

THIS DOCUMENT PREPARED BY:
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FARM LEASE AGREEMENT
Hybrid Flex Lease
(Years 2016 - 2018 Crop Years)

THIS AGREEMENT made and entered into this 1st day of December 2015, by and between:

Linda Roberts, of 13612 Wellington Crescent, Burnsville, Minnesota 55337

(hereinafter "Landlord"), and

Keith Hupke or Jordan Hupke, of 41951 SD Hwy 27, Langford, South Dakota 57454

(hereinafter "Tenant").

WHEREAS, Landlord owns and or operates the land specifically described hereinafter, and Tenant desires to lease such land for the term and amount and upon the conditions hereinafter mentioned;

NOW, THEREFORE, in consideration of the covenants, conditions, and promises mutually undertaken to be kept and performed by the partes,

IT IS AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. Lease and Description. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the following property all located in Day County and Marshall County, South Dakota, to wit:

SE1/4 of Section 22, Township 125 North, Range 58 West of the 5th P.M., Hickman Township, Marshall County, South Dakota;

SE1/4 of Section 1, Township 124 North, Range 58 West of the 5th P.M., Homer Township, Day County, South Dakota; and

S1/2NE1/4 of Section 1, Township 124 North, Range 58 West of the 5th P.M., Homer Township, Day County, South Dakota

subject to easements, restrictions, and reservations of record.

(hereinafter the "Leased Property").

2. Term. Tenant leases the Leased Property for an initial term of three (3) crop years, beginning on the date this Agreement is signed and ending on October 31, 2018, plus such additional time as may be necessary to harvest crops if such crops cannot be harvested before October 31st (but in no event shall such time be extended to interfere with planting the following season).
3. Renewal Term. Except as provided herein or in another writing signed by Landlord, no promise to renew or extend this Agreement for another term shall be binding upon Landlord.
4. Rent - Hybrid Flex payments. Tenant shall pay Landlord as rental for the Leased Property the sum of \$44,850.00 per year.

Minimum Base Rent:

The sum of \$22,425.00 due on or before the 15th day of April 2016
 The sum of \$22,425.00 due on or before the 15th day of October, 2016

The sum of \$22,425.00 due on or before the 15th day of April 2017
 The sum of \$22,425.00 due on or before the 15th day of October, 2017

The sum of \$22,425.00 due on or before the 15th day of April 2018
 The sum of \$22,425.00 due on or before the 15th day of October, 2018

Additional Bonus Rent

In addition to the minimum base rent, Tenant shall also pay to Landlord as additional bonus rent for the leased property an annual rental payment to be determined as follows: A payment equal to the sum of the Leased Property's actual yields for each field on the Leased Property multiplied by the cash price for each crop grown as posted on November 1st of each year at the Wheat Growers Elevator, Andover, South Dakota. This sum shall be used to determine the gross crop revenue for each year. Landlord shall be entitled to additional bonus rent based on one-third (1/3) of the gross crop revenue less a sum equal to the minimum base rent paid by Tenant to Landlord for the crop year and less a sum equal to one-third of the cost of fertilizer applied to the Leased Property for the crop year. The Additional Bonus Rent payment shall be due on or before December 31st of each year.

FORMULA *

(Actual yield x elevator price = gross revenue x 1/3 to determine landlord's gross revenue)
 (Landlord's gross revenue - Base Rent - 1/3 fertilizer = Additional Bonus)

* See example attached hereto and incorporated herein by reference

Delinquent rental payments shall accrue interest at the Default Interest Rate and may result in immediate termination. In this Agreement, the phrase "Default Interest Rate" means interest at the rate of twelve percent (12%) per year, compounded monthly on all amounts which are delinquent.

