Farm Credit Service

DELAWARE COUNTY IOWA
FILED
2000 MR 31 PM 2:19
BOOK 2000 PAGE 1010
DEBORAH L PEYTON
DELAWARE CO. RECORDER
6.00

Prepared by: Farm Credit Services of America, 909 W. Main, Manchester, IA 319-927-3159

ASSIGNMENT OF AGREEMENT

This assignment made by Patrick Maloney and Carolyn Maloney, Assignors, to Farm Credit Services of America, PCA, Assignee.

WHEREAS, the Assignors have obtained assignment of agreements for the disposal of manure on certain real estate located in Delaware County, Iowa, from Kevin Perrinjaquet, copies of which Agreements are attached hereto as "Exhibit A"; and

WHEREAS, the Assignor, pursuant to a loan made for the purpose of purchasing a hog confinement building or buildings, has executed a promissory note in the amount of $607,500.00, payable to Assignee, and

WHEREAS, Assignor desires to assign said Agreements to Assignee as security for repayment of said loan and any other loans that may be taken in refinancing, extending, reamortizing or restructuring such indebtedness.

NOW, THEREFORE, in consideration of this loan, Assignors do hereby sell, assign, transfer and convey to Assignee, it's successors and assigns, all of their right, title and interest in, to and under said Agreements, including the right to dispose of animal waste as provided therein, as security for the payment in full of any and all past, present and future debts and liabilities of Assignors to Assignee and to facilitate the repayment of the above described note or any other note or instrument taken in refinancing, extending, reamortizing or restructuring such indebtedness or any part thereof.

Date: 3-30-2000

Patrick Maloney
Patrick Maloney, Assignor

Carolyn Maloney
Carolyn Maloney, Assignor

RON EICHHEIER
NOTARIAL SEAL

STATE OF Iowa)
) SS:
COUNTY OF Delaware)

On this 30 day of March, 2000, before me, a Notary Public, personally appeared Patrick Maloney and Carolyn Maloney, to me known to be the person(s) named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

Ron Eichheier
Notary Public

ACCEPTANCE OF NOTICE OF ASSIGNMENT

Kevin J. Perrinjaquet, hereby acknowledge receipt of a true copy of said Assignment and accept notice of the provisions thereof and agree to be bound thereby.

Dated: 3-31-2000

Kevin J. Perrinjaquet

DANIEL H. SWIFT
MY COMMISSION EXPIRES
11-01-2002

STATE OF Iowa)
) SS:
COUNTY OF Clayton)

On this 31 day of March, 2000, before me, a Notary Public, personally appeared Kevin J Perrinjaquet, to me known to be the person(s) named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

Notary Public

Prepared by Eldon L. McAfee, Beving, Swanson & Forrest, 321 E. Walnut, Suite 200, Des Moines, Iowa 50309

ASSIGNMENT OF WASTE DISPOSAL LEASE

Kevin Perrinjaquet ("Assignor"), hereby sells, assigns, transfers and sets over to Patrick C. Maloney ("Assignee"), all of Assignor's rights and interest in that certain Waste Disposal Lease Agreement between Assignor, as Operator, and Helen Annis, as Owner, dated August 4, 1997, and recorded in the Delaware County Records, Book 7, Page 97. Assignor covenants to Assignee, its successors and assigns that Assignor has good right to sell, sign and transfer the same. This is an outright assignment and is not for security purposes. Assignor makes no representations or warranties regarding the priority, validity or enforceability of the Lease. Assignor hereby quit claims to Assignee all rights Assignor acquired through said Lease. A copy of the Lease assigned herein is attached hereto as Exhibit A and incorporated by reference.

IN WITNESS WHEREOF, the undersigned has executed this Assignment this 31 day of March, 2000.

NOTARIAL SEAL IOWA — DANIEL H. SWIFT MY COMMISSION EXPIRES 11-01-2002

Kevin J. Perrinjaquet A/K/A

Kevin Perrinjaquet

Margaret Perrinjaquet

Margaret Perrinjaquet, Spouse of Kevin Perrinjaquet

STATE OF IOWA, COUNTY OF DELAWARE, SS:

On this 31 day of March, 2000, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Kevin Perrinjaquet and Margaret Perrinjaquet, spouse of Kevin Perrinjaquet, to me known to be the identical persons named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

NOTARY PUBLIC IN AND FOR THE STATE OF IOWA

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EXHIBIT A

WASTE DISPOSAL LEASE AGREEMENT

THIS IS AN AGREEMENT entered into this 4th day of August, 1997, by and between Kevin Perrenoud (hereinafter "Operator"), which operates or will operate a swine facility located at 1795 220th ave Manchester Iowa 52057 and Helen Arnio (hereinafter "Owner") with an address of 1773 150th Ave Manchester Iowa 52057

In consideration of the mutual covenants and promises herein contained, the parties agree as follows:

1. Grant of Lease. Owner does hereby grant unto Operator, its successors and assigns, a lease for a period equal to the life of the Operators Facilities, for the purpose of depositing all animal waste products excluding animals parts from livestock operations conducted on the above described premises owned or operated by Operator, together with the right of entrance and exits at convenient points for such purposes and including the right to bring and maintain all equipment for the period necessary to deposit and disseminate said animal waste products on, over, across, and through the premises now owned by Owner, which are described as follows:

The Part of Section 12, Township Coffin Grove Range T-89-N-R-6-W of the 5th P.M. —— County, Delaware County Iowa (state). Total Acres 117A.

The legal description of Operator's facility is as follows:
Part of the SE 1/4 of the SE 1/4 Section 12, T89N, R5W of the fifth P.M. Delaware County, Iowa.

