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FARM LEASE--CASH OR CROP SHARES

THIS LEASE, made and entered into this 29 day of Dec., 1997, by and between Kelly Myers, Dan Myers, Connie Myers, and Kathy Whetstone hereinafter referred to as Landlords, and Jim Algoe and Byrl Algoe hereinafter referred to as Tenants,

WITNESSETH: That Landlords, in consideration of the agreements hereinafter mentioned to be kept and performed by Tenants, do by these presents lease to Tenants the following described land, situated in Madison County, Iowa, to-wit:

The Southwest 1/4 of the Northwest 1/4 of Section 26, Township 75, Range 27 and the East 1/2 of the Northeast 1/4; the Northwest 1/4 of the Northeast 1/4; the Northeast 1/4 of the Northwest 1/4 of the Northwest 1/4; the East 1/2 of the Northwest 1/4; the Northeast 1/4 of the Southeast 1/4 of Section 27, Township 75, Range 27, Madison County, Iowa, less the property described as Parcel "A" as set out in a survey dated June 24, 1995, consisting of 3.404 Acres including road right-of-way,

and containing 257 acres, more or less, to have and to hold the same to Tenants from the 1st day of March, 1998, to the 1st day of March, 2001. And Tenants, in consideration of the leasing of the premises as above set forth, and in consideration of the promises and performances herein undertaken by the Landlords, agree with Landlords:

1. To pay as rent for the same to Landlords by and through Kelly Myers at 216 East Washington, Winterset, Iowa 50273 as follows: \$7,500.00 on December 1, 1998, \$7,500.00 on December 1, 1999, and \$7,500.00 on December 1, 2000.

2. To prepare such ground and to plant such crops as may be designated and directed by good farming operations; unless otherwise agreed, in writing.

3. Proper Husbandry. Tenants covenant 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. Tenants covenant to properly care for all growing crops in good and husbandman-like manner, and to harvest all crops in proper season, and failing to do so, Landlords may enter upon said premises, by themselves or agents, and properly care for or harvest said crops and charge the cost to Tenants, as

STATE OF IOWA, ss.
MADISON COUNTY,

Inst No 3166 Filed for Record this 26 day of February 1998 at 3:24 PM
Book 44 Page 678 Recording Fee \$ 36.00 Michelle Utsler, Recorder. By Shirley H. Hendrick Deputy

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 the Tenants. 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 March 1, 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) unless by express agreement, the parties provide the same notice at an earlier time, as follows: the parties agree that this Lease shall be terminated effective March 1, 2001. No notice shall be required for termination.

6. **Possession and Condition at End of Term.** At the expiration of the term of this lease, Tenants will yield up the possession of said premises to Landlords, and failing thus to deliver up said premises, Tenants agree to pay Landlords \$100.00 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 order and condition as when the same were entered upon by Tenants, 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 Tenants except: for businesses engaged in by tenant which are not incompatible or interfere w/tenants obligation under this lease.

8. **Care of Soil.** Tenants shall haul out and distribute upon the poorest tillable soil on said premises (except as may be otherwise directed by Landlords) all the manure and compost suitable to be used whether on said premises at the beginning of this lease or accumulated during the term thereof; and further they shall not haul or remove from said premises, nor burn any straw, stalks, stovers, stubble, or similar plant materials all of which shall be the property of the Landlords unless otherwise herein expressly agreed, but Tenants may sue the same on the premises for the farming operation.

9. **Fertilizer, Lime and Chemicals.** (a) Each shall be furnished, as required, by good husbandly, by the parties, and in the percentages, as follows:

	% Landlords	% Tenants
(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%

(b) **Allocation:** Phosphate and potash on oats or beans shall be allocated 100 % first year and 0 % second year. Lime and trace minerals shall be allocated over 5 years. If Tenants do not stay enough years to receive the full above-allocated benefits, they shall be reimbursed to the extent not received. Except as set out above, Tenants agree 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.** Such expense shall be borne by the Tenants.

10.5 **Farm Machinery and Equipment,** as necessary shall be furnished at the expense of the Tenants.

11. **Care of Trees, Shrubs, and Grass.** Tenants 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.

12. **Weed Control.** All noxious weeds shall be sprayed or otherwise timely destroyed by Tenants. Weeds in the fence rows shall be timely cut with a mower or scythe or sprayed with herbicide.

13. **Furnishing and Cleaning Seed.** Seed shall be furnished and cleaned by Tenants.

In case any sweet clover, timothy, alfalfa, or other grass crops are harvested for seed, Landlords are to receive 0 % of all seed free of expense to Landlords, but Landlords shall make reasonable adjustment on cash rent if seed is harvested from cash rent land.

14. **Landlords' Right of Entry.** Landlords reserve the right to plow the ground after Tenants has harvested the crops if notice of the termination of this lease has been properly served. Landlords, or their legal representative, may enter upon said premises for the purpose of viewing or seeding and making repairs, or other reasonable and ordinary purpose as Landlords.

15. **Removal of Grain or Produce Until Payment of Rent.** Tenants further covenant, except as arranged with, or agreed by Landlords, 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, or if Tenants 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 whatever before said rent shall be fully paid, then upon the happening of any such contingencies said rent shall immediately become due and payable and Landlords, 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 be sufficiently matured 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 expenses and costs of carrying out the provisions of this lease and the payment of said rent hereby reserved.