5. Disaster Payments. Tenant shall, with regard to crops grown on that portion of the Leased Property for which Tenant pays cash rent, be entitled to receive all crop insurance proceeds and federal or state disaster payments, or any other farm payments from any sources, which are paid or received as compensation for loss of crops. This provision does not impose upon Tenant an obligation to obtain crop insurance.
6. Farm Program. Tenant shall retain all rights and responsibilities under the federal farm program relative to Tenant's inclusion of the Leased Property in such program for the crop years covered by this Agreement. Such rights and responsibilities include the right to receive additional payments made, and the obligation to refund any overpayments, for such crop years. This provision does not impose upon Tenant an obligation to participate in the federal farm program.
7. Husbandry. Tenants shall (a) occupy and possess the Leased Property during the term hereof, (b) farm the Leased Property in a good, skillful, and husbandlike manner, (c) gather, harvest, and combine the crops as soon as they are in condition, (d) furnish such labor, machinery, implements, fertilizer, and chemical spray as are required to properly farm the Leased Property, (e) keep the Leased Property reasonably free from thistles, cockle burrs, and noxious weeds, (g) not commit waste or damage to the Leased Property and the improvements thereon or allow the same to be committed, (h) not commit or permit any unlawful acts, activities, or nuisances on the Leased Property, (i) keep all roads located on or adjacent to the Leased Property mowed during the term of this Agreement.
8. Possession. Tenant shall take possession of the Leased Property upon executing this Agreement (subject only to the rights of any previous tenant to harvest standing crops as long as such harvest does not interfere with spring planting) and, upon the expiration of the term of this Agreement, Tenant shall vacate the Leased Property without further notice, and shall leave the Leased Property in as good of condition as at the beginning of the term, ordinary wear and tear and damage by fire or wind excepted.
9. Fall Work. Landlord shall not be required to reimburse Tenant for fall work done on the Leased Property in the final year of this Agreement unless the work to be done and the amount of payment or the manner for determining the amount of payment are agreed upon in writing before such work is done.
10. Quiet Enjoyment. Tenant, upon observing the terms of this Agreement, shall have the quiet and peaceable possession of the Leased Property during the term hereof.
11. Entry. Landlord or her farm manager may enter upon the Leased Property at all reasonable times without injury to standing crops for the purpose of making any improvements thereon or to prepare for the succeeding crop.
12. Taxes. Landlord shall pay all real estate taxes due and payable on the Leased Property during the term of this Agreement.

13. Assignment/Subletting. Tenant may not assign or sublet the Leased Property or Tenant's interest in this Agreement without the prior written consent of Landlord. Landlord may assign Landlord's interest in this Agreement or sell the Leased Property subject to Tenant's rights under this Agreement.
14. Liability Insurance. Tenant shall insure the Leased Property for farm liability and shall cause Landlord to be endorsed thereon as an additional insured at Tenant's expense. If requested by Landlord, Tenant shall provide proof of such insurance to Landlord.
15. Legal Proceedings. Tenant shall, if Tenant receives notice of any proceeding to recover the Leased Property or possession thereof, immediately inform Landlord of the same and deliver to Landlord the notice, if in writing. Tenant is responsible to Landlord for all damages which Landlord may sustain by reason of Tenant's omission to inform Landlord of the notice or to deliver the notice to Landlord if such notice is in writing.
16. Bankruptcy Termination of Bankruptcy lease. If at anytime during the term of this lease agreement there shall be filed by or against Tenant in any court, pursuant to any statute either of the United States or of any state, a petition in bankruptcy or insolvency or for reorganization or appointment of a receiver or trustee of all or a part of the property of Tenant, or if Tenant makes an assignment for the benefit of creditors, this lease agreement, at Landlord's option, exercised after expiration of the period provided below, may be canceled and terminated. In that event, neither Tenant nor any person claiming through or under Tenant by virtue of any statute or of an order of any court shall be entitled to possession or to remain in possession of the demised premises, but shall promptly quit and surrender the demised premises. If any of the above-specified actions by or against Tenant shall continue for a period of sixty (60) days, it shall be deemed a breach of this lease agreement by Tenant, entitling lessor to proceed as provided in this section.
17. Hunting. Landlord reserves the right to hunt and trap on the Leased Property during the term of this Agreement.
18. Remedies. Regarding the rights and remedies of each party upon the other's default,
 - (A) Landlord's. If tenant fails or refuses to comply with his obligations under this Agreement, then Landlord may, at Landlord's option, (1) terminate this Agreement, (2) reenter and take immediate possession of the Leased Property without notice and harvest and sell any crops growing on the Leased Property, delivering to Tenant any proceeds of the sale in excess of the delinquent rent and expenses of reentering, harvesting, and selling the crops; such reentry by Landlord shall not cause a forfeiture of the rent to be paid or the covenants to be performed by Tenant, or (3) pursue any other remedies available to Landlord, whether in law or in equity. Landlord's acceptance of rent or failure to exercise rights upon default may not be construed as a waiver of Tenant's default and shall not operate to prejudice, waive, or affect any right or remedy that Landlord may have under this Agreement or by operation of law.

- (B) Tenant's. If Landlord fails or refuses to comply with his obligations under this Agreement, then Tenant may, at Tenant's option, (1) terminate this Agreement, (2) pursue any other remedies available to Tenant, whether in law or equity.

