

**2013**

**STORAGE LEASE AGREEMENT**

**CONCORD GRAIN**

**10 Year Lease**

THIS AGREEMENT made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Concord Grain (hereinafter "Company"), a South Dakota Company and \_\_\_\_\_, (hereinafter "Producer"):

**WITNESSETH:**

**WHEREAS**, the producer has expressed a desire to store grain at facilities owned by the Company; and

**WHEREAS**, the Company presently has storage space for the storage of grain owned by the Producer, and others, provided the Producer pays for the right to store such grain upon the execution of this Storage Lease Agreement.

**NOW, THEREFORE**, pursuant to the mutual promises and agreements made herein, the parties agree as follows:

1. **Storage and Delivery of Grain.** By signing this Agreement the Producer has Leased \_\_\_\_\_ bushels of storage space at the Companies facility during the term of this agreement. The Company, in consideration of the execution of this Storage Lease Agreement agrees to have storage space available for the Producer's use in the amounts set forth hereafter. Producer shall deliver grain to the Company's facility pursuant to the terms of this Storage Lease Agreement at such times as are agreed to by the Company.

2. **Storage term.** The term of this Storage Lease Agreement shall be for a period of (10) years. Commencing on September 1<sup>st</sup> of this year. No extension of this agreement is permitted. All promises and commitments hereunder must be fulfilled prior to the end of this Agreement. Any of the Producer's grain remaining in storage after the expiration of this Agreement will be subject to the then current charge.

3. **Fees and Rents.** Upon signing this Storage Lease Agreement, Producer shall pay the Company One Dollar and 80/100 (\$1.80) for each bushel of storage spaced leased pursuant to paragraph 1 above, with 10% (\$.18) per bushel due immediately and the balance of One Dollar and 62/100 (\$1.62) due by August 1<sup>st</sup> of this year. In addition, Producer shall pay Company the following.

- A. Annual Fee: Six Cents (\$.06) per bushel each year this Agreement is in effect regardless of whether the Producer stores any grain or not. This rental fee shall be due and payable on August 1<sup>st</sup> of each year. And
- B. One-half cent (\$.005) per bushel for each month (prorated to the day of redelivery or sale) that the Producer actually stores grain with the Company pursuant to this agreement.

All additional storage charges will be due and payable when the grain is sold or redelivered to Producer. In the event that Producer fails to pay the annual rental fees prior to July 31<sup>st</sup>, the right to store grain in the leased space for the following twelve (12) months period (until July 31<sup>st</sup> of the following year) shall be forfeited and Producer does hereby authorize and direct the Company to immediately sell any grain then in storage, deducting from the sale proceeds all accrued rent, the costs of the sale and any other amounts allowed by law, and paying Producer the balance of the price received by the Company for the grain sold.

4. **Residual Value.** At the conclusion of this Storage Lease Agreement there will be no residual value.

5. **Relinquishment of Leased Space;** Producer may relinquish some or all of the leased space secured hereunder, after the 5<sup>th</sup> year of this Storage Lease Agreement. In order to relinquish space, Producer must advise Company, in writing, of Producers desire to relinquish leased space, including the number of bushels of leased space to be relinquished, on or before August 1<sup>st</sup> of each year of this Storage Lease Agreement. Company shall reimburse Producer for relinquished leased space for the balance of term remaining at the following rates per bushel relinquished.

<b>Remaining Term In Years</b>	<b>Rate</b>
5	\$.90
4	\$.72
3	\$.54
2	\$.36
1	\$.18
0	\$0.00

6. **Quality of Grain:** Company is not required to accept for storage in the leased space, grain not meeting quality standards by the Company.
7. **Scale Ticket:** Upon delivery of part or all of the bushels of grain stated herein, Company shall issue a scale ticket evidencing the receipt of grain delivered by Producer. Grain delivered by Producer for storage in the leased space, shall be held by the Company in a storage position on Company's books. Upon the request of Producer, Company shall issue a warehouse receipt. When storage lease producers are delivering grain they can use leased space or participate in any other of Company's grain marketing programs such as delayed price.
8. **Handling Charges:** Producer agrees to pay redelivery and load out charges, as published from time-to-time in Company's United States Department of Agriculture Tariff for Storage and Handling Grain, in the

event that Producer requests redelivery or sells the grain to someone other than the company.

9. **Insurance:** Company shall insure the grain delivered by Producer for storage in Leased space against loss or damage by fire, lightning, tornado, wind storm, cyclone and inherent explosion for full market value at the time of loss.
  
10. **Commodities:** included for Leased Storage Space are generally corn and soybeans. Other grains including but not limited to, wheat, identity preserved specialty crops, sunflowers or other grains will be accepted on a case by case basis.
  
11. **Storage:** can be refilled any time after the sale of grain if within the terms of this Storage Lease Agreement.
  
12. **Nature of Right Created Hereunder:** This Storage Lease Agreement creates only a contractual right for Producer to demand, deliver to, and receive from Company, at any one time, a total of \_\_\_\_\_ bushels of leased space for grain. The parties specifically acknowledge and agree that neither this Storage Lease Agreement nor any other document signed by Producer in connection with this transaction grants or conveys to Producer any ownership rights or interest in any facility or property of Company except as a lessee.
  
13. **Assignment:** Producer may assign hi/her rights under the terms of this Storage Lease Agreement to another Producer subject to the following conditions.
  - (a) Any assignment must be of 5,000 bushel units but may cover any period of time covered by this Storage Lease Agreement

- (b) Notice of intention to make an assignment must be given by Producer not later than thirty (30) days prior to the effective date of assignment unless otherwise approved by the Company.
- (c) The Producer shall give the Company notice of the terms of the bona fide offer which he/she intends to accept for the assignment. The Company shall have thirty days in which to acquire the assignment on the same terms and conditions. If the company declines to acquire the assignment, the Producer may complete the assignment to the third party offeror.
- (d) If the assignee of any interest hereunder fails to terminate use of the leased storage interest in the Company's facilities at the end of the assignment period, the continued storage will be deemed to be usage of the leased storage rights allocated to the Producer.

14. **Reliance by Company:** Producer acknowledges and understands that Company will expend considerable time and money constructing or remodeling grain storage facilities in reliance upon Producer's promises herein and Producer further acknowledges and understands Company will be materially and severely damaged if Producer fails or neglects to timely perform hi/her/its obligations under the terms of this Storage Lease Agreement.

**IN WITNESS WHEREOF**, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Agreement the day and year first above written.

CONCORD GRAIN

PRODUCER

By \_\_\_\_\_

\_\_\_\_\_

Its \_\_\_\_\_

Its \_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Address)

(Address)

Company

Producer