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IOWA STATE BAR ASSOCIATION
Official Form No. 14. (Revised December 6, 1971) (Trade-Mark Registered, State of Iowa, 1967)

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

# FARM LEASE—CASH OR CROP SHARES
## (FINANCING STATEMENT AND SECURITY AGREEMENT)

**THIS LEASE,** made and entered into this 30 day of Sept, A. D. 1975, by and between Raymond E. Rickets and Doris P. Rickets, husband and wife, hereinafter referred to as Landlord, and Ernest Ritter and E. & D. Farms, Inc. hereinafter referred to as Tenant,

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

All the farm crop land in the property described in Schedule "A"; attached hereto and by this reference made a part hereof.
The real estate described in Schedule "A" amounts to approximately 605 acres of which approximately 298.9 acres is farm crop land which is the subject of this lease.

and containing _____ acres, more or less, to have and to hold the same to Tenant from the 5th day of ~~January~~, 1976, to the 15th day of December, 1977. And Tenant, in consideration of the leasing of the premises as above set forth, and in consideration of the promises and performances herein undertaken by the Landlord, agrees with Landlord:

1. To pay as rent for the same to the Landlord at his residence in Winterset Madison County, Iowa, or at such other place as he may from time to time direct, as follows:

$1,000.00 on 5 January 1976
$11,000.00 on 1 March 1976
$ 8,000.00 on 1 December 1976
$12,000.00 on 1 March 1977
$ 8,000.00 on 1 December 1977

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1975 SEP 30 PM 4:48
5 pgs. MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA
Fee 10.50

2. To prepare such ground and to plant such crops as may be designated and directed by Landlord _____; unless otherwise agreed, in writing.[1]

3. **PROPER HUSBANDRY.** *Tenant covenants 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.** Tenant covenants to properly care for all growing crops in good and husbandman-like manner, and to harvest all crops in proper season, and failing so to do, Landlord may enter upon said premises, by himself or agents, and properly care for or harvest said crops and charge the cost to Tenant, as 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 Tenant.* 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: See paragraph 37 and 38

6. **POSSESSION AND CONDITION AT END OF TERM.** At the expiration of the term of this lease, Tenant will yield up the possession of said premises to Landlord, and failing thus to deliver up said premises, Tenant agrees to pay Landlord $ None 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 Tenant, 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 Tenant except: None

8. **CARE OF SOIL.** Tenant shall haul out and distribute upon the poorest tillable soil on said premises (except as may be otherwise directed by Landlord), 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 he shall not haul or remove any straw from said premises, nor burn any straw, stalks or stubble thereon. All straw shall be the property of the Landlord, unless otherwise herein expressly agreed, but Tenant may use same on premises for the farming operations.

9. **FERTILIZER, LIME AND CHEMICALS.** (a) Each shall be furnished, as required, by good husbandry, by the parties, and in the percentages, as follows:

| | % Landlord | % Tenant |
|---|---|---|
| (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 _____% *first year and* _____% second year, and on all other crops allocated _____% first year and _____% second year. Lime and trace minerals shall be allocated over 5 _____ years. If Tenant does not stay enough years to receive the full above allocated benefits, he shall be reimbursed to the extent not received. Except as set out above, 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.** Such expense shall be borne as follows By Tenant

10½. **FARM MACHINERY AND EQUIPMENT,** as necessary shall be furnished at the expense of, and by By Tenant

11. **CARE OF TREES, SHRUBS AND GRASS.** Tenant 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 Tenant. Weeds in fence rows shall by him be timely cut with a mower or scythe or sprayed with herbicide.

13. FURNISHING AND CLEANING SEED. Seed shall be furnished and cleaned as follows: By Tenant

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

14. DOWN EAR CORN. Tenant shall reimburse Landlord for one-half of the down ear corn in excess of XXXXXXXXXX bushels per acre.

15. LANDLORD'S RIGHT OF ENTRY. Landlord reserves the right to plow the ground after Tenant has harvested the crops if notice of the termination of this lease has been properly served. Landlord, or his legal representatives, may enter upon said premises for the purpose of viewing or seeding and making repairs, or other reasonable and ordinary purpose as Landlord.

16. NO REMOVAL OF GRAIN OR PRODUCE UNTIL PAYMENT OF RENT. Tenant further covenants except as arranged with, or agreed by Landlord, 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 Tenant 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 Landlord, 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 not 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 the expenses and costs of carrying out the provisions of this lease and the payment of said rent hereby reserved.

17. VIOLATION OF TERMS OF LEASE. If Tenant 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 Landlord, then this lease shall, at the election of the Landlord, be null and void, and the Landlord, or his legal representatives, shall have the right to take possession of said premises, using force as may be 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 part of the rent, recoverable as rent. Without limiting the generality of the foregoing, any failure to pay rent when due shall entitle the Landlord 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, Tenant.