19. General Provisions. The following general provisions apply to this Agreement:


- (A) Amendments. This Agreement may not be amended or modified except by a writing signed by all parties hereto.
- (B) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, and assigns.
- (C) Captions and Catchlines. Captions and catchlines are intended solely as aids to convenient reference, and no inference as to the intent of the parties with respect to any provision of this Agreement may be drawn from them.
- (D) Entire Agreement; Merger. This document constitutes the entire agreement between the parties. Neither party shall be bound by any terms, conditions, statements, or representations, whether oral or written, not contained herein. Each party hereby acknowledges that in executing this Agreement he has not been induced, persuaded, or motivated by any promise or representations made by the other party, unless expressly set forth herein. All previous negotiations, statements, and preliminary documents by the parties or their representatives are merged in this Agreement.
- (E) Grammatical Usages. In this Agreement, the word "may" is used to indicate that an action either is authorized or is permitted, the word "shall" is used to indicate that an action is both authorized and required, and the phrase "may not" is used to indicate that an action is both unauthorized and forbidden.
- (F) Notices. All notices, demands, consents, or other instruments given or required to be given hereunder shall be in writing and mailed by certified mail, return receipt requested, postage prepaid, and shall be directed to the parties hereto at the addresses hereinabove set forth, provided that either party by like written notice may designate any different addresses to which subsequent notices shall be sent.
- (G) Partial Payment. No payment by Tenant or receipt by Landlord of lesser amount than the amount due under this Agreement shall be deemed to be other than on account of the full amount due, nor shall any endorsement or statement of any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance due or pursue any other remedy provided under this Agreement.
- (H) Partnership/Joint Venture. Nothing contained in this Agreement shall be deemed or construed by anyone as creating a relationship of principal and agent or a partnership or joint venture between the parties.

- (I) Remedies Cumulative. The various rights and remedies contained in this Agreement shall not be considered as exclusive of any other right or remedy, but shall be construed as cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity, or by statute.
 - (J) Severability. If a provision of this Agreement is held invalid, all valid provisions that are severable from the invalid provision remain in effect. If a provision of this Agreement is held invalid in one or more of its applications, the provision remains in effect in all valid applications that are severable from the invalid application or applications.
 - (K) Time. Time is of the essence.
 - (L) Waiver. No delay or omission of the right to exercise any power by either party shall impair any such right or power, or shall be construed as a waiver of any default or as acquiescence in any default. One or more waivers of any covenant, term, or condition of this Agreement by either party may not be construed by the other party as a waiver of a subsequent breach of the same covenant, term, or condition. The consent or approval by either party to or of any act by the other party of a nature requiring consent or approval may not be deemed a waiver or render unnecessary consent or approval of any subsequent similar act.
 - (M) Default/Attorney Fees. In the event of a default of this lease, the defaulting party shall be responsible for and pay the reasonable attorney fees, sales tax and cost incurred by the non defaulting party in enforcing the terms and provisions of this lease.
20. Special Provisions. This lease agreement is made and entered into subject to the sale of the leased premises by landlord. In the event of a sale of the leased premises, landlord will give due notice of the sale to tenant by mail. Lessee shall, within 30 days of receipt of the notice give possession of the leased premises to landlord or the Personal Representatives, administrators, and assigns of landlord, subject only to tenants rights to harvest growing crops located on the leased property. At that time, all other terms and conditions of this lease agreement shall be null and void.
21. Waiver of Conflict of Interest. Landlord and Tenant made an agreement regarding the terms of this Farm Lease and have jointly asked Gordon P. Nielsen ("Attorney") to handle the paperwork to implement the Agreement. Attorney has explained the ethical conflict of interest rules which prohibit an attorney from representing both parties to a transaction unless both parties agree to waive the conflict of interest. Both parties hereby
- (A) Waive any such conflict of interest; and
 - (B) Agree that anything they tell Attorney regarding this transaction will **not** be confidential but may and will be disclosed to the other party, and
 - (C) Hire Attorney to complete the paperwork necessary to complete this transaction.

All parties by signing below, acknowledge that they have had an opportunity to consult with such advisors, legal or otherwise, as they each deem necessary and appropriate.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

LANDLORD:



Linda Roberts

TENANT:

Keith Hupke

Jordan Hupke

All parties by signing below, acknowledge that they have had an opportunity to consult with such advisors, legal or otherwise, as they each deem necessary and appropriate.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

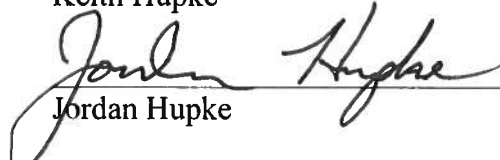
LANDLORD:

Linda Roberts

TENANT:



Keith Hupke



Jordan Hupke

FORMULA *

(Actual yield x elevator price = gross revenue x 1/3 to determine landlord's gross revenue)

(Landlord's gross revenue - Base Rent - 1/3 fertilizer = Additional Bonus)

Example:

Corn actual yield:		150 bu. per acre
Elevator price:	x	<u>\$4.00 per bu.</u>
Gross Revenue:		\$600.00 per acre
multiplied by 1/3 = Tenant's share		\$200.00 per care
Less base rent:		- \$125.00 per acre
Less fertilizer		-\$20.00 per acre
Additional Bonus rent		\$55.00 per acre