SOUTH CENTRAL REGIONAL AIRPORT AGENCY

Meeting of the Board
October 28, 2020 – 6:00 p.m.
Pella City Hall
825 Broadway Street, Pella, IA 50219

Due to the COVID-19 pandemic, this meeting will be held electronically.

To join the meeting, dial 720.650.5050 and enter access code 962-389-622 #

Those attending via phone will have the ability to provide verbal comments during the call to the public. To minimize disruptions, we ask that you keep your telephone on mute until the time you intend to speak.

Agenda

- 1. Call to Order.
- 2. Call to the public (limited to 3 minutes per person).
- 3. Approval of Minutes from July 28, 2020.
- 4. Approval of Resolution No. 52 Authorizing the Execution of a Land Lease with Robert DeRooi.
- 5. Approval of Resolution No. 53 Authorizing the Execution of a Land Lease with Hilltop Ag Production, Inc.
- 6. Staff and committee updates:
 - a. Review of September 2020 SCRAA check register
- 7. Motion to go into Closed Session under Code of Iowa; Chapter 21 Section 5 sub paragraph 1. c. To discuss strategy with counsel in matters that are presently in litigation or where litigation is imminent where its disclosure would be likely to prejudice or disadvantage the position of the governmental body in that litigation.
- 8. Action may be taken on any item discussed in Closed Session after the Closed Session.
- 9. Discussion of next meeting date/time.
- 10. Adjourn.

South Central Regional Airport Agency Meeting Minutes Tuesday, July 28, 2020

Committee members present: David Barnes, Jim Hansen, John Bandstra, Pamela Blomgren, Kevin Gaul (via phone), Sid Pinney. Absent: none.

SCRAA staff present: Mike Schrock, Oskaloosa City Manager; Corey Goodenow, Pella Assistant City Administrator; Amy Beattie, SCRAA Legal Counsel; Jerry Searle, HDR Engineering; Mandy Smith, Pella City Clerk.

Meeting called to order by Chairman Barnes at 6:00 p.m. in the Pella Public Safety Complex, 614 Main Street, Pella, Iowa. Due to heightened public health risks associated with the COVID-19 pandemic, accommodations were made to broadcast this meeting via conference call.

Chairman Barnes opened the call to the public. No comments were received.

It was moved by Blomgren, seconded by Pinney, to approve the June 29, 2020 minutes. Motion carried 6-0.

The following updates were provided:

- 1. Schrock reviewed the June 30, 2020 financial statements as included in the board packet.
- 2. Hansen provided an update regarding the status of discussions with the Mahaska County Board of Supervisors regarding 220th Street. Based upon conversations with Schrock and the County Engineer, a more detailed analysis of the proposed mitigation road (airport service road), and additional alternatives requested by the County (235th Street) to address the disconnect of 220th Street could be studied in the near future. HDR is drafting a task order (Task Order #14) to complete a more detailed engineering review including route analysis and detailed cost estimating. Schrock will work with the County Engineer to ensure the task order, when drafted, contains the necessary information requested by the County Engineer, and is satisfactory to the City of Pella. After concurrence is received from the parties, a future work session with the SCRAA Executive Committee and the Board of Supervisors will be requested by Hansen.
- 3. Barnes provided an update that at this time a SCRAA checking account will not be established in order to avoid unnecessary expenses. Instead, the financial reports included as part of this packet will be regularly provided in future packets.
- 4. The SCRAA board decided to begin holding regularly scheduled meetings on the 4th Wednesday of every month, at 6:00 p.m. The regular meetings will be subject to cancellation if there are no agenda items, and special meetings will be held as necessary.

At 6:37 p.m., it was moved by Bandstra, seconded by Blomgren, to enter into closed session under Code of lowa; Chapter 21 Section 5 sub paragraph 1. j. To discuss the purchase or sale of particular real estate only where premature disclosure could be reasonably expected to increase the price the governmental body would have to pay for that property or reduce the price the governmental body would receive for that property. The minutes and the audio recording of a session closed under this paragraph shall be available for public examination when the transaction discussed is completed. Motion carried 6-0.

It was moved by Bandstra, seconded by Blomgren, to exit the closed session. Motion carried 6-0. SCRAA back into open session at 6:49 p.m.

It was moved by Blomgren, seconded by Hansen, to approve Resolution No. 51, A Resolution Authorizing the Execution of an Agreement between the South Central Regional Airport Agency and Ronald J. Wichhart and Linda Wichhart, Husband and Wife, for the Purchase of Real Property and Approving Application to Federal Aviation Authority for Land Acquisition and Authorizing Signature on Application by Board Officers. Motion carried 4 (Blomgren, Hansen, Gaul, Barnes) – 2 (Bandstra, Pinney).

The next regular meeting will be held on Wednesday, August 26, 2020 at 6:00 p.m. with the understanding that a special meeting might be necessary prior to that date.

The meeting adjourned at 6:51 p.m.

Minutes prepared by Mandy Smith

ITEM NO: 4

SUBJECT: Resolution Authorizing the Execution of a Land Lease with Robert DeRooi

DATE: October 28, 2020

BACKGROUND:

This resolution authorizes the execution of a land lease between the South Central Regional Airport Agency (SCRAA) and Robert DeRooi. If approved, this two-year lease for 46.35 tillable acres of land would begin on March 1, 2021, ending on March 1, 2023. The tenant, Mr. DeRooi, would be responsible to pay the SCRAA an annual rent of \$8,343 payable in two equal installments. The annual cash rent amount is based on the tenant's previous lease prior to the SCRAA acquiring this property.

ATTACHMENTS: Resolution, Farm Lease

REPORT PREPARED BY: Staff

RECOMMENDED ACTION: Approve resolution

RESOLUTION NO. 52

A RESOLUTION AUTHORIZING THE EXECUTION OF A LAND LEASE WITH ROBERT DEROOI

WHEREAS, the South Central Regional Airport Agency owns certain land, a portion of which Robert DeRooi desires to lease for purposes of farming on the land; and

WHEREAS, the South Central Regional Airport Agency believes it to be in the best interest of the Agency for the land to be farmed in this manner; and

WHEREAS, the South Central Regional Airport Agency, having reviewed the Land Lease attached hereto Exhibit "A", believes it to be in the best interest of the Agency to enter into said Lease.

