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Daneen Schindler, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

FARM LEASE – CASH

Prepared by/returned to: Michael Osweiler 3644 West Laredo St. Chandler, AZ 85226 (480) 321-7738

This Lease ("Lease") is made between MICHAEL OSWEILER AND SHARON B. OSWEILER, husband and wife, ("Landlord") whose address is for the purpose of this lease is 3644 West Laredo Street, Chandler, Arizona 85226, and Daniel F. Kunde, ("Tenant") whose address for the purpose of this lease is: 21866 182nd Avenue, Manchester, Iowa 52057.

THE PARTIES AGREE AS FOLLOWS:

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

The S1/2 NW1/4, SW1/4 NE1/4, and the N1/2 SW1/4; SE1/4 SW1/4; SW1/4 SE1/4; all in Section 12, and 10 acres in E3/4 NW1/4 NE1/4, Section 13, all of the land being located in Township 88 North, Range 4, West of the 5th P.M.

236.6	Tillable Acres @ $263.00/Acre	$62,225.80
40.3	Buildings and Pasture Acres	+ 3,500.00
276.9	Total Acres	$65,725.80

and containing 276.9 (total acres, more or less, with possession by Tenant for a term of two(2) years to commence on March 1, 2016 and end on February 28, 2018. The tenant has had or been offered an opportunity to make an independent investigation as to the acres and boundaries of the premises. In the event that possession cannot be delivered within fifteen (15) days after commencement of this Lease, Tenant may terminate this lease by giving the Landlord notice in writing.

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

a. The targeted cash rent for **Year 2016** is $263.00 per acre (Reference Paragraph 23 "CASH RENT CALCULATION") to be paid: $20,741.93 on first day of March, $3,500 on first day of September, and $41,483.87 on first day of December, or within ten (10) days after crop is harvested, whichever first occurs.

See **Paragraph 23** for additional terms and conditions for both the Year 2016 and Year 2017 rent.

All Rent is to be paid to Landlord at the address above or at such other place as Landlord may direct in writing. Rent must be in Landlord's possession on or before the due date. Participation of this farm in any offered program by the U.S Department of Agriculture or any state for crop production control or soil conservation, the observance of the terms and conditions of this program(s) and the division of the farm program payments requires Landlord's consent. Payments from participation in these programs shall be divided 0 % Landlord 100% Tenant. Governmental cost sharing for permanent soil conservation structures shall be divided 100% Landlord 0 % Tenant. Crop disaster payments shall be divided 0 % Landlord 100% Tenant.

3. LANDLORD'S LIEN AND SECURITY INTEREST. As security for all sums due or which will become due from Tenant to Landlord, Tenant hereby grants to Landlord, in addition to any statutory liens, a security interest as provided in the Iowa Uniform Commercial Code and a contractual lien in all crops produced on the premises and the proceeds and products thereof, all contract rights concerning such crops, proceeds and/or products, all proceeds of insurance

collected on account of destruction of such crops, all contract rights and U.S. government and/or state agricultural farm program payments in connection with the above described premises whether such contract right be payable in cash or in kind, including the proceeds from such rights, and any and all other personal property kept or used on the real estate that is not exempt from execution. Tenant shall sign and deliver to Landlord a UCC-1 financing statement showing the existence of this security interest. Tenant shall also sign any additional forms required to validate the security interest in government program payments.

Tenant shall not sell such crops unless Landlord agrees otherwise. Tenant shall notify Landlord of Tenant's intentions to sell crop at least three (3) business days prior to sale of the crop (with business days being described as Monday through Friday, except any Iowa or federal holidays). Tenant shall pay the full rent for the crop year in which the crop is produced, whether due or not, at the time of sale pursuant to Landlord's consent to release Landlord's security interests. Upon payment in full Landlord shall release Landlord's lien on the crop produced in that crop year on the premises. The parties agree that by the Landlord releasing the lien as to the crop in one year, the Landlord in no way releases the lien or agrees to release the lien in any prior or subsequent year.

