

WELL LEASE AGREEMENT

I. RECITALS

I-A Parties: This lease is between Woodbury County, Iowa, a political subdivision of the State of Iowa, (LESSOR), and the Climbing Hill East Water Association (Association), LESSEE.

I-B LESSOR's Subject Real Estate: LESSOR owns property (Property) in Climbing Hill, Woodbury County, Iowa, with Woodbury County parcel number, 741555, and legally described as AUD SUB DIV 16-87-45 LOT 17. LESSOR is agreeable to leasing a portion of said property to LESSOR as set forth in Exhibit B for the purposes of constructing and maintaining a well.

I-C. LESSEE'S Interest. The Climbing Hill East Water Association (Association) is an Iowa association formed by written agreement dated August 12, 2003. (copy attached as Exhibit A) The Association consists of residents of Climbing Hill who desire to access a portion of the Lessors Property (leased property) for the purpose of constructing a private drinking water system which will serve all the Association members.

I-D. LESSEE'S Need For Alternative Water Supply: The private wells of the Association members have been contaminated or threatened with contamination by ground water contamination associated with leaking petroleum underground storage tanks in Climbing Hill. The Iowa Underground Storage Tank Fund Board (UST Fund) is an agency of the State of Iowa created under Iowa Code chapter 455G. The UST Fund has agreed to pay for the construction of the private water well system that LESSEE needs to replace their existing wells.

I-E. Suitability of Subject Property: The Iowa Department of Natural Resources (DNR) and the Iowa UST Fund have jointly been involved with the unincorporated community of Climbing Hill for a number of years to find a permanent solution for the area wide groundwater contamination and the risks it poses to the residents of Climbing Hill. The DNR has determined that construction of this private well system is currently the most practicable option available to provide a safe source of drinking water to the Association members. The DNR has located a portion of the Lessor's property which meets all siting requirements and is suitable for construction of the private well system. The Lessor has agreed to lease this portion of the parcel to the Association for a term of years as provided in this agreement.