Alsman/Summer Cash Rent Lease Agreement

NOTE:

Partial Pages & Line Items in Reference to Confidentiality Purposes Have Been Omitted



"Specializing in Marketing YOUR Property, No One Knows the Country Like We Do"

NTRACT FOR CASH RENT REAL ESTATE LEASE

is a legally binding contract. We recommend that each party to this Contract consult an ney before signing.

ney before signing. 868.02 Acres, m/l-14 Parcels erty # <u>Alsman Real Estate</u> of Cropland or Grain Facility Date: <u>April 28, 2016</u>

s an agreement for cash rent lease, provided at the auction sale herein referenced. By signing /, proposed LESSEE(S) acknowledges the terms and conditions for purchase are incorporated n and same are legally binding, it being the intent of the parties that the obligation of LESSEE(S) g from the "Terms and Conditions" and this "Contract for Cash Rent Real Estate Lease," shall be ed one and the same.

IDENTIFICATION OF PARTIES TO THE CONTRACT:

A. LESSOR:

- NAME: Freddy J. Alsman Trust, established on December 17, 2002, and Rosemary Alsman Trust established on December 17, 2002
- Address: Floyd Alsman, as Trustee Freddy J. Alsman Trust & Rosemary Alsman Trust

	Daytime Phone:		Cell Phone:		
B.	LESSEE(S): NAME: Address:	Summers	Farms, LL	C .	
	City/Town: Jereny Daytime Phone: _ Cell		ુન્ડon Cell Phone:	_State:	_ Zip:

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LESSOR INITIALS:

LESSEE(S) INITIALS: JS

LAND USE:

General Provisions: A.

The land described above in LOT #1 will be used in approximately the following manner. If it is impractical in any year to follow such a land-use plan, appropriate adjustments will be made by mutual written agreement between all parties concerned.

1. Cropland

1. Cropland	
a) Row Crops	861.06 Acres
b) Small Grains	Acres
c) Hay	Acres
d) Rotation Pasture	Acres
2. Permanent Pasture	Acres
3. Other:	Acres
	Acres
Total Acres	-868.02 Acres
	01121

861.06

LESSOR INITIALS:

LESSEE(S) INITIALS: 35

B. Government Programs:

The extent of participation in Federal, State, or County government programs for purposes of commodity support, conservation enhancement or other objectives will be discussed and decided on an annual basis or when the original contract expires. The course of action agreed upon should be placed in writing and be signed by both parties. A copy of the course of action so agreed upon shall be made available to all parties involved.

AMOUNT OF CASH RENT:

Kinds of Land or Improvements	Acres	Rate Per Acre	Total Amount
Row Crops	861.06	\$ 275-	\$23679/50
Small Grains		\$	\$
Hay		\$	\$
Permanent Pasture		\$	\$
Timber		\$	\$
Waste Land		\$	\$
Farm Buildings		\$	\$
Dwelling		\$	\$
Grain Facility	N/A	N/A	\$ N/A
Entire Farm	868.02 Acres	\$ 275-	\$ <u>236,7915</u>

ANNUL CASH RENT: The annual cash rent amount is: \$ 2.36,79120

RENTAL PAYMENT:

The annual cash rent shall be paid as follows (indicated by LESSEE's initials):

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Cropland: Initial:	
$\frac{107.632.50}{\$$	on or before 1 st day of March for 2017 & 2018 on or before 1 st day of October for 2017 & 2018
\$N/A \$N/A	on or before 1^{st} day of March for 2017 & 2018 on or before 1^{st} day of October for 2017 & 2018

ESSOR INITIALS:

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LESSEE(S) INITIALS: <u>JS</u>

7. PAYEE INFORMATION: The lease payments shall be sent to the address of the LESSOR as shown on the first page of this Contract, or to such address as the LESSOR may provide to the LESSEE(S) hereafter Freday 5. Alsing Trust

3. 3-YEAR TERM – COMMENCEMENT, POSSESSION, AND DURATION:

If this Contract is for the Cropland, the Contract will terminate on November 1, 2018, or as soon as the 2018 Fall Harvest is completed with NO fall tillage to be performed. Fixed term cash rent lease for the 868.02 acres m/l of Cropland beginning on April 28, 2016, and ending on November 1, 2018, or at the completion of the 2018 harvest season for a total term of 3-years. Possession will begin on April 28, 2016, and will terminate on November 1, 2018, or at the completion of the 2018 harvest season.

