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MADISON COUNTY IOWA

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MANURE EASEMENT AGREEMENT

Recorder's Cover Sheet

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Grantors:

Donald and Patty J. Schulz
1192 280th Street
Macksburg, Iowa 50155

Grantee:

CW Farms, LLC
3782 9th Street SW, Suite 2
Mason City, Iowa 50401

Legal Description: See Exhibit "A" attached to the Manure Easement Agreement.

Document or instrument number if applicable: Not Applicable.

MANURE EASEMENT AGREEMENT

THIS MANURE EASEMENT AGREEMENT ("Agreement"), entered into the 31st day of August, 2011, between Donald R. Schulz and Patty J. Schulz, husband and wife, both residents of the State of Iowa ("**Grantor**"), and CW Farms, LLC, an Iowa limited liability company ("**Grantee**").

WHEREAS, **Grantee** desires to apply hog manure from **Grantee's** hog confinement facility located or to be located in the NW (1/4) of Section 33, Township 75N, Range 29W of the 5th P.M., Madison County, Iowa (the "**Hog Farm**") on certain property of **Grantor**, the legal description of which has been attached hereto as Exhibit "A" ("**Grantor's Land**") and **Grantor** desires to grant an easement to **Grantee** for the purpose of applying manure to **Grantor's Land**, pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. **Easement**. **Grantor** hereby grants, bargains and conveys to **Grantee** an easement over, across and on **Grantor's Land** for the purpose of applying such manure in such amounts and at such times as provided in this Agreement, including the right to ingress and egress onto **Grantor's Land**. The easement provided herein for the right to apply manure to the **Grantor's Land** shall run with the land and bind all future titleholders to **Grantor's Land**.

2. **Term and Termination**. This Agreement shall commence upon **Grantee** obtaining fee simple title to the **Hog Farm** and shall continue in full force and effect for an initial term of ten (10) years from such date and shall continue thereafter for so long as the **Hog Farm** remains in operation. At the end of the initial term (and any renewal term) this Agreement shall automatically renew for an additional one (1) year period unless either party has notified the other in writing at least twenty-four (12) months prior to the end of the then-expiring term that such party elects to not renew this Agreement. Notwithstanding any of the foregoing, in the event that **Grantee** does not obtain fee simple title to the **Hog Farm**, this Agreement shall be null and void and have no force or effect. This Agreement may not be otherwise terminated except by written agreement, signed by the parties hereto, their successors, assigns or personal representatives.

3. **Testing**. **Grantee** agrees to test the manure to be applied to **Grantor's Land** for nitrogen, phosphorus and potassium consistent with customary practice and, upon request, to provide to **Grantor** a summary of the approximate amounts of such nutrients applied to **Grantor's Land** as a result of any manure application under this Agreement. **Grantor** grants **Grantee** access to **Grantor's Land** at all reasonable times during the term of this Agreement for the purpose of soil testing as may be required by federal or state law or rule.

4. **Timing of Manure Application**. **Grantor** specifically agrees that **Grantee** may apply manure on **Grantor's Land** at such time and frequency as **Grantee** may reasonably determine. **Grantee** agrees that if crops are raised on **Grantor's Land**, **Grantee** will not apply manure on **Grantor's Land** during the period commencing with planting of the crop and ending at harvest of the crop. **Grantor** further agrees that if during the period of this Agreement, it is determined by an independent source (e.g., ISU Extension) that a buildup of nutrients or trace elements has occurred which has become significantly detrimental to crop production, **Grantee** will suspend the spreading of manure until the buildup has been reduced to levels not significantly detrimental to crop production; however, such suspension will not result in a termination of this Agreement.

5. **Application of Manure.** Grantee shall provide for all applications of manure to Grantor's Land, whether by Grantee or by third parties hired by Grantee. If allowable under applicable law and rules, Grantee agrees to utilize Grantor's actual crop yields for purposes of determining manure application rates to Grantor's Land, provided that Grantor timely provides to Grantee sufficient information to use such actual yields as required by the rules of the Iowa Department of Natural Resources. Grantee agrees to take reasonable precautions to avoid excessive compaction and rutting of Grantor's Land as a result of Grantee's manure application activities. All environmental and conservation credits, including carbon sequestration or similar credits or benefits, which are associated with the application of manure as provided in this Agreement shall be the sole property of Grantee.

6. **Warranties of Grantor.** Grantor warrants that Grantor has title to and the unrestricted right to convey an easement in the Grantor's Land for the purpose of applying manure. Grantor waives all rights of dower, homestead and distributive share in and to Grantor's Land. Grantor agrees not to apply additional fertilizer to Grantor's Land if such application, when combined with the manure applied to Grantor's Land under this Agreement, would exceed the optimal fertilization for the crops grown on Grantor's Land or would cause Grantee to not be in compliance with Grantee's required nutrient or manure management plan(s).

7. **Binding Effect.** This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective successors, assigns and personal representatives.

8. **Limitation of Liability.** The parties hereto agree that no agent or employee of one party is an agent or employee of the other, and that any liability arising from the actions or negligence of an agent or employee of a party hereto shall be such party's sole responsibility.

9. **Waiver.** The failure of any party hereto to insist in any one or more instances upon performance of any term or condition of this Agreement shall not be construed as a waiver of future performance of any such term, covenant or condition, but the obligation of such party with respect thereto shall continue in full force and effect.

10. **Governing Law.** This Agreement shall be construed and governed in accordance with the laws of the State of Iowa.

