FARM LEASE - CASH

THIS LEASE, made and entered this 3 day of ~~December, 1992~~ FEBRUARY, 1993, by and between Paul H. Norris, hereinafter referred to as Landlord, and Myron C. Zumbach and Myron L. Zumbach, , hereinafter collectively referred to as Tenant,

WITNESSETH: That Landlord, in consideration of the agreements hereinafter mentioned to be kept and performed by Tenant, does by these presents lease to Tenant the following described land, situated in Delaware County, Iowa, to-wit:

The West One-Half (W½) of the Southeast Quarter (SE¼), and the Southwest Quarter (SW¼) of the Northeast Quarter (NE¼) of Section Thirty-One (31), Township Eighty-Seven (87) North, Range Four (4), West of the Fifth P.M.

and

The Southwest Fractional Quarter (SW fr ¼) of Section Thirty-One (31), Township Eighty-Seven (87) Range Four (4), West of the Fifth P.M.

and containing 267 acres, more or less, to have and to hold the same to Tenant from the 1st day of March, 1993, to the 28th day of February, 1998. Tenant, in consideration of the leasing of the premises as above set forth, and in consideration of the promises and performances herein undertaken by the Landlord, agrees with Landlord:

1. To pay as rent for the same to the Landlord at his residence in Buchanan County, Iowa or at such other place as he may from time to time direct as follows:

$48,985.00 per year to be paid at the following times:

During the first year of the lease:

25% due on March 1 of the crop year
75% due on December 1 of the crop year

During all other years of the lease term:

50% due on April 1 of the crop year
50% due on December 1 of the crop year

Delinquent payments shall draw interest at the rate of 10% per annum or the maximum level rate of interest allowable under applicable law, whichever is lesser, from the due date, until paid.

FILE No. 258-2360
RECORDING FEE $ 30.00
TRANSFER FEE $

FILED FOR RECORD THE 8 DAY OF Feb, 1993 AT 1:33 O'CLOCK P. M. BOOK 3 PAGE 211

STATE OF IOWA, DELAWARE COUNTY
Deborah L. Peyton, Recorder
Misc. CM 31

2. To prepare such ground and to plant such crops as may be designated and directed by Landlord unless otherwise agreed in writing.

3. Proper Husbandry. Tenant covenants to farm said premises in a good and husbandman-like manner; and consistent therewith, and with the terms of this lease, to get the best crop production the nature of the soil and the season will permit.

4. Harvesting of Crops. Tenant covenants to properly care for all growing crops in good and husbandman-like manner, and to harvest all crops in proper season, and failing so to do, Landlord may enter upon said premises by himself or agents, and properly care for or harvest said crops and charge the cost to Tenant as part of the rental herein, and so secured.

5. Termination of Lease. This lease shall be continued for the lease term herein provided, except as it may be terminated by default of Tenant. Further, such lease shall continue after such agreed term from year to year, upon the same terms and conditions, unless either party gives due timely and legal written notice to the other of election to cancel or terminate any such extended lease period whereupon the tenancy shall terminate December 31, following; provided further such tenancy shall not continue because of absence of notice in case there be default in the performance of the existing rental agreement. Due, timely and legal written notice shall be notice on or before September 1, as provided by law (Section 562.7 I.C.A. as amended).

6. Possession and Condition at end of Term. At the expiration of the term of this lease, Tenant will yield up the possession of said premises to Landlord, and failing thus to deliver up said premises, Tenant agrees to pay Landlord $200.00 per day, as liquidated damages for any holding over period. Said premises at the time of such delivery of possession shall be in as good other and condition as when the same were entered upon by Tenant excusable or insurable loss by fire, inevitable accidents and ordinary wear excepted.

7. Farm Business Only. No business other than operation of this farm shall be conducted by the Tenant, except _____.

8. Care of Soil. Tenant shall haul out and distribute upon the poorest tillable soil on said premises (except as may be otherwise directed by Landlord) all manure and compost suitable to be used whether on said premises at the beginning of this lease or accumulated during the term thereof, but Tenant may use the same on the premises for farming operations.

