



Farm Lease

This lease agreement date is: _____

OPERATOR(S): _____

Address: _____

Telephone: _____

E-mail: _____

OWNER(S): _____

Address: _____

Telephone: _____

Owner(s)' representative: High Point Land Company

Address: _____

Telephone: _____ E-mail: _____

THE PARTIES AGREE AS FOLLOWS:

1)DESCRIPTION OF FARM. The Owner in consideration of the terms specified herein, leases to the Operator for agricultural purposes the following legally described property (REAL ESTATE)

The Real Estate is located in _____ County, _____, containing _____ acres, more or less, and subject to all easements now existing or which the Owner may grant in the future, subject to mutual consenting lease changes, such that the usefulness of the property to the Operator is not reduced. Easements now in effect are as follows (such as for conservation programs, wind turbines, etc.):

2) TERM OF LEASE. The term of this lease shall be for the period of ____ year(s):

Beginning: _____ Ending: _____

3)PURPOSES OF THE LEASE: The Operator shall have the right to use the property for the production of crops and livestock subject to the following limitations: Operator shall follow common row crop practices and best possible care or properties while in their control.

The following housing, buildings and storage structures located on the Real Estate may be used by the Operator for the following purposes:

In the event of damage or destruction of buildings or structures listed above the Owner will have the option to replace them or provide their functional equivalent to the Operator for the purposes described above within a reasonable period of time, or make adjustment to the term's replacement.

4) CASH RENT: The Operator agrees to pay the Owner as follows:

Cropland _____ acres

Amount \$_____ per tillable acre Date Paid: _____

Amount \$_____ per tillable acre Date Paid: _____

Amount \$_____ per tillable acre Date Paid: _____

Payable to High Point Land Company

5) OPERATOR DUTIES AND CONDITIONS. Operator agrees to:

6) Prepare the land and plant such crops as agreed on in a timely fashion, as weather conditions permit:

Tenants shall provide fertilizer application data and yield information annually.

7) Manage carefully all growing crops and to harvest all crops in a timely fashion as weather permits. In the event Operator fails to do so, Owner reserves the right, personally or through 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 Operator. In the case of termination of this agreement, the Operator shall not perform any fall tillage nor incur any other expense for the Owner for the following year's crop without prior written consent of the Owner. No hay land is to be mowed or grazed after _____ without prior consent of the Owner.

8) Farm the land in an efficient and steward-like manner. Land planted to corn, soybeans or other row crops shall not exceed _____ acres each year, unless by mutual agreement.

9) Not remove more than approximately _____% percent of residue remaining after row crops have been harvested and plant cover crops annually.

10) Provide to the Owner production or yield information about harvested crops each year, such as may be required for participation in Farm Service Agency programs or for setting crop insurance actual production history yields, and using measurement methods acceptable for these purposes.

11) Do what is reasonably necessary to control soil erosion including, but not limited to, providing labor and normal farm equipment for the maintenance of existing watercourses, waterways, ditches, drainage areas, terraces and tile drains, and abstaining from any practice which will cause damage to the Real Estate. The Operator's responsibility does not include major reconstruction of such improvements made necessary by normal wear and tear or other natural causes.

12) Use reasonable efforts to control weeds in fields, fence rows, road ditches, building lots, and all other areas of the farm, utilizing one or more of the following control methods: all legal farm activities, but excluding illegal conservation activities.

13) Protect all desirable vegetation, such as grass field borders, grassed waterways, wildlife cover, shrubs and trees. Refrain from the following practices as they relate to the disturbance of permanent vegetation: All illegal farm conservation farm activities.

14) Follow a mutually acceptable tillage program for each of the crops planted. Such plan shall meet soil conservation and surface residue requirements as prescribed by the Natural Resources and Conservation Service (NRCS) conservation plan and include the following additional crop management practices: Cover cropping and fully abiding by NRCS conservation plan as to not affect landowners CRP agreements.

