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DELAWARE COUNTY IOWA
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DELAWARE CO RECORDER
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Prepared by: Margaret Perrinjaquet, P.O. BOx 400, Edgewood, IA 52042

WASTE DISPOSAL LEASE AGREEMENT

THIS IS AN AGREEMENT entered into this 12 day of May, 2002, by and between Kevin Perrinjaquet and Margaret Perrinjaquet, husband and wife, (hereinafter "Operator"), who operate or will operate a swine facility located at the Southwest Quarter (SW ¼) of the Northwest Quarter (NW ¼) of Section 10 of Coffins Grove Township, Delaware County, Iowa; and Daniel E. Lahr and Jacqueline B. Lahr, husband and wife and Craig W. Francois and Diane M. Francois, husband and wife (hereinafter "Owners") with and address of 912 Evergreen Drive, Manchester, Iowa 52057.

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

1. Grant of Lease . Owners do hereby grant unto Operator a lease for a period of twelve (12) years from and after the date hereof for the purposes of depositing animal waste products, excluding animals and animal parts, from livestock operations conducted by Operator, together with the right of ingress and egress 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 owned by Owners, which are described as follows:

See Attached Legal Description

2. Time of Disposal . Unless otherwise consented to by the Owners, said right to enter the above described real estate of Owners to deposit said waste products is limited in time to the time following harvesting of the crop grown thereon by Owners, its tenants, agents, successors and assigns, up to and not later than April 1st of the next crop year, or other dates as agreed upon by Owners 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 to be applied shall be that amount based upon analysis of the soil and analysis of the waste products taking into account the intended farming use of the real estate by Owners, their heirs, successors and assigns. Operator shall have the right, but not obligation, to apply animal waste products to Owner's property above described at a rate not to exceed the nutrient uptake requirement of the crop. Owners guarantee Operator the right to apply a minimum of 125 pounds of nitrogen per acre along with phosphorous and potash each year to the property described in Section 1 of this Agreement. The operator agrees to feed phytase or equal to help keep the waste product in balance.

If the parties are unable to agree as to the maximum amount of waste products to be applied to the soil then they shall submit samples of the soil and waste to the 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. Manner of Disposal . All waste products to be deposited on the premises described herein shall be knifed in by the Operator or the Operator's agent and no said animal waste products shall be deposited on top of the ground. No waste products shall be deposited within 750 feet of any residence.

4. 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 of transfer of possession of Operator. Owner represents that it has the full right and power to enter into the Lease granted herein.

5. No Minimum . The fact that this agreement has been granted to the 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 shall have full right to determine the amounts of waste to be deposited on said property.

6. Operators Discontinuance of Business . In the event that Operator discontinues raising livestock for a period of twenty four (24) consecutive months or if Operator shall fail to apply any waste products to the premises for a period of twenty four (24) consecutive months then Owners, at their option, may void this agreement by giving written notice to the Operator.

7. Alternative Site . In the event Owners desire that Operator not apply animal waste to the property described in Section 1, Owners may obtain, at their sole expense, an alternative site within one mile by established road from the closet boundary of Operator for application of the animal waste products in accordance with this agreement. In the event such site is more than one mile by established road from the closest boundary of the Operator's premises, then Owners agree to pay all transportation costs to get the animal waste products and effluent from the Operator's premises to the site for application.

8. 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 subject however, to the twelve year term as contained in paragraph 1.

9. Compensation . Owners their successor and assigns, agree to pay Operator reasonable compensation for the cost of spreading and applying the animal waste products herein before described.

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 questions 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. 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 three (3) experts cannot agree, then the reasonable compensation for the year shall be the average of the three (3) expert's opinions.

10. Default . In the event that Operator shall default on any terms of this lease which said default is not cured within thirty (30) days of written notice thereof by the Owners to the Operator, then the Owners, at their option, may void this lease and the same shall then be of no further force and effect.

11. Law Violations . In the event that Operator shall in any way apply manure to the premises that violates any state, federal or local law or ordinance, Operator agrees to pay any and all damages caused by said violation. In addition, the said violation shall be considered a default under the lease and shall allow the Owners to void the lease as provided for in paragraph 9 of this agreement.

This agreement is made specifically subject to Exhibit "A" and the provisions contained herein and the parties hereto agree to be bound by the provisions contained in said Exhibit "A".

