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DELAWARE COUNTY IOWA
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BOOK 8 PAGE 36
DEBORAH L. PEYTON
DELAWARE CO. RECORDER
$6.00

Al Boeckenhoft
3163 182nd St.
Dyersville IA
52040

Prepared by: Eldon L. McAfee, 321 E. Walnut, Suite 200, Des Moines, Iowa 50309 515-237-1188

MANURE APPLICATION AGREEMENT

Ralph Nieman and Reva Nieman, ("Landowner") and DUCLADEL, Corp. ("Operator") agree as follows:

1. PREMISES: The legal description of the farmland owned by the Landowner is:

The SE 1/4 of Section 28, Twp 89N, Range 4 West of 5th PM, Oneida Township, Delaware County, Iowa.

containing 160 acres more or less.

A map showing the location of the livestock facilities of the operator and Landowner's land available for manure application is attached as Exhibit "A".

2. PURPOSE AND USE: Operator shall be allowed to apply animal manure to the property owned by the Landowner described above at such regular intervals as is necessary for the Operator. Operator further agrees to obtain and be responsible for the cost of all permits or licenses for manure application and comply with all local, state and federal environmental laws, as well as any conservation farm plans in the application of such animal manure. This agreement gives the Operator the right to apply animal manure to the land owned by the Landowner, but does not obligate the Operator to do so. Manure application shall be by soil injection except during times when manure application is necessary because of lack of storage but soil conditions will not allow injection or if injection is not consistent with tillage methods. During these times, application may be by surface application with no incorporation.

3. TIME, AMOUNT AND METHOD OF APPLICATION: The right of the Operator to apply animal manure on the above described property is limited to the fall following crop harvest. However, manure may be applied in the spring prior to planting of crops if weather conditions or other circumstances do not allow fall application. Application and distribution of animal manure, however, shall not interfere with the productivity, growing and harvesting of crops on the above described premises. Operator shall give the Landowner at least 48 hours notice when manure is to be applied to the premises. However, when, in the Landowner's judgment, the application equipment would damage the soil structure as a result of inclement weather, the Landowner may refuse the application until soil conditions improve.

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Operator shall notify the persons listed on attached Exhibit "B" at least 48 hours prior to applying manure to Landowner's land. [List names, addresses and telephone numbers of neighbors who Landowner and Operator agree shall be notified prior to manure application.]

Manure application shall further be limited by the amount of manure to be applied to the described premises. The amount shall mutually be agreed upon by both Parties to this agreement, based on the analysis of the soil and the analysis of the animal manure taking into account the intended farming use of the farm property by the Landowner. If the Parties are unable to mutually agree upon the amount of animal manure to be applied under this agreement, the Parties agree to submit samples of the soil from the farm and the animal manure to a reputable soil testing laboratory and to abide by the testing laboratory's recommendations as to the amount of animal manure that can be applied to the above described farm. Cost of all soil and manure testing shall be the responsibility of the Operator.

If requested by the Landowner in writing, Operator shall submit a manure management plan to Landowner, to be attached to and made part of this Agreement. The manure management plan shall include, but not be limited to, methods of manure application to be used by Operator and calculations of allowable levels of manure to be applied. The Operator will submit proposed changes in the plan to the Landowner for approval.

Nutrient applications other than the Operator's manure, including but not limited to commercial fertilizers and other manure, shall supplement and not replace the Operator's manure applications. Landowner shall not apply soil nutrients from other sources in excess of amounts allowed in Operator's manure management plan.

If manure from the livestock operation is applied via direct application with hoses or piping and not hauled, the cost of application shall be 75% the responsibility of Operator and 25% Landowner. If manure application is by hauling and not direct with hoses or piping, the cost of application shall be 50% the responsibility of Operator and 50% Landowner. Operator shall not stockpile or otherwise store manure on the land.

If manure is to be incorporated into the soil following application, such incorporation shall be the responsibility of Landowner and at Landowner's expense.

Landowner shall keep and provide Operator with records of nutrient applications other than Operator's manure, including commercial fertilizer and manure.

Pursuant to Iowa law, manure cannot be applied on cropland within 200 feet of a known sinkhole, cistern, abandoned well, unplugged agricultural drainage well, agricultural drainage well surface inlet, drinking water well, lake, farm pond, or privately owned lake (these areas are collectively referred to as "designated areas") unless the manure is injected or incorporated within 24 hours of application or the land has permanent vegetation within 50 feet of the water source (manure

cannot be applied within the 50 feet). Landowner shall note any designated area on the map attached to this Agreement. Landowner shall also advise Operator in writing of any known dangers existing on the land. Such list shall be attached to and made part of this Agreement.

Operator shall use the points noted on the attached Exhibit "A" as points of ingress and egress to apply manure.

4. CONSIDERATION: Neither party will be required to pay the other party for services to be performed under this Agreement or for manure to be provided, unless otherwise provided in this Agreement or as set forth in an attached exhibit.