The LESSEE(S) agrees to yield peaceable possession of the leased premises at the termination of this Contract.

Transfer of ownership of the property leased in this agreement shall be subject to the provisions of this lease.

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DELINQUENT PAYMENTS: Failure to pay any installments as designated in this Contract on March 1st and October 1st with no grace period, this shall thereupon terminate and cancel this Contract and the amount already paid shall be forfeited as liquidated damages for the breach of the agreement. If the LESSEE(S) default in the performance of any of the covenant or conditions hereof, then such a breach shall cause an immediate termination of this Contract and 1 forfeiture to the LESSOR of all rentals prepaid. In the event that a lawsuit arises out of or in connection with this Contract and the rights of the parties thereof, the prevailing party may recover not only actual damages and costs but also reasonable attorney's fees expended in the natter.

LESSOR INITIALS:

LESSEE(S) INITIALS: <u>J</u>

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- **0. NO PARTNERSHIP INTENDED:** The particle particularly understand and agree that this Contract does not create a partnership relationship between the parties.
- 1. LIENS: The LESSEE(S) acknowledges and agrees that the LESSOR may file and perfect a lien upon the crops grown under this Contract to secure the payment of rents or any other amounts due under this Contract, and that the LESSEE(S) may execute the same against such crops in accordance with state laws. <u>The LESSOR's shall be included as a payee on the check for grain</u>.

2. PURPOSE AND USE:

- A. If the LESSEE(S) is leasing the Cropland, the LESSEE(S) will have the right to use the Cropland for the production of row crops only by means of No-Till or Vertical Till methods only. The LESSEE(S) may not maintain or store livestock on the Cropland. The LESSEE(S) will have the use of a 10,000 bushel grain storage bin on Parcel #9.
- B. If the LESSEE(S) is leasing the Grain Facility, the LESSEE(S) will have the right to use the Grain Facility only to dry, store, and transport grain, and such purposes as are directly related to such purposes.
- 3. LESSOR'S HUNTING, TRAPPING, AND FISHING RIGHTS RETENTION: The LESSOR retains exclusive rights to hunt, fish, and trap wildlife on the real estate on which the Cropland and Grain Facility are located. There will be NO shooting, trapping or killing of any animals permitted during the time of this lease agreement of the properties to include but not limited to the Cropland and the Grain Facility.
- I. MINERAL RIGHTS AND WIND/SOLAR DEVELOPMENT: The LESSOR shall have the right to enter into agreements for the development of coal, petroleum, wind, solar, or other resources on the property, and may also authorize third parties to enter the property to survey, construct, and/or operate the facilities reasonably necessary to develop those resources. The LESSOR agrees to reimburse the LESSEE(S) for any actual damage suffered for crops destroyed by these activities and to release the LESSEE(S) from obligation to continue farming this property when and if development of such resources interferes materially with the LESSEE'S opportunity to make a satisfactory return.

SUBLETTING PROHIBITED: The LESSEE(S) may not sublet this property, assign this Contract to any other person, or delegate the LESSEE's obligations established by this Contract without the LESSOR's written consent.

. **INITIAL INSPECTION:** The LESSOR and LESSEE(S) will meet within 30 days of the signing of the lease agreement to carefully perform an inspection of the Grain Facility for any current damage to any of the structures, augers, conveyors, fittings, bearings, motors, electrical, bin floors, concrete bases, etc. The parties will make a written list of any existing damage to the real estate, improvements, or equipment described in this Contract and the LESSEE(S) will be deemed to accept the condition of such real estate, improvements, or equipment, subject to the damages or defects noted by the parties and their agreed actions with respect to those noted items, and the LESSEE(S) hereby waives any right to complain or to recover from the LESSOR in the future relating to the condition of such real estate, improvements, or equipment.

Crop Management:

A. Crop Rotation: Crop rotations other than corn, soybeans and wheat will need to be requested in writing a minimum of 60 days prior to performing such act.

