FARM CROP LEASE

THIS LEASE is entered into by and between Vance R. Norgaard and Jean L. Norgaard, husband and wife (collectively, the "Landlord") and Celia V. Norgaard, a single person (the "Tenant").

1. <u>Property Description</u>. The Landlord hereby leases to the Tenant, for agricultural and related purposes, the tillable acreage located on the following described property (the "Premises"):

See attached Exhibit A for the legal description.

The Premises consists of approximately 210 tillable acres. The Premises is restricted to tillable land only. Specifically, this Lease does not apply to and the Tenant shall have no right in the building site located on the property or any of the non-tillable land located on the property.

2. General Terms of Lease.

- A. <u>Time Period Covered</u>. The provisions of this Lease shall be in effect for six (6) crop years, commencing on March 15, 2016, and terminating on November 15, 2021. Since this Lease is to terminate on November 15, 2021, Tenant acknowledges that no further notice is necessary to be given to her with regard to said termination.
- B. <u>Amendments and Alterations</u>. Amendments and alterations to this Lease shall be in writing and shall be signed by both the Landlord and Tenant.
- C. <u>No Partnership Intended</u>. It is particularly understood and agreed that this Lease shall not be deemed to be, nor intended to give rise to, a partnership relation, or any other business relationship other than landlord and tenant.
- D. Landlord's Ability to Terminate Lease Upon Transfer of Property. In the event Landlord shall sell or otherwise transfer title to the Premises, Landlord, in its sole discretion, shall have the authority to terminate this Lease by providing written notice of termination to the Tenant. In the event the Landlord does not provide written notice of termination to the Tenant prior to March 1st of the applicable year, then (i) the Tenant shall be allowed to lease the Premises and grow and harvest her crops from the Premises for that crop year, and (ii) the effective date of termination of the Lease shall be November 15th of said year. In the event the Landlord provides written notice of termination to the Tenant prior to March 1st of the applicable year, then this Lease shall terminate as of the effective date of termination provided for in the Landlord's written notice.

- E. <u>Right of Entry</u>. The Landlord reserves the right for themselves, their agents, their employees, or their assigns to enter the Premises at any reasonable time to: (1) consult with the Tenant; or (2) make repairs, improvements, and inspections so long as it does not interfere with Tenant's crops.
- F. No Right to Sublease. Tenant may not sublet any part of the Premises or to assign the Lease to any person or persons whomever without Landlord's written consent, which may be withheld in Landlord's sole discretion. Any attempt to do so shall constitute a default and the Lease shall be terminated immediately.
- G. <u>Binding on Heirs and Successors</u>. The provisions of this Lease shall be binding upon the heirs, personal representatives, and successors of both Landlord and Tenant.
- H. Costs and Attorneys Fees. If the Tenant fails to pay the rent due or fails to keep the agreements of this Lease, all cost and attorneys fees of the Landlord in enforcing collection or performance of this Lease shall be added to and become a part of the obligations payable by Tenant hereunder.
- I. <u>Indemnification of Landlord</u>. Tenant agrees to indemnify Landlord for any liability arising out of any claim for personal injury or property damage incurring on the Premises or resulting from Tenant's use of the Premises.

3. Amount and Payment of Rent.

- A. <u>Payment</u>. The Tenant shall pay to the Landlord, in consideration of leasing of the Premises, annual rent in the amount of \$52,550 per year (which is calculated as \$250 per acre for 210 acres), payable as follows:
 - i. \$26,250 shall be paid on or before April 15th of each year during the lease term (provided however that the payment for the first half of the 2016 crop year shall be due on November 15); and
 - ii. \$26,250 shall be paid on or before November 15th of each year during the lease term.

Failure to meet the above payment schedule shall constitute a default in this Lease and this Lease shall be terminated immediately.

