

LEASE AGREEMENT BETWEEN FARMERS PRIDE AND FARMERS COOPERATIVE ELEVATOR

Dated August 31, 2021, Battle Creek Farmers' Co-operative Non-Stock Battle Creek, NE dba Farmers Pride (Farmers Pride), hereby agrees to lease all grain facilities from Farmers Cooperative Elevator Company Avon South Dakota (Avon).

Farmers Pride will lease all current grain facilities, including all grain storage facilities to which Avon has legal title.

Farmers Pride will pay \$30,000 per month for a minimum of 6 months, with the option to extend, to 9-01-2022 at the rate of \$30,000 per month prorated daily. Should Farmers Pride choose to exercise the option to extend the lease, Farmers Pride shall give notice no less than thirty days prior to when the lease would otherwise terminate. Also, should Farmers Pride exercise the option to extend, Farmers Pride will give a minimum of thirty days' written notice prior to termination if not terminated on September 1, 2022.

Avon will be responsible for:

Grain quality, any quality discounts, utilities, labor, maintenance, repairs, facility insurance, work comp insurance, and list Farmers Pride as and additional insured. Farmers Pride to provide insurance on grain inventory. Avon and Farmers Pride will split 50/50 any long bushels of grain from mix and blend operations.

Farmers Pride will receive any storage revenue from storage charges

Farmers Pride will be guaranteed a minimum of 600,000 bushels of corn and 400,000bu of beans.

Farmers Pride will pay a \$0.10 bonus on all beans if the minimums are met. The .10 bonus will be paid, when AGP patronage is paid to Farmers Pride.

Farmers Pride will sell corn as needed to meet the demands of the cooperative feed mill as needed at the market price for the day.

Farmers Pride will receive storage, and drying revenue for grain stored in the leased facilities.

Farmers Pride will provide funding to manage grain inventory and provide bids and leadership.

Farmers Pride will utilize Avon's trucks to assist in grain movement at current rates.

Farmers Pride will be responsible for grain license to operate facilities.

The parties to this agreement will continue to work out additional details as necessary. Any changes will be recorded in writing.

Battle Creek Farmers Coop Non-Stock

Farmers' Cooperative Elevator Company




