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MICHELLE UGLEN
RECORDER
MADISON COUNTY, IOWA

REC \$ 35.00
AUD \$ _____
R.M.F. \$ 1.00

THIS INSTRUMENT WAS DRAFTED BY:
Home Federal Savings Bank
P.O. Box 400
Hartford, SD 57003
605-528-7428

Rev 8-97 (Easown)
Owner

EASEMENT TO APPLY AGRICULTURAL WASTE

FOR ASSIGNMENT SEE
DEED RECORD 137 PAGE 833
4-17-98

THIS AGREEMENT is made this 20 day of **August**, 1997, between **Alan V. Anthony and Nancy J. Anthony** Husband and Wife ("GRANTORS"), whose principal place of business is **2721 Deer Run Ave., Macksburg** in the State of **Iowa**; and **Home Federal Savings Bank**, a South Dakota corporation ("GRANTEE"), whose address is **202 W. Highway 38, PO Box 400, Hartford, SD 57033**;

WHEREAS, GRANTORS are the owners of certain real property located in the County of **Madison**, State of **Iowa**, described as **Tract I** on the attached **Exhibit A**; and

WHEREAS, GRANTEE has agreed to provide financing to GRANTORS for construction of **Hog Nursery Facilities** to be located on certain real property located in the County of **Madison**, State of **Iowa**, and located on **Tract II**, described on attached **Exhibit A**; and

WHEREAS, GRANTEE is unwilling to make the loan to GRANTORS for financing construction of the above-described facilities without GRANTORS' granting, for security purposes, to GRANTEE, an easement to apply agricultural waste on **Tract I**; and

NOW, THEREFORE, in consideration of the premises and of the mutual covenants, conditions and agreements contained herein, the parties hereby agree as follows:

1.0 Grant of Easement.

GRANTORS hereby grant, convey and transfer to GRANTEE a continuing easement to apply livestock waste on Tract I, described on attached Exhibit A, all in accordance with the terms of this easement.

2.0 Security Easement.

In the event of any default by GRANTORS under the terms of the Loan Agreement dated 20th day of **August**, 1997, and all Promissory Notes, Mortgages, Security Agreements and other agreements executed in conjunction therewith, this easement shall become operational and enforceable by GRANTEE for the benefit of GRANTEE, its agents, representatives, employees, successors and assigns. Upon payment of all indebtedness owed GRANTEE, and upon full performance of the Loan Agreement, Promissory Notes, Mortgage, Security Agreements and all other agreements between GRANTORS and GRANTEE, all rights granted to GRANTEE hereunder shall be released. However, in the event of any default by GRANTORS, the easement granted herein shall be deemed perpetual in duration and shall constitute a covenant running with the land for the benefit of GRANTEE, its agents, representatives, employees, successors and assigns. It is the intent of GRANTORS and GRANTEE that this easement shall be deemed fully binding and enforceable and a covenant running with the land from the date hereof.

3.0 Grant of Right to Apply Manure and effluent.

GRANTEE, its agents, representatives, employees, independent contractors, successors and assigns shall have a right to enter onto Tract I, described on attached Exhibit A, for purposes of applying livestock waste at a rate not in excess of those provided for by the regulations promulgated by the State of Iowa.

4.0 Time of Application.

Application shall be permitted after crops are harvested in any calendar year during the term of this easement and up until the time of planting the following spring. Also,

application shall be permitted while crops are growing, so long as such application does not damage said crops.

5.0 Spring Application.

It is anticipated that spring applications will be permitted. GRANTEE, its successors and assigns shall use reasonable efforts to apply the waste in spring in such a fashion as to avoid soil compaction in the event wet soil conditions are present after preparation has begun for crop planting. However, nothing herein shall be construed as preventing or prohibiting GRANTEE, its successors and assigns from applying the livestock waste in the spring prior to crop planting, during the crop growing season, provided crops are not damaged or destroyed, and in the fall following crop harvest.

6.0 Term of Agreement.

This Agreement shall remain continuously in effect and enforceable at all times that GRANTORS are indebted to GRANTEE. In the event of a default by GRANTORS on any indebtedness owed by GRANTORS to GRANTEE, including, but not limited to, a default under the Loan Agreement, Promissory Notes, Mortgage, Security Agreements and any other agreements with GRANTEE, this easement shall be deemed perpetual in nature and shall continue to be a covenant running with the land.

