

FARM LEASE – FLEX AGREEMENT

THIS LEASE is made and entered into this _____ day of _____, 2015, by and between **Wright County, Iowa, LANDLORD**, and _____, **TENANT**.

WITNESSETH: Landlord, in consideration of the agreements hereinafter mentioned to be kept and performed by Tenant, does by these presents lease to Tenant the following described as tillable acres of real property located in Wright County, Iowa, to-wit:

The South One-Half (S½) of Section Five (5), Township Ninety-one (91) North, Range Twenty-four (24) West of the 5th P.M.

containing 263 tillable acres, more or less, to have and to hold the same to Tenant from the 1st day of March, 2016, to the last day of February, 2018.

Determination of Cash Rent: The amount of Cash Rent per acre to be paid by Tenant to Landlord shall be determined as follows:

Cash Rent = Base Rent + Bonus Rent

- a. Base Rent per acre = \$_____
- b. Bonus Rent per acre = an additional \$10 for every 25 cents that the average price of corn is over \$_____. (See Appendix)
- c. The average price of corn for the first year of this Agreement shall be determined by taking the closing price of corn each day at the North Central Cooperative in Clarion, Iowa, beginning October 1, 2015, through August 31, 2016, and then rounding the average of those closing prices to the nearest 25 cents.
- d. The average price of corn for the second year of this Agreement shall be determined by taking the closing price of corn each day at the North Central Cooperative in Clarion, Iowa, beginning October 1, 2016, through August 31, 2017, and then rounding the average of those closing prices to the nearest 25 cents.

Payment Dates: The Cash Rent as determined by the above procedure shall be paid as follows:

<u>Due Date</u>	<u>Payment Amount/Type</u>
___3/1/2016___	___Base rent (1 st year)___
___10/10/2016___	___Bonus rent (1 st year)___
___3/1/2017___	___Base rent (2 nd year)___
___10/10/2017___	___Bonus rent (2 nd year)___

Rent must be paid at the Wright County Auditor’s Office, PO Box 147, 115 N. Main St., Clarion, IA 50525, or at such other place as Landlord may direct from time to time. Rent must be in Landlord’s possession on or before the due date.

THE PARTIES hereby further mutually agree as follows:

1. The tenancy shall terminate on the last day of February, 2018, at which time Tenant will yield up possession to Landlord of the property leased hereunder without further demand or notice.

2. Tenant shall use said premises only for farming and for no other purposes. At the expiration of the term of this lease, Tenant shall yield the possession of said premises to Landlord, and failing thus to deliver up said premises, Tenant agrees to pay Landlord \$50.00 per day as liquidated damages for any holding over period. Said premises at the time of such delivery of possession shall be in as good order and condition as when the same were entered upon by Tenant, excusable or insurable loss by fire, inevitable accidents and ordinary wear excepted.

3. Tenant shall farm the real property 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 property 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 spray with herbicide or otherwise timely destroy all noxious weeds and all weeds in fence rows. Tenant shall preserve and keep the fruit and ornamental trees, vines and shrubbery that are now or may be planted upon the premises from injury by plowing, chemicals or livestock. Tenant shall conduct soil tests at two year intervals to check condition of the soil. Tenant shall be responsible for preserving the soil fertility level in as good condition as when the same was entered upon by Tenant. Tenant shall mow the fence rows. 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 property.

Upon request from Landlord, Tenant shall by August 15 of each lease year provide to Landlord a written listing showing all crops planted, including the acres of each 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.

4. Landlord, including Landlord's new tenant, reserves the right to do fall field work on the ground after Tenant has harvested the crops if notice of the termination of this lease has been properly served. Landlord, or his legal representative, may enter upon said premises for the purpose of viewing, seeding, making repairs or other reasonable and ordinary purposes as Landlord determines.

5. Any failure to pay rent due shall cause all unpaid rent to become due and collectible at once, without notice to or demand upon Tenant. Rent not paid when due shall draw interest at the rate of fifteen percent (15%) per annum.

6. 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. Governmental cost-sharing payments for permanent soil conservation structures shall be divided 0% Landlord 100% Tenant. Crop disaster payments shall be divided 0% Landlord 100% Tenant.