LESSOR INITIALS:

LESSEE(S) INITIALS: 35

- B. Sustainable Crop: The LESSEE(S) agrees to practice sustainable crop management methods as prescribed by the FSA Farm Service Agency.
- C. Fall Seeded Crops: The LESSEE(S) agrees to plant no fall seeded crops without written consent of the LESSOR.
- D. No-Till/Vertical Till: The LESSEE(S) will use no-tilled or vertical till methods to plant and cultivate crops on the Cropland. The tracts that are to be included in their respective no-tilled or vertical till classes shall be designated by the LESSOR at the beginning of this Contract.
- E. Fertilizer and Potash: The LESSEE(S) of Cropland will be required to fertilize for phosphorous and potash each year up to crop removal for 180 bu/acre corn and 50 bu/acre soybeans and 70 bu/acre wheat. Evidence will be required to verify fertilizer application. LESSEE(S) is required to provide the LESSOR any soil tests performed on the property as lease in this Contract.
- F. Lime and Limestone: The LESSOR agrees to furnish 100% of the limestone used on the farm, together with 100 % of the hauling and spreading costs. If the LESSEE(S) hauls and/or spreads the limestone furnished by the LESSOR, the LESSOR shall pay the LESSEE(S) the customary rate per ton such work as agreed upon in writing before the work is done.
- G. Heavy Equipment Restriction: No dirt work with heavy duty excavation equipment (bulldozers, excavators, track-hoes, backhoes, ditchers, cranes, etc.) will be performed without the written consent of the LESSOR.
- H. Preservation of Waterways and Permanent Pasture: NO water ways or permanent pasture shall be plowed or farmed through without the written consent of the LESSOR.
- I. Mowing: The LESSEE(S) are responsible for mowing twice a year (after planting of crops and prior to harvest of crops) and/or spraying roadsides and reasonable non-crop areas twice a year to keep control of noxious weeds and brush and present a good farm appearance. If any authorized fall fieldwork was performed, but if some has been completed, the new LESSEE(S) will be required to pay for any fieldwork at the rate specified for that particular fieldwork at an established and approved custom rates per the University of Illinois.
- J. Crop Acreage Limited: The combined annual acreage of corn, soybean, and/or wheat shall not exceed 868.02 acres more or less of Cropland.
- K. Soil and Topography Conservation: The LESSEE(S) agrees to control soil erosion according to a conservative plan approved by NRCS; keep in good repair all terraces, open ditches, inlets and outlets of tile drains; mow and preserve all established watercourses, waterways or ditches including grassed waterways; and refrain from any operation or practice that will injure such structures. The LESSEE(S) agrees not to change in any way shape or form the landscape of the property being leased in this Contract.
- L. **Yield Reports**: If the LESSEE(S) is leasing Cropland, the LESSEE(S) will be required to complete a written farm report that describes crops and acres planted, planting dates, fertilizers applied, chemicals and fungicides applied, harvest dates and yields, with copies of yield monitor results and/or scale tickets attached to the report as yield verification. Any verifying yield record <u>must include</u> measurements by a certified scale and /or monitor at the time when the crop was weighed or measured. The LESSEE(S) will also provide to the LESSOR a copy of the certification for the monitor and/or scale. The information provided must be sufficient to meet requirements for crop insurance documentation and participation in USDA commodity programs.

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LESSEE(S)	INITIALS:	ZC
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- M. Grain Management: It is completely the responsibility of the LESSEE(S) to manage the grain which is stored or is drying in the grain bins as to minimize spoilage and other damage to the grains. It is the LESSEE'S responsibility for checking the condition of the grain and deciding the need as to when to aerate the grain. The LESSOR will make sure there is ample area surrounding the grain bins and facility to ensure a proper amount of area to utilize the facility with case of operation. It is the responsibility of the LESSEE(S) for removal of snow and moving machinery and equipment to adequately utilize the grain facility. All utility expenses are solely the responsibility of the LESSEE(S) to pay in a timely manner to ensure proper operation of the facility. It is the responsibility of the LESSEE(S) to remove the grain in a timely manner as to ensure there is a proper amount of time allowed to clean the bins of grain and grain residue before the next harvest. It is the responsibility of the LESSOR to carefully inspect the structures and improvements at the grain facility for the need of any repairs and/or modifications prior to the next harvest. It is also the responsibility of the LESSEE(S) during the removal and cleanup of the structures at the grain facility to pay attention and perform an inspection to make a list of any damages and repairs of equipment in relationship to the grain facility. Once the LESSEE(S) does locate such damages and needs for repairs to the structures of the grain facility it is the LESSEE'S responsibility to notify and allow the LESSOR an ample amount of time to make the repairs and/or modifications prior to the next harvest.
- N. Soil Test upon Lease Termination: LESSEE(S) will provide a 5 acre grid-sampled soil test of the leased property within 30 days of the termination of lease agreement on November 1, 2018, using a lab approved by the LESSOR. The cost of the soil test will be borne by the LESSEE(S).