7.0 Method of Application.

Any manure and effluent spread on Tract I, described on attached Exhibit A, shall be applied in accordance with the following provisions:

- A. Any and all application of manure and effluent or other waste shall be done in a good and husbandlike manner, taking into account weather conditions, soil conditions and time of year, also as to reduce any odor that might emanate from such manure and effluent application.
- B. That the application of such manure and effluent and other waste shall be done in conformance with Iowa

pollution control, **Madison** County zoning and in accordance with all other applicable statutes, rules and regulations relating to such acts and practices.

8.0 Covenant Running with the Land.

The easement hereby granted, the restrictions hereby imposed and the agreements herein contained shall be easements, restrictions and covenants running with the land and shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, successors and assigns.

9.0 Entire Agreement.

This Agreement represents the total and complete agreement of the parties.

10.0 Notice.

All notices under this Agreement shall be in writing and delivered personally or mailed, postage pre-paid, addressed to the parties at their last known address.

11.0 Non-Waiver.

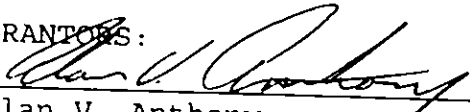
Failure by either party to exercise any right under this Agreement and no partial single exercise of that right shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

12.0 Cost of Application.

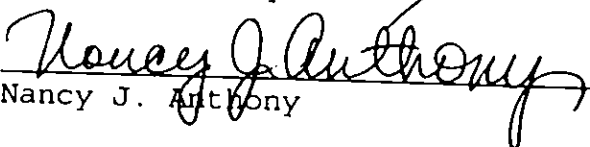
GRANTORS shall pay all costs for applying the manure and effluent on its property, including charges and fees by custom applicators. If GRANTEE applies the waste, GRANTORS shall pay GRANTEE the costs for application, which shall be based on the market rate in the industry for custom applicators. GRANTORS shall pay such costs in a timely manner, and when the application is by someone other than GRANTEE, GRANTORS shall indemnify and hold GRANTEE harmless from any application costs or fees.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first indicated above.

GRANTORS:

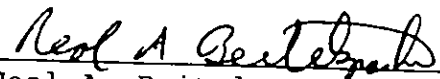


Alan V. Anthony



Nancy J. Anthony

GRANTEE: Home Federal Savings Bank

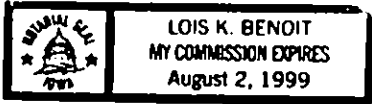


Neal A. Beitelspacher
Its: Senior Banker

STATE OF Iowa)
 :ss
COUNTY OF Union)

On this, the 20th day of **August**, 1997, before me, the undersigned officer, personally appeared **Alan V. Anthony** and **Nancy J. Anthony**, Husband and Wife, known to me or satisfactorily proven to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



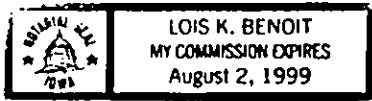
Lois K. Benoit

Notary Public, _____;
My Commission expires: _____

STATE OF _____)
 :ss
COUNTY OF _____)

On this, the 20th day of **August**, 1997, before me, the undersigned officer, personally appeared **Neal A. Beitelspacher**, who acknowledged himself to be a **Senior Banker** of **Home Federal Savings Bank**, and that he, as such **Senior Banker**, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the **Home Federal Savings Bank** by himself as such **Senior Banker**.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Lois K. Benoit

Notary Public, _____;
My Commission expires: _____

Exhibit A

Tract 1

NE1/4 of Section 33, T75N, R29W all of the 5th P.M., Madison County, Iowa.

The above-described containing 80 acres more or less subject to easements now of record in said county and state.

Tract 2

Madison COUNTY (Hog Nursery FACILITY)

Parcel 'A' in the SE corner of the NE 1/4 of Section 33, T75N, R29W of 5TH P.M., Madison County, Iowa, and more particularly described as follows, beginning at the E1/4 corner of said Section 33, Thence South 89 degrees, 47 minutes, 58 seconds, West 660.00 feet along the South line of said NE 1/4; thence North 660.00 feet; Thence North 89 degrees, 47 minutes, 58 seconds East 660.00 feet to the East line of said NE 1/4; Thence South 660.00 feet to the to point of beginning.

The above-described containing 10 acres more or less subject to easements now of record in said county and state.