- B. <u>Government Payments</u>. The Tenant shall be entitled to retain all government payments from all programs entered into during the term of this Lease.
- C. <u>Expenses</u>. Tenant shall pay all crop and harvest expenses and any expenses related to the crop production, delivery and sale thereof.
- D. Security Agreement. As security for payment of the rents due herein and the faithful performance and strict fulfillment of all the covenants of Tenant, Tenant does hereby grant a security interest to Landlord in all crops growing or to be grown on the Premises during the term of this Lease and in products and contract rights with respect thereto and all proceeds of each. Upon any default on the part of the Tenant in paying said rent or in performance of any of the covenants of this Lease and at any time thereafter, Landlord shall have, in addition to the rights and remedies granted in this Lease, all rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, and Landlord may require Tenant to assemble said property and make it available to Landlord at a place to be designated by Landlord that is reasonably convenient to both parties. Expenses of re-taking, holding, preparing for sale, selling and the like, including reasonable attorney's fees and legal expenses of Landlord, shall be the obligation of Tenant.
- 4. <u>Operation and Maintenance of the Premises</u>. In order to operate the Premises efficiently and to maintain it in a high state of productivity, the parties agree as follows:

A. The Tenant Agrees:

- i. <u>General Maintenance</u>. To provide the skilled labor necessary to maintain the Premises and its improvements during her tenancy in as good a condition as it was in the beginning. Normal wear and depreciation and damage from causes beyond the Tenant's control are excepted.
- ii. <u>Land Use</u>. Not to (1) plow pasture, meadowlands or waterways; (2) cut live trees for sale or personal use; or (3) commit any other form of waste.
- iii. <u>Noxious Weeds</u>. To use diligence to prevent noxious weeds from going to seed on the farm.
- iv. <u>Conservation</u>. To control soil erosion as practicable by using generally accepted soil conservation practices, using reasonable care, and maintaining existing conservation structures, except for ordinary wear and tear, to include but not be limited to: (1) keeping in good

repair all terraces, open ditches, inlets and outlets of tile drains; (2) preserving all established water courses or ditches including grassed waterways; (3) refraining from any operation or practice that will injure such structures; and (4) to follow any conservation plan approved for the Premises.

- v. <u>Damages</u>. When she leaves the Premises, to pay the Landlord reasonable compensation for any damages to the Premises for which she, the Tenant, is responsible.
- vi. <u>Costs of Operation</u>. Landlord agrees to be responsible for all real estate taxes and the parties agree that Landlord shall have no other expenses with regard to the Premises.

B. Landlord and Tenant Agree:

- i. <u>Not to Obligate the Other Party</u>. Neither party shall be responsible for debts or liabilities incurred, or for damages caused by the other party.
- ii. Mineral Rights. Nothing in this Lease shall confer upon the Tenant any right to minerals underlying the Premises, but same are hereby reserved by the Landlord together with right to enter upon the Premises and to bore, search and excavate for same, to work and remove same, and to deposit excavated rubbish, and with full liberty to pass over said Premises with vehicles and lay down and work any tanks, pipelines, power lines, and structures as may be necessary or convenient for the above purposes so long as operations do not damage crops or interfere with Tenant's right to utilize the Premises as agreed in the Lease.
- iii. <u>Plow Back</u>. Upon termination of this Lease, Tenant shall not be required to plow back any of the tillable acres.

5. Remedies on Default.

In the event of any breach of this Lease by Tenant which is not cured in fifteen (15) days after Tenant receives written notice of such breach, then Landlord shall have the immediate right of re-entry to take possession, in addition to any other rights or remedies it might possess. Should Landlord elect to re-enter and take possession of the Premises as herein provided, or should it take possession pursuant to legal proceedings, or pursuant to any notice provided for by law, it may terminate this Lease or re-let the Premises or any part thereof for the account of Tenant, for such terms and conditions as Landlord in its own discretion may deem advisable. In the event Landlord shall re-let the Premises, Tenant shall remain fully liable

for all of its obligations hereunder, including the payments of rent when and as due. Rentals received from such re-letting shall be applied as follows: (1) to the payment of any costs of such re-letting; (2) to the payment of any indebtedness, other than rent due hereunder from Tenant to Landlord; and (3) to the payment of rent due and unpaid hereunder. Such rentals received from such re-letting may be less than agreed to be paid by Tenant hereunder, Tenant shall pay such deficiency to the Landlord.

6. <u>Representation</u>. Ryan L. Blumhoefer, Attorney at Law, represents only the Landlord in regard to the negotiation and preparation of this Lease.

Executed in duplicate on the date shown below:

Date: 4-20-16

Date: 4-30-16

Date: 4-30-16

TENANT:

LANDLORD:

Vance R. Morgaard

TENANT:

Lill Dorgaard