NOW, THEREFORE, BE IT RESOLVED that the South Central Regional Airport Agency hereby approves the Land Lease with Robert DeRooi attached hereto as Exhibit "A".

BE IT FURTHER RESOLVED that the Chairman of the South Central Regional Airport Agency is hereby authorized to execute said Lease.

Dated the 28th day of October, 2020.

	David Barnes, Chair	
ATTEST:		
Countom		
Secretary		



FARM LEASE - FIXED CASH RENT

THIS LEASE ("Lease") is made between South Central Regional Airport Agency ("Landlord"), whose address for the purpose of this Lease is 825 Broadway Street, Pella, IA 50219 and Robert DeRooi ("Tenant"), whose address for the purpose of this Lease is 2116 210th Street, Oskaloosa, Iowa 52577.

THE PARTIES AGREE AS FOLLOWS:

1. **PREMISES AND TERM.** Landlord leases to Tenant the following real estate situated in Mahaska County, Iowa (the "Real Estate"):

A part of Lot Five of the West Half of Section Four, Township Seventy-five North, Range Sixteen West of the 5th P.M., Mahaska County, Iowa (to become known as Parcel "A" of Lot Five) according to the Plat of said Lot Five in Irregular Surveys Book 2 at page 242, Mahaska County Records. Said Parcel A is more particularly described as follows: Beginning at the Northeast corner of said Lot Five, also being the Northeast corner of said West Half of Section Four; thence S0°35'05"E 2444.44 feet along the East line of said Lot Five to the Southeast corner of the Northwest Fractional Quarter of said Section Four; thence continuing along the East line of said Lot Five S0°20'55"E 44.10 feet; thence N40°06'05"W 1747.37 feet to the West line of said Lot Five; thence N0°18'40"W 1148.47 feet along said West line to the Northwest corner of said Lot Five, being on the North line of said Section Four; thence N89°49'30"E 1106.55 feet along the North line of said Lot Five and said Section Four to the Point of Beginning;

and containing 46.35 tillable acres per county FSA records, more or less, with possession by Tenant for a term of 2 years to commence on March 1, 2021, and end on March 1, 2023.

2. **RENT.** Tenant shall pay to Landlord as rent for the Real Estate (the "Rent"): Total annual cash rent of \$8,343.00 payable, as follows: \$4,171.50 on March 1, 2021 and \$4,171.50 on December 1, 2021, \$4,171.50 on March 1, 2022 and \$4,171.50 on December 1, 2022.

This cash rent has been determined as follows:

 Cropland
 46.35 acres @ \$180/acre = \$8,343.00

 Cropland
 0 acres @ \$0/acre = \$0.00

 Established hay land
 0 acres @ \$0/acre = \$0.00

 Pasture
 0 acres @ \$0/acre = \$0.00

 Buildings, Storage structures, and housing
 \$0

TOTAL ANNUAL RENT \$8,343.00

All Rent is to be paid to Landlord at the address above or at such other place as Landlord may direct in writing. Rent must be in Landlord's possession on or before the due date. 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 _____% Landlord 100% Tenant. Governmental cost-sharing payments for permanent soil conservation structures shall be divided _____% Landlord 100% Tenant. Crop disaster payments shall be divided _____% Landlord 100% Tenant.

3. LANDLORD'S LIEN AND SECURITY INTEREST. As security for all sums due or which will become due from Tenant to Landlord, Tenant hereby grants to Landlord, in addition to any statutory liens, a security interest as provided in the Iowa Uniform Commercial Code and a contractual lien in all crops produced on the premises and the proceeds and products thereof, all contract rights concerning such crops, proceeds and/or products, all proceeds of insurance collected on account of destruction of such crops, all contract rights and U.S. government and/or state agricultural farm program payments in connection with the above described premises whether such contract rights be payable in cash or in kind, including the proceeds from such rights, and any and all other personal property kept or used on the real estate that is not exempt from execution. Tenant shall also sign any additional forms required to validate the security interest in government program payments.

Tenant shall not sell such crops unless Landlord agrees otherwise. Tenant shall notify Landlord of Tenant's intention to sell crop at least three (3) business days prior to sale of the crop (with business days being described as Monday through Friday, except any Iowa or federal holidays). Tenant shall pay the full rent for the crop year in which the crop is produced, whether due or not, at the time of sale pursuant to Landlord's consent to release Landlord's security interests. Upon payment in full Landlord shall release Landlord's lien on the crop produced in that crop year on the premises. The parties agree that by the Landlord releasing the lien as to the crop in one year, the Landlord in no way releases the lien or agrees to release the lien in any prior or subsequent year.

Tenant shall sign and deliver to Landlord a list of potential buyers of the crops upon which Landlord has been granted a security interest in this lease. Unless Landlord otherwise consents, Tenant will not sell these crops to a buyer who is not on the potential list of buyers unless Tenant pays the full rent due for the crop year to the Landlord at or prior to the date of sale. Landlord may give notice to the potential buyers of the existence of this security interest.

Landlord is further granted the power, coupled with an interest, to sign on behalf of Tenant as attorney-in-fact and to file one or more financing statements under the Iowa Uniform Commercial Code naming Tenant as Debtor and Landlord as Secured Party and describing the collateral herein specified. Tenant consents to the financing statement being filed immediately after execution of this Lease.

4. INPUT COSTS AND EXPENSES. Tenant shall prepare the Real Estate and plant such crops in a timely fashion. Tenant shall only be entitled to pasture or till those portions of the Real Estate designated by Landlord. All machinery, inputs equipment, and labor, necessary to carry out the terms of this lease shall be furnished by and at the expense of the Tenant.