Tenant shall sign and deliver to Landlord a list of the potential buyers of the crops upon which Landlord has been granted a security interest in this lease. Unless Landlord otherwise consents, Tenant will not sell these crops to a buyer who is not on the potential list of buyers unless Tenant pays the full rent due for the crop year to the Landlord at or prior to the date of sale. Landlord may give notice to the potential buyers of the existence of this security interest.

4. INPUT COSTS AND EXPENSES. Tenant shall prepare the Real Estate and plant such crops in a timely fashion as may be directed by Tenant. Tenant shall only be entitled to pasture or till those portions of the Real Estate designated by Landlord. All necessary machinery and equipment, as well as labor, necessary to carry out the terms of this lease shall be furnished by and at the expense of the Tenant. 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	0	100
(2) Lime and Trace Minerals	0	100
(3) Herbicides	0	100
(4) Insecticides	0	100
(5) Seed	0	100
(6) Seed Cleaning	0	100
(7) Harvesting and/or Shelling Expenses	0	100
(8) Grain Drying Expense	0	100
(9) Grain Storage expense	0	100
(10) Other	0	100

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

5. PROPER HUSBANDRY; HARVESTING OF CROPS; CARE OF SOIL, TREES, SHRUBS AND GRASS. Tenant shall farm the Real Estate in a manner consistent with good husbandry *which specifically includes prohibited use of transgenic (Genetically Modified) seed and Round-up Ready and/or products containing Glyphosate,* seek to obtain the best crop production that the soil and crop season will permit, properly care for all growing crops in a manner consistent with good husbandry, and harvest all crops on a timely basis. In the event Tenant fails to do so, Landlord reserves the right, personally or by 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. Tenant shall timely control all weeds, including noxious weeds, weeds in the fence rows, along driveways and around buildings

throughout the premises. Tenant shall comply with all terms of the conservation plan and any other required environmental plans and/or stipulations for the leased premises. 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, where applicable contour on sloping ground, and abstain from any practice that will cause damage to Real Estate.

Upon request from the Landlord, the Tenant shall by August 15 of each lease year provide the Landlord a written listing showing all crops planted, including acres of each crop planted, *validation of type of seed,* fertilizer, herbicides and insecticides applied showing the place of application, the name and address of the applicator, the type of application, and the quantity of such items applied on the lease premises during such year.

Tenant shall 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. Manure content shall not contain excess antimicrobial contaminants *that could pose a potential threat to soil enzyme and microbial disruption.* Landlord has the right to conduct laboratory tests of Tenant's applied manure at Landlord's expense. Tenant shall not remove from the Real Estate, nor burn, any straw, stalks, stubble, or similar plant material, all of which are recognized as the property of the Landlord. Tenant may use these materials, however, upon the Real Estate for the farming operations. Tenant shall protect all trees, vines, and shrubbery upon the Real Estate from injury by Tenant's cropping operation or livestock.

6. ENVIONMENTAL.

a. Landlord. To the best of Landlord's knowledge to date:

i) Neither Landlord nor, Landlord's former or present Tenants, are subject to any investigation concerning the premises by any governmental authority under any applicable federal, state or local codes, rules, and regulations pertaining to air and water quality, the handling, transportation, storage, treatment, usage, or disposal of toxic or hazardous substances, air emissions, or other environmental matters and all zoning and other land use matters.

ii) Any handling, transportation, storage, treatment, or use of toxic or hazardous substances that has occurred on the premises has been in compliance with all applicable federal, state, and local codes, rules and regulations.

iii) No leak, spill release, discharge, emission, or disposal of toxic or hazardous substances that has occurred on the premises.

iv) The soil, groundwater, and soil vapor on or under the premises is free of toxic or hazardous substances except for chemicals (including without limitation fertilizer, herbicides, insecticides) applied in conformance with good farming methods, applicable rules and regulations and the label directions of each chemical.

Landlord shall hold Tenant harmless against liability for removing solid waste disposal sites existing at the execution of this Lease, with the exception that the Tenant shall be liable for removal of solid waste sites to the extent that the Tenant created or contributed solid waste disposal site at any time.

Landlord shall assume liability and shall indemnify and hold Tenant harmless against liability or expense arising from any condition which existed, whether known or unknown, at time of execution of the Lease which is not a result of actions of the Tenant or which arises after date of execution but which is not a result of actions of the Tenant.