2. Time of Disposal. Unless otherwise consented to be Owner, said right to enter the above-described real estate of Owner and to deposit said waste products is limited in time to the time following harvesting of the crop grown thereon by Owner, its successors and assigns, up to and not later than June 1, of the next crop year, or other dates as agreed upon by Owner and Operator.

Said Lease shall further be limited by a maximum amount of waste products to be deposited upon said real estate. The maximum amount shall be mutually agreed upon by the parties hereto based upon the analysis of the soil and an analysis of the waste products taking into account the intended farming use of the real estate by Owner, its successors and assigns. See Attachment A.

Operator shall have the right, but not the obligation to apply animal waste products to Owner's property above described. Owner guarantees Operator the right to apply a minimum of 125 pounds of nitrogen per acre along with potassium and potash each year to the property described in Section 1 of this Agreement.

If the parties are unable to mutually agree upon the maximum amount of waste to be deposited under this Agreement, then the parties agree to submit samples of soil and waste to Iowa State University, Ames, Iowa, and to abide by their recommendation as to the maximum amount of waste that can be deposited upon said real estate taking into account Owner's intended farming use of said real estate. Should Iowa State University not be able
to render said advice, then the samples shall be submitted to another credible laboratory of the parties' choice. The cost of said analysis shall be borne equally by the parties hereto.

3. Benefit. It is agreed that the Lease herein conveyed and granted shall inure to the benefit of Operator, its successors and assigns and shall pass automatically with a conveyance or transfer of possession of Operator, Owner represents that it has the full right and power to enter into the Lease granted herein.

4. No Minimum. The fact that this Agreement has been granted to Operator in no way
obligates Operator or commits Operator to deposit any waste whatsoever upon the above described land. Subject to the limitations on the maximum amount of waste, Operator its successors and assigns shall have full right to determine the amounts of waste to be deposited on said property.

5. Operator's Discontinuance of Business. In the event the Operator or its successors and assigns ceases to raise livestock on its premises for a continuous period of five (5) years, this Lease shall terminate.

6. Alternative Site. In the event Owner desires that Operator not apply animal waste to
the property described in Section 1, Owner may obtain at its sole expense an alternative site within (1) mile by established road from the closest boundary of Operator for appliation of the animal waste products in accordance with this Agreement. In the event such site is more than one (1) mile established road from the closest boundary of the Operator premises, then Owner agrees to pay all transportation costs to get the animal waste products and effuent from the Operator's premises to the site for application.

7. Covenant Running with the Land. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives and shall be deemed as a covenant running with the land.

8. Compensation. See Attachment A.

9. Future reasonable compensation will be determined by the parties each year depending on the circumstances in the local agricultural economy at the time, and if the parties are unable to mutually agree upon the reasonable compensation for any certain year, then the parties agree to submit the question to Iowa State University, Ames, Iowa and to abide by its recommendation of the fair compensation. Further, in the event Iowa State University is not able to render said advice, then each party shall select an expert and

the two (2) experts shall select a third expert, and then, the three (3) experts shall make a recommendation concerning the reasonable compensation for the year and the parties agree
to abide by said recommendation. Finally, if the three(3) experts cannot agree, then the reasonable compensation for the year shall be the average of the three(3) expert opinions.

See Attachment A for additional agreements.

IN WITNESS WHEREOF, the parties hereto have executed this Waste Disposal Lease Agreement the year and date first above written.

OPERATOR

STATE OF Iowa

COUNTY OF Delaware

The foregoing was acknowledged before me this 4th day of August 1997, by Kevin Pennington to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free
act and deed.

Richard H Hood
Notary Public

OWNER
Helen Annis By
Patrick C. Maloney P.O.A.

STATE OF IOWA Iowa
COUNTY OF Delaware

The foregoing was acknowledged before me this 4th day of August 1997, by Helen Annis Patrick C Maloney P.O.A. to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Richard H Hood
Notary Public

ATTACHMENT A
TO MANURE DISPOSAL LEASE AGREEMENT

1. Lessee agrees to indemnify and hold harmless Lessor from any claims for injury to property owned or operated on Lessor's land by the Lessee and from any damage to property or persons, including employees of the Lessee, that may result from Lessee's use of Lessor's property.

2. Lessee further agrees to pay within thirty (30) days after demand is made by the Lessor for any damages Lessee may have caused to Lessor's property.

3. Lessee further agrees to hold harmless Lessor from any claims,civil or criminal, arising from any claims by local,State, or Federal Governments of Violations of any laws, rules,or regulations caused by Lessee or his employees caused by the hauling or spreading of manure on the leased premises.

4. Lessee agrees to put maximum of _____gallons per acre unless Lessor requests Lessee to apply more.

5. Lessee agrees to sample each building's pit and supply Lessor with the nutrient analysis of said manure.

6. Lessor will have decision making in regard to the following options:
   A. Lessee will apply the manure to Lessor's ground at the cost of_____ gallons per acre paid by Lessor or_____ gallons per acre paid by Lessor.

   B. Lessee will provide a chopper pump at no cost to Lessor, Lessor will provide labor, tractor, applicator unit and any additional pumps needed.

   C. Lessor will apply waste at his own expense.

   Above dollar figures will be adjusted utilizing the Consumer Price Index (CPI) for each new year utilizing the previous years CPI rate. i.e., (1997 rate will be in example A. $24.00 x CPI% = _____$24.00 + Ex. A. = new year price.)

OPERATOR

OWNER

Helen Annis By
Patrick C. Malony P. O. A.