18. DELIVERY OF LANDLORD'S GRAIN. Tenant without cost to Landlord, shall deliver Landlord's grain, when requested by Landlord, from time to time, to the elevator, at N/A, Iowa, or elsewhere as directed by Landlord, at no further distant point.

19. LANDLORD'S STORAGE SPACE. Landlord reserves N/A % of the crib and granary space for storage of rent share crops.

20. LANDLORD'S LIEN AND SECURITY INTEREST. TENANTS' WAIVER. Tenant as to any of his 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 Landlord in the enforcement of his liens herein and in the payment of all rental as agreed. Said Landlord 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 Tenant, during the term hereby agreed to be paid. Landlord may proceed at law or in equity with any remedy by law for the recovery of rent, or from the termination of this lease, because of Tenant's default in its performance.

21. REPAIRS. Tenant shall keep said premises, including the hedges and fences, in proper repair, provided that Landlord shall furnish necessary material, that he or his agent consider needful to repair said premises within reasonable time after being notified, and Tenant shall haul said material to said premises without charge.

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

23. EXPENSES INCURRED WITHOUT CONSENT OF LANDLORD. No expense shall be incurred for or on account of Landlord 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.

24. 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 Landlord. Division of Government payments thereunder shall be 50-50 unless otherwise agreed between these parties, as follows: _____

25. WELL, WINDMILL AND WATER SYSTEM. Tenant agrees 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 Landlord for any continuous and adequate water supply.

26. ACCOUNTING. The method used for dividing and accounting for the harvested grain shall be a customary method and chosen by Landlord.

27. ATTORNEY FEES AND COURT COSTS. Tenant also agrees to pay and discharge all costs and attorney fees or any expense that shall arise from enforcing any of the covenants of this lease by Landlord and all crops growing, or in cribs or granary on said premises shall be security for all sums due or to become due from Tenant to Landlord as evidenced by book account or note held by and originally payable to Landlord (or either, if more than one).

28. 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.

29. DELAY IN GIVING POSSESSION. If Landlord is unable with due diligence, to give Tenant 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 Tenant 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 Landlord or Tenant may thereupon terminate this lease by giving the other party notice of such termination.

30. TELEVISION. Tenant shall have the right to install and remove television antenna on said premises and shall be liable for any and all damages occasioned thereby.

31. 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.

32. ADDITIONAL PROVISIONS. By express agreement, the following special provisions are made a part of this lease:

Schedule "A" (Description of real estate) and Schedule "B" (Additional provisions) are a part of this agreement and are hereto attached and by this reference made a part hereof.

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

Ernest Ritter
Ernest Ritter
Rural Route 2, Lorimor, Iowa 50149

E. & D. Farms, Inc.
Lorimor, Iowa
By Ernest Ritter

P.D.M. Inc.
By Hollis D LaVoe Pres.

Raymond E. Rickets
Raymond E. Rickets

Doris P. Rickets
Doris P. Rickets
118 North 5th Street
Winterset, Iowa 50273

STATE OF IOWA, Madison COUNTY, ss:

On this 30 day of Sept., 1975, before me, the undersigned a Notary Public in and for said County and said State, personally appeared Raymond E. Rickets, Doris P. Rickets, husband and wife, and Ernest Ritter, to me known to be the identical persons named in and who executed the foregoing Lease, and acknowledged that they executed the same as their voluntary act and deed.

Helen L. Powers
Notary Public in and for said County and State.

NOTARIAL SEAL IOWA
HELEN L. POWERS
MY COMMISSION EXPIRES SEPTEMBER 30, 1976

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

STATE OF IOWA, Madison COUNTY, ss:

On this 30 day of September, A.D. 1975, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Hollis DeVoe and _____, to me personally known, who, being by me duly sworn, did say that ~~they~~ he are the President and _____, respectively, of said corporation executing the within and foregoing instrument **to which this is attached,** that (no seal has been procured by the said) corporation; that said instrument was signed **(and sealed)** on behalf of (the seal affixed thereto is the seal of said) said corporation by authority of its Board of Directors; and that the said Hollis DeVoe and _____ as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Helen L. Powers

Helen L. Powers, Notary Public in and for the State of Iowa.

IOWA STATE BAR ASSOCIATION
Official Form No. 12 (Trade-Mark Registered, State of Iowa, 1967)
P-1 This Printing: May 30, 1975

(Sections 558.28 and 558.29, Code of Iowa)

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

STATE OF IOWA, Madison COUNTY, ss:

On this 30 day of September, A.D. 1975, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Ernest Ritter and _____, to me personally known, who, being by me duly sworn, did say that ~~they~~ he are the President and _____, respectively, of said corporation executing the within and foregoing instrument **to which this is attached;** that (no seal has been procured by the said) corporation; that said instrument was signed **(and sealed)** on behalf of (the seal affixed thereto is the seal of said) said corporation by authority of its Board of Directors; and that the said Ernest Ritter and _____ as such officers acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

Helen L. Powers

Helen L. Powers, Notary Public in and for the State of Iowa.