Phosphate and potash on oats or beans shall be allocated ____% the first year and ____% the second year, and on all other crops allocated ____% the first year and ____% the second year. Lime and trace minerals shall be allocated over _____ years. If this Lease is not renewed, and Tenant does not therefore receive the full allocated benefits, Tenant shall be reimbursed by Landlord to the extent Tenant has not received the benefits. Tenant agrees to furnish, at Tenant's cost, all labor, equipment and application for all fertilizer, lime, trace minerals and chemicals.

5. PROPER HUSBANDRY; HARVESTING OF CROPS; CARE OF SOIL, TREES, SHRUBS AND GRASS. Tenant shall farm the Real Estate 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 Estate 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 timely control all weeds, including noxious weeds, weeds in the fence rows, along driveways and around buildings throughout the premises. Tenant shall comply with all terms of any Natural Resource and Conservation Service (NRCS) conservation plan and any other required environmental plans for the real estate. 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 Estate. Tenant shall investigate and report all broken or inoperative tile lines to Landlord. Repairs and maintenance of tile will be paid Upon request from the Landlord, Tenant shall by August 15 of for by: Tenant. each lease year provide to the Landlord a written listing showing all crops planted, including the acres of each crop 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.

Tenant shall distribute upon the poorest tillable soil on the Real Estate, unless directed otherwise by Landlord, all of the manure and compost from the farming operation suitable to be used. Tenant may take any part of the aboveground part of a plant associated with a crop, at the time of harvest or after the harvest, until the farm tenancy terminates. Tenant may use these materials upon the Real Estate for grazing livestock managed by Tenant but shall protect the real estate and all trees, vines, and shrubbery from injury by Tenant's cropping operations or livestock.

Tenant shall maintain accurate yield records for the real estate, and upon request, during or after lease term, shall disclose to Landlord, all yield base information required for participation in government programs.

6. ENVIRONMENTAL.

- a. Landlord. To the best of Landlord's knowledge:
 - i. Neither Landlord nor Landlord's former or present tenants are subject to any investigation concerning the premises by any governmental authority under any applicable federal, state, or local codes, rules, and regulations pertaining to air and water quality, the handling, transportation, storage, treatment, usage, or disposal of toxic or hazardous substances, air emissions, other environmental matters, and all zoning and other land use matters.
 - ii. Any handling, transportation, storage, treatment, or use of toxic or hazardous substances that has occurred on the premises has been in compliance with all applicable federal, state, and local codes, rules, and regulations.
 - iii. No leak, spill release, discharge, emission, or disposal of toxic or hazardous substances has occurred on the premises.
 - iv. The soil, groundwater, and soil vapor on or under the premises is free of toxic or hazardous substances except for chemicals (including without limitation fertilizer, herbicides, insecticides) applied in conformance with good farming methods, applicable rules and regulations and the label directions of each chemical.

Landlord shall hold Tenant harmless against liability for removing solid waste disposal sites existing at the execution of this Lease, with the exception that Tenant shall be liable for removal of solid waste disposal sites to the extent that the Tenant created or contributed to the solid waste disposal site at any time.

Landlord shall assume liability and shall indemnify and hold Tenant harmless against any liability or expense arising from any condition which existed, whether known or unknown, at the time of execution of the lease which is not a result of actions of the Tenant or which arises after date of execution but which is not a result of actions of the Tenant.

Landlord shall disclose in writing to Tenant the existence of any known wells, underground storage tanks, hazardous waste sites, and solid waste disposal sites. Disclosure may be provided by a properly completed groundwater hazard statement to be supplemented if changes occur.

Tenant. Tenant shall comply with all applicable environmental laws concerning application, storage and handling of chemicals (including, without limitation, herbicides and insecticides) and fertilizers. Tenant shall apply any chemicals used for weed or insect control at levels not to exceed the manufacturer's recommendation for the soil types involved. Farm chemicals may not be stored on the premises for more than one year. Farm chemicals for use on other properties may not be stored on this property. Chemicals stored on the premises shall be stored in clearly marked, tightly closed containers. No chemicals or chemical containers will be disposed of on the premises. Application of chemicals for agricultural purposes per manufacturer's recommendation shall not be construed to constitute disposal.

Tenant shall employ all means appropriate to insure that well or ground water contamination does not occur, and shall be responsible to follow all applicator's licensing requirements. Tenant shall install and maintain safety check valves for injection of any chemicals and/or fertilizers into an irrigation system (injection valve only, not main well check valve). Tenant shall properly post all fields (when posting is required) whenever chemicals are applied by ground or air. Tenant shall haul and spread all manure on appropriate fields at times and in quantities consistent with environmental protection requirements. Tenant shall not dispose of waste oil, tires, batteries, paint, other chemicals or containers anywhere on the premises. Solid waste may not be disposed of on the premises. Dead livestock may not be buried on the premises. If disposal of solid waste or burial of dead animals is permitted as stated in the previous two sentences, the disposal or burial shall be in compliance with all applicable environmental laws. Tenant shall not use waste oil as a means to suppress dust on any roads on or near the premises. No underground storage tanks, except human waste septic systems that meet current codes, rules, and regulations, shall be maintained on the premises.

Tenant shall immediately notify Landlord of any chemical discharge, leak, or spill which occurs on premises. Tenant shall assume liability and shall indemnify and hold Landlord harmless for any claim or violation of standards which results from Tenant's use of the premises. Tenant shall assume defense of all claims, except claims resulting from Landlord's negligence, in which case each party shall be responsible for that party's defense of any claim. After termination, Tenant shall remain liable for violations which occurred during the term of this Lease.

In the absence of selection of an alternative where choices are provided in this paragraph 6b, the choice of the words "may not" shall be presumed unless that presumption is contrary to applicable environmental laws and regulations.

