

FARM LEASE – CASH RENT

Tract #2

THIS LEASE (“Lease”) is made between **First Citizens Bank, Trustee of the John Dybvik Residuary Trust**, (“Landlord”), whose address for the purpose of this Lease is 2601 4th Street SW, Mason City, Iowa 50401 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 Winneshiek, Iowa (the “Real Estate”), described as follows:

Southeast Quarter of the Northeast Quarter, except Lot 1 thereof, the Southwest Quarter of the Northeast Quarter and the East half of the Southeast Quarter of the Northwest Quarter of Section 13, Township 100 North, Range 10 West of the 5th P.M., in Winneshiek County, Iowa. [Freemont Plat 13-100-10]

The Northwest Quarter of the Northeast Quarter and the Northeast Quarter of the Northeast Quarter except Lot 1 thereof of Section 13, Township 100 North, Range 10 West of the 5th P.M., the North fractional half of the Northwest Quarter of Section 18, Township 100 North, Range 9 west of the 5th P.M., all in Winneshiek County, Iowa. [Freemont Plat 13-100-10 “Whalen Farm”, Burr Oak Plat 18-100-9]

and containing 214.89 tillable acres, more or less, with possession by Tenant for a term of two (2) years to commence on March 1, 2020, and end on the last day of February, 2022. The Tenant has had or been offered an opportunity to make an independent investigation as to the acres and boundaries of the premises. In the event that possession cannot be delivered within fifteen (15) days after commencement of this Lease, Tenant may terminate this Lease by giving the Landlord notice in writing.

- 2. RENT. Tenant shall pay to the Landlord as rent for the Real Estate (the “Rent”):**

- Total annual cash rent of \$ _____ per acre for a total of \$ _____.
- Payable as follows: \$ _____ on March 1, 2020 and \$ _____ on March 1, 2021.

All Rent is to be paid to the John F. Dybvik Residuary Trust and delivered or mailed to First Citizens Bank, 2601 4th Street SW, Mason City, Iowa 50401. Rent must be in Landlord’s possession on or before the due date. Participation of this farm in any offered program by the U.S. Department of Agriculture or any state for crop production control or soil conservation, the observance of the terms and conditions of this program, and the division of farm program payments, requires Landlord’s consent. Payments from participation in these programs shall be divided 0 % Landlord 100 % Tenant. Tenants shall maintain all terraces, waterways, and CRP acres in accordance with soil conservation service requirements and shall not alter, remove, or impair same. Crop disaster payments shall be divided 0 % Landlord 100 % Tenant.

- 3. LANDLORD’S LIEN AND SECURITY INTEREST.** As security for all sums due or which will become due from Tenant to Landlord, Tenant hereby grants to Landlord, in addition to any statutory liens, a security interest as provided in the Iowa Uniform Commercial Code and a contractual lien in all crops produced on the premises and the proceeds and products thereof, all contract rights concerning such crops, proceeds and/or products, all proceeds of insurance collected on account of destruction of such crops, all contract rights and U.S. government and/or state agricultural farm program payments in connection with the above described premises whether such contract rights be payable in cash or in kind, including the proceeds from such rights, and any and all other personal property kept or used on the real estate that is not exempt from execution. Tenant shall sign and deliver to Landlord a UCC-1 financing statement showing the existence of this security

interest. Tenant shall also sign any additional forms required to validate the security interest in government program payments.

Tenant shall not sell such crops unless Landlord agrees otherwise. Tenant shall notify Landlord of Tenant's intention to sell crop at least three (3) business days prior to sale of the crop (with business days being described as Monday through Friday, except any Iowa or federal holidays). Tenant shall pay the full rent for the crop year in which the crop is produced, whether due or not, at the time of sale pursuant to Landlord's consent to release Landlord's security interests. Upon payment in full Landlord shall release Landlord's lien on the crop produced in that crop year on the premises. The parties agree that by the Landlord releasing the lien as to the crop in one year, the Landlord in no way releases the lien or agrees to release the lien in any prior or subsequent year.

Tenant shall sign and deliver to Landlord a list of potential buyers of the crops upon which Landlord has been granted a security interest in this lease. Unless Landlord otherwise consents, Tenant will not sell these crops to a buyer who is not on the potential list of buyers unless Tenant pays the full rent due for the crop year to the Landlord at or prior to the date of sale. Landlord may give notice to the potential buyers of the existence of this security interest.

4. **INPUT COSTS AND EXPENSES.** Tenant shall prepare the Real Estate and plant such crops in a timely fashion as may be directed by Tenant. Tenant shall only be entitled to pasture or till those portions of the Real Estate designated by Landlord. All machinery and equipment, as well as labor, necessary to carry out the terms of this lease shall be furnished by and at the expense of the Tenant. The following materials, in the amounts required by good husbandry, shall be acquired by Tenant and paid for by the parties as follows:

DESCRIPTION	% TENANT	% LANDLORD
(1) Commercial Fertilizer	100	0
(2) Lime and Trace Minerals	100	0
(3) Herbicides	100	0
(4) Insecticides	100	0
(5) Seed	100	0
(6) Seed cleaning	100	0
(7) Harvesting and/or Shelling Expense	100	0
(8) Grain Drying Expense	100	0
(9) Grain Storage Expense	100	0
(10) Other	100	0

5. **PROPER HUSBANDRY; HARVESTING OF CROPS; CARE OF SOIL, TREES, SHRUBS AND GRASS.** 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 plant no offensive or noxious crops including, but not limited to, Jerusalem Artichokes, sunflowers, or other botanical species. **Tenant shall use reasonable efforts and timely control of all weeds, including noxious weeds, in the fields, fence rows, road ditches and along driveways.** 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.