9. Fertilizer, Lime and Chemicals.

(a) Each shall be furnished, as required by good husbandry, by the parties, and in the percentages, as follows:

		Landlord	Tenant
(1)	Commercial Fertilizer	0%	100%
(2)	Lime and Trace Minerals	0%	100%
(3)	Weed Control Chemicals	0%	100%
(4)	Pest Control Chemicals	0%	100%
(5)	Spraying, Weed or Pest	0%	100%
(6)	Other	0%	100%

(b) Allocation. Tenant agrees to furnish without cost all labor, equipment and application for all fertilizer, lime,, trace minerals and chemicals.

10. Care of Trees, Shrubs and Grass. Tenant shall preserve and keep the fruit, and ornamental trees, vines and shrubbery, that are now or may be planted upon the premises, from injury by plowing, or from cattle or other stock.

11. Weed Control. All noxious weeds shall be sprayed or otherwise timely destroyed by Tenant. Weeds in fence rows shall by him be timely cut with a mower or scythe or sprayed with herbicide.

12. Landlord's Right of Entry. Landlord reserves the right to plow the ground after Tenant has harvested the crops if notice of the termination of this lease has been properly served. Landlord, or his legal representatives, may enter upon said premises for the purpose of viewing or seeding and making repairs, or other reasonable and ordinary purpose as Landlord.

13. No Removal of Grain or Produce Until Payment of Rent. Tenant further covenants except as arranged with, or agreed by Landlord, not to remove any of the grain or produce raised on said premises, during the term of said lease, until the rent herein specified shall be fully paid nor to sell the same or any part thereof. And if any grain or produce raised on said premises during said term shall be removed or attempted to be removed by any person or persons before the payment of said rent, provided that moving grain to other real property farmed by Tenant shall not be considered removal, or if Tenant should sell or attempt to sell said grain or produce, or any part thereof, except as aforesaid, or if the same or any part thereof shall be claimed or attached or levied upon by execution or claimed by any other person or persons upon any pretense whatsoever before said rent shall be fully paid, then upon the happening of any such contingencies said rent shall immediately become due and payable and Landlord, or his legal representative, shall have the right to enter into said premises and take possession of said grain, wherever the same may be found, and to remove the same and sell the same or any part thereof, or if the same shall not be sufficiently mature for harvesting or gathering to cultivate the same and to preserve or protect the same until it shall be fit, and then harvest and gather or sell the same, or any part thereof, at private or public sale, and apply the proceeds thereof to the payment of the expenses and costs of carrying out the provisions of this lease and the payment of said rent hereby reserved.

14. Violation of Terms of Lease. If Tenant shall fail to cultivate said premises as herein agreed, or shall fail to keep any of the covenants contained in this lease then this lease shall at the election of the Landlord, be null and void, and the Landlord, or his legal representatives, shall have the right to take possession of said premises, using force as may be necessary with or without process of law, and all damages out of the failure to perform any of the covenants of this lease shall be added to and become part of the rent, recoverable as rent. Without limiting the generality of the foregoing, any failure to pay rent when due shall entitle the Landlord to immediate possession, and any violation of the terms of this lease, or failure to pay any cash rent when due, shall cause all unpaid cash rent to become due and collectible at once, and without notice to, or demand upon, Tenant.

15. Landlord's Lien and Security Interest. Tenant's Waiver. Tenant, as to any of his personal property on said premises, hereby waives and relinquishes all rights of exemption from sale or seizure under distress or execution, that he now has or may hereafter have by virtue of any law of the state exempting personal property from seizure and sale to the extent necessary to protect Landlord in the enforcement of his liens herein and in the payment of all rental as agreed. Tenant herein, jointly and severally, in consideration of this lease, and to secure the indebtedness for the cash rent hereof, hereby grants to Landlord a security interest, under Chapter 554, Iowa Code, in all crops or products thereof grown or planted upon the real property described in this lease, in all proceeds therefrom, and in all personal property stored on said real property or used in or incident to production of said crop, (except machinery), during the period covered by this lease, or any extension thereof. Landlord shall have the rights of a Secured Party and Tenant the rights of a Debtor, under Chapter 554, Iowa Code, in regard to said security interest. Landlord may proceed at law or in equity with any remedy by law for the recovery of rent, or from the termination of this lease, because of Tenant's default in its performance.

