DELAWARE COUNTY IOWA
FILED
2002 JUN 20 AM 8:37
BK 2002 PG 376
DEBBIE BROOKOVER
DELAWARE RECORDER
29.00

Prepared By: Ray Gudenkauf 1619 310th St. Ryan, IA 52330 932-2302

This lease amd Agreement, made and entered into this 01 day of march of 2000 by and between Raymond J Gudenkauf of Delaware County, State of Iowa party of the first part, and _Dan and Sarah Gudenkauf_- of said County, party of the second part, witnesseth: That the said first party, for and in consideration of the rents to be paid on personal and real estate property, and agreements to be performed by said second party, as hereinafter specified hereby leases to said second party, the total 240 acre farming operation on the said described Real Estate, situated in Delaware County, State of Iowa, to-wit:

The Southeast Quarter (SE1/4) of Section Twenty-nine (29) , Township Eighty-seven (87) North, Range Five (5) West of the Fifth P.M.

The North one-half (N1/2) of the Northwest Quarter (NW1/ 4) of section Thirty Two (32) , Township Eighty Seven (87) North, Range Five (5), West of the Fifth P.M.

Length of lease:
for the term of ___five_years from the _First_day of __March__2000 to terminate the _First day of March___ 2005.

Section III Land Use:

The described property shall be used for agricultural purposes, using conservation practices as specified by Owner. Changes therefrom shall be made only with consent of the Owner. Operator agrees to apply minimum fertilizer and lime amounts to maintain long term soil fertility. Operator will receive no refund for fertilizer carryover at the end of this lease.

Section IV Amount and Payment of Rent:

The Annual Cash Rent shall be paid as follows:
Rental Payment : $79,140.28 per year
The rent shall be paid to Ray Gudenkauf each month with a rental payment of $4083.33 on or before the 22nd of each month.. This payment shall start March 01 of 2000 to continue each month as long as the lease is in effect thereafter. The payment of $7,535.07 will be paid quartly as long as this lease is in effect.
Beginning the end of May 2000.

V Operation and Maintenance of Farm

Owner: agrees to pay maintenance cost on electric mill, bulk bin, silage conveyors, silo unloader, bulk tank, cement feeders and waters over $100.00 on each item per occurance.
Owner agrees to provide calf condos.
Owner agrees to provide rock and gravel for farm yards.
Operator agrees to pay minor repairs and maintenance on each item up to $100.00 on buildings and equipment owned by farm owner per occurance.
Owner agrees to pay repair and maintenance costing over $100.00 on buildings and equipment he owns per each occurance.
Operator owns milker units.

Operator will comply fully with the conservation plan on file with the USDA soil conservation service.

All quarry limestone spread and paid for by operator will be considered depleted 25% each year. Any depleted limestone for which Operator has paid will be refunded by Owner at the termation of this lease. Within 45 days after limestone is applied, Operator shall furnish to Owner copies of all scale tickets.

All liquid and pell-lime will be considered depleted in the year it is applied. There will be no refund on these types of lime.

Operator agrees to pay 100% of alfalfa seed. Operator will be reimbursed for alfalfa seed paid for by him during the last year of the lease.

Section VI. Operator Duties and Conditions:

The Operator shall:

1. Operate the farm in an efficient and workmanlike manner and possess at his expense the essential farm machinery needed to operate the farm.
2. Control weeds in fields, fence rows, road ditches, building lots, and all areas of the farm by mowing or spraying with 2,4-D>
3. Protect all desirable vegetation, such as grass, field borders grass waterways, shrubs, and trees: also not to plow or otherwise distrub permanent vegetation without the consent of the Owner.
4. Keep the premises in as good condition as reasonable use will permit.
5. Perform labor necessary in making minor repairs and improvements.
6. Perform labor necessary to repair fences.
7. Remove no forage or crop residues, including straw and stalks, grown on the farm, nor sell or burn it except by written permission of the Owner.
8. Assist with erosion control and maintenance and establishment of grass waterways.
9. Incur no expense for or on account of Owner without first obtaining the Owner's consent.
10. Investigate broken or inoperative tile and report same to the Owner. Provide labor for minor repairs to broken tile and keep intakes and outlets open.
11. Comply with all insurance safety requirements or regulations to help safeguard the Owner's insurance coverage.
12. In event of damage to buildings or improvements by any natural or man-made disaster, the Operator shall notify the Owner by telephone or in writing within 24 hours.
13. The operator agrees to preserve cropland acreage bases allowed under USDA Farm Program provisions by planting, certifying, and maintaining the allowable program crops and /or set-aside acres. The Operator shall not be allowed to combine this parcel with another farm unit for government program purposes without written permission from the Conservation Service Conservation Plan, or causes the ASCS acreage base to decrease, he shall pay the Owner damages to be determined and the lease shall be null and void immediately.
14. Comply with local, state and federal laws and regulations pertaining to groundwater contamination and hazardous wastestorage or disposal. Follow label directions in the handling and application of all chemicals used on the premises.
15. Copies of all soil tests reports shall be provided to the owner.
16. Control rats and other rodents in and around buildings by baiting.
17. Reside on the farm premises.
18. Be responsible for testing each smoke detector alarm provided in the dwelling on a regular basis, replacing the battery if necessary, and notifying Owner if smoke detector is inoperable.
19. Clean out and/or pump, haul and spread on the owner's fields all manure and bedding from the livestock buildings each year and prior to the end of the lease year.