7. **TERMINATION OF LEASE.** This Lease shall automatically renew upon expiration from year-to-year, upon the same terms and conditions unless either party gives due and timely written notice to the other of an election not to renew this Lease. If renewed, the tenancy shall terminate on March 1 of the year following, provided that the tenancy shall

- not continue because of an absence of notice in the event there is a default in the performance of this Lease. All notices of termination of this Lease shall be as provided by law.
- 8. POSSESSION AND CONDITION AT END OF TERM. At the termination of this Lease, Tenant will relinquish possession of the Real Estate to the Landlord. If Tenant fails to do so Tenant agrees to pay Landlord \$______ per day, as liquidated damages until possession is delivered to Landlord. At the time of delivery of the Real Estate to Landlord, Tenant shall assure that the Real Estate is in good order and condition, and substantially the same as it was when received by Tenant at the commencement of this Lease, excusable or insurable loss by fire, unavoidable accidents and ordinary wear, excepted.
- 9. LANDLORD'S RIGHT OF ENTRY AND INSPECTION. In the event notice of termination of this Lease has been properly served, Landlord may enter upon the Real Estate or authorize someone else to enter upon the Real Estate to conduct any normal tillage or fertilizer operation after Tenant has completed the harvesting of crops even if this is prior to the date of termination of the lease. Landlord may enter upon the Real Estate at any reasonable time for the purpose of viewing or seeding or making repairs, or for other reasonable purposes. Landlord retains the right to use or lease the Real Estate for hunting, fishing, or other recreational purposes, but such use shall not interfere with the regular operation of the farm and notice of entry shall be provided to Tenant three (3) days prior to entry for such purposes. Tenant may not use the Real Estate for hunting, fishing, or recreational purposes.
- 10. **VIOLATION OF TERMS OF LEASE.** If Tenant or Landlord violates the terms of this Lease, the other may pursue the legal and equitable remedies to which each is entitled. Tenant's failure to pay any Rent when due shall cause all unpaid Rent to become immediately due and payable, without any notice to or demand upon Tenant.
- 11. **REPAIRS.** Tenant shall maintain the fences on the Real Estate in good and proper repair. Landlord shall furnish necessary materials for repairs that Landlord deems necessary within a reasonable time after being notified of the need for repairs. Tenant shall haul the materials to the repair site without charge to Landlord. If a fence must be totally replaced Landlord will pay one-half of the labor.
- 12. **IMPROVEMENTS.** All buildings, fences and improvements of every kind and nature that may be erected or established upon the Real Estate during the term of the Lease by the Tenant shall constitute additional rent and shall inure to the Real Estate, becoming the property of Landlord unless the Landlord has agreed in writing prior to the erection that the Tenant may remove the improvement at the end of the lease.
- 13. WELL, WATER AND SEPTIC SYSTEMS. Tenant shall maintain all well, water and septic systems on the Real Estate in good repair at Tenant's expense except damage caused by windstorm or weather. Tenant shall not be responsible for replacement or installation of well, water and septic systems on the Real Estate, beyond ordinary maintenance expenses. Landlord does not guarantee continuous or adequate supplies of water for the Real Estate.
- 14. **EXPENSES INCURRED WITHOUT CONSENT OF LANDLORD.** No expense shall be incurred for or on account of the Landlord without first obtaining Landlord's written authorization. Tenant shall take no actions that might cause a mechanic's lien to be imposed upon the Real Estate.
- 15. NO ÂGENCY. Unless otherwise provided in writing, Tenant is not an agent of the Landlord.
- 16. **HOUSING.** In the event that housing is included in Section 2, Tenant may install and remove, without causing material injury to the Real Estate, Tenant's television reception antennas, microwave dishes, and radio reception and transmission antennas. Operating expenses shall be paid as indicated:

Expense	Paid by (mark one of	
electricity	Tenant	Landlord
telephone	Tenant	Landlord
water and sewer	Tenant	Landlord
garbage collection	Tenant	Landlord
gas or heating oil	—— Tenant	Landlord
cable/satellite TV reception	Tenant	Landlord
Internet connection	Tenant	Landlord
	·	

Minor repairs under \$_____ shall be paid by the Tenant. Repairs over this amount shall be made by mutual agreement of the Tenant and Landlord and paid as follows:

- 17. ATTORNEY FEES AND COURT COSTS. If either party files suit to enforce any of the terms of this Lease, the prevailing party shall be entitled to recover court costs and reasonable attorneys' fees.
- 18. CHANGE IN LEASE TERMS. The conduct of either party, by act or omission, shall not be construed as a material alteration of this Lease until such provision is reduced to writing and executed by both parties as addendum to this Lease.
- 19. CONSTRUCTION. Words and phrases herein, including the acknowledgment, are construed as in the singular or plural and as the appropriate gender, according to the context
- 20. **NOTICES.** The notices contemplated in this Lease shall be made in writing and shall either be delivered in person, or be mailed in the U.S. mail, certified mail to the recipient's last known mailing address, except for the notice of termination set forth in Section 7, which shall be governed by the Code of Iowa.
- 21. **ASSIGNMENT.** Tenant shall not assign this Lease or sublet the Real Estate or any portion thereof without prior written authorization of Landlord.
- 22. CERTIFICATION. Tenant certifies that it is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and it is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Tenant hereby agrees to defend, indemnify and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.
- 23. CHOICE OF LAW. This Lease shall be construed under the laws of the State of Iowa.
- 24. INSURANCE/TAXES. Landlord will pay all real estate taxes and maintain insurance on Landlord's interest in the Real Estate. Tenant shall insure its interest in the Real Estate and maintain liability insurance that names Landlord as an additional named insured.
- 25. **MEDIATION**. The parties agree to mediate any dispute prior to litigation.
- 26. ADDITIONAL PROVISIONS. \$5 increase per acre for every .20 cent move of new crop cash corn at Cargill in October beginning with base of \$3.80. Extra rent will be added to December payment.

DATED: 9/9/2020.

LANDLORD:

South Central Regional Airport Agency, Landlord

By: Dr. David Barnes, Chairperson

INDIVIDUAL ACKNOWLEDGMENT

STATE OF IOWA, COUNTY OF MAHASKA

This record was acknowledged before me on September 2020, by Robert DeRooi.