15) Investigate broken and inoperative tile lines and report them to the Owner. Minor repairs to broken tile, tile inlets, and tile outlets shall be the responsibility of the owner and the expenses for their repair shall be paid by the owner.

16) Refrain from allowing livestock to pasture new seeding in the year seeded without permission of the Owner.

17) Comply with all local, state, and federal laws and regulations governing all activities related to the application of pesticides, livestock manure and commercial fertilizers, the 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, manure disposal, and hazardous waste storage or disposal.

18) The Operator shall have access and control of tillable acres pertaining to this contract.

19) EXPENSES: No expense shall be incurred for or on account of the Owner without first obtaining written permission from the Owner. The Operator agrees to take no actions that might cause a mechanic's or other lien to be imposed upon the Real Estate

and agrees to indemnify the Owner if actions are taken by the Operator that result in such a lien being imposed.

20) REAL ESTATE AND PERSONAL PROPERTY TAXES. The Owner agrees to pay all taxes, assessments, or other public charges levied or assessed by lawful authority against the Real Estate. The Operator agrees to pay all personal property taxes, assessments, or other public charges levied or assessed by lawful authority against the Operator's personal property on the premises, during the term of the lease.

21) PARTICIPATION IN GOVERNMENT PROGRAMS. Owner and operator agree to participate in mutually agreeable government programs pertaining to the property.

22) COMPENSATION FOR IMPROVEMENTS. The Operator may make improvements to buildings, fences, or water systems and other items at the Operator's own expense and consistent with the terms of the lease, provided consent of the Owner has been given and provided these improvements shall not be removed when the Operator leaves the farm. The Operator shall receive compensation from the Owner for the undepreciated value of these improvements (if any) upon termination of the lease, provided the initial value, depreciation starting date, and annual rate of depreciation have been agreed upon and entered in the schedule below or attached to this lease. Examples of improvements include but are not limited to buildings, fences, tile lines, agricultural lime applications, terraces, and forage seedings.

23) COMPENSATION FOR CROP EXPENSES. The Owner shall reimburse the Operator at the termination of this lease for fieldwork done and for other costs incurred for crops to be harvested after the lease is terminated. Unless otherwise agreed, the actual costs for crop inputs applied and current custom rates for field operations performed will be used as a basis of settlement. Definition of work performed shall be mutually agreed upon and specified by both parties:

24) REMOVAL OF PORTABLE EQUIPMENT AND BUILDINGS. The Owner shall not be responsible for property owned by the Operator. The Operator shall have the right to remove from the farm any portable equipment or buildings which the Operator has placed upon the farm at the Operator's expense. Such moving must be done within 30 days following the termination of the lease, unless additional time is granted in writing. If such property is not removed, it shall be considered abandoned and Operator shall claim no further interest in it except by written agreement between the Owner and the Operator.

25) WELL AND WATER SYSTEMS. Both parties agree to the following terms relative to the repair and replacement of wells, water lines, well pumps, septic tanks and related equipment: Owner is responsible unless any property of owners is harmed by the operator at which time the operator is responsible.

26) INSURANCE. Both the Operator and Owner will keep their respective property interests reasonably insured against hazards and casualties. In the event of any

damage to crops, buildings, or improvements by any natural or man-made disaster, the Operator shall inform the Owner with 48 hours. The Operator shall carry the following types and minimum coverage of insurance:

- a. Workers' Compensation Insurance (if applicable).
- b. Comprehensive General Liability with limits of not less than \$1.0 million.
- c. Automobile Liability Insurance on all owned, non-owned, hired, or leased automotive equipment in conjunction with operations in amounts not less than **\$1,000,000** for bodily injury and **\$300,000** for property damage and liability.
- d. Operator shall provide an insurance binder of current coverage

27) Both Owner and Operator hereby release the other from claims for recovery for any loss or damage to any property owned by either party which is insured under valid and collective insurance policies to the extent of any recovery collectible under such insurance. It is further agreed that waiver shall apply only when permitted by the applicable policy of insurance.

