IOWA STATE BAR ASSOCIATION
Official Form No. 135 (Trade-Mark Registered, State of Iowa, 1967)

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FARM LEASE — CASH OR CROP SHARES

THIS LEASE ("Lease") is made between Delaware County, Iowa ("Landlord"), whose address for the purpose of this Lease is Delaware County Courthouse, 301 East Main St., Manchester, IA 52057, and Randy Palmersheim ("Tenant"), whose address for the purpose of this Lease is R.R. #2, Manchester, IA 52057.

THE PARTIES AGREE AS FOLLOWS:

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

Four separate crop fields located in the N½ of the NW¼ except the N 132' of W 330'; SW¼ of the NW¼; and the N½ of the SW¼; all being in Section 18, Township 88, Range 4 West of the 5th P.M., Delaware County. (See attached aerial photo)

and containing 89.5 acres, more or less, possession by Tenant to commence on April 20, 19 92, and end on December 15, 19 92.

2. **RENT.** Tenant agrees to pay to Landlord as rent for the Real Estate (the "Rent"):

In the amount of $7,607.50 as follows:

One-third (1/3) at time of lease,
One-third (1/3) on or before August 1, 1992, and
One-third (1/3) on or before crop is removed.

Tenant has satisfied the first payment of one-third (1/3) in the amount of $2,535.83.

All Rent is to be paid to Landlord at the address above or at such other place as Landlord may direct in writing.

3. **PLANTING OF CROPS.** Tenant shall prepare the Real Estate and plant such crops in a timely fashion as may be designated and directed by Landlord. Tenant shall only be entitled to pasture or plow those portions of the Real Estate designated by Landlord.

4. **PROPER HUSBANDRY.** Tenant agrees to farm the Real Estate in a good and husbandmanlike manner, and to seek to obtain the best crop production that the soil and crop season will permit. 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.

5. **HARVESTING OF CROPS.** Tenant agrees to appropriately care for all growing crops in a good and husbandmanlike manner, and to harvest all crops in a timely fashion. In the event Tenant fails to do so, Landlord reserves the right, by himself or 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.

6. **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.

7. **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 received by Tenant at the commencement of this Lease, excusable or insurable loss by fire, unavoidable accidents and ordinary wear, excepted.

8. **CARE OF SOIL.** Tenant agrees to 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 further agrees not to remove from the Real Estate, nor burn, any straw, stalks, stubble, or similar plant materials, all of which are recognized as the property of Landlord. Tenant may use these materials, however, upon the Real Estate for the farming operations.

9. **FERTILIZER, LIME AND CHEMICALS.** The following materials in the amounts required by good husbandry, shall be acquired by Tenant and paid for by the parties as follows:

	% Landlord	% Tenant
(1) Commercial Fertilizer		
(2) Lime and Trace Minerals		
(3) Weed Control Chemicals		
(4) Pest Control Chemicals		
(5) Weed Spraying, Weed or Pest		
(6) Other		

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. Unless specifically stated otherwise in writing by an addendum to this Lease, Tenant agrees to furnish, without cost, all labor, equipment and application for all fertilizer, lime, trace minerals and chemicals.

10. **COST OF COMBINING AND SHELLING OF CROPS.** The expense of combining and shelling of crops shall be borne as follows:

_____ % Landlord _____ % Tenant

11. **FARM MACHINERY AND EQUIPMENT.** All necessary machinery and equipment shall be furnished at the expense of _____.

12. **CARE OF TREES, SHRUBS AND GRASS.** Tenant agrees to preserve and keep from injury all trees, vines and shrubbery that are now or may be planted upon the Real Estate.

13. **WEED CONTROL.** All noxious weeds shall be sprayed or otherwise timely destroyed by tenant, at Tenant's expense. Tenant shall timely cut or spray with herbicide weeds in fence rows.

14. **FURNISHING AND CLEANING SEED.** Cleaned seed shall be furnished as follows:

_____ % Landlord _____ % Tenant

15. **LANDLORD'S RIGHT OF ENTRY AND INSPECTION.** In the event notice of termination of this Lease has been properly served, Landlord reserves the right to enter upon and plow the Real Estate after Tenant has completed the harvesting of crops. Landlord may enter upon the Real Estate at any reasonable time for the purpose of viewing or seeding and making repairs, or for other reasonable purposes.

FILE No. 186-3236
RECORDING FEE $ 0.00
TRANSFER FEE $ _____
FILED FOR RECORD THE 4 DAY OF May, 19 92 AT 9:17 O'CLOCK A. M. BOOK 3 PAGE 59
STATE OF IOWA, DELAWARE COUNTY
Jane A. Lloyd, Recorder
Misc.

16. **VIOLATION OF TERMS OF LEASE.** If tenant or Landlord violates the terms of this Lease, the other shall have the right to pursue the legal and equitable remedies to which it 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.

17. **DELIVERY OF GRAIN.** Tenant, without cost to Landlord, shall deliver Landlord's grain pursuant to request, at reasonable times, to the elevator at _____, or elsewhere at no further distant point.

