "B"

1. The East Half (E1/2) of the East Half (E1/2) of the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4), Section 12, Township 72, Range 30 (containing approximately 10 acres) *otherwise identified by the Union County Assessor as parcel #0612400008, may be subject to an additional use restriction during the lease period, to-wit:*

A strip of land approximately one hundred feet in width lying along the south line of the East Half (E1/2) of the East Half (E1/2) of the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4), Section 12, Township 72, Range 30 (containing approximately 1.4 acres more or less), may be subject to additional use restrictions during the lease period consistent with soil conservation practices associated with the construction of a water retention structure by the adjoining landowner.