Commission # 188514 Expires 1-28-202/

Signature of Notary Public

CORPORATE ACKNOWLEDGMENT

STATE OF IOWA, COUNTY OF MAHASKA

This record was acknowledged before me on	, by Dr.
This record was acknowledged before me on	· •
Signature of Notary Public	

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ITEM NO: 5

SUBJECT: Resolution Authorizing the Execution of a Land Lease with Hilltop Ag Production, Inc.

DATE: October 28, 2020

BACKGROUND:

This resolution authorizes the execution of a land lease between the South Central Regional Airport Agency (SCRAA) and Hilltop Ag Production, Inc. If approved, this two-year lease for 113 tillable acres of land would begin on March 1, 2021, ending on March 1, 2023. The tenant, Hilltop Ag, would be responsible to pay the SCRAA an annual rent of \$22,600 payable in two equal installments. The annual cash rent amount is based on the tenant's previous lease prior to the SCRAA acquiring this property.

ATTACHMENTS: Resolution, Farm Lease

REPORT PREPARED BY: Staff

RECOMMENDED ACTION: Approve resolution

RESOLUTION NO. 53

A RESOLUTION AUTHORIZING THE EXECUTION OF A LAND LEASE WITH HILLTOP AG PRODUCTION, INC.

WHEREAS, the South Central Regional Airport Agency owns certain land, a portion of which Hilltop Ag Production, Inc. desires to lease for purposes of farming on the land; and

WHEREAS, the South Central Regional Airport Agency believes it to be in the best interest of the Agency for the land to be farmed in this manner; and

WHEREAS, the South Central Regional Airport Agency, having reviewed the Land Lease attached hereto Exhibit "A", believes it to be in the best interest of the Agency to enter into said Lease.

NOW, THEREFORE, BE IT RESOLVED that the South Central Regional Airport Agency hereby approves the Land Lease with Hilltop Ag Production, Inc. attached hereto as Exhibit "A".

BE IT FURTHER RESOLVED that the Chairman of the South Central Regional Airport Agency is hereby authorized to execute said Lease.

Dated the 28th day of October, 2020.

	David Barnes, Chair	
ATTEST:		
Secretary		



FARM LEASE - FIXED CASH RENT

THIS LEASE ("Lease") is made between South Central Regional Airport Agency ("Landlord"), whose address for the purpose of this Lease is 825 Broadway Street, Pella, IA 50219 and Hilltop Ag Production, Inc., an Iowa corporation ("Tenant"), whose address for the purpose of this Lease is 1395 220th Street, Leighton, Iowa 50143.

THE PARTIES AGREE AS FOLLOWS:

1. **PREMISES AND TERM.** Landlord leases to Tenant the following real estate situated in Mahaska County, Iowa (the "Real Estate"):

Parcel B of Section 29 and Section 32 - Township 76 North - Range 16 West of the 5th P.M., Mahaska County, Iowa, the P.M., Mahaska County, Iowa, being the South Half of the Southeast Quarter of the Southwest Quarter and the South Half of the Southwest Quarter of the Southeast Quarter of said Section 29, and a part of the Northeast Quarter of the Northwest Quarter, and the Northwest Quarter of the Northeast Quarter, and a part of the North One-Eighth of the Southeast Quarter of the Northwest Quarter, and the North Half of the Southwest Quarter of the Northeast Quarter in said Section 32. Said Parcel B is more particularly described as follows: Beginning at the NW corner of said South 1/2 - SE 1/4 - SW 1/4 of Section 29; thence N 89° 48' 40" E 2643.00 feet along the North line thereof and the North line of said South 1/2 - SW 1/4 - SE 1/4 of Section 29 to the NE corner thereof; thence S 0° 19' 10" E 661.30 feet along the East line of said South 1/2 -SW 1/4 - SE 1/4 of Section 29 to the SE corner thereof; thence S 0° 28' 55" E 1322.61 feet along the East line of said NW 1/4 - NE 1/4 of Section 32 to the SE corner thereof; thence continuing S 0° 28' 55" E 661.30 feet along the East line of said North 1/2 - SW 1/4 - NE 1/4 of Section 32 to the SE corner thereof; thence S 89° 41' 20" W 1318.93 feet along the South line of said North 1/2 - SW 1/4 - NE 1/4 to the SW corner thereof; thence N 0° 30' 35" W 506.60 feet along the West line of said North 1/2 - SW 1/4 - NE 1/4 to the SE corner of said North 1/8 - SE 1/4 - NW 1/4; thence S 89° 18' 45" W 903.06 feet to the SE corner of a tract of land described in Book 2012 page 1124, Mahaska County Records; thence N 0° 22' 35" W 165.65 feet along the East line of said tract of land to the North line of said North 1/8 - SE 1/4 - NW 1/4; thence N 0° 35' 35" W 471.09 feet along the East line of said tract of land to the NE corner thereof; thence S 89° 49' 05" W 415.32 feet along the North line of said tract of land to the NW corner thereof being on the West line of said NE 1/4 - NW 1/4 of Section 32; thence N 0° 35' 35" W 851.29 feet along said West line to the NW corner of said NE 1/4 - NW 1/4 of Section 32; thence N 0° 35' 35" W 661.19 feet along the West line of said South 1/2 - SE 1/4 - SW 1/4 of Section 29 to the NW corner thereof and the Point of Beginning. Said Parcel B contains 139.13 acres subject to the county roadways known as 210th Street on the North side of said Parcel B and Highland Avenue on the West side of said Parcel B. Said county roadways contain 3.12 acres:

and containing 113 tillable acres per county FSA records, more or less, with possession by Tenant for a term of 2 years to commence on March 1, 2021, and end on March 1, 2023. The Tenant has had or been offered an opportunity to make an independent investigation as to the acres and boundaries of the premises.

2. **RENT.** Tenant shall pay to Landlord as rent for the Real Estate (the "Rent"): Total annual cash rent of \$22,600.00 payable, as follows: \$11,300.00 on March 1, 2020, \$11,300.00 on October 1, 2020.