3. GOVERNMENT PROGRAMS:

- Covernment Program Participation: The extent of participation in government programs will be discussed and decided upon an annual basis. The course of action agreed upon shall be placed in writing and signed by both parties. A copy of the written course of action so agreed upon shall be made available to each party.
- NRCS and FSA: LESSEE(S) will follow NRCS and/or FSA recommendations and fulfill all

other requirements necessary to maintain the rights of current and future LESSEE(S) of this farm to participate in federal farm programs. Planted acreages and yields of crops shall be reported as required by FSA. The LESSEE(S) agrees to follow all guidelines for the 2.68 acres, more or less, under contract in the government program CRP with the USDA/FSA in Greene County, IN. The LESSEE(S) will receive the payments for the CRP program and the LESSEE(S) will also be required to maintain the CRP per USDA/FSA recommendations.

Exclusion of Land Presently Enrolled in Government Programs: Land previously placed in a government program, such as the Conservation Reserve Program, Wetland Reserve Program, etc., shall not be included in the lease, and any payments related thereto shall accrue to the LESSOR.

. REAL ESTATE TAXES AND ASSESSMENTS: The LESSOR agrees to pay all taxes and the assessments against the real estate and all taxes on the LESSOR'S personal property on the farm.

. RESPONSIBILITY FOR REPAIRS AND IMPROVEMENTS:

The LESSEE(S) shall make all necessary repairs to the property at LESSEE'S expense during the lease term. This includes repairing all defects with any buildings or structures on the property due to damage or wear and tear or negligence's by the LESSEE(S). The LESSEE(S) will be responsible for the cost in relationship to utilities to include electric and gas, but not limited to.

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LESSOR INITIALS:

LESSEE(S) INITIALS:

- . The LESSEE(S) may make improvements to the buildings, fences, water systems and other items on the property, provided that consent has been given by the LESSOR. If such consent is given, all such improvements shall be made at the expense of the LESSEE and shall become the property of the LESSOR.
- The LESSOR, as well as agents and employees of the LESSOR, reserve the right at any reasonable time to enter the property to a) consult with the LESSEE(S); b) make repairs, improvements, and inspections; and c) (after notice of termination of the lease is given) do tilling, seeding, fertilizing, and any other customary seasonal work, none of which is to interfere with the LESSEE(S) in carrying out regular operations on the property and/or provided that he/she does not impair the LESSEE'S agricultural activity on the property.
- . The LESSOR will be responsible to pay for repair of any damaged drainage tile (if any) problems existing on the date of the agreement on existing tile and will consider proposals for improving any long term drainage issues depending on the cost and extent of the need.
- The LESSOR will pay for the repairs and replacements for normal wear and tear items, but not for damage to the real estate, improvements, or equipment caused by the LESSEE'S errors or omissions.

The LESSOR agrees to replace or repair as promptly as possible the dwelling or any building or equipment regularly used by the LESSEE(S) that may have been destroyed or damaged by fire, flood, or other cause beyond the control of the LESSEE(S) and, until such replacement or repair is made, to compensate the LESSEE(S) by prorated reimbursement for the remainder of contract.

. The LESSEE(S) agrees when leaving the farm, to pay the LESSOR reasonable compensation for any damages to the farm for which the LESSEE(S) is responsible. Any decrease in value due to ordinary wear and depreciation or damage outside the control of the LESSEE(S) is exempt.