Landlord shall disclose in writing to Tenant the existence of any known wells, underground storage tanks, hazardous waste sites, and solid waste disposal sites. Disclosure may be provided by a properly completed groundwater hazard statement to be supplemented if changes occur.

b. Tenant. Tenant shall comply with all applicable environmental laws concerning application, storage and handling of chemicals, herbicides, insecticides and fertilizers. Tenant shall apply fertilizers and chemicals used for weed and insect control, *excluding the specific use of insecticides and herbicides that contain the chemical "Glyphosate".* Tenant shall apply chemicals for weed and insect control at levels not to exceed the manufacturer's recommendation

for the soil types involved. Farm chemicals may not be stored on the premises for more than one year. Farm chemicals for use on other properties may not be stored on this property. Chemicals stored on the premises shall be stored in clearly marked, tightly enclosed containers. No chemicals or chemical containers will be disposed of on the premises. Application of chemicals for agricultural purposes per manufacturer's recommendation shall not be construed to constitute disposal.

Tenant shall employ all means appropriate to insure that well or ground water contamination does not occur, and shall be responsible to follow all applicator's licensing requirements. Tenant shall install and maintain safety check valves for injection of any chemicals and/or fertilizers into an irrigation system (injection valve only, not main well check valve). Tenant shall properly post all fields (when posting is required) whenever chemicals are applied by ground or air. Tenant shall haul and spread all manure on appropriate fields at times and in quantities consistent with environmental protection requirements. Tenant shall not dispose of waste oil, tires, batteries, paint, other chemicals or containers anywhere on the premises. Solid waste may not be disposed of on the premises. Dead livestock may not be buried on the premises. Tenant shall not use waste oil as a means to suppress dust on any roads on or near the premises. No underground storage tanks, except human waste septic systems that meet current codes, rules, and regulations, shall be maintained on the premises.

Tenant shall immediately notify Landlord of any chemical discharge, leak, or spill which occurs on premises. Tenant shall assume liability and shall indemnify and hold Landlord harmless for any claim or violation of standards which results from Tenant's use of the premises. Tenant shall assume defense of any claim. After termination, Tenant shall remain liable for violations which occurred during the term of this Lease.

7. TERMINATION OF LEASE. This Lease shall automatically renew upon expiration with 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 second 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.

8. POSSESION 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 an amount equal to the annual cash rent with the new Tenant (this annual cash rent fee will remain in effect until possession has been relinquished) 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 when received by Tenant at commencement of this Lease, excusable or insurable loss by fire, unavoidable accidents and ordinary wear, excepted.

9. LANDLORD'S RIGHT OF ENTRY AND INSPECTION. In the event notice of termination of this Lease has been properly served, Landlord may enter Real Estate or authorize someone else to enter upon the Real Estate to conduct any normal tillage or fertilizer operation after Tenant has completed the harvesting of crops even if this is prior to the date of termination of the Lease. Landlord may enter upon the Real Estate at any reasonable time for the purpose of viewing or seeding or making repairs, or for other reasonable purposes.

10. VIOLATION OF TERMS OF LEASE. If Tenant or Landlord violates the terms of this Lease, the other may pursue legal and equitable remedies to which each 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.

11. REPAIRS. Tenant shall maintain the fences on the leased premises in good and proper repair. Landlord shall furnish necessary materials for repairs that Landlord deems necessary within a reasonable time after being notified of the need for repairs. Tenant shall haul the materials to the repair site without charge to Landlord.

12. NEW IMPROVEMENTS. All buildings, fences and improvements of every kind and nature that may be erected or established upon 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 unless the Landlord has agreed in writing prior to the erection that the Tenant may remove the improvement at the end of the Lease.

13. WELL, WINDMILL, WATER, AND SEPTIC SYSTEMS. Tenant shall maintain all well, windmill, water and septic systems on the Real Estate in good repair at Tenant's expense except damage caused by windstorm or weather. Tenant shall not be responsible for replacement or installation of well, windmill, water and septic systems on the Real Estate, beyond ordinary maintenance expenses. Landlord does not guarantee continuous or adequate supplies of water for the premises.