28) RIGHT OF ENTRY AND INSPECTION. The Owner may enter the real estate at any reasonable time for the purpose of consulting with the Operator, viewing the property, making repairs or improvements, or for other reasonable purposes that do not interfere with the Operator's ability to carry out regular farming operations. Upon properly served notice of termination of the lease and permission of the Operator provided that such permission shall not be unreasonably withheld, the Owner reserves the right to enter the Real Estate and perform fall tillage, seeding, fertilizing or other customary seasonal operations after the Operator has completed the harvesting of crops.

29) ATTORNEY'S FEES AND COURT COSTS. In the event a judgement is granted to either party as a result of legal action related to the terms of this lease, the payment and discharge of all costs and attorney's fees or other expenses incurred to enforce the terms of this lease shall be handled as follows (check appropriate statement): _____

Each party shall pay its own attorney's fees, legal expenses, and other costs. If the Operator is awarded a judgement against the Owner, the Owner shall pay all attorney's fees and legal expenses. If the Owner is awarded a judgement against the Operator, the Operator shall pay all attorney's fees and legal expenses.

30) TRANSFER OF INTEREST. The Operator agrees not to lease or sublet any part of the Real Estate nor assign this lease to any other person, nor sublease any or all of the property described herein without prior written permission of the Owner. This lease shall be binding upon the heirs, assignees, or successors in interest of both parties. If the Owner should sell or otherwise transfer title to the Real Estate, the Owner will do so subject to the provisions of this lease.

31) 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.

32) ARBITRATION. Any disputes between the Owner and Operator not covered by the terms of this lease may be submitted by either party for arbitration by three disinterested persons, one of whom shall be selected by the Owner, one by the Operator, and a third

by the previously named two. If and when disputes are submitted, a decision of the arbitrators shall be binding upon the parties to the lease.

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

34) NOTICES. Any notices or lease changes shall be in writing.

35) INDEMNIFICATION. The Operator 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 Operator and the Operator's family or agents, in pursuance of the farming operation, and in performing repairs or improvements or other actions pursuant to this lease. The Operator agrees to indemnify, defend, and hold harmless the Owner against any liability and/or pay for any and all damages, losses, or expenses incurred by the Owner in connection with leased premises, beyond that covered by insurance due to Operator's negligence or failure to perform the terms of this lease. The Owner agrees to indemnify, defend, and hold harmless the Operator against any liability and/or pay for any and all damages, losses, or expenses incurred by the Operator in connection with the leased premises, beyond that covered by insurance, due to Owner's negligence or failure to perform the terms of this lease.

The Owner shall assume liability and shall indemnify and hold the Operator 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 Operator or which arises after the date of execution but which is not a result of actions of the Operator. The Owner shall disclose in writing to the Operator the existence of any known wells, underground storage tanks, hazardous waste sites, and solid waste disposal sites on the Real Estate.

36) MINERAL RIGHTS. The Owner reserves all rights to any minerals on or underlying the farm.

37) YIELDING POSSESSION. The Operator agrees that on termination of the lease, the Operator will yield possession to the Owner without further demand or notice. The premises shall be in as good order and condition as when same were entered by the Operator. Loss by fire, tornado or other forces beyond Operator's control and ordinary wear and tear are excepted. If the Operator wrongfully withholds possession of the premises after the date of termination, the Operator shall pay to the Owner \$ 25.00 for each day the Operator remains in possession thereafter as liquidated damages.

38) NO PARTNERSHIP. It is understood and agreed that this lease shall not be deemed to be nor intended to give rise to a partnership relation.

39) OTHER PROVISIONS. Other provisions to this lease agreement are listed below:

It is further understood that both parties have read the terms and provisions of this lease agreement and have agreed to abide by the terms and provisions herein.

SIGNATURES:

OPERATOR(S): _____ Date: _____

OPERATOR(S): _____ Date: _____

OWNER(S): _____ Date: _____

OWNER(S): _____ Date: _____

OWNER'S REPRESENTATIVE: _____ Date: _____