. ENVIRONMENTAL ISSUES:

- The LESSEE(S) shall conduct all operations on the property in a manner consistent with all applicable local, state, and federal environmental codes, regulations, and statutes and shall bear sole responsibility for any violations thereof. The LESSEE(S) shall be solely responsible for securing any permits or approvals necessary for his or her activities on the property. In the event of any legally-prohibited release of materials to the environment, the LESSEE(S) will indemnify the LESSOR for any cost of environmental cleanup and restoration as well as any penalties, fines, judgements or other amounts incurred by the LESSOR as a result of such release.
- . The LESSEE(S) agrees not to store any pesticides, fertilizers, fuel, gasoline, oil products and any other chemicals on the premises or in any buildings upon such premises. The LESSEE(S) agrees to dispose of containers in accordance with state and federal regulations and recommendations and furnish the LESSOR a written field-by-field record of the amount, kinds, and dates of applications of pesticides and fertilizers. The LESSEE(S) will not store any motor vehicles, tractors, fuel, oil products and any other type chemicals on any single tract of the LESSOR'S real estate for more than 14 days in any period of 30 consecutive days. Any such storage will violate the terms of this Contract and constitute default by the LESSEE(S).

LIABILITY INSURANCE: LESSEE(S) will be required to supply to the LESSOR the "Declaration Page" for the liability insurance in an amount of at least \$5 million (U.S.) liability coverage with the LESSOR named as an additional insured. The liability insurance is the full responsibility of the LESSEE(S) to purchase from any reputable insurance carrier. If at any time the LESSEE(S) cancels or the insurance carrier cancels the liability insurance the LESSOR will be notified immediately. The LESSEE(S) will be considered to be in default of this Contract and the LESSOR may pursue any remedy described in this Contract.

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LESSOR INITIALS:	Ja	
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LESSEE(S) INITIALS:	JS
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AGREEMENTS TO RELEASE, INDEMNIFY, AND HOLD HARMLESS: The

LESSEE(S) agrees to indemnify and hold the LESSOR harmless for all losses, demands, claims, complaints, or actions by all people not signatory to this Contract for property damage, personal injury, or death (the "Claims") pertaining to actions or omissions by the LESSEE(S) or the LESSEE'S employees, agents, representatives, affiliates, subcontractors, or invitees to the fullest extent possible under Indiana law, including without limitation reasonable expenses, costs, and attorney fees incurred to investigate and defend against such Claims.

ADDITIONAL TERMS AND CONDITIONS: (If NONE, Write NONE): 7 he Lessee have a right of first refusal to lease the Crophind will Three-year term, The Lessee with May cin adef. tional presentan fer to the Lessor at least three months before the end of ot the intic tern of this Contract. If the Lessor receives an offer from of this party. lessec math the offer u. this 20 day after iscenny a copy of the offer. May Math the offer u. 11/1 20 day after including a copy of on an and for logic without rest, of agree on the new leave Termis, the Lesser may offer the Craptons for logic without rest, of partiesdo

FORFEITURE PROVISIONS: LESSEE(S) has heretofore deposited a sum of money to include the first full year (2016) cash rent lease payment at the auction which includes the 10% Buyer's Premium, which sums will be held within a designated escrow or non-interest bearing account at Preferred Bank for a reasonable amount of time as is considered to accomplish the final settlement between the LESSOR and United Country – Auctions, Appraisals and Realty, LLC. The LESSEE(S) acknowledges that, in the event of default pursuant to the terms of this Contract or a violation of the "Terms and Conditions" of the auction, the funds provided shall be forfeited as liquidated damages. The foregoing shall not be construed as a penalty clause nasmuch as the terms and conditions for the auction identify this fact and inasmuch as the uction has already been conducted and LESSOR has committed to the LESSEE(S). The parties rereto agree that it represents a fair, equitable and negotiated resolution to the LESSOR egitimate claim of default, and not a penalty.