Section VII Additional Agreements:

1. Mineral Rights. The Owner reserves all right to any minerals on or underlying the farm.
2. Owner's Lien: Operator grants to the Owner a statutory LandLord's Lien. (first lien)
3. Yielding Possession: The operator agrees that, on termination of this lease, he will yield possession to the Owner without further demand or notice. Premises shall be in as good order and condition as when same were entered by the Operator. Loss by fire, tornado, forces beyond Operator's control and ordinary wear and tear are excepted. If the Operator wrongfully withholds possession of the premises after the date termination, he shall pay to the Owner the sum of $200 for each day he remains in possession thereafter as liquidated damages.
4. Removal of Portable Buildings: The operator shall have the right to remove from the farm any portable buildings which he has placed upon the farm at his own expense. Such moving must be done at the termination of the lease, unless additional time is granted in writing by Owner. The Owner shall in no way be responsible for property owned by the Operator. If such property is not removed, it shall be considered abandoned and the Operator shall claim
further interest in it, except by written agreement between Owner and Operator.
5. Release of Recovery Rights.: Each party hereby releases the other from claims for recovery for any loss or damage to any property owned by either party which is insured under valid and collectible insurance policies to the extent of any recovery collectible under such insurance. It is further agreed that waiver shall apply only when permitted by the applicable policy of insurance.
6. Environmental Provision: Operator will operate the farm in strict conformity with the provisions of the applicable environmental laws and regulations. All hazardous, toxics materials or agricultural chemicals will be transported, stored, handled, applied properly disposed of as required by law. Operator will notify the Owner immediately of any conditions on the farm that may not be in compliance with applicable laws or regulations.

SectionVIII: Compensation for Improvements:

1. Operator shall pay the real estate taxes due on buildings and equipment that are owned by Operator. If such taxes are assessed to Owner, Operator shall reimburse Owner to the extent of such real estate taxes on Operator's improvements.

Section IX. Right of Entry:

The owner reserves the right to enter the premises at any reasonable time to inspect the property, to work and make improvements as he shall deem necessary. Upon notice of lease termination, the Operator agrees to permit the Owner or his lessee or agent to enter the premises to do customary tillage and operations on any land from which the current grain crops have been harvested and on any hay ground after Nov. 1.

Section X. Transfer of Interest:

The Operator agrees not to assign or sublease any part of the premises without written consent of the Owner. The lease shall be binding upon the heirs, assigness or successors in interest of the respective parties hereto.

Section XI. Violation of Terms of Lease;

If the Operator violates the terms of this lease, the Owner shall have the right to pursue the legal and equitable remedies to which entitled.

Section XII. Limit of Liability:

The Owner makes no guarantee of the farm's productivity and assumes no liability for any condition, visible or not, which may affect the growing crops. The Operator agrees to indemnify, defend , and hold the Owner harmless against any loss or damage arising by reason of the Operator's failure to comply with the environmental and conservation compliance provisions of the lease. The Operator agrees to accept the described property as is and shall not hold the Owner responsible for any condition, visible or not, of the described property.

Section XIII. 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 attorney's fees.

Section XIV: Indemnification:

The Operator shall indemnify, defend , and hold harmless the Owner from all costs, liabilities, claims, penalties, or expenses (including reasonable attorney's fees), imposed upon or incurred by or asserted against Owner by reason Of: (a) any failure on part of Operator to perform or comply with any of the terms or the lease: (b) any enforcement or remedial actions taken by Owner in the event of a failure to perform or comply with the terms of this lease: or (c) any litigation, negotiation, or transaction in which Owner becomes involved or concerned (without Owner's fault) respecting the lease, the leased premises, or the use or occupancy thereof by the Operator.

Section XV: Other Provisions:

It is understood and agreed that this is not apartnership agreement. Neither party shall mortgage or otherwise encumber jointly owned or co-owned property, nor pledge the credit of the other party hereto for any purpose whatsoever without the consent of the other party. Other provisions to this lease agreement are listed below:

1. In the event the Operator is not renting the farm in the following year , he agrees , with Owner's approval, to disk chisel cornstalks in the Fall at $8.00 per acre with payment due the following April 1st.

It is further understood that both parties have read the terms and provisions of this lease agreement and have agreed to abide by the terms and provisions herein.

In WITNESS WHEREOF, we affix our signatures this 1st day of March 2000.

Raymond Gudenkauf

Raymond Gudenkauf

[redacted]

Social Security Number

1619-310th St

Ryan Iowa

Address

Daniel Gudenkauf

Daniel Gudenkauf

[redacted]

Social Security Number

Sarah Gudenkauf

Sarah Gudenkauf

[redacted]

Social Security Number

3277 180th Ave

Address

Ryan Ia 52330

932-2060

Telephone

Telephone

STATE OF IOWA, Delaware COUNTY, ss:

On this 30 day of January, A.D. 2002, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Raymond Gudenkauf, Daniel Gudenkauf & Sarah Gudenkauf to me known to be the person named in and who executed the foregoing instrument, and acknowledged that (he) (she) executed the same as (his) (her) voluntary act and deed.

Sharon McCrabb

Sharon McCrabb, Notary Public in and for said State.

SHARON McCRABB
Commission Number 002578
My Comm. Exp. 6-14-02

IOWA STATE BAR ASSOCIATION
Official Form No. 173
Revised February, 1989
This Printing March, 1989

(Section 558.39, Code of Iowa)

Acknowledgement: For use in case of natural persons acting in their own right