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.

6. 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 emission, 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.

- 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 may not be stored on the premises for more than one year. Farm chemicals for use on other properties may not be stored on this property. Chemicals stored on the premises shall be stored in clearly marked, tightly closed containers. No chemicals or chemical container 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 may not be disposed of on the premises. 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.

7. **TERMINATION OF LEASE.** This Lease shall automatically renew on a year-to-year basis upon expiration, 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 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.
8. **POSSESSION AND CONDITION AT END OF TERM.** At the termination of this Lease, Tenant will relinquish possession of the Real Estate to the Landlord. If Tenant fails to do so Tenant agrees to pay Landlord \$100.00 per day, as liquidated damages until possession is delivered to 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.
9. **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.
10. **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.
11. **REPAIRS.** Tenant shall maintain all fences in good repair on the leased premises. Tenant shall remove all trees from fence lines. Landlord shall furnish necessary materials for repairs that Landlord deems necessary within a reasonable time after being notified of the need for repairs. Tenant shall haul the materials to the repair site without charge to Landlord.
12. **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.
13. **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.
14. **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 up the Real Estate.
15. **NO AGENCY.** Tenant is not an agent of the Landlord.

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, certified mail, to the recipient's last known mailing address, except for the notice of termination set forth in Section 9, 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. **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.
22. **ADDITIONAL PROVISIONS.** Tenant agrees:
 - a. This lease novates and acts as a complete substitute for any and all other leases within farm premises, all of said other leases are cancelled, by mutual agreement, at the time this document is executed.
 - b. To comply with all local, state, and federal laws and regulations governing all activities related to the application of pesticides, livestock manure and commercial fertilizers, and the cultivation of crops.
 - c. To follow label directions in the handling and application of all chemicals used on the Real Estate, and follow all applicator's licensing requirements.
 - d. To comply with local, state, and federal laws and regulations pertaining to groundwater contamination, manure disposal, and hazardous waste storage or disposal.
 - e. Tenant shall fertilize the leased premises with such concentrations to ensure that the fertility level of the leased premises equals or exceeds that necessary to maintain any crops grown by tenant on the real estate.
 - f. Tenant shall furnish to the Landlord by December 15 each year an annual report including:
 - i. A summary of fertilizer, lime, and pesticide application records.
 - ii. 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 to use measurement methods acceptable for these purposes.
 - g. Tenant must provide copies of any soil tests conducted on the real estate within a reasonable time after obtaining the test results.
 - h. Tenant indemnifies and holds the Landlord harmless from and against any and all liability for personal injury and/or property damage resulting from tenant's use of real estate including, but not limited to, any such liability from livestock owned or kept on the real estate by Tenant. The Landlord shall not be responsible for any property owned by Tenant.
 - i. To prohibit and not allow any recreational use, including hunting, of the Real Estate without written consent of the Landlord.

- j. The John Dybvik Residuary Trust will be replaced by two trusts (the "Sub-Trusts") as part of the administration of the John Dybvik Residuary Trust. Landlord will notify Tenant when this change becomes effective and provide the names of each trust. Thereafter, Tenant agrees to issue two rental checks, each in the amount of 50% of the total rent due in accordance with the payment schedule in Paragraph (2), with one check payable to each of the two trusts. Further, upon notice to Tenant of the effectiveness of the Sub-Trusts, such Sub-Trusts shall assume all rights and responsibilities under this Agreement, and a notice of termination or a notice of nonrenewal from the Sub-Trusts shall be effective as though it was sent from the John Dybvik Residuary Trust.

Dated this ____ day of _____, 20__.

<p>TENANT:</p> <p>By: _____ Operator</p> <p>Address:</p>	<p>LANDLORD: First Citizens Bank, Trustee of the John Dybvik Residuary Trust</p> <p>By: _____ Mike Midtgaard, Trust Officer</p>
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STATE OF IOWA)
) ss:
_____ COUNTY)

On this ____ day of _____, 20____, before me, the undersigned, a notary public in and for the State of Iowa, personally appeared _____, individually, to me known to be the person named in and who executed the foregoing instrument, and acknowledged that he/she/they executed the same as his/her/their voluntary act and deed.

Notary Public in and for the State of Iowa

STATE OF IOWA)
) ss:
COUNTY OF CERRO GORDO)

On this ____ day of _____, 200__, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared _____, to me personally known, who, being by me duly sworn, did say that he/she is the Trust Officer of said corporation, executing the within and foregoing instrument, that the seal affixed hereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that the said _____ as such officer, acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by him/her voluntarily executed.

Notary Public in and for the State of Iowa