



FARM LEASE — CASH OR CROP SHARES

THIS LEASE ("Lease") is made between Gerald R. Heckman and Leona E. Heckman, husband and wife, ("Landlord"), whose address for the purpose of this Lease is _____

_____, and Glenn Heckman and Kathryn Heckman, husband and wife, as joint tenants, with full right of survivorship in the survivor and not as tenants in common, ("Tenant"), whose address for the purpose of this Lease is _____

RELEASED 7-30-04 SEE BOOK 2004 PAGE 3519

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 Southeast Quarter (SE $\frac{1}{4}$) of Section Twenty-four (24), Township Seventy-four (74) North, Range Twenty-seven (27) West of the 5th P.M. in Madison County, Iowa.

and containing 160 acres, more or less, possession by Tenant to commence on March 1, 19 90, and end on last day of February, 19 95.

2. **RENT.** Tenant agrees to pay to Landlord as rent for the Real Estate (the "Rent"): One-half of all crops harvested on said premises shall be delivered to Landlord's storage space, or nearest elevator, if so directed by Landlords.

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

3. **PLANTING 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 pasture or plow 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	50%	50%
(2) Lime and Trace Minerals	50%	50%
(3) Weed Control Chemicals	50%	50%
(4) Pest Control Chemicals	50%	50%
(5) Weed Spraying, Weed or Pest	50%	50%
(6) Other	50%	50%

Phosphate and potash on oats or beans shall be allocated _____ % the first year and _____ % the second year, and on all other crops allocated _____ % the first year and _____ % the second year. Lime and trace minerals shall be allocated over _____ 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 _____.

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: 50 % Landlord 50 % Tenant

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.

Additional Provisions of Farm Lease between Gerald R. Heckman and Leona E. Heckman as Landlords and Glenn Heckman and Kathryn Heckman, as Tenants, regarding the 160 Acres in Madison County, Iowa.

33. Landlords grant to Tenants the Right of First Refusal in regards to the purchase of the 160 Acres, described in the lease, which is attached hereto. If, at any time, either during the term of this lease or any extension thereof, or any time thereafter, Landlords sell the above described 160 Acres or any part thereof, Landlords shall give Tenants, or their survivor, notice of the proposed sale, including copies of all instruments regarding said sale and Tenants shall have 30 days after delivery of said notice, to exercise their Right of First Refusal by agreeing to, and entering into, a Contract for the purchase of the said real estate at the same price as Landlords have notified Tenants they intend to sell the said property. Notice of the proposed sale shall be made by Landlords mailing to Tenants, by Certified mail, through the U.S. Postal Department, to Tenants last known address.

34. Landlords also grant to Tenants, or their survivor, the Option to Purchase the above referred to 160 acres, from the estate of the Landlord who is last to die. Said purchase shall be at a price to be determined by an appraisal of the premises made by the Inheritance Tax appraisers for Madison County, Iowa, and if there no longer is inheritance tax appraisers, then the Court having jurisdiction over the estate of the Landlord last to die, shall appoint proper appraisers to appraise the property. After the appraisal has been completed and notice thereof given Tenants, the same as provided in paragraph #33 above, Tenants, or their survivor, shall, within 60 days, notify the legal representative for the estate of the Landlord last to die of the intention to exercise the option to purchase the property at the appraised value. In financing the said purchase from the estate of the applicable Landlord, Tenants shall have a credit for any funds or share of the estate coming to the Tenants.

35. This instrument, consisting of 3 pages, sets forth the entire agreement between the parties and is binding upon and inures to the benefit of the parties thereto and their respective heirs, devisees, executors, administrators, successors and assigns, and may be cancelled, modified, or amended, only by a written instrument executed by both of the Landlords and both of the Tenants, or their respective survivors.

G.R.H.
G.R.H.

L.E.H.
L.E.H.

G.H.
G.H.

K.H.
K.H.

FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

STATE OF IOWA, CLARKE COUNTY, ss:

On this 5 day of ~~May~~ June, A. D. 1989, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Gerald R. Heckman and Leona E. Heckman, husband and wife and Glenn Heckman and Kathryn Heckman, husband and wife

to me known to be the identical persons named in and who executed the within and foregoing instrument, to which this is attached, and acknowledged that they executed the same as their voluntary act and deed.

James H. Cothern
Notary Public in and for said County and State