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

OPERATOR

Kevin Perinjaquet

Margaret Perrinjaquet

OWNERS

Daniel E. Lahr

Jacqueline B. Lahr

Craig W. Francois

Diane M. Francois

STATE OF IOWA)
) ss:
COUNTY OF DELAWARE)

The foregoing was acknowledged before me this 12 day of May, 2002, by Daniel E. Lahr and Jacqueline B. Lahr, husband and wife, to be known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Richard H. Hood
COMMISSION NUMBER 186957
MY COMMISSION EXPIRES
October 10, 2002

Notary Public in and for the State of Iowa

STATE OF Iowa)
) ss:
COUNTY OF Delaware)

The foregoing was acknowledged before me this 12 day of May, 2002, by Craig W. Francois and Diane M. Francois, husband and wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Richard H. Hood
COMMISSION NUMBER 186957
MY COMMISSION EXPIRES
October 10, 2002

Richard H Hood
Notary Public in and for the State of Iowa

STATE OF IOWA)
) ss:
COUNTY OF DELAWARE)

The foregoing was acknowledged before me this 14 day of May, 2002, by Kevin Perrinjaquet and Margaret Perrinjaquet, husband and wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Richard H. Hood
COMMISSION NUMBER 186957
MY COMMISSION EXPIRES
October 10, 2002

Richard H. Hood
Notary Public in and for the Sate of Iowa

EXHIBIT "A"

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

The Operator further agrees to pay within thirty (30) days after demand is made by the Owners for any damages the Operator may have caused to the Owners' property.

The Operator further agrees to hold harmless the Owners from any claims, civil or criminal, arising from any claim by local, state or federal governments of violations of any laws, rules, or regulations caused by the Operator or his employees caused by the hauling or spreading of manure on leased premises.

The Operator agrees to put maximum allowed under operation's management manure plan under DNR per acre unless the Owners request the Operator to apply more.

The Operator agrees to sample each building's pit and supply the Owners with the nutrient analysis of said manure.

OPERATOR:

Kevin Perrinjaquet

Margaret Perrinjaquet

OWNERS;

Daniel E. Lahr

Jacqueline B. Lahr

Craig W. Francois

Diane M. Francois

LEGAL DESCRIPTION OF OWNER'S PROPERTY

A. Approximately 170 tillable acres located at:

Lots 2, 3, and 4 of the Plat of Survey of Francois Family Subdivision, a Subdivision of the Northeast Quarter (NE¼) and the Southeast Quarter (SE¼) of Section Twenty Two (22) and the Southwest Quarter (SW¼) of Section Twenty Three (23), all in Township Eighty Nine (89) North, Range Six (6), West of the 5th P.M. in Delaware County, Iowa, according to plat recorded in Book 2002, Page 234 of the records of the Delaware County Recorder.

AND

Southeast Quarter (SE¼) of the Southeast Quarter (SE¼) of Section Fifteen (15), Township Eighty Nine (89) North, Range Six (6), West of the 5th P.M. in Delaware County, Iowa.

AND

That part of the North one-half (N½) of the Northeast Quarter (NE1.4) of Section Twenty Seven (27) lying East of the road, except commencing at a point three hundred forty six (346) feet South of the Northeast corner of said Section Twenty Seven (27), and running thence South 80 degrees 56 feet West four hundred forty one (441) feet, thence South 34 degrees 52 feet West a distance of three hundred forty seven (347) feet, thence North 85 degrees 10 feet West a distance of two hundred twenty six (226) feet, thence South 69 degrees 23 feet West a distance of five hundred seventy three (573) feet, thence South 31 degrees 05 feet East a distance of three hundred (300) feet, thence South 53 degrees 14 feet East a distance of three hundred (300) feet to the South line of the Northeast Quarter (NE¼) of the Northeast Quarter (NE¼) of said Section Twenty Seven (27), thence East along said South line a distance of one thousand eighty five (1085) feet to the Southeast corner of said Northeast Quarter (NE¼) of the Northeast Quarter (NE¼), thence North along the East line of said Section Twenty Seven (27) a distance of nine hundred eighty five (985) feet to the point of beginning.

AND

B. Approximately 170 tillable acres located at:

The Southwest Quarter (SW¼) of the Northeast Quarter (NE¼) and the Southeast Quarter (SE¼) of the Northwest Quarter (NW¼) and the East one-half (E½) of the Southwest Quarter (SW¼) and the Southwest Quarter (SW¼) of the Southeast Quarter (SE¼) of Section Twenty One (21), Township Eighty Nine (89) North, Range Six (6), West of the Fifth P.M., also Parcel M, part of the E 1/3 - N 3/8 of the NW ¼, Section 28, T89N, R6W of the Fifth P.M., Delaware County, Iowa, according plat recorded in Book 2001, Page 287; except the East one hundred sixty five (165) feet of the Southwest Quarter (SW¼) of the Southeast Quarter (SE¼) of said Section Twenty One (21) and also except that part included in Parcel L, part of the SW¼ - SE¼, Section 21 & part of the E1/3 - N3/8 of the NW1.4, Section 28, all in T89N, R6W of the Fifth P.M., Delaware County, Iowa, according to plat recorded in Book 2001, Page 287.