11. **Entire Agreement.** This Agreement constitutes the entire agreement and understanding between the parties and supersedes all earlier agreements or understandings, written or oral. No amendment to this Agreement shall be effective unless it is in writing and signed by both parties and/or their respective heirs, successors, and assigns. If any provision of this Agreement is held invalid, the remaining provisions of this Agreement shall remain in full force and effect as if that invalid provision had not been included in this Agreement. Words and phrases herein shall be construed as in the singular or plural number, and as masculine, feminine or neutered gender according to the context.

12. **Grantor's Spouse.** In the event that Grantor's spouse is not a title holder of Grantor's Land, said spouse executes this Agreement for the sole purpose of waiving and relinquishing any rights of dower, homestead and distributive share.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

Exhibit "A"

Grantor's Land – Legal Description

Parcel 1. N ½ of Sec 5 Grand River Plat, Madison County, Iowa; T-74-N, R-29-W; comprising 307 acres:

The North half (1/2) of Section Five (5), except the West 440 feet of the North 330 feet of the Northwest Fractional Quarter (1/4) of the Northwest Quarter, all in Section Five (5) in Township Seventy-four (74) North, Range Twenty-nine (29) West of the 5th P.M., Madison County, Iowa

Parcel 2. Sec 25 Grand River Plat, Adair County, Iowa

The East Half of the Northwest Quarter (E1/2 NW1/4); the North Half of the Southwest Quarter of the Northeast Quarter (N1/2 SW1/4 NE1/4); and a tract of land described as commencing at the NE corner of NW1/4 NW1/4 of Section Twenty-five (25), Township Seventy-five (75) North, Range Thirty (30) West of the 5th P.M., thence South 48 rods, thence in a Northwesterly direction about 13 rods, thence due North to the Section line, thence East 175 feet to the place of beginning, except a tract of land in the SE1/4 NW1/4 of said Section 25 described as commencing at the NW corner of the SE1/4 NW1/4 of said Section 25, thence S 00°00'00" 160.55 feet along the West line of said SE1/4 NW1/4 to the point of beginning, thence S 33°16'18" E 455.48 feet, thence S 04°39'29"E 430.51 feet, thence S 02°58'21"E 105.97 feet, thence S 38°50'02"W 203.92 feet, thence S 83°42'39"W 163.45 feet to the west line of the SE1/4 NW1/4 of said Section 25, thence N 00°00'00" 1092.49 feet along said line to a point of beginning, said excepted tract containing 5.284 acres; all in Section 25, Township 75 North, Range 30 West of the 5th P.M. in Adair County, Iowa; AND

The Southeast Quarter (SE ¼) of the Northeast Quarter (NE ¼) and the Northeast Quarter (NE ¼) of the Southeast Quarter (SE ¼) of Section Twenty-five (25) in Township Seventy-five (75) North, Range 30 West of the Fifth P.M., Adair County, Iowa, except the following described Auditor's Parcel "A"

Auditor's Parcel "A" in part of the Southeast Quarter (SE ¼) of the Northeast Quarter (NE ¼) of Section 25, Township 75 North, Range 30 West of the 5th P.M., Adair County, Iowa, more particularly described by survey as follows:

Commencing as a point of reference the East ¼ corner of said Section 25, thence North 00°00'00" East, along the East Line of said NE ¼, 443.50 feet to the point of beginning, Thence South 90°00'00" West, 280.24 feet,

Thence North 52°54'37" West, 68.99 feet,

Thence North 00°00'00" East, 231.97 feet,

Thence North 90°00'00" East, 12.00 feet,

Thence North 00°00'00" East 594.93 feet,

Thence North 89°32'21" East, 322.92 feet,

Thence South 00°00'00" West, 868.45 feet to the point of beginning said tract contains 6.483 acres including 0.658 acres of road right of way

Parcel 3. SE ½ of SE ¼ Sec 32 Webster Plat, Madison County, Iowa; T-75-N, R-29-W; comprising 76 acres.

Parcel 4. SW ½ of SW ¼ Sec 33 Webster Plat, Madison County, Iowa; T-75-N; R-29-W; comprising 80 acres.

The East Half of the Southeast Quarter (E1/2 SE1/4) of Section Thirty-two (32) and West Half of the Southwest Quarter (W1/2 SW1/4) of Section Thirty-three (33), all in Township Seventy-five (75) North, Range Twenty-nine (29) West of the 5th P.M., Madison County, Iowa

Parcel 5. SW ¼, NE ¼, SW ¼ Sec 31 Webster Plat, Madison County, Iowa; T-75-N, R-29-W; comprising 385 acres

The West 101.28 acres of the Southwest Fractional Quarter (1/4) of Section Thirty-one (31), in Township Seventy-five (75) North, Range Twenty-nine (29) West of the 5th P.M., Madison County, Iowa

Parcel 6. NE ¼ of Sec 30 Webster Plat, Madison County, Iowa; T-75-N, R-29-W; comprising 170 acres.

The Northeast Quarter (1/4) and the North 10 Acres of the Northeast Quarter (1/4) of the Southeast Quarter (1/4) of Section Thirty (30) in Township Seventy-five (75) North, Range Twenty-nine (29) West of the 5th P.M., Madison County, Iowa

Parcel 7. SW ½ of SE ¼ Sec 30 Webster Plat, Madison County, Iowa; T-75-N, R-29-W; comprising 80 acres.

The West Half of the Southeast Quarter (W1/2 SE1/4) of Section Thirty (30) in Township Seventy-Five (75) North, Range Twenty-Nine (29) West of the 5th P.M., Madison County, Iowa