This cash rent has been determined as follows:

Cropland 113 acres @ \$200/acre = \$22,600.00

Cropland 0 acres @ \$0/acre = \$0.00Established hay land 0 acres @ \$0/acre = \$0.00Pasture 0 acres @ \$0/acre = \$0.00

Buildings, Storage structures, and housing \$0

TOTAL ANNUAL RENT

\$22,600.00

All Rent is to be paid to Landlord at the address above or at such other place as Landlord may direct in writing. Rent must be in Landlord's possession on or before the due date. 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 ______% Landlord 100% Tenant. Governmental cost-sharing payments for permanent soil conservation structures shall be divided ______% Landlord 100% Tenant. Crop disaster payments shall be divided ______% Landlord 100% Tenant.

3. LANDLORD'S LIEN AND SECURITY INTEREST. As security for all sums due or which will become due from Tenant to Landlord, Tenant hereby grants to Landlord, in addition to any statutory liens, a security interest as provided in the Iowa Uniform Commercial Code and a contractual lien in all crops produced on the premises and the proceeds and products thereof, all contract rights concerning such crops, proceeds and/or products, all proceeds of insurance collected on account of destruction of such crops, all contract rights and U.S. government and/or state agricultural farm program payments in cash or in kind, including the proceeds from such rights, and any and all other personal property kept or used on the real estate that is not exempt from execution. Tenant shall also sign any additional forms required to validate the security interest in government program payments.

Tenant shall not sell such crops unless Landlord agrees otherwise. Tenant shall notify Landlord of Tenant's intention to sell crop at least three (3) business days prior to sale of the crop (with business days being described as Monday through Friday, except any Iowa or federal holidays). Tenant shall pay the full rent for the crop year in which the crop is produced, whether due or not, at the time of sale pursuant to Landlord's consent to release Landlord's security interests. Upon payment in full Landlord shall release Landlord's lien on the crop produced in that crop year on the premises. The parties agree that by the Landlord releasing the lien as to the crop in one year, the Landlord in no way releases the lien or agrees to release the lien in any prior or subsequent year.

Tenant shall sign and deliver to Landlord a list of potential buyers of the crops upon which Landlord has been granted a security interest in this lease. Unless Landlord otherwise consents, Tenant will not sell these crops to a buyer who is not on the potential list of buyers unless Tenant pays the full rent due for the crop year to the Landlord at or prior to the date of sale. Landlord may give notice to the potential buyers of the existence of this security interest.

Landlord is further granted the power, coupled with an interest, to sign on behalf of Tenant as attorney-in-fact and to file one or more financing statements under the Iowa

- Uniform Commercial Code naming Tenant as Debtor and Landlord as Secured Party and describing the collateral herein specified. Tenant consents to the financing statement being filed immediately after execution of this Lease.
- 4. **INPUT COSTS AND EXPENSES.** Tenant shall prepare the Real Estate and plant such crops in a timely fashion. Tenant shall only be entitled to pasture or till those portions of the Real Estate designated by Landlord. All machinery, inputs equipment, and labor, necessary to carry out the terms of this lease shall be furnished by and at the expense of the Tenant.

Phosphate and potash on oats or beans shall be allocated ___% the first year and ___% the second year, and on all other crops allocated ___% the first year and ___% the second year. Lime and trace minerals shall be allocated over ___ years. If this Lease is not renewed, and Tenant does not therefore receive the full allocated benefits, Tenant shall be reimbursed by Landlord to the extent Tenant has not received the benefits. Tenant agrees to furnish, at Tenant's cost, all labor, equipment and application for all fertilizer, lime, trace minerals and chemicals.

5. PROPER HUSBANDRY; HARVESTING OF CROPS; CARE OF SOIL, TREES, SHRUBS AND GRASS. Tenant shall farm the Real Estate 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 Estate 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 timely control all weeds, including noxious weeds, weeds in the fence rows, along driveways and around buildings throughout the premises. Tenant shall comply with all terms of any Natural Resource and Conservation Service (NRCS) conservation plan and any other required environmental plans for the real estate. 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 Estate. Tenant shall investigate and report all broken or inoperative tile lines to Landlord. Repairs and maintenance of tile will be paid for by: Tenant. Upon request from the Landlord, Tenant shall by August 15 of each lease year provide to the Landlord a written listing showing all crops planted, including the acres of each crop 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.

Tenant shall distribute upon the poorest tillable soil on the Real Estate, unless directed otherwise by Landlord, all of the manure and compost from the farming operation suitable to be used. Tenant may take any part of the aboveground part of a plant associated with a crop, at the time of harvest or after the harvest, until the farm tenancy terminates. Tenant may use these materials upon the Real Estate for grazing livestock managed by Tenant but shall protect the real estate and all trees, vines, and shrubbery from injury by Tenant's cropping operations or livestock.

Tenant shall maintain accurate yield records for the real estate, and upon request, during or after lease term, shall disclose to Landlord, all yield base information required for participation in government programs.

6. ENVIRONMENTAL.

- a. Landlord. To the best of Landlord's knowledge:
 - i. Neither Landlord nor Landlord's former or present tenants are subject to any investigation concerning the premises by any governmental authority under any applicable federal, state, or local codes, rules, and regulations pertaining to air and water quality, the handling, transportation, storage,

- treatment, usage, or disposal of toxic or hazardous substances, air emissions, other environmental matters, and all zoning and other land use matters
- ii. Any handling, transportation, storage, treatment, or use of toxic or hazardous substances that has occurred on the premises has been in compliance with all applicable federal, state, and local codes, rules, and regulations.
- iii. No leak, spill release, discharge, emission, or disposal of toxic or hazardous substances has occurred on the premises.
- iv. The soil, groundwater, and soil vapor on or under the premises is free of toxic or hazardous substances except for chemicals (including without limitation fertilizer, herbicides, insecticides) applied in conformance with good farming methods, applicable rules and regulations and the label directions of each chemical.

