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FARM LEASE, Cash Rent, Installments, Security Interest Clause

THIS AGREEMENT, Made this _____, by and between the County of Pipestone, a political subdivision of the State of Minnesota, hereinafter known as the Lessor, and _____, State of Minnesota, hereinafter known as the Lessee:

WITNESSETH, That the Lessor, in consideration of the rents and covenants hereinafter mentioned, does hereby Demise, Lease and Let unto said Lessee, and the said Lessee does hereby hire and take from said Lessor, the following described premises situated in the County of Pipestone, State of Minnesota, viz:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A"

In Section Number 28, Township Number 107, Range Number 44, containing approximately 175* tillable acres be the same more or less, of which described premises the Lessee hereby agrees to plow and put in crops not less than tillable acres each year during the continuance of this Lease.

To Have and to Hold, The above rented premises unto the said Lessee, his heirs and assigns, subject to the conditions and limitations hereinafter mentioned for and during the full term of thirty six months, from and after the first day of January, 2018, the term of this Lease ending the last day of December, 2020.

And said Lessee agrees to and with said Lessor to pay as rent for the above mentioned premises for and during the full term of this Lease, the sum of \$ _____ Dollars for the 2018 crop year, \$ _____ Dollars for the 2019 crop year, and \$ _____ Dollars for the 2020 crop year payable at Pipestone County Highway Department, 600 4th St NW, Pipestone, MN in the following installments with interest at the rate of Eight Percent (8%) on each installment after due, to-wit:

For the 2018 crop year:

10% of the annual rent on September 12th, 2017 the amount being \$ _____
40% of the annual rent on March 1, 2018, the amount being \$ _____
50% * of the annual rent on October 1, 2018, the amount being \$ _____

For the 2019 crop year:

50% of the annual rent on March 1, 2019, the amount being \$ _____
50% * of the annual rent on October 1, 2019, the amount being \$ _____

For the 2020 crop year:

50% of the annual rent on March 1, 2020, the amount being \$ _____
50% * of the annual rent on October 1, 2020, the amount being \$ _____

*(Amount adjusted to actual acres)

And it is Further Agreed, By and between the parties as follows: That should the said Lessee fail to make the above mentioned payments as herein specified, or to pay any of the rent aforesaid when due, or fail to fulfill any of the covenants herein contained, then and in that case, said Lessor may re-enter and take possession of the above rented premises, and hold and enjoy the same without such re-entering working a forfeiture of the rents to be paid by said Lessee for the full term of this Lease. That if the said Lessor sells said premises during the life of this Lease and before the crop is in the ground, and desires to give possession to the purchaser, that the lessee will forthwith surrender possession of said leased premises upon the payment to him of the going non-custom rate per acre for each acre of said premises newly plowed by said Lessee at the time said possession is demanded if sold after the crop is in, then said Lessee shall have the right to remove such crop when ready to be harvested. That if said Lessor sells said premises during the term of this Lease, the purchaser may at any time enter upon the leased premises for the purpose of plowing, breaking more land, summer-fallowing, cultivating or otherwise improving any part of said premises not in actual cultivation by said Lessee, and without such entry working any forfeiture of the rents herein agreed to be paid. That if Lessee remains in possession of said premises after the expirations of the term for which they are hereby leased, such possession shall not be construed to be a renewal of this lease, but to be a tenancy at the will of the Lessor, which may be terminated upon ten days' notice, given by the Lessor in writing, either delivered to Lessee or sent to him in a sealed envelope, duly stamped and directed to him at _____.

And the said Lessee also covenants and agrees to and with the said Lessor, not to assign this Lease or underlet the above rented premises or any part thereof, without first obtaining the written consent of the said Lessor and that he will, at the expiration of the time as herein recited quietly yield and surrender the aforesaid premises to the said Lessor, his heirs or assigns, in as good condition and repair as when taken, reasonable wear and tear and damage by the elements alone excepted. Said Lessee also covenants and agrees to cultivate the hereby leased premises in a careful and husband-like manner, and to maintain and keep up the fences so as to protect all crops from injury and waste, and to protect the fruit and shade trees thereon, and to cut no green trees and to commit no waste or damage on said real estate and to suffer none to be done; and to keep up and maintain in

good repair all buildings, stables, cribs, fences and improvements on said farm; and further agrees not to remove any straw or manure from said farm, but to spread upon said premises all manure made thereon.

