

FILED NO. **001595**
BOOK **2002** PAGE **1595**
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MICKI UTSLER
RECORDER
MADISON COUNTY, IOWA
(515) 462-4912

REC \$ 20⁰⁰
AUD \$ 1⁰⁰
R.M.F. \$ 1⁰⁰

COMPUTER
RECORDED
COMPARED

Preparer Information: **JOHN E. CASPER** 223 EAST COURT AVENUE WINTERSET (515) 462-4912
Individual's Name Street Address City Phone



FARM LEASE - CASH OR CROP SHARES

SPACE ABOVE THIS LINE FOR RECORDER

THIS LEASE ("Lease") is made between MARK GROSSMAN and LYNNE M. GROSSMAN, husband and wife

2037 10TH STREET, WINTERSET, IOWA 50273 ("Landlord"), whose address for the purpose of this Lease is CHAD ALLEN, and address for the purpose of this Lease is 2336 SETTLERS TRAIL, WINTERSET, IOWA 50273 ("Tenant"), whose address for the purpose of this Lease is 1748 Ironwood Trail.

THE PARTIES AGREE AS FOLLOWS:

1. PREMISES AND TERM. Landlord leases to Tenant the following real estate situated in Madison

County, Iowa (the "Real Estate"):

The tillable crop acres upon the real estate legally described as:

The North 92.5 Acres of the West Half (1/2) of the East Half (1/2) of Section Thirty-five (35), Township Seventy-six (76) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa, except a strip of land 231 feet wide all along the north e of this tract, which is 231 feet by 1320 feet, being a 7-acre parcel of land. Also except a parcel of land running East and West 80 feet and North and South 275 feet located in the very Southeast corner of the above-described 92.5 acres;

Parcel "D" located in the Northeast Quarter (1/4) of Section Four (4), Township Seventy-five (75) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa as shown by the plat of survey which was recorded in the Madison County, Iowa Recorder's Office on May 31, 2000 in Book 3 at Page 582; and,

The West 100 acres of the North Fractional One Fourth (1/4), the Southwest Fractional Quarter (1/4) of the Northwest Quarter (1/4) the West 18 acres of the Southeast Quarter (1/4); the North Twenty (20) feet of the Northwest Fractional Quarter (1/4) of the Southwest Quarter (1/4); and the East Half (1/2) of the Southwest Quarter (1/4), all in Section Six (6), Township Seventy-four (74) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa, EXCEPTING THEREFROM Parcel "B" located the Northeast Fractional Quarter (1/4) of the Northwest Quarter (1/4) and in the Northwest Fractional Quarter (1/4) of the Northeast Quarter (1/4) of Section Six (6), Township Seventy-four (74) North, Range Twenty-seven (27) West of the 5th P.M., Madison County, Iowa, said exception containing 36.19 acres, as shown in Plat of Survey filed in Book 3, Page 545 on February 14, 2000 the Office of the Recorder of Madison County, Iowa.

and containing 250 (~~200~~) (tillable) acres, more or less, with possession by Tenant for a term of Five (5) years to commence on March 1, 2002, and end on February 28, 2007. 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. This lease excludes the pasture and timber land, CRP acres and hay ground on the above described land.

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

a. Total annual cash rent of \$ 33,125.00 payable, unless otherwise agreed, as follows:
\$ 16,562.50 on 1st day of March, ~~XXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXXXXXXXXXX~~, and \$ 16,562.50 on 1st day of November, ~~XX~~

~~XXXXXX Crop share XXXXX % of crop XXXXX % of soybeans and XXXXX % of other crops raised on the Real Estate XXX~~

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, and the division of farm program payments, requires Landlord's consent. Payments from participation in these programs shall be divided

0 % Landlord 100 % Tenant. Governmental cost-sharing payments for permanent soil conservation structures shall be divided 0 % Landlord 100 % 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 rights 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.