16. Repairs. Tenant shall keep said premises, including the hedges and fences, in proper repair.

17. New Improvements. All buildings, fences and improvements of every kind and nature that may be erected on the above described land during the term of this lease by Tenant shall be deemed as additional rent and shall insure to the premises and become the property of the Landlord unless permission to erect and remove same shall be obtained in writing and made a part of this lease.

18. Expenses Incurred Without Consent of Landlord. No expense shall be incurred for or on account of Landlord without first obtaining his written order. As to this paragraph and as to paragraphs 16 and 20, no mechanics' liens shall be imposed upon or foreclosed against the real estate described herein.

19. Participation in Government Programs. Participation of this farm in any offered program by the U.S. Department of Agriculture for crop production control or soil conservation and the observance of the terms and conditions of same shall be at the option of the Landlord. See paragraph 21 on accounting below.

20. Well, Windmill and Water System. Tenant agrees to keep the well, windmill and water system in good repair at his own expense, except in case of severe windstorm damage or complete destruction which cannot be attributed to his neglect. No guarantee either expressed or implied is made by Landlord for any continuous and adequate water supply.

21. Accounting. Renter must furnish to the owner a copy of the Report of Acreage Farm Summary and a copy of the Estimate Producer Payments as received from the ASCS. Corn base must be maintained at the maximum acres allowed by the ASCS which will allow the renter full participation in the Government set-aside program.

22. Attorney Fees and Court Costs. Tenant also agrees to pay and discharge all costs and attorney fees or any expense that shall arise from enforcing any of the covenants of this lease by landlord and

all crops growing, or in cribs or granary on said premises shall be security for all sums due or to become due from Tenant to Landlord as evidenced by book account or note held by and originally payable to Landlord (or either, if more than one).

23. Changes in Lease Terms. No act of either party, or both parties, shall be construed as an extension of this lease, or any change in the terms and provisions, unless changes are reduced to writing and signed by both parties.

24. Delay In Giving Possession. If Landlord is unable with due diligence, to give Tenant possession at the beginning of the term hereof, the cash rent only shall be rebated on a pro rata basis as to time, until possession can be delivered, which rebated cash rental shall be accepted by Tenant as full settlement of all damages occasioned by said delay; and if possession cannot be delivered within 15 days after the beginning of the said term either Landlord or Tenant may there upon terminate this lease by giving the other party notice of such termination.

25. Taxes and Insurance. Landlord shall pay all real estate taxes and insurance costs for the premises.

26. Right to Purchase. During the term of this lease, the Tenant, individually or collectively, shall have a right to purchase the property above described from Landlord for total purchase price of $480,600.00. If Tenant decides to elect said right to purchase, Tenant shall notify Landlord in writing on or before September 1, of the five years of this lease term, beginning with September 1, 1993. If Tenant does so elect to notify Landlord, the closing of said sale shall be completed and the entire purchase price paid in full on or before the following March 1. The election if made shall be made before September 1, 1993, 1994, 1995, 1996 or 1997. The last date to exercise said option shall be September 1, 1997. If Tenant elects to purchase the property, the sale shall be on the usual terms of farm contracts, for date of possession, abstract, and real estate taxes. It is agreed that if this lease is terminated at any time, for any reason, prior to September 1, 1997, this option to re-purchase shall terminate at the same time that the lease is terminated. The option to purchase shall terminate under any conditions on September 1, 1997.

27. Words and phrases herein, including acknowledgment hereof, shall be construed as in the singular or plural number, and as the appropriate gender, according to the context.

28. Additional Provisions. By express agreement, the following special provisions are made a part of this lease;

IN WITNESS WHEREOF, we have hereunto set our hands and seals the day and year first above written.

Myron C. Zumbach, Tenant

Paul H. Norris, Landlord

Myron L. Zumbach, Tenant

Mailing address of Tenant:
R. R. 1, Box 77
Coggon, Iowa 52218

Mailing address of Landlord:
2510 Jamestown Avenue
Independence, Iowa 50644

STATE OF IOWA)
) ss:
BUCHANAN COUNTY)

On this 3 day of February, 1993 before me, the undersigned, a Notary Public in and for said County and State personally appeared to me known to be the identical persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Arlo F. Crain, Jr
Notary Public in and for
the State of Iowa
Arlo F. Crain, Jr