The Lessee is also to destroy all Russian Thistles and other noxious weeds growing on said land, declared by statute to be common nuisances, within the times prescribed by law, and shall keep all roadways and other parts of the land, not in crop, mowed and free from growing weeds. And the lessor, or his agent shall have the right to enter upon said premises at any time, without injury to the standing crops, for the purpose of making any improvements, or to prepare to the succeeding crop, or for any other purpose whatsoever.

And said Lessor covenants that said Lessee, on paying the rent and performing the covenants aforesaid, shall peaceably and quietly have, hold and enjoy the said remised premises and said Lessee agrees to reside and occupy the buildings thereon for the term aforesaid. In the event of any rents due hereon being collected by suit, the Lessee further agrees to pay all expenses which may be incurred thereby, including attorney's fees.

As security for the payments of the rents herein specified and the faithful performance and strict fulfillment of all the covenants of said Lessee in the lease contained, said Lessee does hereby grant a security interest to said Lessor in all crops grown or growing on said premises during the terms of this Lease and in products and contract rights with respect thereto and all proceeds of each. Upon any default on the part of said Lessee in paying said rent or in performing any of the covenants of this Lease, and at any time thereafter, the Lessor shall have, in addition to the rights and remedies granted hereby, all rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, and said Lessor may require said Lessee to assemble said property and make it available to said Lessor at a place to be designated by said Lessor that is reasonably convenient to both parties. Expenses of retaking, holding, preparing for sale, selling and the like, shall include the reasonable attorneys' fees and legal expenses of said Lessor.

Notwithstanding any terms to the contrary, Lessor and Lessee further agree as follows:

1. Lessee authorizes the Lessor to file a Financing Statement (UCC-1) or its equivalent covering the collateral given by Lessee as security for the rent payments payable under this Lease.
2. Lessee also grants to Lessor a security interest in all government program payments (including FSA payments, LDP payments, deficiency and storage payments, emergency and disaster payments, set aside payments and PIK certificates), warehouse receipts, accounts, general intangibles, and harvested and processed crops attributable to the Leased Premises.
3. Lessee shall have the right to participate in any federal Farm Service Agency entitlement programs available to an operating farmer that do not extend beyond the term of this lease and Lessor shall cooperate in giving any necessary consents provided that the Lessor may not be held liable for any non-compliance or violations by the Lessee of any duties or obligations of Lessee under any such federal farm programs.

During the term of this lease, Lessor shall have the right to re-enter and take possession of all or any part of the premises at any time and for any purpose. In that event, and if the current crop has not been harvested, Lessee shall be reimbursed for rent paid for the acres taken at the per acre rental rate, and shall be reimbursed all expenses incurred for the inputs and field work for the acres taken. If there is disagreement as to the cost of work completed, average values established by Doanes Agricultural Services shall be used.

IN TESTIMONY WHEREOF, Both parties have hereunto set their hands the day and year hereinafter written.

COUNTY OF PIPESTONE

By _____ Date _____
Les Nath, County Board Chairman
on behalf of Pipestone County

STATE OF _____ }
County of _____ } ss.

This instrument was acknowledged before me on the _____ day of _____, 2017 by _____.

NOTARY PUBLIC
My commission expires: _____

Attest _____ Date _____
Sharon Hanson, County Administrator
on behalf of Pipestone County

STATE OF _____ }
County of _____ } ss.

This instrument was acknowledged before me on the _____ day of _____, 2017 by _____.

NOTARY PUBLIC
My commission expires: _____

Lessee _____ Date _____

STATE OF _____ }
County of _____ } ss.

This instrument was acknowledged before me on the _____ day of _____, 2017 by
_____.

NOTARY PUBLIC
My commission expires: _____

Drafted by Pipestone County Attorney
PO Box 128
Pipestone, MN 56164

EXHIBIT "A"

LEGAL DESCRIPTION

Land rent for approximately 175 acres lying within the following described parcel:

The Northwest Quarter (NW1/4) of Section Twenty-eight (28), Township One Hundred Seven (107) North, Range Forty-four (44) West of the Fifth P.M., and all that part of the Northeast Quarter (NE1/4) of Section Twenty-eight (28), Township One Hundred Seven (107) North, Range Forty-four (44) West of the Fifth P.M., lying west of the following described line: Commencing at the northwest corner of said Northeast Quarter (NE1/4); thence east along the north line of said Northeast Quarter (NE1/4) a distance of 638.60 feet to the point of beginning of the line to be described herein; thence South 0 13' 46" West, a distance of 2,646.83 feet to a point on the south line of said Northeast Quarter (NE1/4) located a distance of 641.58 feet east of the southwest corner of said Northeast Quarter (NE1/4) and there terminating, all in the County of Pipestone, State of Minnesota