5.TERM OF AGREEMENT: This agreement shall commence on the17th day of November 19 97. The terms shall be for a period of 20 year(s). This agreement shall automatically renew from year-to-year, unless either Parties gives 120 days written notice to the other Party of the desire to terminate the agreement. The agreement shall terminate prior to the scheduled termination date only if either party assigns its interest to another party without the consent of the other party or if the Operator ceases to produce livestock at the location specified after a period of 6 months.

In addition, either party may terminate this agreement upon a breach or violation of its terms by the other party. Breaches include, but are not limited to, persistent or significant soil compaction caused by Operator or the sale or transfer of the livestock facilities by Operator. Such termination shall occur only after the non-breaching party has notified the breaching party of the breach or violation and allowed the breaching party 30 days to correct the breach or violation.

6. VIOLATION OF TERMS OF AGREEMENT: If either Party violates the terms of this agreement, the other shall have the right to pursue all legal and equitable remedies to which it is entitled, in addition to any remedies provided in this agreement.

7. ASSIGNMENT: This agreement shall not be assigned by either party without the express prior written consent of the other party.

8. WARRANTY AND DISCLAIMER. There is no warranty, representation, or guarantee regarding the manure, express or implied, oral or written, including any warranty or guarantee of merchantability or fitness for a particular purpose of the manure or the quality or quantity of the manure or whether the manure, when applied pursuant to the terms of this Agreement, will be beneficial or detrimental to the land, crops or other items on the land.

9. ATTORNEY FEES AND COURT COSTS: If either Party files suit to enforce any of the terms of this agreement, the prevailing Party shall be entitled to recover court costs and reasonable attorney fees.

10. CHANGES IN AGREEMENT TERMS: The conduct of either Party by act or omission

shall not be construed as a material alteration of this agreement until such provision is reduced to writing and executed by both Parties as an Addendum to this agreement.

11. CONSTRUCTION: Words and phrases herein, including the acknowledgment, are construed as in the singular or plural and as the appropriate gender according to the context. The captions and headings of the paragraphs of this agreement are for convenience only and are not to be used to interpret or define the provisions thereof.

12. NOTICES: The notices contemplated in this agreement shall be made in writing and shall be delivered either in person or mailed by the U.S. Postal Service by registered mail return receipt requested to the recipient's last known mailing address.

13. SUCCESSORS AND ASSIGNS: This agreement shall run with Landowner's land and inure to the benefit of and be binding upon the heirs, executors, personal representatives, and successors of each party.

14. GOVERNING LAW: This agreement shall be governed by and construed in accordance with laws of the State of Iowa.

15. INDEMNIFICATION: Each party shall indemnify, defend and hold harmless the other party from all costs, losses, liabilities, claims, penalties or expenses (including reasonable attorney's fees) imposed upon or incurred by or asserted against the party by reason of: a) any failure on the part of the other party to perform or comply with any of the terms of this agreement, b) any enforcement or remedial action taken by the party in the event of a failure to perform or comply with the terms of this agreement by the other party; or c) any litigation, negotiation or transaction in which the party becomes involved or concerned (without that party's fault) respecting the agreement, the described premise or the use or occupancy thereof by the other party

Because Operator is responsible for the proper application of manure on Landowner's land, Operator agrees to hold harmless and indemnify, including reasonable attorney's fees, Landowner for (1) any nuisance, trespass, negligence, or other action brought by a third party involving unreasonable interference with that party's reasonable use and enjoyment of their land caused by the application of manure on Landowner's land; or (2) any action brought by the State of Iowa or other governmental units for environmental damage or degradation caused by the application of manure on Landowner's land.

Landowner shall be responsible for any damages, penalties or other liability for application of commercial fertilizer or nutrients other than Operator's manure in excess of amounts allowed by Operator's manure management plan or applicable law.

DUCLADEL, Corp., Operator

By: _____
Al Bockenstedt, President

By: _____
Larry Bell, Sec./Treas.

_____
Ralph Nieman, Landowner

_____
Reva Nieman, Landowner

STATE OF IOWA, COUNTY OF Dubuque ss

On this 17th day of November, 1997, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Al Bockenstedt, to me personally known, who being by me duly sworn, did say that he is the President of DUCLADEL, Corp.; that no seal had been procured by the said corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said person as such officer acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed

_____
Notary Public in and for the State of Iowa

NOTARIAL SEAL IOWA
DANIEL J. ZITEL...
MY COMMISSION EXPIRES
10/30/01

STATE OF IOWA, COUNTY OF Dubuque ss

On this 17th day of November, 1997, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Larry Bell, to me personally known, who being by me duly sworn, did say that he is the Secretary/Treasurer of DUCLADEL, Corp.; that no seal had been procured by the said corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said person as such officer acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by them voluntarily executed.