18. **LANDLORD'S STORAGE SPACE.** Landlord reserves _____ % of all crib and granary space for storage of the rent share crops.

19. **LANDLORD'S LIEN AND SECURITY INTEREST.** Tenant agrees as an element of this Lease to waive and relinquish any rights of exemption to any of Tenant's personal property located on the Real Estate from sale or seizure under distress or execution on property that he holds at the time of the execution of this Lease or thereafter acquires as his exemption applies to any claim of Landlord against Tenant resulting from any violation of any term of this Lease. Tenant grants to Landlord, in addition to any statutory liens, a security interest as provided in the Iowa Uniform Commercial Code and a contractual lien on all Tenant's exempt and non-exempt personal property kept or used on the Real Estate including, but not limited to, all crops growing or grown on the Real Estate, as security for all sums due or which will become due from Tenant to Landlord. At Landlord's request, Tenant shall provide Landlord with a list of potential buyers of the crops grown on the Real Estate and shall sign financing statements prepared by Landlord to perfect Landlord's liens and security interests. If a list of potential buyers is requested by Landlord, Tenant shall not sell any crops grown on the Real Estate to a buyer who does not appear on the list.

20. **REPAIRS.** Tenant agrees to maintain the Real Estate, including hedges and fences, in good and proper repair. Landlord agrees to furnish necessary materials for repairs that Landlord deems necessary, and shall furnish the materials within a reasonable time after being notified of the need for repairs. Tenant agrees to haul the materials to the repair site without charge to Landlord.

21. **NEW 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.

22. **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. The Tenant agrees that Tenant will take no actions that might cause a mechanic's lien to be imposed upon the Real Estate.

23. **PARTICIPATION IN GOVERNMENT PROGRAMS.** The participation of the Real Estate in any offered program by the United States Department of Agriculture for crop production control or soil conservation shall be at Landlord's option. Payments from participation in these programs shall be divided _____ % Landlord and _____ % Tenant.

24. **WELL, WINDMILL AND WATER SYSTEM.** Tenant agrees to maintain all well, windmill and water systems on the Real Estate in good repair at Tenant's expense except such damage caused by windstorm or weather. This Lease includes no guarantee, either expressed or implied, by Landlord relative to continuous or adequate supplies of water for the Real Estate.

25. **ACCOUNTING.** The method used for dividing and accounting for the harvested grain shall be the customary and usual method used in the locale.

26. **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.

27. **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.

28. **DELAY IN GIVING POSSESSION.** In the event that possession cannot be delivered within fifteen (15) days of commencement of this Lease, either Landlord or Tenant may terminate this Lease by giving the other party notice in writing.

29. **TELEVISION AND RADIO.** Tenant shall have the right to install and remove, without causing material injury to any structures or the Real Estate, television reception antennas, microwave dishes, and radio reception and transmission antennas placed upon the Real Estate by Tenant.

30. **CONSTRUCTION.** Words and phrase herein, including the acknowledgement, are construed as in the singular or plural and as the appropriate gender, according to the context.

31. **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, registered mail, return receipt requested, to the recipient's last known mailing address. The notice provisions of this Section 31 shall not apply to the notice of termination set forth in Section 6. The notice of termination is specifically governed by the Code of Iowa.

32. **ADDITIONAL PROVISIONS.**

The Tenant has the option to chop silage or harvest corn stalks on the above-described real estate.

This lease shall terminate on December 15, 1992, or upon removal of crops, whichever occurs first.

DATED: April 29, 1992

TENANT:

Randy Palmersheim
R.R. #2, Manchester, IA 52057

LANDLORD:

Jerome Besler
Jerome Besler, Chairman
Delaware County Board of Supervisors

Sharon McCrabb
Sharon McCrabb, Delaware County Auditor

STATE OF IOWA)
) ss:
COUNTY OF Delaware)

On this 4 day of May, 1992, before me, the undersigned, a Notary Public in and for said County and said State, personally appeared Randy Palmersheim

to me known to be the identical persons named in and who executed the foregoing Lease and acknowledged that they executed the same as their voluntary act and deed.

Sharon McCrabb
Sharon McCrabb
Notary Public in the State of Iowa

[ATTACH OTHER APPROPRIATE ACKNOWLEDGEMENT(S) HERE]

STATE OF IOWA, DELAWARE COUNTY, SS:

On this 29 day of April, 1992, before me, Anne R. Rave, a Notary Public in and for the State of Iowa, personally appeared Jerome Besler and Sharon McCrabb, to me personally known, and who, being by me duly sworn, did say that they are the Chairperson of the Board of Supervisors and County Auditor, respectively, of the County of Delaware, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation and that teh instrument was signed and sealed on behalf of the corporation, by authority of its Board of Supervisors, as contained in Ordinance No. _____ passed (the Resolution adopted) by the Board of Supervisors, under Roll Call No. _____ of the Board of Supervisors on the 27 day of April, 1992, and Jerome Besler and Sharon McCrabb acknowledge the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.



Anne R. Rave
Notary Public in and for the State of Iowa
My Commission Expires 10-27-94

1-18-16-05 NS