14. EXPENSES INCURRED WITHOUT CONCENT OF LANDLORD. No expense shall be incurred for or on account of the Landlord without first obtaining Landlord's written authorization. Tenant shall take no action that might cause a mechanic's lien to be imposed upon Real Estate.

15. NO AGENCY. Tenant is not an agent of the Landlord.

16. TELEVISION AND RADIO. Tenant may install and remove, without causing material injury to the premises, Tenant's television reception antennas, microwave dishes, and radio reception and transmission antennas.

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

18. 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 attorney fees.

19. 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.

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

22. 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, certified mail to the recipient's last known mailing address, except for the notice of termination set forth in Section 7, which shall be governed by the Code of Law.

22. ASSIGNMENT. Tenant shall not assign this Lease or sublet the Real Estate or any portion thereof without prior written authorization of Landlord.

23. CASH RENT CALCULATION. The cash rental rate applicable for the tillable acres of 236.6, more or less, for 2016 and 2017 will be calculated using the Iowa State University Ag Decision Maker, "Cash Rental Rates for Iowa State 2016 and 2017 Surveys Files C2-10 for Medium quality third", Delaware County, under "Typical Cash Rent for Corn and Soybeans". The cash rent shall not exceed $300.00 per acre and the cash rent shall not be less than $263.00 per acre, whichever is greater.

Since the Iowa State University Ag Decision Maker (ADM) Cash Rent Survey is not published/available until April/May of each year, the cash rent shall be the amount published for the prior year. When the Cash Rent Survey becomes available in April/May, the Landlord will issue a debit or credit to Tenant to reflect the published cash rent.

The total cash rent includes the following:

1. 276.9 acres of farm ground of which 236.6, more or less, is tillable.
2. Use of non-tillable ground which is pasture, buildings, two grain bins, one upright silo with feeder, fenced concrete feed lot, water supply.

   Note 1. Tenant is responsible for all electrical utility charges associated with use of the described facilities, such as power to silo, water pump. Landlord agrees to pay $25.00 per month toward utility charges for operation of security light.

   Note 2. The Lease does not include use of the grain shed or the shed east of the north grain bin. Landlord has exclusive use of these facilities to store machinery and tools.

   Note 3. Renter agrees to share driveway and staging area west of the grain bins with Landlord.

Throughout the terms of the Lease, Tenant shall perform necessary and routine maintenance and upkeep regarding the farm and improvements. Material and labor costs associated with operational functionality of buildings used by Tenant, feedlot, grain bins, silo with attached automatic cattle feeder, deep well water system, driveway to buildings and feedlot, and run-off manure management/containment will be borne by Tenant. In the event a "major" repair is required, the parties agree to discuss the situation to determine how the expense should be allocated.

Dated: March 2 2015

TENANT:

Daniel F. Kunde

Daniel F. Kunde

Dated: February 26, 2015

LANDLORD:

Michael Osweiler

Michael Osweiler

Sharon B. Osweiler

Sharon B. Osweiler

INDIVIDUAL NOTARY

STATE OF Iowa, COUNTY OF Delaware

The instrument was acknowledged before me on 4-9-15, by a Notary saw Daniel F. Kunde.

SHELIA D. SMITH
Commission Number 196196
My Comm. Exp. 5-4-16

Shelia D. Smith
Shelia D Smith, Notary Public

STATE OF ARIZONA, COUNTY OF MARICOPA

The instrument was acknowledged before me on MAY 14, 2015, by MICHAEL OSWEILER & SHARON B. OSWEILER

X Sharon B. Osweiler

X Michael Osweiler

Edmond Bardwell
Notary Public

EDMOND BARDWELL
NOTARY PUBLIC - ARIZONA
Maricopa County
My Commission Expires
December 19, 2018

CORPORATE NOTARY

STATE OF _____, COUNTY OF _____

The instrument was acknowledged before me on _____,
by _____
as _____
of _____.

_____
, Notary Public

STATE OF _____, COUNTY OF _____

The instrument was acknowledged before me on _____,
by _____
as _____
of _____.

_____
, Notary Public