7. Tenant, as to any of his personal property on said premises, hereby waives and relinquishes all rights of exemption from sale or seizure under distress or execution that he now has or may hereafter have by virtue of any law of the State of Iowa exempting personal property from seizure and sale to the extent necessary to protect Landlord in the enforcement of the payment of all rental as agreed. In addition to the landlord's lien given by law, Tenant hereby grants to Landlord a security interest as provided by the Iowa Uniform Commercial Code in all crops grown upon the leased premises and all contract rights and general intangibles pertaining thereto and the proceeds therefrom. Landlord may proceed at law or in equity with any and all remedies available to him for the recovery of rent or for the termination of this lease because of Tenant's default in performance. And, upon any default by Tenant, Landlord shall also have the right to enter upon said premises and take possession thereof and shall have the right to cultivate and care for any growing crops and to preserve and protect the same until they mature and then harvest and sell the same, or any part thereof, at private or public sale and apply the proceeds thereof first to the payment of the expenses of such care, harvesting and sale and balance to the payment of unpaid rent.

8. All buildings, fences and improvements of every kind and nature that may be erected on said premises during the term of this lease by Tenant shall be deemed additional rent and shall inure to the premises and become the property of Landlord, unless permission to erect and remove the same shall be obtained from landlord in writing. No expense pertaining to said premises shall be incurred for or on account of Landlord without first obtaining his written order.

9. If Landlord is unable with due diligence to give Tenant possession at the beginning of the term hereof, the base rent shall be rebated on a pro-rata basis as to time until possession can be delivered, which rebated base rent shall be accepted by Tenant as sole settlement of all damages occasioned by any such delay and if, possession cannot be delivered within twenty days after the beginning of said term, either Landlord or Tenant may thereupon terminate this lease by giving the other notice of termination.

10. Landlord reserves all rights to oil and gas and may permit exploration, removal and storage on the leased premises and Tenant shall be reimbursed for any crop loss sustained by any such actions at the per acre cash rent paid by Tenant. No act of either party, or both parties, shall be construed as an extension of this lease, or any change in the terms and provisions hereof, unless such changes are reduced to writing and signed by both parties. Tenant shall not assign this lease or underlet said premises, or any part thereof, without the written consent of Landlord. Tenant agrees to pay and discharge all costs, attorney fees and expenses arising from the enforcement by Landlord of any of the covenants of this lease.

11. If Tenant, before the rent for the term is paid in full, should request Landlord to sign documents giving a security interest in the current crop to others, e.g., C.C.C., which security interest would have priority over the security interest granted to Landlord in this lease, Landlord shall have no obligation to execute such documents unless other security acceptable to Landlord is given to Landlord.

12. In the event that Landlord desires, at any time, to use the leased premises for the purposes of a County Home or for any other purpose other than rental to a private individual for farming purposes, or to sell said premises, Landlord shall have the right to terminate this lease on the succeeding March 1st by giving notice of its intention in writing on or before July 1st preceding said termination date. The notice shall either be served in the same manner as an original notice or by U.S. Certified Mail with Return Receipt Requested. If the latter, said letter must be placed in the said U.S. Mail on or before June 20th preceding the said July 1st. Tenant hereby expressly agrees to this reservation and right to terminate said lease before the two (2) year period hereinabove otherwise given.

13. Landlord reserves the right to use a certain amount of non-crop property for sanitary landfill and non-crop acres for the Wright County Engineer's Department and/or Wright County Sheriff's Office.

14. Tenant hereby acknowledges and certifies that Tenant is a resident of Wright County, Iowa.

Words and phrases herein shall be construed as in the singular or plural number and as the appropriate gender according to the context.

This lease is executed in duplicate, one copy for each party.

/s/ _____
Chair, Wright County Board of Supervisors

/s/ _____
Betty Ellis, Auditor

LANDLORD

/s/ _____
Name: _____
Address: _____

Phone: _____

TENANT

FLEXIBLE CASH RENT MATRIX

Base Rent per acre	Average price Corn	Added Value	Total Cash Rent / acre
\$240.00	\$3.00	\$10.00	\$240.00
\$250.00	\$3.25	\$10.00	\$250.00
\$260.00	\$3.50	\$10.00	\$260.00
\$270.00	\$3.75	\$10.00	\$270.00
\$280.00	\$4.00	\$10.00	\$280.00
\$290.00	\$4.25	\$10.00	\$290.00
\$300.00	\$4.50	\$10.00	\$300.00
\$310.00	\$4.75	\$10.00	\$310.00
\$320.00	\$5.00	\$10.00	\$320.00
\$330.00	\$5.25	\$10.00	\$330.00
\$340.00	\$5.50	\$10.00	\$340.00
\$350.00	\$5.75	\$10.00	\$350.00
\$360.00	\$6.00	\$10.00	\$360.00
\$370.00	\$6.25	\$10.00	\$370.00
\$380.00	\$6.50	\$10.00	\$380.00
\$390.00	\$6.75	\$10.00	\$390.00
\$400.00	\$7.00	\$10.00	\$400.00