Landlord shall hold Tenant harmless against liability for removing solid waste disposal sites existing at the execution of this Lease, with the exception that Tenant shall be liable for removal of solid waste disposal sites to the extent that the Tenant created or contributed to the solid waste disposal site at any time.

Landlord shall assume liability and shall indemnify and hold Tenant harmless against any liability or expense arising from any condition which existed, whether known or unknown, at the time of execution of the lease which is not a result of actions of the Tenant or which arises after date of execution but which is not a result of actions of the Tenant.

Landlord shall disclose in writing to Tenant the existence of any known wells, underground storage tanks, hazardous waste sites, and solid waste disposal sites. Disclosure may be provided by a properly completed groundwater hazard statement to be supplemented if changes occur.

b. Tenant. Tenant shall comply with all applicable environmental laws concerning application, storage and handling of chemicals (including, without limitation, herbicides and insecticides) and fertilizers. Tenant shall apply any chemicals used for weed or insect control at levels not to exceed the manufacturer's recommendation for the soil types involved. Farm chemicals may not be stored on the premises for more than one year. Farm chemicals for use on other properties may not be stored on this property. Chemicals stored on the premises shall be stored in clearly marked, tightly closed containers. No chemicals or chemical containers will be disposed of on the premises. Application of chemicals for agricultural purposes per manufacturer's recommendation shall not be construed to constitute disposal.

Tenant shall employ all means appropriate to insure that well or ground water contamination does not occur, and shall be responsible to follow all applicator's licensing requirements. Tenant shall install and maintain safety check valves for injection of any chemicals and/or fertilizers into an irrigation system (injection valve only, not main well check valve). Tenant shall properly post all fields (when posting is required) whenever chemicals are applied by ground or air. Tenant shall haul and spread all manure on appropriate fields at times and in quantities consistent with environmental protection requirements. Tenant shall not dispose of waste oil, tires, batteries, paint, other chemicals or containers anywhere on the premises. Solid waste may not be disposed of on the premises. Dead livestock may not be buried on the premises. If disposal of solid waste or burial of dead animals is permitted as stated in the previous two sentences, the disposal or burial shall be in compliance with all applicable environmental laws. Tenant shall not use waste oil as a means to suppress dust on any roads on or near the

premises. No underground storage tanks, except human waste septic systems that meet current codes, rules, and regulations, shall be maintained on the premises.

Tenant shall immediately notify Landlord of any chemical discharge, leak, or spill which occurs on premises. Tenant shall assume liability and shall indemnify and hold Landlord harmless for any claim or violation of standards which results from Tenant's use of the premises. Tenant shall assume defense of all claims, except claims resulting from Landlord's negligence, in which case each party shall be responsible for that party's defense of any claim. After termination, Tenant shall remain liable for violations which occurred during the term of this Lease.

In the absence of selection of an alternative where choices are provided in this paragraph 6b, the choice of the words "may not" shall be presumed unless that presumption is contrary to applicable environmental laws and regulations.

- 7. **TERMINATION OF LEASE.** This Lease shall automatically renew upon expiration from year-to-year, upon the same terms and conditions unless either party gives due and timely written notice to the other of an election not to renew this Lease. If renewed, the tenancy shall terminate on March 1 of the year following, provided that the tenancy shall not continue because of an absence of notice in the event there is a default in the performance of this Lease. All notices of termination of this Lease shall be as provided by law.
- 8. POSSESSION AND CONDITION AT END OF TERM. At the termination of this Lease, Tenant will relinquish possession of the Real Estate to the Landlord. If Tenant fails to do so Tenant agrees to pay Landlord \$______ per day, as liquidated damages until possession is delivered to Landlord. At the time of delivery of the Real Estate to Landlord, Tenant shall assure that the Real Estate is in good order and condition, and substantially the same as it was when received by Tenant at the commencement of this Lease, excusable or insurable loss by fire, unavoidable accidents and ordinary wear, excepted.
- 9. LANDLORD'S RIGHT OF ENTRY AND INSPECTION. In the event notice of termination of this Lease has been properly served, Landlord may enter upon the Real Estate or authorize someone else to enter upon the Real Estate to conduct any normal tillage or fertilizer operation after Tenant has completed the harvesting of crops even if this is prior to the date of termination of the lease. Landlord may enter upon the Real Estate at any reasonable time for the purpose of viewing or seeding or making repairs, or for other reasonable purposes. Landlord retains the right to use or lease the Real Estate for hunting, fishing, or other recreational purposes, but such use shall not interfere with the regular operation of the farm and notice of entry shall be provided to Tenant three (3) days prior to entry for such purposes. Tenant may not use the Real Estate for hunting, fishing, or recreational purposes.
- 10. **VIOLATION OF TERMS OF LEASE.** If Tenant or Landlord violates the terms of this Lease, the other may pursue the legal and equitable remedies to which each is entitled. Tenant's failure to pay any Rent when due shall cause all unpaid Rent to become immediately due and payable, without any notice to or demand upon Tenant.
- 11. **REPAIRS.** Tenant shall maintain the fences on the Real Estate in good and proper repair. Landlord shall furnish necessary materials for repairs that Landlord deems necessary within a reasonable time after being notified of the need for repairs. Tenant shall haul the materials to the repair site without charge to Landlord. If a fence must be totally replaced Landlord will pay one-half of the labor.
- 12. **IMPROVEMENTS.** All buildings, fences and improvements of every kind and nature that may be erected or established upon the Real Estate during the term of the Lease by the Tenant shall constitute additional rent and shall inure to the Real Estate, becoming the