b. **Tenant.** Tenant shall comply with all applicable environmental laws concerning application, storage and handling of chemicals (including, without limitation, herbicides and insecticides) and fertilizers. Tenant shall apply any chemicals used for weed or insect control at levels not to exceed the manufacturer's recommendation for the soil types involved. Farm chemicals (~~may~~) (~~may not~~) be stored on the premises for more than one year. Farm chemicals for use on other properties (~~may~~) (~~may not~~) be stored on this property. Chemicals stored on the premises shall be stored in clearly marked, tightly closed 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~~) (~~may not~~) be disposed of on the premises. Dead livestock (~~may~~) (~~may not~~) be buried on the premises. If disposal of solid waste or burial of dead animals is permitted as stated in the previous two sentences, the disposal or burial shall be in compliance with all applicable environmental laws. 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 all claims, except claims resulting from Landlord's negligence, in which case each party shall be responsible for that party's defense of any claim. After termination, Tenant shall remain liable for violations which occurred during the term of this Lease.

In the absence of selection of an alternative where choices are provided in this paragraph 8b, the choice of word "may" shall be presumed unless that presumption is contrary to applicable environmental laws and regulations.

9. **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.

10. **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 \$ ~~XXXXXXXXXXXXXXX~~ 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 when received by Tenant at the commencement of this Lease, excusable or insurable loss by fire, unavoidable accidents and ordinary wear, excepted.

11. **LANDLORD'S RIGHT OF ENTRY AND INSPECTION.** In the event notice of termination of this Lease has been properly served, Landlord may enter upon the 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.

12. **VIOLATION OF TERMS OF LEASE.** If Tenant or Landlord violates the terms of this Lease, the other may pursue the 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.

13. **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.

14. **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 unless the Landlord has agreed in writing prior to the erection that the Tenant may remove the improvement at the end of the lease.

15. **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 the water for the premises.

16. **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 shall take no actions that might cause a mechanic's lien to be imposed upon the Real Estate.

17. **NO AGENCY.** Tenant is not an agent of the Landlord.

18. **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.

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

20. **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,

21. **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.

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

23. **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 9, which shall be governed by the Code of Iowa.

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

25. ADDITIONAL PROVISIONS.

Mf 7/24 promoted share CPA
The Tenant receives all offered crop program payments from the U.S. Department of Agriculture, except for the CRP payments retained by Landlord.

26. The parties further agree the Tenant shall lease the grain storage bins upon the leased premises during the lease term. The Tenant shall pay Landlord cash rent for the grain storage in the sum of \$1,200.00 per annual rental period with the rent due in full on August 31, 2001 of each year for the storage year commencing on August 31 of each year while the lease is in effect. The Tenant shall have reasonable access to the storage bins to fill, remove and maintain the grain within the bins. The Tenant shall be responsible for routine maintenance of the bin unloading equipment and the drying equipment for the bins. The Tenant accepts the storage bins in their "as is" condition.

27. After Tenants fall harvest is completed on the corn ground, the Landlord shall have the right to graze cattle on the corn stalks until March 1st.

DATED: 2-6-02

TENANT:
[Signature]

CHAD ALLEN

LANDLORD:
[Signature]

MARK GROSSMAN

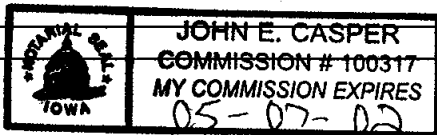
[Signature]

LYNNE M. GROSSMAN

STATE OF IOWA
COUNTY OF MADISON

This instrument was acknowledged before me on February 6, 2002

by CHAD ALLEN,



[Signature]
JOHN E. CASPER, Notary Public

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on _____

by _____

as _____

of _____

If a corporation: Said person(s) acknowledged that the corporation (has no seal) (has a seal which is affixed hereto).

_____, Notary Public

[ATTACH OTHER APPROPRIATE ACKNOWLEDGEMENT(S) HERE]

✓ Chad Allen
1966 175th Lane
Winterset