REMEDIES FOR DEFAULT: In addition to the preceding provisions for forfeiture of leposited funds, if a party fails to perform the party's obligations under this Contract, the non-lefaulting party shall have any remedy under Indiana State Law available. The foregoing shall nelude but not be limited to the cost of cover, setoff, actual damages, specific performance, and etention of funds as liquidated damages. If the LESSEE(S) defaults, the LESSOR may vermanently eject the LESSEE(S) from the leased premises. Any action for damages shall nelude the non-defaulting party's actual loss, together with any reasonable expenses incurred neluding but not limited to costs, reasonable attorney fees, auction company fees, fees to eauction or remarket the property, and all other expenses reasonably associated with or arising rom such default. Any disagreements between the LESSOR and the LESSEE(S) shall be eferred to a board of three disinterested persons, one of whom shall be appointed by the LESSEE(S), and the third by the two thus appointed. The decision of use three shall be considered binding by the parties to this lease unless a sum exceeding 5000.00 is involved. Any cost for such arbitration shall be shared equally between the two arties of this lease agreement.

NOTICES: Notices required under this Contract shall be in writing by U.S. certified mail with ostage prepaid to the address stated above, return receipt requested, or by delivery in person. ddresses may be changed by like notice. Date of posting shall be deemed date of receipt. ailure by the notifying party to receive back the receipt card signed by the addresses shall not ivalidate the notice. Any claim by either party for damages shall be presented, in writing to the ther party via certified letter at not later than 30 days after the termination of this Contract.

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ESSOR INITIALS:

LESSEE(S) INITIALS: <u>J</u>

39. CONTINGENCIES: There are NO contingencies to this transaction.

- 10. ENTIRE AGREEMENT: There are no representations made outside of the four corners of this Contract, and the provisions of this Contract with respect to the LESSEE'S obligations are integrated and hereby incorporate the Terms and Conditions executed by LESSEE(S) on the occasion of the auction. LESSEE(S) acknowledges these properties are "AS IS, WHERE IS," and there are no warranties, guarantees, or promises that shall survive the execution of this Contract. ALL REFERENCES TO ACREAGE ARE APPROXIMATIONS AND LESSOR DOES NOT WARRANT OR GUARANTEE THE CORRECTNESS OF SUCH ACREAGES. By execution of this Contract, LESSEE(S) acknowledges it has had ample opportunity prior to execution to inspect, review and observe and all conditions relative to the subject premises which would cause concern to a reasonable LESSEE(S). Written announcements and terms made by the LESSOR on the day of the sale or during the sale along with this Contract replace and supersede any and all other prior understandings, and written, verbal, or electronic statements that were made prior to the auction and previously entered into by and among the parties hereto with regard to the sale and purchase of the properties above described and all the same are merged herein. TERMS OF THIS CONTRACT WILL NOT BE MODIFIED IN ANY WAY UNLESS AGREED TO IN WRITING BY ALL PARTIES.
- 1. **BINDING CONTRACT:** LESSEE(S) and LESSOR agree that they, their heirs, legal representatives, successors and assigns will be bound under this Contract. A signed facsimile or scanned and email of this document will represent a fully executed Contract. Each person that is signing this Contract on behalf of the LESSOR or LESSEE(S) represents that the signatory is fully authorized to execute this Contract on behalf of the signatory's respective party, authorizes the other party to rely upon such representation, and agrees to indemnify and hold the other party harmless to the fullest extent possible under Indiana law if such representation is false, inaccurate, or incomplete.
- COUNTERPARTS: This Contract may be executed in multiple identical counterparts, each of which will constitute an original.
- **3. HEADINGS:** The titles or headings to the various parts of this Contract are solely for the convenience of all the parties involved in this Contract and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Contract.
- **I. REFERENCES TO PLURALITY AND GENDER:** When applicable in this Contract, the singular shall apply to the plural and masculine to the feminine or the neuter.

LESSOR INITIALS:_	a	

LESSEE(S) INITIALS: <u>JS</u>

45. CAUSE FOR EXECUTION OF AGREEMENT: Each party to this Contract has caused it to be executed at the Greene County Community Event Center in Switz City, Indiana, on
✓ Thursday, April 28, 2016, at 10 : 55 PM.

TE: 4-28-2016	DATE: 4-28-16
	X <u>Hund Alsman</u> Floyd Alsman X <u>Trustee Freddy</u> T. Alsman Trug * Rorewary-Alsman trug X
ATTODNEY	XX
ted Name:	Printed Name: Jeff R. Hawkins
) - OFFICE) - FAX) - CELL AIL:	

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