- property of Landlord unless the Landlord has agreed in writing prior to the erection that the Tenant may remove the improvement at the end of the lease.
- 13. WELL, WATER AND SEPTIC SYSTEMS. Tenant shall maintain all well, water and septic systems on the Real Estate in good repair at Tenant's expense except damage caused by windstorm or weather. Tenant shall not be responsible for replacement or installation of well, water and septic systems on the Real Estate, beyond ordinary maintenance expenses. Landlord does not guarantee continuous or adequate supplies of water for the Real Estate.
- 14. **EXPENSES INCURRED WITHOUT CONSENT OF LANDLORD.** No expense shall be incurred for or on account of the Landlord without first obtaining Landlord's written authorization. Tenant shall take no actions that might cause a mechanic's lien to be imposed upon the Real Estate.
- 15. **NO ÂGENCY.** Unless otherwise provided in writing, Tenant is not an agent of the Landlord.
- 16. **HOUSING.** In the event that housing is included in Section 2, Tenant may install and remove, without causing material injury to the Real Estate, Tenant's television reception antennas, microwave dishes, and radio reception and transmission antennas. Operating expenses shall be paid as indicated:

Expense	Paid by (mark one or	indicate %)
electricity	Tenant	Landlord
telephone	Tenant	Landlord
water and sewer	Tenant	Landlord
garbage collection	Tenant	Landlord
gas or heating oil	Tenant	Landlord
cable/satellite TV reception	Tenant	Landlord
Internet connection	Tenant	Landlord

Minor repairs under \$_____ shall be paid by the Tenant. Repairs over this amount shall be made by mutual agreement of the Tenant and Landlord and paid as follows:

- 17. **ATTORNEY FEES AND COURT COSTS.** If either party files suit to enforce any of the terms of this Lease, the prevailing party shall be entitled to recover court costs and reasonable attorneys' fees.
- 18. CHANGE IN LEASE TERMS. The conduct of either party, by act or omission, shall not be construed as a material alteration of this Lease until such provision is reduced to writing and executed by both parties as addendum to this Lease.
- 19. **CONSTRUCTION.** Words and phrases herein, including the acknowledgment, are construed as in the singular or plural and as the appropriate gender, according to the context.
- 20. **NOTICES.** The notices contemplated in this Lease shall be made in writing and shall either be delivered in person, or be mailed in the U.S. mail, certified mail to the recipient's last known mailing address, except for the notice of termination set forth in Section 7, which shall be governed by the Code of Iowa.
- 21. **ASSIGNMENT.** Tenant shall not assign this Lease or sublet the Real Estate or any portion thereof without prior written authorization of Landlord.
- 22. **CERTIFICATION**. Tenant certifies that it is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and it is not engaged in this transaction, directly or indirectly on

behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Tenant hereby agrees to defend, indemnify and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

23. CHOICE OF LAW. This Lease shall be construed under the laws of the State of Iowa.

24. INSURANCE/TAXES. Landlord will pay all real estate taxes and maintain insurance on Landlord's interest in the Real Estate. Tenant shall insure its interest in the Real Estate and maintain liability insurance that names Landlord as an additional named insured.

25. **MEDIATION**. The parties agree to mediate any dispute prior to litigation.

	TIONAL PR		,	
DATED:		·		

[signatures to follow]

TENANTS:

Hilltop Ag Production, Inc., Tenant By: Nathan Vande Voort, President LANDLORD:

South Central Regional Airport Agency, Landlord

By: Dr. David Barnes, Chairperson

INDIVIDUAL ACKNOWLEDGMENT

STATE OF IOWA, COUNTY OF MAHASKA

This record was acknowledged before me on September H, 2020, by Nathan Vande Voort as President of Hilltop Ag Production, Inc., an Iowa corporation.

Signature of Notary Public

DARCH BOGAARD
Commission Number 715148
My Commission Expires
2-20-20-3

CORPORATE ACKNOWLEDGMENT

STATE OF IOWA, COUNTY OF MAHASKA

This record was acknowledged before me on David Barnes as Chairperson of South Central Regional Airport Agency.	_, by Dr.
Signature of Notary Public	A1-1M

ITEM NO: 6-a

SUBJECT: Review of September 2020 SCRAA check register

DATE: October 28, 2020

BACKGROUND:

The purpose of this agenda item is to review the September 2020 SCRAA check register which is included as a memo attachment.

ATTACHMENTS: September 2020 check register

REPORT PREPARED BY: Staff

RECOMMENDED ACTION: None

Check <u>Issue Date</u> <u>Payee</u>	Invoice GL Account	Description	Che <u>Am</u>	eck ount
Audit Fee				
8/17/2020 Office of Auditor of State	141.5.05.2200.6401	Audit Filing Fee	\$	100.00
			\$	100.00
Legal Expense				
7/25/2020 Brick Gentry Bower Swartz and Levis PC	141.5.05.2200.6414	Legal Expense	\$	2,370.00
7/25/2020 Brick Gentry Bower Swartz and Levis PC	141.5.05.2200.6414	Legal Expense		1,215.00
8/25/2020 Brick Gentry Bower Swartz and Levis PC	141.5.05.2200.6414	Legal Expense		2,127.00
8/25/2020 Brick Gentry Bower Swartz and Levis PC	141.5.05.2200.6414	Legal Expense		660.00
			\$	6,372.00
Engineering/Planning				
7/29/2020 Mahaska County Recorder	141.5.05.7240.6730	Vos Transfer Tax	\$	1,874.29
7/29/2020 Mahaska County Recorder	141.5.05.7240.6730	Barnard Transfer Tax		1,087.80
9/1/2020 Mahaska County Treasurer	141.5.05.7240.6750	Property Tax Payment		1,780.00
9/1/2020 Mahaska County Treasurer	141.5.05.7240.6750	Property Tax Payment		1,490.00
9/1/2020 Mahaska County Treasurer	141.5.05.7240.6750	Property Tax Payment		1,450.00
9/8/2020 Mahaskas County Recorder	141.5.05.7240.6730	Barnard Recording Fee		145.00
9/9/2020 HDR Engineering	141.5.05.7240.6730	SCRAA Engineering		4,779.91
9/9/2020 HDR Engineering	141.5.05.7240.6730	SCRAA Engineering		17,735.87
9/9/2020 HDR Engineering	141.5.05.7240.6730	SCRAA Engineering		1,975.64
			\$	32,318.51
Total			\$	38,790.51