16. **Violation of Terms of Lease.** If Tenants shall fail to cultivate said premises as herein agreed, or shall fail to keep any of the covenants contained in this lease or shall assign this lease or underlet said premises or any part thereof without the written consent of the Landlords, then this lease shall, at the election of the Landlords, be null and void, and the Landlords, or their legal representative, shall have the right to take possession of said premises, using force as necessary with or without process of law, and all damages growing out of the failure to perform any of the covenants of this lease, shall be added to and become a part of the rent, recoverable as rent. Without limiting the generality of the foregoing, any failure to pay rent when due shall entitle the Landlords 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, Tenants.

17. **Landlords' Lien and Security Interest. Tenants' Waiver.** Tenants as to any of their 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 Landlords in the enforcement of their liens herein and in the payment of all rental as agreed. Said Landlords shall have in addition to the lien given by law, a security interest as provided in the Uniform Commercial Code of Iowa, upon all personal property owned, kept, and used on said premises by Tenants, during the term hereby agreed to be paid. Landlords may proceed at law or in equity with any remedy by law for the recovery of rent, or from termination of this lease, because of Tenants' default in its performance.

18. **Repairs.** Tenants shall keep said premises, including hedges and fences, in proper repair, provided that Landlords shall furnish necessary material, that they or their agents consider needful to repair said premises within reasonable time after being notified, and Tenants shall haul said material to said premises without charge.

19. **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 Tenants shall be deemed as additional rent and shall inure to the premises and become the property of the Landlords unless permission to erect and remove same shall be obtained in writing and made a part of this lease.

20. **Expenses Incurred Without Consent of Landlords.** No expense shall be incurred for or on account of Landlords without first obtaining his written order. As to this paragraph and as to paragraphs 21, 22, and 25, no mechanics' liens shall be imposed upon or foreclosed against the real estate described herein.

21. **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 Landlords. Division of Government payments thereunder shall be 50-50 unless otherwise agreed between these parties, as follows: Government payments thereunder shall be 100% Tenant's property.

22. **Well, Windmill, and Water System.** Tenants agree 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 Landlords for any continuous and adequate water supply.

23. **Accounting.** The method used for dividing and accounting for the harvested grain shall be a customary method and chosen by Landlords.

24. **Attorney Fees and Court Costs.** Tenants also agree to pay and discharge all costs and attorney fees of any expense that shall arise from enforcing any of the covenants of this lease by Landlords and all crops growing, or in cribs or granary on said premises shall be security for all sums due or to become due from Tenants to Landlords as evidenced by book account or note held by and originally payable to Landlords (or either, if more than one).

25. **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.

26. **Delay in Giving Possession.** If Landlords are unable with due diligence, to give Tenants 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 Tenants 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 Landlords or Tenants may thereupon terminate this lease by giving the other party notice of such termination.

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:

a. Any new fencing required by the Owner will be at the Owner's expense.

b. Any additional new fencing, waterway repair, terrace or tile work done by the tenant will be subtracted from cash rent at normal custom rates. No such work shall be done without the express written consent of the Landlords.

c. If lime is required, costs will be pro-rated over a five year period with the renter being reimbursed for any unused portion at the end of the lease. Tenants shall receive consent of the Landlords to use lime and notify the Landlords of the amount used, the type, and the actual cost.

d. Landlords hereby agree that Tenant may, for the purposes of sale or feeding farm animals owned by him, remove grain or produce raised on the premises prior to the payment of the rent due in the year of production.

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

Jim Algoe
Jim Algoe, Tenant

Byrl Algoe
Byrl Algoe, Tenant

Kelly Myers
Kelly Myers, Landlord

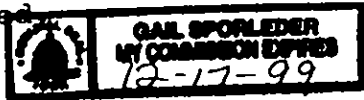
Dan Myers / Kelly Myers
Dan Myers, Landlord

Connie A. Myers
Connie Myers, Landlord

Kathy Whetstone
Kathy Whetstone, Landlord

STATE OF IOWA)
)) SS
Story COUNTY)

On 12-29, 1997, before me, the undersigned Notary Public in and for the State of Iowa, personally appeared Kathy Whetstone, to me known to be the identical persons named in and who executed the foregoing Lease, and acknowledged that they executed it as their voluntary act and deed.

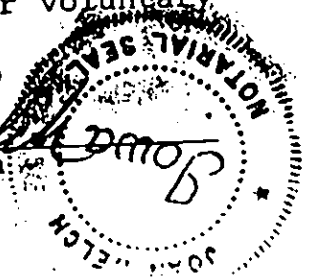


Gail Sporleder
Notary Public, Iowa

STATE OF IOWA)
)) SS
Madison COUNTY)

On December 31, 1997, before me, the undersigned Notary Public in and for the State of Iowa, personally appeared Kelly Meyers, to me known to be the identical persons named in and who executed the foregoing Lease, and acknowledged that they executed it as their voluntary act and deed.

Joan Welch
Notary Public, Iowa



STATE OF IOWA)
)) SS
Powl COUNTY)

On Jan 13th, 1997, before me, the undersigned Notary Public in and for the State of Iowa, personally appeared Connie S. Myers, to me known to be the identical persons named in and who executed the foregoing Lease, and acknowledged that they executed it as their voluntary act and deed.



Amy E. Kisch
Notary Public, Iowa