THE IOWA STATE BAR ASSOCIATION
Official Form No. 135 | ISBA# 05563 | FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

FARM LEASE - CASH OR CROP SHARES

THIS LEASE ("lease") is made between Adeline A. Thomsen ("Landlord"), whose address for the purpose of this Lease is 140 Nelson Circle, Manchester, Iowa 52057, and John L. Thomsen and Karen A. Thomsen ("Tenant"), whose address for the purpose of this Lease is R.R. 1, Manchester, Iowa 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"):

The Northwest fractional Quarter (NWfr¼), and all that part of the West One-Half (W½) of the Northeast Quarter (NE¼) lying West of the railroad right of way, all in Section Thirty One (31), Township Eighty Eight (88) North, Range Five (5), West of the Fifth P.M.

and containing 166 acres, more or less, possession by Tenant to commence on March 1, 1994, and end on February 28, 1999.

2. **RENT.** Tenant agrees to pay to Landlord as rent for the Real Estate (the "Rent"): the sum of $16,000.00 per year to be paid in full after the corn has been sealed in the Fall, but in any event no later than December 31 in each year of the lease term.

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

~~XPLANTING 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 possession of 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		100%
(2) Lime and Trace Minerals		100%
(3) Weed Control Chemicals		100%
(4) Pest Control Chemicals		100%
(5) Weed Spraying, Weed or Pest		100%
(6) Other		100%

~~Fertilizer and potash on beds shall be allocated XXXXXXXX% the first year and XXXXXXXX% the second year, and on all annual crops allocated XXXXXXXX% the first year and XXXXXXXX% the second year. Lime and trace minerals shall be allocated over XXXXXXXX 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: 0 % Landlord 100 % Tenant.

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

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: 0 % Landlord 100 % Tenant

FILE No. 54-241
RECORDING FEE $ 11.00
TRANSFER FEE $
FILED FOR RECORD THE 25 DAY OF July, 1994 AT 3:11 O'CLOCK P M. BOOK 5 PAGE 32
STATE OF IOWA, DELAWARE COUNTY
Deborah L. Peyton, Recorder
Misc. CM 31

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.

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 shall deliver grain from the Real Estate to the Landlord's storage facilities upon request at reasonable times, provided Landlord has given Tenant reasonable notice of Landlord's request.~~

~~**18. LANDLORD'S STORAGE SPACE.** Landlord grants to Tenant the use of storage space in the Landlord's storage facilities for the storage of the Tenant's grain.~~

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. 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 n. States Department of Agriculture for crop production control or soil conservation shall be Landlord's option. Payments form participation in these programs shall be divided 0 % Landlord 100 % 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 for dividing and accounting for the harvested grain shall be the customary and usual method~~

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 phrases herein, including the acknowledgment, 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. ASSIGNMENT. Tenant shall not assign this Lease or sublet the Real Estate or any portion thereof.

33. ADDITIONAL PROVISIONS.

Should Tenant, John L. Thomsen, die during the term of this lease, or become so incapacitated as to be permanently unable to farm the land, this lease shall automatically terminate, without further notice, at the end of the lease year in which the death occurs or in which determination is made as to permanent incapacitation.

INDEXED IN CHATTEL MTG. INDEX

Adeline Thomsen
140 Nelson Circle
Manchester, IA 52057

54-241
DELAWARE COUNTY IOWA
FILED
94 JUL 25 PM 3 11
BOOK 5 PAGE 32
DEBORAH L. PEYTON
DELAWARE CO. RECORDER

DATED: February 24, 1994

TENANT:

John L. Thomsen

Karen A. Thomsen

LANDLORD:

Adeline A. Thomsen

STATE OF IOWA, COUNTY OF DELAWARE, ss.

On this 11th day of JULY, 1994, before me, the undersigned, a Notary Public in and for said County and said State, personally appeared Adeline A. Thomsen, John L. Thomsen, Karen A. Thomsen 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.

Mary Lou Tracey
MARY LOU TRACEY
Notary Public in the State of Iowa

[ATTACH OTHER APPROPRIATE ACKNOWLEDGMENT(S) HERE]