_____
Notary Public in and for the State of Iowa

NOTARIAL SEAL IOWA
DANIEL J. ZITEL...
MY COMMISSION EXPIRES
10/30/00

STATE OF IOWA, COUNTY OF Dubuque ss

On this 17th day of November, 1997, before me the undersigned, a Notary Public in and for said State, personally appeared Ralph Nieman to me known to be the identical person named in and who executed the foregoing instrument and acknowledged that he executed the same as his voluntary act and deed.

Daniel J. Zitelman
Notary Public in and for the State of Iowa

DANIEL J. ZITELMAN
MY COMMISSION EXPIRES
10/30/00

STATE OF IOWA, COUNTY OF Dubuque ss

On this 17th day of November, 1997, before me the undersigned, a Notary Public in and for said State, personally appeared REVA Nieman, to me known to be the identical person named in and who executed the foregoing instrument and acknowledged that she executed the same as her voluntary act and deed.

Daniel J. Zitelman
Notary Public in and for the State of Iowa

DANIEL J. ZITELMAN
MY COMMISSION EXPIRES
10/30/00

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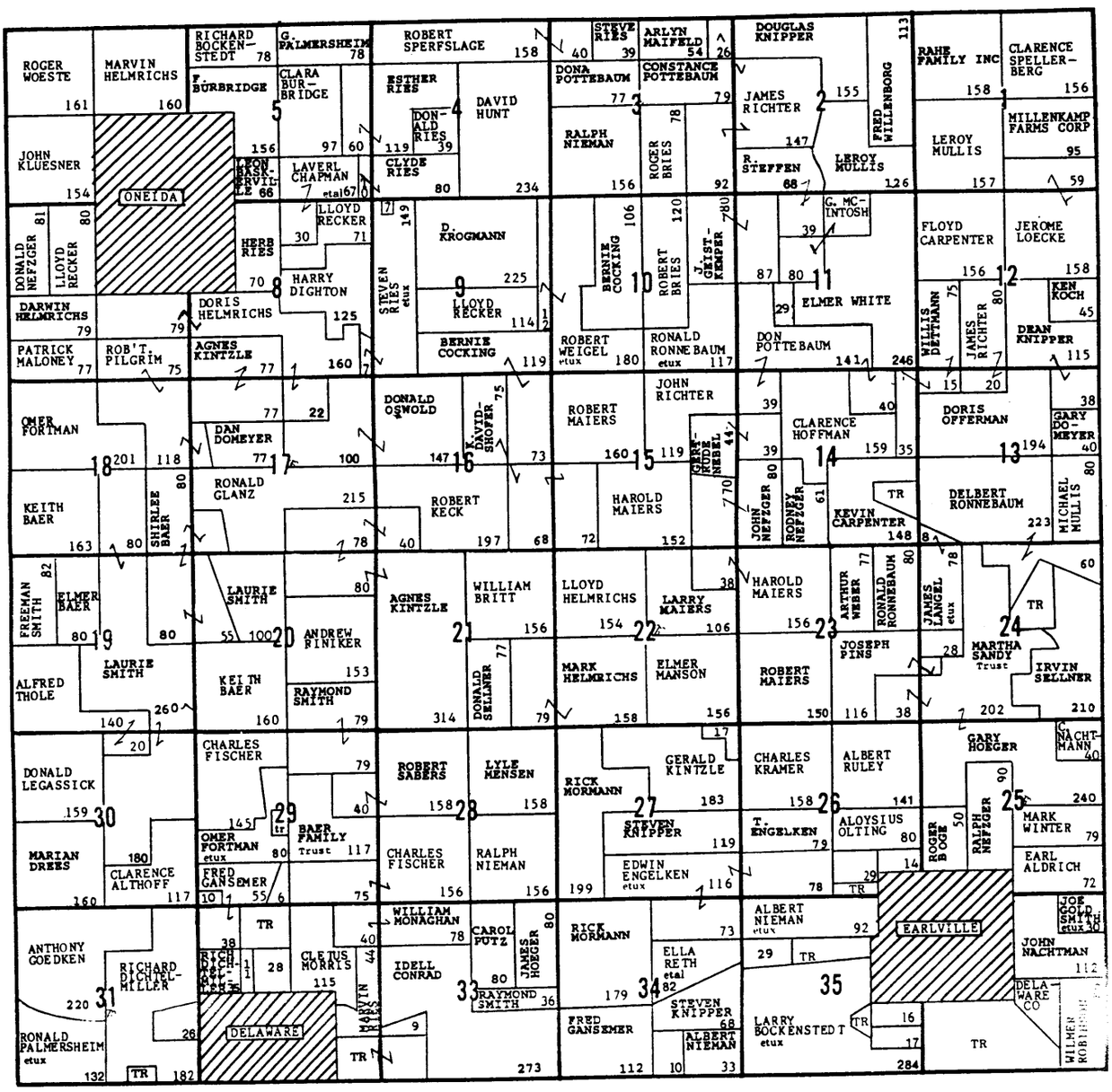
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