IOWA STATE BAR ASSOCIATION
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(Sections 558.28 and 558.29, Code of Iowa)

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SCHEDULE "A"

All the following described real estate lies within Walnut Township in Madison County, Iowa, Township 74 North, Range 27 West of the 5th P.M.

1. The Southeast Quarter (SE¼); and the Southwest Quarter (SW¼) of the Northeast Quarter (NE¼) of Section Seven (7).

2. All that part of the East Half (E½) of the Southeast Quarter (SE¼) of Section Ten (10) lying East of the Railorad tracks except 4 acres in the Northeast Corner thereof and except the South 50 rods thereof.

3. The West Half (W½) of the Northwest Quarter (NW¼) of Section Seventeen (17),

4. The East Half (E½) of the Northeast Quarter (NE¼); and all that part of the Northeast Quarter (NE¼) of the Southeast Quarter (SE¼) lying North and West of the public highway in Section Eighteen (18).

5. The Southeast Quarter (SE¼) of the Southwest Quarter (SW¼); North 30 acres of the Southwest Quarter (SW¼) of the Southwest Quarter (SW¼); and the Southwest Quarter (SW¼) of the Southeast Quarter (SE¼) of Section Twenty (20).

6. South 50 acres of the West Half (W½) of the Southwest Quarter (SW¼); and the West Half (W½) of the Northwest Quarter (NW¼) of the Northeast Quarter (NE¼) of Section Twenty-nine (29).

SCHEDULE "B"

33. All lots, buildings, and pasture land on the real estate described in Schedule "A" is expressly reserved for Landlord's use.

34. If the pasture land on the real estate described in Schedule "A" is rented to a person not a party to this lease agreement, the Landlord shall insure that said person has adequate liability insurance to cover any crop damage for which said person might become liable.

35. Tenants shall maintain all fences on the property described in Schedule "A" at their own expense except that Landlord shall provide the fencing material.

36. Tenants shall reimburse Landlord for the cost of all labor, fuel and fertilizer incurred by the Landlord in the fall of 1975 in preparing said farm crop land for Tenants use. It is the express agreement of the parties that Landlord shall present to Tenants tickets or other written records of said expenditures by 5 January 1976. It is further agreed and understood that if Tenants fail to pay Landlord on 5 January 1976 for the expenditures enumerated in this paragraph, this entire lease agreement shall, at Landlord's option, be forfeited, terminated and become null and void. Landlord shall exercise such option to forfeit and terminate this lease agreement by providing Tenants with written Notice of such forfeiture and termination.

37. Notwithstanding any provisions of paragraph 5 hereof, the parties agree that this lease agreement shall terminate on 15 December 1977 and not on 1 March 1978; Tenants further agree and acknowledge that this written instrument constitutes Notice of Termination of their lease on 15 December 1977; Tenants further agree to waive all right to a further written Notice of Termination of this lease.

38. Notwithstanding any provisions of paragraph 5 hereof, the parties agree that this lease will not be continued after 15 December 1977. A lease of the within described premises for the crop years of 1978 and thereafter can and will only arise by further written agreement of the parties hereto.

39. It is agreed that tenants shall purchase from Landlord the following farm equipment at the price indicated:

| | | | |
|---|---|---|---|
| A. | $17,400.00 | - - | 9600 Ford Tractor complete with dual tires, cab with heater but not air conditioning (1974). |
| B. | $ 1,250.00 | - - | I.H.C. 560 plow (1971). |
| C. | $ 1,000.00 | - - | Landoll 11 foot chisel plow (1974). |
| D. | $ 750.00 | - - | Lundell 4 row stock cutter. |
| E. | $ 1,100.00 | - - | Noble 4 row cultivator with rolling shields (1974). |
| F. | $ 3,000.00 | - - | Ford 224 18 foot Tandem Wing disc with 20 inch blades. |
| | $24,500.00 | | |

It is further agreed that the total price thereof ($24,500.00) shall be paid to Landlord on 5 January 1976. If Tenants fail to pay Landlord said sum on 5 January 1976, this entire lease agreement shall, at Landlord's option, be forfeited, terminate and become null and void. Landlord shall exercise said option to forfeit and terminate this lease agreement by providing Tenants with written notice of such forfeiture and termination.

40. It is expressly agreed by all signatories hereto that P.D.M. Inc signs this lease as Guarantor of all Tenants obligations and P.D.M. Inc. promises to fulfill all Tenants obligations in the event Tenants fail to fulfill the same. It is further understood by all signatories hereto that Landlord enters into this lease agreement with Tenants only because of such guarantee of Tenants obligations by P.D.M. Inc.